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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Before The  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D. C. 20554

In re Applications of	)	MM No. 93-41
	)	
TRIAD FAMILY NETWORK, INC.	)	BPED-910227MD
Winston-Salem, North Carolina	)	
Channel 207C3	)	
	)	
POSITIVE ALTERNATIVE RADIO, INC.	)	BPED-911119MC
Asheboro, North Carolina	)	
Channel 207A	)	
	)	
For Construction Permit for a	)	
New Noncommercial Educational	)	
FM Station	)	

To: Administrative Law  
Judge Joseph P. Gonzalez

**OPPOSITION TO  
PETITION TO ENLARGE ISSUES**

Triad Family Network, Inc. ("Triad"), by its attorneys, hereby opposes the Petition to Enlarge Issues filed by Positive Alternative Radio, Inc. ("Radio"), on April 8, 1993. In support of its position, Triad submits the following:

Radio alleges that Triad was financially unqualified at the time it filed its application and allegedly falsely certified to its qualifications. It bases this assertion solely on the insertion by Triad in its application of a letter, dated February 4, 1991, from Mark E. Nichols, Vice President, Southern National Bank of North Carolina ("Southern National"). That letter, which attests to the fact that Triad President and Director, Philip T. Watson<sup>1/</sup> has had an excellent financial relationship with Southern

<sup>1/</sup> Mr. Watson completed and signed Triad's application.

National,<sup>2/</sup> states on its face that the letter is not intended to be a loan commitment. Mr. Nichols states that Southern National will entertain "additional financing requests" from Mr. Watson. See Exhibit A.

Radio's request for financial and false certification issues is premised on Mr. Nichols' language. Radio cites nothing more in support of its petition. Yet, Radio conveniently overlooks the fact that Mr. Nichols goes on later in his letter to explain that, with respect to the "additional financing" to which he has previously alluded, "Mr. Watson has made appropriate plans to secure any additional funds needed from outside sources, other than the bank." Thus, contrary to the inference which Radio seeks to attach, it is quite obvious from Mr. Nichols' express language in his February 4, letter that Triad and Philip Watson are not relying on Southern National for construction funds. The letter could hardly be clearer in its affirmation that such funds are being provided by "outside sources other than [Southern National] bank."

Despite clear language to the contrary, Radio seeks to read Mr. Nichols' letter entirely out of context in a way most beneficial to its case. Yet, as noted, Radio offers nothing more than its contorted reading in support of its position. Radio's

against Triad where none are warranted.

Attached hereto is a Sworn Statement from Mark E. Nichols (Attachment B) explaining that his February 4, 1991, letter was written at the request of Triad President Philip Watson in order to demonstrate that Southern National knew of Triad's plans to apply for a non-commercial educational FM station<sup>3/</sup> and that Southern National was familiar with the financial position of Philip Watson

letter which he would have recommended be issued had Mr. Watson requested.

Mr. Nichols statement is confirmed by the Sworn Statement of Philip T. Watson (Attachment C) that he asked Mark Nichols to write a letter in connection with Triad's application to evidence to the Commission that Watson had a prior financial relationship with the bank. The letter which Mr. Watson included in his application, without the benefit of counsel, was not offered to evidence Triad's financial qualifications, since bank financing had always been considered as a backup form of financing.

While Triad has no obligation to demonstrate its financial qualifications without being requested to do so by the Commission, since Radio has sought to raise a question, Triad is supplying documentation of its past and current ability to construct and

RR 273, 291 (1961); Los Angeles United School District, 30 FCC 2d 547, 550 (Rev. Bd. 1971), recon. denied, FCC 71-1076, released October 14, 1971.

Whether measured by a stringent or relaxed standard, Triad must be considered financially qualified. Triad had at the time it filed and still maintains access to more than necessary funds to complete construction and initially operate its proposed FM non-commercial educational station. In order to demonstrate financial fitness, applicants may rely upon alternative sources of financing. As Philip Watson states in his Sworn Statement, Triad intends to reply upon loans from private individuals.

