

2008 TAX RETURN

Client Copy

Client: SHN

Prepared for: SHN Payback, Inc.
20 Lambourne Road Suite #221
Towson, MD 21204

Prepared by: Rita Mason
Michael S. Hawes & Associates
4168 Douglas Blvd Suite 300
Granite Bay, CA 95746
(916) 791-9095

Date: January 4, 2010

Comments:

Route to: _____

2008 Exempt Org. Return
prepared for:

SHN Payback, Inc.
20 Lambourne Road Suite #221
Towson, MD 21204

Michael S. Hawes & Associates
4168 Douglas Blvd Suite 300
Granite Bay, CA 95746

Michael S. Hawes & Associates
4168 Douglas Blvd Suite 300
Granite Bay, CA 95746
(916) 791-9095

Client SHN
January 4, 2010

SHN Payback, Inc.
20 Lambourne Road #221
Towson, MD 21204

FEDERAL FORMS

Form 990-EZ
Form 8868

2008 Return of Organization Exempt from Income Tax
Application for Extension

FEE SUMMARY

Preparation Fee

SHN Payback, Inc.

26-1516486

FORM 990-EZ REVENUE

Contributions, gifts, and grants.....	1,100
Program service revenue.....	76,001
Investment income.....	526
Total revenue.....	77,627

EXPENSES

Printing, publications, and postage.....	240
Other expenses.....	54,432
Total expenses.....	54,672

NET ASSETS OR FUND BALANCES

Excess or (deficit) for the year.....	22,955
Net assets/fund bal. at beg. of year.....	0
Net assets/fund bal. at end of year.....	22,955

2008

General Information

Page 1

SHN Payback, Inc.

26-1516486

Forms needed for this return

Federal : 990-EZ, 8868

Carryovers to 2009

None

Short Form Return of Organization Exempt From Income Tax

2008

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code
(except black lung benefit trust or private foundation)

G Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other org- anizations with gross receipts less than \$1,000,000 and total assets less than \$2,500,000 at the end of the year may use this form.

G The organization may have to use a copy of this return to satisfy state reporting requirements.

Department of the Treasury
Internal Revenue Service

Open to Public
Inspection

A For the 2008 calendar year, or tax year beginning _____, 2008, and ending _____,

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C SHN Payback, Inc. 20 Lambourne Road #221 Towson, MD 21204	D Employer identification number <div style="border: 1px solid black; padding: 2px;">26-1516486</div> E Telephone number <hr/> F Group Exemption Number G
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------	--------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

? Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Accounting method: Cash Accrual
Other (specify) **G**

I Website: **G** www.shnpayback.com

H Check **G** if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

J Organization type (check only one) ' 501(c) (5) **H** (insert no.) 4947(a)(1) or 527

K Check **G** if the organization is not a section 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if \$1,000,000 or more, file Form 990 instead of Form 990-EZ. **G**\$ 77,627.

Part I		Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)	
R E V E N U E	1 Contributions, gifts, grants, and similar amounts received	1	1,100.
	2 Program service revenue including government fees and contracts	2	76,001.
	3 Membership dues and assessments	3	
	4 Investment income	4	526.
	5a Gross amount from sale of assets other than inventory	5a	
	b Less: cost or other basis and sales expenses	5b	
	c Gain or (loss) from sale of assets other than inventory (Subtract ln 5b from ln 5a) (att sch)	5c	
	6 Special events and activities (complete applicable parts of Schedule G). If any amount is from gaming, check here <input type="checkbox"/> G		
	a Gross revenue (not including \$ _____ of contributions reported on line 1)	6a	
b Less: direct expenses other than fundraising expenses	6b		
c Net income or (loss) from special events and activities (Subtract line 6b from line 6a)	6c		
7a Gross sales of inventory, less returns and allowances	7a		
b Less: cost of goods sold	7b		
c Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)	7c		
8 Other revenue (describe G _____)	8		
9 Total revenue (add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8)	G 9	77,627.	
E X P E N S E S	10 Grants and similar amounts paid (attach schedule)	10	
	11 Benefits paid to or for members	11	
	12 Salaries, other compensation, and employee benefits	12	
	13 Professional fees and other payments to independent contractors	13	
	14 Occupancy, rent, utilities, and maintenance	14	
	15 Printing, publications, postage, and shipping	15	240.
	16 Other expenses (describe G <u>See Statement 1</u>)	16	54,432.
17 Total expenses (add lines 10 through 16)	G 17	54,672.	
18 Excess or (deficit) for the year (Subtract line 17 from line 9)	18	22,955.	
A S S E T S	19 Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)	19	0.
	20 Other changes in net assets or fund balances (attach explanation)	20	
	21 Net assets or fund balances at end of year. Combine lines 18 through 20	G 21	22,955.

Part II Balance Sheets. If Total assets on line 25, column (B) are \$2,500,000 or more, file Form 990 instead of Form 990-EZ.

(See the instructions for Part II.)

		(A) Beginning of year	(B) End of year
22	Cash, savings, and investments	22	22,973.
23	Land and buildings	23	
24	Other assets (describe G _____)	24	
25	Total assets	0. 25	22,973.
26	Total liabilities (describe G <u>See Statement 2</u>)	0. 26	18.
27	Net assets or fund balances (line 27 of column (B) must agree with line 21)	0. 27	22,955.

