Publication 4505

Modernized e-File Test Package for Forms 1065/1065-B For Tax Year 2011

U.S. Return of Partnership Income

And

U.S. Return of Income for Electing Large Partnerships

(Revision 7 -9/2011)

Internal Revenue Service Electronic Tax Administration

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Form 1065/1065-B Assurance Testing Tax Year 2010

WHAT'S NEW?

ATS is scheduled to begin on 10/31/2011.

Form 1125-A has been added to the test scenarios as it replaced the Schedule A on the Form 1065/1065B.

If you are an Online Provider you must provide the SoftwareID. You will not need to provide the preparer information for testing purposes.

Use your own IP Address for each test scenario.

WHO MUST TEST?

All software developers and K-1 Aggregators are required to perform the tests in this test package before they can be accepted into the electronic filing program for the Processing Year 2011 (Tax Year 2010) filing season. Software developers supporting Form 1065 will perform tests 1- 5. Software developers supporting both Form 1065 and Form 1065-B will perform tests 1-8. K-1 Aggregators will perform tests 9 and 10.

Anyone who plans to transmit must perform a communications test and be accepted. Prior to testing, all software developers and transmitters must have obtained an Electronic Transmitter Identification Number (ETIN), Electronic Filer Identification Number (EFIN) and password through the application process. Refer to Publication 3112, IRS *e-file* Application Package for Form 8633 procedures. For the On-Line application procedures refer to the *e-services -Online Tools* for Tax Professionals website. This ETIN must be included in each message.

For transmitters, the ETIN will be set to "Test" until the transmitter passes the required communication testing with the IRS at which time the ETIN will be moved to "Production" status. The transmitter may also request a Test ETIN, which can be used to continue testing once the original ETIN has been moved to Production status. The transmission status (Test or Production) of the ETIN being used must match the Test/Production Indicator in the Message Header or the return will be rejected.

If the transmitter is participating through A2A, they must also register the system(s) that will be used to conduct business with MeF to obtain a systemID. If a transmitter and system(s) are not registered, the transmitter cannot access MeF for Fed/State processing.

For software developers, the ETIN is in permanent "test" status. When the testing season approaches an e-Help Desk assistor will contact the software developers that have tested in the prior year and provide guidelines and directions in the testing process. If the software developer is ready to start testing, and they have not been contacted by an e-Help Desk assistor they can contact the e-Help Desk to obtain a softwareID. When they pass testing, the software id is moved to passed status. That software id must be included in every return prepared by that package and transmitted to MeF. If the software developer also intends to transmit, he must register as both a software developer and transmitter. See above for information on transmitter ETIN and testing.

Note: If you are a new software developer testing for the first time and are ready to test, please contact the e-Help Desk to be provided with guidelines and process.

WHY TEST?

The purpose of testing prior to live processing is to ensure that:

- filers transmit in the correct format and meet the Internal Revenue Service (IRS) Modernized e-File (MeF) electronic filing specifications;
- returns have few validation or math errors;
- IRS can receive and process the electronic returns;
- filers understand and are familiar with the mechanics of electronic filing;
- Aggregating Schedule K-1's with Form 1065 return data does not alter the information on the return.

NOTE: Software developers are not required to retest when there is schema changes (minor or major). But we strongly recommend that you use the Assurance Testing System (ATS) to retest when ever you update your software with new schema changes.

WHAT IS TESTED?

The test package for the 2010 Assurance Testing System (ATS) consists of:

Five (5) return scenarios for Form 1065 Three (3) return scenarios for Form 1065-B Two (2) test scenarios for K-1 Aggregators

The test returns include a limited number of forms and schedules that are accepted for electronic filing. Every conceivable condition cannot be represented in the tests; therefore, once you pass the tests, you may want to test any additional conditions you feel are appropriate as long as you use the predefined EINs and Name Controls, Tax Period and Form types.

The test scenarios provide the information needed to prepare the selected forms and schedules. You must correctly prepare and compute these returns before transmitting the tests. The IRS strongly recommends each return be run against a parser prior to being transmitted to the IRS. The IRS will run each return against a parser.

Below are some XML resources regarding XML schemas and software tools and parsers (these resources are provided for information only— the IRS is not endorsing any product).

You may chose any third party parser toolkit or use your own.