Philip Watson already operates one station, WBFJ, Winston-Salem, North Carolina, holding a majority interest in that facility, and, as such, has knowledge of the costs of operating a broadcast station. He was involved in the installation of new studio facilities for WBFJ which are also available for use by the new FM facility.<sup>4/</sup> In his position as a broadcast operator, he has had numerous conversations with vendors as well as engineering consultants. He already owns a broadcast tower which is being used by WBFJ and is available to the new FM facility. Based on the knowledge acquired by Mr. Watson as well as the existing facilities

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<sup>4/</sup> The fully operational stereo studio can be used for FM operation without modification. The studio features, inter alia, appropriate mixing console, microphones, compact disc players, cartridge tape equipment, reel tape equipment, cassette tape equipment, and telephone interfaces. See Attachment C (Sworn Statement of Philip T. Watson).

available to the proposed FM station, Mr. Watson concluded prior to filing Triad's application that the estimated cost of construction and initial operation for the proposed FM facility would be \$36,000.00.<sup>5/</sup> See Attachment C (Sworn Statement of Philip T. Watson).

Both Philip T. Watson and his father, Dr. Harvey L. Watson, have agreed to extend a loan to Triad in an amount of up to \$40,000.00 (\$36,000.00 plus a 10% cushion) for the purpose of funding the construction and initial operation of Triad's proposed station. Both Mr. Watson and Dr. Watson have provided sworn statements plus personal financial statements to demonstrate their financial abilities to make such a loan. See Attachments C and D. Those statements demonstrate that Mr. Watson and Dr. Watson have sufficient net liquid assets to make a \$40,000.00 loan to Triad.

Moreover, while Mr. Watson's and Dr. Watson's net liquid assets themselves exceed those necessary to fund a \$40,000.00 loan, their non-liquid assets would yield several times the value of the required amount. The Commission has repeatedly held that non-liquid assets several times the value of the cash which such assets are relied upon to yield provide reasonable assurance of the

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<sup>5/</sup> It is noted that Radio has estimated the cost for construction of a new FM non-commercial educational facility will run as low as \$24,840.00 and as high as \$49,370.00. See Radio Opposition to First Petition to Enlarge Issues, filed April 21, 1993, at p. 10. Because Mr. Watson has already constructed a studio which was built with the idea that an FM station would someday be operational and would be located there, Triad can construct its station less expensively than would otherwise be the case.

ability to secure the required funds. See Real Life Educational Foundation of Baton Rouge, Inc., FCC 93-181, released April 16, 1993; Cannon's Point Broadcasting Co., 93 FCC 2d 643, 647 (Rev. Bd. 1983); International Broadcasting Co., 3 FCC 2d 449, 451 (Rev. Bd. 1966); Ocean County Radio Broadcasting Co., 5 RR 2d 996, 998 (Rev. Bd. 1965); United Artists Broadcasters, Inc., 4 RR 2d 453, 458-59 (Rev. Bd. 1964). Here, Mr. Watson and Dr. Watson maintain non-liquid assets over 27 times the amount required to construct and initially operate Triad's proposed facility (\$1,096,000.00 versus \$40,000.00). At the time of the application filing, they maintained non-liquid assets over 25 times the amount required to construct and operate (\$1,024,372.000 versus \$40,000.00). The Commission cannot seriously question the ability of Triad to secure the required funds in view of these sums. Triad will have vastly more than sufficient funds to construct and operate its proposed FM station.

Radio's request for a certification issue is equally lacking in merit. Misrepresentation and candor both require the element of wilfulness. Additionally, there must be a motive to mislead or deceive. See Fox River Broadcasting, Inc., 93 FCC 2d 127, 130 (1983). Here, Triad provided the Commission in its application with the very document which Radio states is evidence of financial misrepresentation. There could hardly be a less deceptive act. Moreover, it is clear from the language of the February 4, 1991, letter, and those sworn statements provided herein, that Triad was not even relying on bank financing to fund construction and initial

operation of its proposed station.<sup>6/</sup>

It is clear that Philip Watson acted in a responsible and thorough manner in completing and signing Triad's application. He spoke with engineering consultants and equipment vendors prior to determining the cost of construction and operation, then reviewed his own financial position as well as his father's prior to certifying. Mr. Watson is a professional accountant and is, therefore, eminently qualified to reach financial conclusions as to a broadcast applicant's financial qualifications. There was no false certification here.

Radio's accusations are frivolous. Triad is more than adequately financed to construct its proposed station. Radio's Petition to Enlarge must be denied.

Respectfully submitted,

TRIAD FAMILY NETWORK, INC.