Part V Other Information (Note the statement requirement in General Instruction V.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity.		X
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.		X
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but not reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.		
a	Did the organization have unrelated business gross income of \$1,000 or more or 6033(e) notice, reporting, and proxy tax requirements?		X
b	If 'Yes,' has it filed a tax return on Form 990-T for this year?		
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' complete applicable parts of Schedule N.		X
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. G <u>37a</u> 0.		
b	Did the organization file Form 1120-POL for this year?		X
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee or were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		X
b	If 'Yes,' complete Schedule L, Part II and enter the total amount involved. 38b N/A		
39	501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on line 9. 39a N/A		
b	Gross receipts, included on line 9, for public use of club facilities. 39b N/A		
40a	501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 G <u>N/A</u> ; section 4912 G <u>N/A</u> ; section 4955 G <u>N/A</u>		
b	501(c)(3) and (4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' complete Schedule L, Part I. 40b		
c	Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. G <u>0</u> .		
d	Enter amount of tax on line 40c reimbursed by the organization. G <u>0</u> .		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If 'Yes,' complete Form 8886-T. 40e		X
41	List the states with which a copy of this return is filed G <u>None</u>		

42a The books are in care of G Margaret Ingles Telephone no. G _____
 Located at G 20 Lambourne Road #221 Towson MD ZIP + 4 G 21204

		Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If 'Yes,' enter the name of the foreign country: . . . G _____		X
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of a Foreign Bank and Financial Accounts.			
c	At any time during the calendar year, did the organization maintain an office outside of the U.S.? If 'Yes,' enter the name of the foreign country: . . . G _____		X

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of Form 1041 - Check here G N/A
 and enter the amount of tax-exempt interest received or accrued during the tax year. G 43 N/A

		Yes	No
44	Did the organization maintain any donor advised funds? If 'Yes,' Form 990 must be completed instead of Form 990-EZ. 44		X
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If 'Yes,' Form 990 must be completed instead of Form 990-EZ. 45		X

Part VI Section 501(c)(3) organizations only. All section 501(c)(3) organizations must answer questions 46-49 and complete the tables for lines 50 and 51.

	Yes	No
46 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I.	46	
47 Did the organization engage in lobbying activities? If 'Yes,' complete Schedule C, Part II.	47	
48 Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E.	48	
49a Did the organization make any transfers to an exempt non-charitable related organization?	49a	
b If 'Yes,' was the related organization(s) a section 527 organization?	49b	

50 Complete this table for the five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and address of each employee paid more than \$100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances

Total number of other employees paid over \$100,000. G				

51 Complete this table for the five highest compensated independent contractors who each received more than \$100,000 of compensation from the organization. If there is none, enter 'None.'

(a) Name and address of each independent contractor paid more than \$100,000	(b) Type of service	(c) Compensation

Total number of other independent contractors receiving over \$100,000. G		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here:
 G _____ | Date _____
 Signature of officer
 G _____
 Type or print name and title.

Paid Preparer's Use Only:
 Preparer's signature: G Ri ta Mason | Date _____ | Check if self-employed: G | Preparer's Identifying Number (See instructions): P00876695
 Firm's name (or yours if self-employed), address, and ZIP + 4: G Mi chael S. Hawes & Associates | EIN: G 68-0154875
 G 4168 Dougl as Bl vd Sui te 300 | Phone no. G (916) 791-9095
 G Grani te Bay, CA 95746

May the IRS discuss this return with the preparer shown above? See instructions. G Yes No

BAA Form 990-EZ (2008)

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

G File a separate application for each return.

? If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box G

? If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension ' check this box and complete Part I only G

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization SHN Payback, Inc.	Employer identification number 26-1516486
File by the due date for filing your return. See instructions.	Number, street, and room or suite number. If a P.O. box, see instructions. 20 Lambourne Road #221	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Towson, MD 21204	

Check type of return to be filed (file a separate application for each return):

- | | | |
|-------------------------------------------------|----------------------------------------------------------------------|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input checked="" type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

? The books are in the care of G Margaret Ingles -----

Telephone No. G ----- FAX No. G -----

? If the organization does not have an office or place of business in the United States, check this box G

? If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . G . If it is for part of the group, check this box . G and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15, 20 09, to file the exempt organization return for the organization named above.

The extension is for the organization's return for:

- G calendar year 20 08 or
G tax year beginning _____, 20 _____, and ending _____, 20 _____.

2 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$	0.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$	0.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

SHN Payback, Inc.

26-1516486

Statement 1
Form 990-EZ, Part I, Line 16
Other Expenses

Advertising and Promotion.....	\$	4,079.
Awards.....		936.
Bank charges.....		28.
Dues and subscriptions.....		75.
Miscellaneous.....		1,500.
Office Expenses.....		66.
Paypal fees.....		215.
Prize money.....		46,019.
Refunds.....		1,301.
Web site.....		213.
	Total	<u>\$ 54,432.</u>

Statement 2
Form 990-EZ, Part II, Line 26
Total Liabilities

	<u>Beginni ng</u>	<u>Endi ng</u>
Accounts Payable and Accrued Expenses.....	\$ 0.	\$ 18.
Total	<u>\$ 0.</u>	<u>\$ 18.</u>

Statement 3
Form 990-EZ, Part III
Organization's Primary Exempt Purpose

To encourage and improve the breeding, development, and exhibiting of Arabian-bred sport horses through a system of awards; to promote Arabian-bred sport horses through education and advertising in various publications and a weekly newsletter.