

Chuck's tax returns for his first two years of trading

SCHEDULE D (Form 1040)
 Dept. of the Treasury Internal Revenue Service
Capital Gains and Losses and Reconciliation of Forms 1099-B
 Attach to Form 1040. See instructions for Sch. D (Form 1040).
 OMB No. 1545-0074
1985
 12
 Your social security number

Name(s) as shown on Form 1040
 Charles and Catherine Hughes

Part I Summary of Forms 1099-B for Sales of Stocks, Bonds, Etc.

1a Report here and on line 37, Part VII, page 2, total sales of stocks, bonds, etc., reported for 1985 by your broker to you on Form(s) 1099-B or an equivalent substitute statement(s), such as a broker's confirmation statement. Also complete Part VII if you received one or more Form(s) 1099-B or equivalent statement(s) for 1985, for bartering income.

1a 33,204

Part II Short-term Capital Gains and Losses—Assets Held Six Months or Less (one year or less if acquired before 6/23/84)

(a) Description of Property (Examples: 100 shares 7% preferred of XYZ Co.)	(b) Date acquired (Mo., Day, Yr.)	(c) Date sold (Mo., Day, Yr.)	(d) Sales price (See instructions)	(e) Cost or other basis (See instructions)	(f) LOSS If (d) is more than (e) subtract (d) from (e)	(g) GAIN If (e) is more than (d) subtract (e) from (d)
From Form 6781 Option Trading	01/01/85					
From Form 6781 Option Trading	02/25/85					
WOB	12/05/84	02/10/85	4,008	0	0	2,923
		02/05/85	897	0	0	646
						977
						646
						80

2 Short-term gain from sale or exchange of a principal residence from Form 2119, lines 6 or 12 3
 3 Short-term gain from installment sales from Form 6252, lines 22 or 30 4
 4 Net short-term gain or (loss) from partnerships, S corporations, and fiduciaries 5
 5 Add lines 10 through 4 in column (f) and (g) 6
 6 Combine columns (f) and (g) of line 5 and enter the net gain or (loss) 7
 7 Short-term capital loss carryover from years beginning after 1969 8
 8 Net short-term gain or (loss), combine lines 6 and 7 (720)

Part III Long-term Capital Gains and Losses—Assets Held More Than Six Months (one year or less if acquired before 6/23/84)

(a) Description of Property (Examples: 100 shares 7% preferred of XYZ Co.)	(b) Date acquired (Mo., Day, Yr.)	(c) Date sold (Mo., Day, Yr.)	(d) Sales price (See instructions)	(e) Cost or other basis (See instructions)	(f) LOSS If (d) is more than (e) subtract (d) from (e)	(g) GAIN If (e) is more than (d) subtract (e) from (d)
From Form 6781 Option Trading	01/01/85					
Century Funds	10/21/84					
			28,292	0	0	28,292

9 Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries 10
 10 Long-term gain from sale or exchange of a principal residence from Form 2119, lines 6, 8 or 12 11
 11 Long-term gain from installment sales from Form 6252, lines 22 or 30 12
 12 Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries 13
 13 Capital gain distributions 14
 14 Enter gain from Form 6781, lines 6 or 8b 15
 15 Combine lines 14 through 16 16
 16 Long-term capital loss carryover from years beginning after 1969 17
 17 Net long-term gain or (loss), combine lines 6 and 7 27,971

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 OMB No. 1545-0074
1986
 12
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 Charles and Catherine Hughes

1 Report here total sales of stocks, bonds, etc., reported for 1986 by your broker to you on Form(s) 1099-B or an equivalent substitute statement(s). If this amount differs from the total of lines 2a and 3b, column (g), attach a statement explaining the difference. See the instructions for line 1, Schedule D (Form 1040) for examples.

1 9,245

Part I Short-term Capital Gains and Losses—Assets Held Six Months or Less

(a) Description of Property (Examples: 100 shares 7% preferred of XYZ Co.)	(b) Date acquired (Mo., Day, Yr.)	(c) Date sold (Mo., Day, Yr.)	(d) Sales price (See instructions)	(e) Cost or other basis (See instructions)	(f) LOSS If (d) is more than (e) subtract (d) from (e)	(g) GAIN If (e) is more than (d) subtract (e) from (d)
From Form 6781 Option Trading						156,454

2a Total (add column (g)) 156,454

2b Other Transactions:

3 Short-term gain from sale or exchange of a principal residence from Form 2119, lines 6 or 12 3
 4 Short-term gain from installment sales from Form 6252, lines 22 or 30 4
 5 Net short-term gain or (loss) from partnerships, S corporations, and fiduciaries 5
 6 Short-term capital loss carryover from years beginning after 1969 6
 7 Add all of the transactions on lines 2a and 2b and lines 3 through 6 in column (f) and (g) 7
 8 Net short-term gain or (loss), combine columns (f) and (g) of line 7 156,454

Part II Long-term Capital Gains and Losses—Assets Held More Than Six Months

(a) Description of Property (Examples: 100 shares 7% preferred of XYZ Co.)	(b) Date acquired (Mo., Day, Yr.)	(c) Date sold (Mo., Day, Yr.)	(d) Sales price (See instructions)	(e) Cost or other basis (See instructions)	(f) LOSS If (d) is more than (e) subtract (d) from (e)	(g) GAIN If (e) is more than (d) subtract (e) from (d)
From Form 6781 Option Trading	11/03/84	09/25/86	6,331	5,101	0	587
Lincoln Fund	12/05/84	05/12/86	2,914	2,327	0	587

9 Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries 10
 10 Long-term gain from sale or exchange of a principal residence from Form 2119, lines 6, 8 or 12 11
 11 Long-term gain from installment sales from Form 6252, lines 22 or 30 12
 12 Net long-term gain or (loss) from partnerships, S corporations, and fiduciaries 13
 13 Capital gain distributions 14
 14 Enter gain from Form 6781, lines 6 or 8b 15
 15 Combine lines 14 through 16 16
 16 Long-term capital loss carryover from years beginning after 1969 17
 17 Net long-term gain or (loss), combine lines 6 and 7 234,680

14	41,438
15	36,505
16	113
17	36,505
18	36,505
19	36,505