By: Aaron P. Shainis (YPP)  
Aaron P. Shainis

By: Lee J. Peltzman  
Lee J. Peltzman  
Its Attorneys

SHAINIS & PELTZMAN  
1255 23rd Street, N. W. #500  
Washington, D. C. 20037  
202-857-2946

April 26, 1993

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<sup>6/</sup> In fact, even had Triad been mistakenly relying on that letter, which it was not, such a mistake of law would hardly be evidence of misrepresentation. See Gary D. Terrell, 5 RR 2d 1452, 1545 (Rev. Bd. 1985) (carelessness and mistake of law are entirely different matters from an intent to deceive).

ATTACHMENT A

# Southern National



February 4, 1991

Ms. Donna B. Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D. C. 20554

RE: Philip T. Watson

ATTACHMENT B

SWORN STATEMENT  
OF  
MARK E. NICHOLS

I, Mark E. Nichols, Vice President of Southern National Bank of North Carolina, state that the following Sworn Statement is true and correct to the best of my personal knowledge and belief and is made under penalty of perjury.

I am Vice President of Southern National Bank of North Carolina ("Southern National"). In that position, I have become familiar with Philip T. Watson, President and Director of Triad Family Network, Inc. ("Triad"), and a principal of Word of Life Broadcasting, Inc., licensee of Station WBFJ (AM). Sometime around January 1991, Mr. Watson asked me to write a letter on behalf of Southern National to the Federal Communications Commission ("FCC" and/or "Commission") to be included as an attachment to Triad's application for a non-commercial education FM application at Winston-Salem, North Carolina.

I wrote such a letter on February 4, 1991. The purpose of the letter was to document the fact that Southern National was familiar with the financial position of Philip Watson and that we considered him to be a customer in good standing of Southern National. The bank had at that time an ongoing financial relationship with Mr. Watson. Southern National had provided construction loan funds to Mr. Watson to build an office building which would house his accounting practice as well as Station WBFJ and a proposed FM facility. We were aware of Mr. Watson's and Triad's plans to apply for a non-commercial educational FM station. My allusion to an "FM station" in my February 4, 1991, statement was a shorthand reference to a non-commercial educational FM station, since Mr. Watson had previously explained to me that it was Triad's intention to apply for that type of station.

While it was not my intention in my February 4 letter to make a commitment on behalf of Southern National to loan Triad or Mr. Watson money to construct and operate a non-commercial educational FM station, had I been asked to make such a commitment, I would have recommended approval of such a loan commitment based upon my personal knowledge of Mr. Watson's finances and his previous financial history with this bank. The reason I did not make such a commitment is that none was asked. It was explained to me that it might be some time before the FCC granted Triad's application, and that, therefore, no commitment was necessary at that point. Also, as noted in my letter, it was explained to me at that time that Mr. Watson had made plans to secure funds necessary to construct the station from outside sources rather than this bank. Again, had I been asked, I would have had no problem in recommending issuance of a loan letter to Mr. Watson not unlike the one which is attached to this statement.



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Mark E. Nichols  
Vice President  
Southern National Bank of North Carolina

Date: April 22, 1993

**SAMPLE LOAN LETTER**

**Mr. Philip T. Watson  
President  
Triad Family Network, Inc.  
Station WBFJ  
1249 N. Trade Street  
Winston Salem, NC 27101**

**Dear Mr. Watson:**

**This letter will affirm the willingness of Southern National Bank of North Carolina to extend a loan to Philip T. Watson, in the amount of up to Forty Thousand Dollars (\$40,000.00), for the purpose of funding the construction and initial operation of a non-commercial educational FM station at Winston-Salem, North Carolina, in the event Triad Family Network, Inc., the applicant to which Mr. Watson is associated, is successful in obtaining the necessary authorization for such a facility from the Federal Communications Commission. Our willingness to make the requested loan is subject to the following:**

- 1. A security interest in all of the station assets (subject only to such prior interest as may be held by an equipment supplier);**
- 2. The personal guarantees of the entire indebtedness by you;**
- 3. Our review of Triad's and your financial condition at the time of taking down the loan and confirmation that there has been no adverse change in yours or Triad's financial condition;**
- 4. Repayment will be based on an amortization period of fifteen (15) years in equal monthly installments, with the interest rate being Southern National's prevailing prime interest rate plus Two Percent (2%).**

