EXHIBIT E

Pending State Tax Litigation Cases of the Arkansas Department of Finance and Administration

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Carrothers Construction Company, LLC v. Richard Weiss, Pulaski Circuit CV2007-15814, refiled as 60CV-10-6101.

The issues in the case concern the manufacturing machinery and equipment exemption. The Plaintiff is engaged in the business of constructing water purification plants to generate potable water that is sold by municipalities to their residents. The Plaintiff claims that the water purification plants perform "manufacturing or processing activities" and therefore the Plaintiff's purchases of machinery and equipment to be used in the water purification process are exempt under the manufacturing exemption, Ark. Code Ann. § 26-52-402. The Department assessed use tax in the amount of $94,994.89 for the audit period, plus interest. Plaintiff paid the amount of $5,191.16 (one period) and is challenging the assessment through the refund process. On May 29, 2015, a hearing was held to consider Plaintiff's motion for summary judgment. On June 22, 2015, the trial court entered its order granting summary judgment in Plaintiff's favor. On July 20, 2015, DFA filed its Notice of Appeal. The record of the proceedings has not yet been filed with the Clerk of the Arkansas Supreme Court/Court of Appeals.

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Cross Oil Refining and Marketing, Inc. v Weiss, Union Circuit CV-2008-0320-6.

The issue in this case is whether natural gas used by Cross Oil as fuel in its refining (manufacturing) process is exempt as a chemical used in manufacturing pursuant to Ark. Code Ann. § 26-52-401(35)(A). The Plaintiff contends that Ark. Gross Receipts Rule GR-55.1 restricts the exemption for chemicals used in manufacturing by requiring that the chemicals be used "directly" in manufacturing and that this restriction is contrary to the statutory exemption. Plaintiff is seeking a refund of $1,102,652.41 in tax paid on purchases of natural gas. The Department's answer was filed on September 16, 2008. The parties are engaged in discovery.

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New Cingular Wireless PCS LLC and AT&T Mobility Wireless Operations Holding, Inc., successor to Pine Bluff Cellular, Inc. v. Weiss, Pulaski Circuit No. 60 CV 2014-1722.

On November 19, 2010, the Plaintiffs submitted a request for refund of sales taxes that the Plaintiffs collected from its customers on Internet access charges that it billed to its customers between November 1, 2005 and September 31, 2010. DFA did not deny or pay the refund claims. The refund claims arise from a consolidated federal class action lawsuit filed against various AT&T entities in *In Re: AT&T Mobility Wireless Data Services Sales Tax Litigation*, U.S. District Court, Northern District of Illinois, Case No. 1:10-cv-02278, wherein it was alleged that AT&T charges for Internet access violated the Internet Tax Freedom Act, Public Law 105-

277, October 21, 1998. DFA was not a party to the class action litigation. Pursuant to a the requirements of a settlement agreement of the class action litigation, AT&T was required to assist in the process of requesting refunds of the taxes that were paid by AT&T to the various states, including Arkansas.

On May 2, 2014, the Plaintiffs filed this lawsuit requesting a refund of the taxes collected and remitted by Plaintiffs. In their lawsuit, the Plaintiffs claim that Arkansas law did not assess sales taxes on Internet access charges, and therefore, the payment of taxes was made in error. On May 29, 2014, DFA filed its motion to dismiss wherein DFA argued that the Plaintiffs' requests for refunds were prohibited, in part, by the statute of limitations, that Plaintiffs' refund request did not comply with the Arkansas Tax Procedure Act, and that Plaintiffs failed to obtain the proper consent to make the refunds from the claimants in the class action litigation, among other arguments. After an amendment to Plaintiffs' complaint was made, DFA renewed its motion to dismiss on July 29, 2014. The court held a hearing on the motion on December 3, 2014 and entered a decision denying DFA's motion on December 9, 2014. According to Plaintiffs' amended complaint, the amounts of the tax refund claims asserted by the Plaintiffs are $16,511,235.40 (on behalf of New Cingular Wireless PCS LLC) and $441,678.48 (on behalf of AT&T Mobility Wireless Operations Holdings, Inc.).

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Welspun Tubular, LLC v. Weiss, Pulaski Circuit 60 CV 2014-2712.

Plaintiff manufactures steel pipes for use in the distribution and transportation of oil and natural gas. During the manufacturing process, the pipes are scrubbed or graded to prepare them to be coated with an epoxy paint that prevents corrosion and rust. To grade the pipe, the Plaintiff uses a blasting process in which it propels steel grit, which are essentially small steel pellets, at the pipe at a high velocity. In its lawsuit filed on July 11, 2014, the Plaintiff claims the steel grit is exempt from tax as manufacturing equipment pursuant to Ark. Code Ann. § 26-52-402. In order to qualify for this exemption, the grit must possess some degree of complexity and continuing utility pursuant to Arkansas Supreme Court precedent in *Ragland v. Dumas*, 292 Ark. 515, 732 S.W.2d 118 (1987). It is DFA's position that the grit does not possess the requisite complexity and continuing utility in order to be exempt. In the lawsuit, the Plaintiff has requested a refund of $28,837.50 in sales tax and $473,803.02 in use tax. DFA filed its answer on September 4, 2014.