- W3C XML Home Page: http://www.w3.org/XML/
- W3C XML Schema Home Page: http://www.w3.org/XML/Schema
- XML Spy: http://www.xmlspy.com/
- Apache Xerces parser toolkit: http://xml.apache.org/
- Microsoft Core XML Services: Microsoft Core XML Services:

http://www.microsoft.com/downloads/details.aspx?Famil yID=31 44b72bb4f2- 46da-b4b6c5d7485f2b42&DisplayLang=en

Note: The Modernized e-File (MeF) Assurance Testing System (ATS) is not configured exactly the same as the MeF Production system. Therefore, a tester should not expect the same response time when testing in the ATS environment versus the Production environment (especially regarding performance or load testing -- this includes testing a single extremely large return in one transmission, a lot of large returns in one transmission, or a large number of concurrent transmissions).

FORMATTING THE ENTITIES

The business entities presented in the test scenarios are shown in common usage with commas and periods. Refer to XML efile Types in Publication 4164 for proper formatting for the business name lines and addresses. No commas or periods are allowed.

Example:

Test Scenario

Help For All, Inc. 31 Any Street Anytown, MD 20901

XML Format

Help For All Inc (BusinessNameLine1Type) 31 Any St (StreetAddressType) Anytown (CityType) MD (StateType) 20901 (ZipCodeType)

PASSWORDS/STRONG AUTHENTICATION

Prior to testing, all software developers and transmitters must have obtained an Electronic Transmitter Identification Number (ETIN), Electronic Filer Identification Number (EFIN)

Internet Filing Application (IFA)

Transmitters who will be sending returns to Modernized e-File (MeF) through IFA will use the password that they selected when they completed their e-Services Registration to access the Internet Filing Application system. The same password will be used whether you are going to send returns to our testing or production systems.

Application to Application (A2A)

In the future, passwords will no longer be used for filing through MeF. Transmitters using A2A will be required to use digital certificates (X.509) which will provide much stronger security for A2A transactions. Transmitters will be notified when passwords are no longer needed.

It's recommended that a new System ID be added for developing and testing your digital certificates for MeF processing, prior to converting your existing System IDs from passwords to certificates.

A Strong Authentication User Guide is available which explains the integration and use of this IRS-provided client code sample to support certificate-based authentication for MeF A2A Web services. In addition to the code itself, it provides necessary information and guidance that developers may use when integrating the new feature into client software that communicates with the IRS A2A Web services. This guidance is relevant both to client code that will be developed in the future and to pre-existing client code not currently using digital signatures to sign SOAP messages. If interested in obtaining the Strong Authentication User Guide, please contact IRS at: **1-866-255-0654**.

Additional information on Strong Authentication can also be found in Publication 4164, Modernized e-File Guide for Software Developers and Transmitters.

WHEN TO TEST

When you are ready to test, and if you have not been contacted by the e-Help Desk about the testing season, please call the e-Help Desk at **1-866-255-0654**. They will assist you in all preparations necessary to begin testing, including assigning you a Software ID to use when submitting your returns.

TESTING GUIDELINES FOR SOFTWARE DEVELOPERS

Software does not have to provide for all forms or schedules, nor for all occurrences of a particular form or schedule. You must advise the e-Help Desk at **1-866-255-0654** of all limitations to your Software package at the time of first contact, before testing begins. You must test the complete form with no field limitations except for the number of occurrences.

FEDERAL/STATE TESTING FOR FORMS 1065/1065-B

Testing for 1065/1065B for TY2010 will be available in ATS on November 1, 2010. Any of the test returns may be used if you will be participating in the Federal/State electronic filing program for 1065/1065-B. Inform the e-Help Desk of which test you will be using. Information on the format for state returns may be found in MeF Submission Composition Guide. Specific instructions are available from the participating states. Fed/State returns may be transmitted through Application to Application or Internet Filing Application (IFA).

ELECTRONIC SIGNATURES

Tax Professionals who file Form 1065/1065-B have two options of filing a totally paperless return for their clients using the Practitioner PIN method or the Scanned Form 8453 method (Form 8453-PE for Form 1065 and Form 8453-B for Form 1065-B). The selected signature option must be identified in the Return Header. MeF validates that a signature is present for each return. If the taxpayer uses a PIN to sign the return, all appropriate PIN information must be present in the return header. If the taxpayer elects to sign a Form 8453x, the scanned 8453x must be attached to the return. If the electronic return does not contain the required signatures, it will be rejected.

Practitioner PIN

The Practitioner PIN option can only be used if the taxpayer uses an ERO. It cannot be used if a taxpayer is filing through an On-Line Provider. If the signature option of "PIN Number" is chosen, the taxpayer and ERO will be required to sign the return with a personal identification number (PIN). The Practitioner PIN option consists of two PINs – one for the taxpayer and one for the Practitioner.