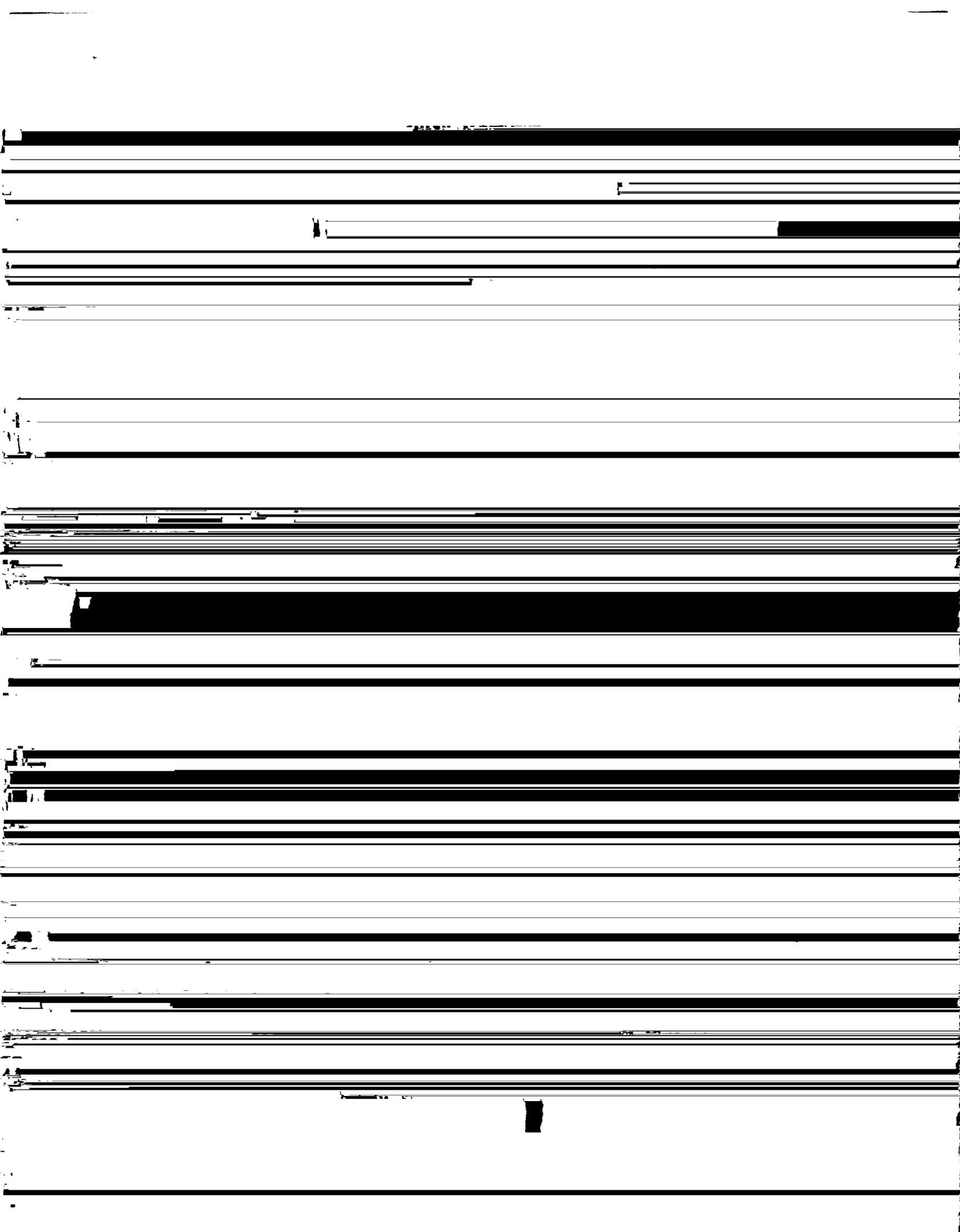
**We wish you success in your application and look forward to working with you in this new venture.**

**Sincerely,**

**Mark E. Nichols  
Vice President  
Southern National Bank  
of North Carolina**

**/tby**

ATTACHMENT C



studios for WBFJ(AM) as well as a new FM station, Mr. Nichols states that I had made "appropriate plans to secure any additional funds from outside sources, other than the bank."

It should be noted that I had not consulted with counsel relative to the inclusion of this letter in Triad's application. Thus, I was not aware that this effort was superfluous to the financial certification made by me on behalf of Triad.