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Alert Alarm Systems, Inc. v Weiss, Sebastian Circuit CV-13-0323.

Alert Alarms challenged an assessment of tax made in an audit by paying the tax for one period and filing suit for a refund of the tax paid. Additionally, the taxpayer's complaint includes a count for an injunction to enjoin DFA from attempts to collect the balance of the unpaid assessment. The issue in this case is whether DFA correctly assessed tax against the plaintiff for materials that plaintiff purchased and installed in connection with its alarm installation and monitoring business for which no tax was paid, either to vendors or remitted by the plaintiff. The amount of the assessment was $132,382.21. The Plaintiff offered to settle this matter for

$40,000.00, which was approved by the Arkansas Legislative Council on June 12, 2015. It is anticipated that the Plaintiff will file a motion to voluntarily dismiss its lawsuit in the very near future.

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DM Apparel, Inc. v DFA, Calhoun Circuit CV 2013-27-6.

DM Apparel was audited and assessed sales and use tax in 2010 and protested the assessment. The taxpayer withdrew the protest, subsequently entered into a payment agreement and paid a small portion of the debt, and then filed an Offer in Compromise, which was not accepted. The taxpayer filed suit in 2013 alleging that the debt is not owed. DFA answered, alleging, among other defenses, that the suit is jurisdictionally barred by the statute of limitations because the taxpayer did not file suit within the time allowed by, and following the procedures provided by, the Arkansas Tax Procedure Act. The amount that DM claims was overpaid and should be refunded to DM is $19,699, plus interest. Other relief requested by DM is that the amount assessed against DM should be reversed.

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Flakeboard America Limited v. Weiss, Hot Spring Circuit 30 CV-11-200-1.

Flakeboard is a manufacturer of medium density fiberboard that is used in the production of composite wood products. Flakeboard uses a refiner in the production of the fiber from which the fiberboard is made. Flakeboard claims that the refiner plates that it purchases are molds or dies used in the manufacturing process and that the purchase of the refiner plates are exempt from tax as molds or dies under the manufacturing machinery and equipment exemption. DFA denied the request for refund of tax paid on the refiner plates on the basis that they are not molds or dies and although they are components of machinery or equipment used in manufacturing, the replacement of a refiner plate is not a substantial replacement of machinery or equipment as required in order to entitle the purchase to exemption.

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H & S Maintenance, Inc. v. Walther, Pulaski Circuit 60 CV 2011-4268 and 60 CV-15-2379.

The issue in this lawsuit is whether the installation of lawn sprinkler systems, including those installed by the plaintiff, is subject to sales tax as the service of initial installation of electrical and mechanical property. The case was filed as an illegal exaction with a request for class certification and was amended after DFA filed a motion to dismiss. The amount subject to refund to the plaintiff should it prevail is approximately $100,000. A hearing was held on May 7, 2014 to consider the DFA's motion to dismiss, and on February 18, 2015, the trial court entered its order dismissing Plaintiff's claims without prejudice. The Plaintiff refiled its lawsuit on May 28, 2015 wherein it again alleged an illegal exaction but did not request class

certification. On July 1, 2015, DFA renewed its motion to dismiss the illegal exaction claims. On July 13, 2015, the Plaintiff filed its First Amended Complaint wherein the illegal exaction claim is no longer alleged. DFA filed its answer to the First Amended Complaint on July 31, 2015.

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Lion Oil Company v. Richard Weiss, Union Circuit CV 2012-0021-4 and CV 2014-0283-6.

The issue in the case is whether purchases of machinery and equipment by Lion Oil Company qualify for the exemption for machinery and equipment required by state or federal law or regulations to prevent or reduce air or water pollution. DFA did not allow the exemption for certain machinery and equipment in the audit that is the subject of the lawsuit because DFA did not believe that the machinery and equipment met the requirements for exemption. The first lawsuit was filed on January 22, 2013 and served on DFA on May 17, 2013. Subsequent to the filing of the lawsuit, DFA completed an audit of an additional tax period of Lion Oil. The second lawsuit was filed on September 29, 2014 and includes the equipment in the second audit period for which Lion Oil claimed the same exemption. The amount at issue in the first lawsuit is less than $1,000. The amount that was added in the second lawsuit is $82,602.74. DFA filed its answer to the second lawsuit on November 10, 2014. An act was passed in the 2013 session that will specifically exempt the equipment at issue in this case, but DFA will argue that it does not apply retroactively to this equipment.