Prior to completing the Triad application, I compiled a budget based on my own knowledge of operating a station plus information acquired from Triad's engineering consultants and other broadcast vendors. With that information at hand, I reviewed my and my wife's financial statement, and spoke to my father, whose financial position I am intimately familiar with, as I have served as his

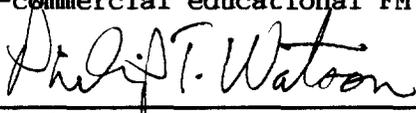
~~accountant and reviewed and approved his financial records~~

well as our current financial statement are attached to this Sworn Statement. It was our feeling at that time, as it is now, that we would be willing to extend a loan to Triad in an amount up to ~~\$40,000.00~~ (\$36,000.00 to construct and operate plus a 10% cushion) for the purpose of funding the construction and initial operation (for a period of three (3) months at least) of a non-commercial educational FM station at Winston-Salem, in the event that Triad was successful in obtaining a permit for that facility from the Commission. Terms would have been as follows: repayment would be made over a ten (10) year period in equal monthly installments (with no payment for the first three (3) months) with the interest rate being the prevailing prime interest rate. We did not require any personal guarantee nor a security interest in the station's assets.

Additionally, as noted above, I also spoke with my father prior to completing Triad's application. He also indicated a willingness to loan to Triad an amount up to ~~\$40,000.00~~ for the purpose of funding the construction and initial operation of a non-commercial educational FM station at Winston-Salem in the event that Triad was successful in obtaining the necessary authorization for that facility. A statement from my father confirming his intentions is attached hereto. Copies of his financial statements from that period and at present are attached to his Sworn Statement. Those statements reveal that my father had and still maintains significantly more than sufficient liquid assets in order to construct and operate Triad's Winston-Salem application.

Finally, it should be noted that in my discussions with Mark E. Nichols, Vice President of Southern National, Mr. Nichols was apprised and was fully aware that Triad's application was for a non-commercial educational FM station.

Date: April 23, 1993

  
\_\_\_\_\_  
Philip T. Watson  
Triad Family Network, Inc.



# PERSONAL FINANCIAL STATEMENT

March 8, 19 91  
Date of Statement

Name Philip T. & Jean B. Watson Position or Occupation Accountant  
 Residence Address 205 Timmy Lane Business Name Philip T. Watson, P.A.  
 City, State and Zip King, NC 27021 Business Address 1249 Trade Street  
 Res. Phone (919) 983-9613 Bus. Phone (919) 777-1008  
 Tax Id. No. 473-58-4936

If Joint Statement, List Below the Names of the Other Individuals Whose Assets, Liabilities and Income are Included Herein.

The information contained in this statement is provided for the purpose of obtaining, or maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in your favor. Each undersigned understands that you are relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of a change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the statements made herein, and to determine my/our creditworthiness. You are authorized to answer questions about your credit experience with me/us.

ASSETS	In Dollars (omit cents)	LIABILITIES	In Dollars (omit cents)
Cash in SNB	Est. 2,500 00	Notes payable to SNB—Secured Bldg	222,978 00
Cash on hand and in other Banks	Est. 1,000 00	Notes payable to SNB—'86 Acura	6,000 00
U. S. Gov. Securities—see schedule		Notes payable other Banks—Secured	
Listed Securities—see schedule		Notes payable other Banks—Unsecured	
Unlisted Securities—see schedule		Notes payable to others	

**SCHEDULE OF U. S. GOVERNMENTS, STOCKS AND BONDS OWNED**

Description	No. of shares or Face value of (Bonds)	In name of	*Where Traded	Market value	Pledged
N/A					

\*NYSE, ASE, OTC or NEM (No Established Market)

**SCHEDULE OF REAL ESTATE OWNED**

Location and Description (Size, type, buildings, etc.)	Date Acquired	Title in Name of	Cost + improvement	Market Value	Mortgage		
					Amount	Maturity	Mo. Paym't
1/2 Acre Brick Home -est 2400 Sq Ft.	6/74	Phil & Jean	85,000.	107,000.	13,000.	1999	194.20
				See Home	Equity below		
23 Acres	1/80	Personal	--	23,000.	-0-	-0-	-0-

**SCHEDULE OF LIFE INSURANCE CARRIED**

Amount	Name of Company	Beneficiary	Cash Surrender Value	Loans
100,000	TIAA	Jean - wife	-0-	-0-
500,000	North Western Mutual	Jean - wife	-0-	-0-
Also carry	w/ North Western Mutual	Appropriate	L.T.D. Policy	

**SCHEDULE OF ASSETS PLEDGED (Other Than Above)**

Description	Value	To Whom Pledged
	See Above	

**GIVE NAMES OF BANKS OR FINANCE COMPANIES WHERE CREDIT HAS BEEN OBTAINED**

Name	Date	High credit	Basis
Wachovia Bank - Home Equity	Est '87	Approved for	50,000.
American Express	Est '83	Est 10,000.	owe -0-
First Union Nat'l Bank	Nominal savings/checking		
All charge accounts are paid in full each month			
We have Master Card, Visa, Belk, Thalhimers, etc.			

THE UNDERSIGNED CERTIFIES THAT BOTH SIDES HEREOF AND THE INFORMATION

SUPPORTING STATEMENT REGARDING  
FINANCIAL STATEMENT  
March 8, 1991

Assets

Accounts and Notes Receivable  
30/60 Day Client Income \$15,000.00

Autos:

1985 Olds 98	5,500.00	
1983 Olds Sierra	2,500.00	
1986 Acura Legend	<u>11,500.00</u>	19,500.00

TIAA-CREF 100% Vested/Accessible  
Retirement Plan 43,000.00

Liabilities

SNB Note secured by building approximately  
49% loan to appraised value ratio 222,978.00

Payments to SNB: \$ 2,727.00 Monthly  
32,724.00 Annually

SNB Note: 1986 Acura 6,000.00  
No monthly payment required may be  
renewed at my option. Interest is added  
to loan balance.

Real Estate

1st Mortgage--1st Home Federal  
\$ 194.00 Monthly  
2,328.00 Annually 13,000.00

2nd Mortgage--Home Equity Loan--Wachovia Bank 49,000.00  
Est.--\$ 735.00 Monthly  
8,820.00 Annually

Note: Wachovia Bank requires a monthly  
payment of 1.5% of the unpaid  
balance. Funds are immediately  
accessible upon payment if the  
balance owed does not exceed  
\$50,000.00

  
Philip T. Watson

**MARTIN & ASSOCIATES**

ROBERT S. MARTIN, MAI, CRE, SREA  
CHARLES R. WOLFE, MAI  
SCOTT D. NAFF, J.D., MAI  
A. KENT MASICH

Member of:  
THE REAL ESTATE COUNSELING  
GROUP OF AMERICA, INC.  
(919) 761-0871

One Salem Tower  
119 Brookwood Avenue  
Suite 300  
Winston-Salem, NC 27101

September 13, 1990

Mr. Mark Nichols  
Southern National Bank  
8064 North Point Boulevard  
Winston-Salem, North Carolina

Re: Appraisal Report  
WBFJ Radio Office Building  
1249 Trade Street  
Winston-Salem, North Carolina

Dear Mr. Nichols:

As you requested, we have inspected the above referenced property for the purpose of estimating the market value of the fee simple interest in the property. The last date of inspection of the property was August 15, 1990, which will be considered the effective date of this appraisal report. We have analyzed information pertinent to the formulation of a value estimate and are reporting the conclusions in this report. Market value is defined in the report.

Based on our analysis of the property, it is our opinion that the best estimate of the market value of the fee simple interest in the property as of August 15, 1990, was in the order of:

TWO HUNDRED FORTY THOUSAND DOLLARS

(\$240,000)

If any additional information or further clarification is needed, please do not hesitate to contact us.

Respectfully submitted,

MARTIN & ASSOCIATES

*Chris Wright*  
CRPTS Wright  
*Robert S. Martin*

Robert S. Martin, MAI, CRE, SRA

CW:RSM:swh

**PHILIP T. WATSON, P. A.**

1240 TRADE STREET  
WINSTON-SALEM, NC 27101

TELEPHONE (919) 777-1008

Mr. Chris Wright  
Martin & Associates  
One Salem Tower  
119 Brookstown Avenue  
Suite 300  
Winston-Salem, NC 27101

September 21, 1990

Re: Appraisal Report  
Philip T. Watson  
WBFJ Radio

Dear Chris:

Attached are supporting pages with costs, description of equipment, and contents that would not be considered a part of our land or building.

Since most of the attached is new, we have given cost or if used, a conservative replacement cost. In a few instances we have given an estimated book value.

Category #1 - General Equipment contents in Building:	\$ 67,895.00
Category #2 - Radio Broadcasting Equipment in Building	88,868.00
Category #3 - Other Equipment (inside & outside)	60,176.00
TOTAL	<u>\$216,939.00</u>

Chris, please let me know if you need anything further. We will try to provide it as soon as possible.

Just a reminder that the building, land and associated equipment is in Philip T. and Jean B. Watson for all practical purposes.

I will await to hear from you.

Sincerely,



Philip T. Watson

**PERSONAL FINANCIAL STATEMENT**

 April 16, 19 93  
 Date of Statement

Name Philip T. & Jean B. Watson Position or Occupation Accountant  
 Residence Address 205 Timmy Lane Business Name Philip T. Watson, P.A.  
 City, State and Zip King NC 27021 Business Address 1249 Trade Street  
 Res. Phone (919) 983-9613 Bus. Phone (919) 777-1008  
 Tax Id. No. 473-58-4936

If Joint Statement, List Below the Names of the Other Individuals Whose Assets, Liabilities and Income are Included Herein.

The information contained in this statement is provided for the purpose of obtaining, or maintaining credit with you on behalf of the undersigned, or persons, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in your favor. Each undersigned understands that you are relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that you may consider this statement as continuing to be true and correct until a written notice of a change is given to you by the undersigned. You are authorized to make all inquiries you deem necessary to verify the accuracy of the statements made herein, and to determine my/our creditworthiness. You are authorized to answer questions about your credit experience with me/us.

ASSETS		In Dollars (omit cents)	LIABILITIES		In Dollars (omit cents)
Cash in SNB		24,255 00	Notes payable to SNB—Secured		204,065 00
Cash on hand and in other Banks (1)		1,871 00	Notes payable to SNB—Unsecured		
U. S. Gov. Securities—see schedule			Notes payable other Banks—Secured		0 00
Listed Securities—see schedule			Notes payable other Banks—Unsecured		0 00
Unlisted Securities—see schedule			Notes payable to others (5)		16,658 00
Accounts and Notes Receivable Due from relatives and friends			Notes payable to relatives		
Accounts and Notes Receivable Due from others—good (2)		32,125 00	Accounts and bills due		
Accounts and Notes Receivable Doubtful		1,500 00	Due to brokers		0 00
Real Estate owned—see schedule		127,700 00	Unpaid Income Tax		0 00
Real Estate Mortgages Receivable		0 00	Other unpaid taxes and interest		
Automobiles and other Personal Property (3)		29,500 00	Real Estate Mortgages payable—see schedule (6)		9,628 00
Cash Value — Life Insurance			Other debts—itemize (7)		49,814 00
Other assets - itemize					
(4) Grand total		740,600 00			
(For numbered items see supporting stmt attached)			TOTAL LIABILITIES		280,165 00
TOTAL ASSETS			NET WORTH		677,386 00
957,551 00			TOTAL LIAB. & NET WORTH		957,551 00

SOURCES OF INCOME		PERSONAL INFORMATION	
Salary	\$	Do you have a will? <u>Yes</u>	
Bonus and Commissions	\$	If so, Name of Executor <u>C. Wesley Flippin (1st)</u>	
Dividends	\$	<u>Harvey L. Watson (2nd)</u>	
Real Estate Income <u>Lease income WBRJ</u>	\$ 27,000	Partner or officer in any other venture? <u>NO</u> If so, describe:	
Other Income (itemize): <u>Schedule C</u> \$ 75,000		Complete on Secured Requests Only	
TOTAL \$ 102,000		<input checked="" type="checkbox"/> Married <input type="checkbox"/> Unmarried <input type="checkbox"/> Separated	
		Children <u>2</u> Dependents	

CONTINGENT LIABILITIES		GENERAL INFORMATION	
As endorser, comaker or guarantor	\$ N/A	Are you defendant in any suits <u>No</u>	
On leases or contracts	\$ N/A	or legal actions? <u>No</u>	
Legal claims	\$ N/A	Personal Bank Accounts carried at <u>Southern National</u>	
Provision for Federal Income Taxes	\$ Paid up	Have you ever taken bankruptcy? <u>NO</u> Explain:	
Other special debt	\$ -0-		