- 1. Taxpayer PIN The taxpayer chooses the PIN that they wish to use to sign their return. The Taxpayer's PIN must be 5 numeric characters and cannot contain all zeros.
- Practitioner PIN The ERO selects an eleven position PIN to sign the return. The first 6 positions of the Practitioner PIN will be made up of the EFIN of the ERO and the next 5 positions will be made up of 5 numeric characters that the ERO will select.

The taxpayer must decide whether they want to enter their own PIN or whether they authorize the ERO to enter the PIN they choose as their signature. This authorization is made on Form 8879-PE or 8879-B.

The following fields are required for the Practitioner PIN method or the return will be rejected:

- Practitioner PIN
- PIN Entered By Indicator
- Name of Officer
- Title of Officer
- Taxpayer PIN
- Date Signed

Scanned Form 8453

The scanned Form 8453 method must be used if the taxpayer decides not to use the Practitioner PIN method for signing the return. The Form 8453PE or 8453-B must be completed and signed by all required parties and then scanned as a PDF file. The appropriate signature option of "Binary Attachment 8453 Signature Document" must be identified in the Return Header. If this option is chosen, the taxpayer and ERO (if applicable) must sign the paper 8453. The signed Form 8453-PE/8453-B must then be scanned into a PDF document and inserted into the electronic return as a binary attachment. The binary attachment must be named "8453 Signature Document".

REVIEWING ACK FILES AND CORRECTING TESTS

You may transmit as many test returns as necessary until you receive no error messages. Any Business Rules violations must be corrected in order to pass ATS testing.

FINAL TRANSMISSION

Once you receive no rejects, you will be required to transmit the returns in two separate, same-day transmissions in order to test the ability of your software to increment the message ID number that appears in the SOAP Header. If you have included the 7004 test scenarios in your testing, include these tests in the second transmission.

COMMUNICATIONS TEST FOR THE e-file SYSTEM

IRS allows two means of transmission for MeF, Internet Filing Application (IFA) and Application to Application (A2A) for Form 1065/1065B. The Electronic Management System (EMS) is no longer an option for these forms.

If you will be transmitting through the Internet, you will need to perform the communications test through the Internet.

If you will be transmitting through A2A, you will need to perform the communications test through A2A. If you will be transmitting through both portals, IFA and A2A, communications tests must be performed through both systems.

USING YOUR OWN TEST

After passing ATS testing, Software Developers may test with their own data using the same password and ETIN. Transmitters will need to get a new Test ETIN to continue testing, because IRS will move the original ETIN to "production" status once the Communications Test is passed. You will continue to use the same password. Call the e-Help Desk at **1-866-255-0654** to obtain a new Test ETIN. You must use the same taxpayer entity information (names and EINs) that is provided in the test package for your independent tests. DO NOT use any other EINs. See Exhibit 3 for the list of valid EINs and Name Controls.

EXHIBIT 1 VALID ZIP CODES

STANDARD POSTAL SERVICE STATE ABBREVIATIONS AND ZIP CODES

State	Abbr.	ZIP Code
Alabama	AL	350nn-369nn
Alaska	AK	995nn-999nn
Arizona	AZ	850nn-865nn, 85100-85199
Arkansas	AR	716nn-729nn, 75502
California	CA	900nn-908nn, 910nn-961nn
Colorado	CO	800nn-816nn
Connecticut	CT	060nn-069nn
Delaware	DE	197nn-199nn
District of Columbia	DC	200nn-205nn
Florida	FL	320nn-339nn, 341nn, 342nn,
0	C A	344nn, 346nn, 347nn, 349nn
Georgia	GA	300nn-319nn, 39815, 39834, 399nn
Hawaii	HI	967nn, 968nn
Idaho	ID "	832nn-838nn
Illinois	IL INI	600nn-629nn
Indiana	IN	460nn-479nn
lowa	IA	500nn-528nn
Kansas	KS	660nn-679nn
Kentucky	KY	400nn-427nn, 45275
Louisiana Maine	LA	700nn-714nn, 71749
	ME	03801, 039nn-049nn
Maryland Massachusetts	MD	20331, 206nn-219nn
	MA	010nn-027nn, 055nn
Michigan Minnesota	MI	480nn-499nn
	MN	550nn-567nn
Mississippi Missouri	MS	386nn-397nn
Montana	MO	630nn-658nn
Nebraska	MT	590nn-599nn
Nevada	NE NO.	680nn-693nn
New Hampshire	NV	889nn-898nn
New Jersey	NH	030nn-038nn
New Mexico	NJ	070nn-089nn
New York	NM	870nn-884nn
North Carolina	NY	004nn, 005nn, 06390, 100nn-149nn
North Dakota	NC	270nn-289nn
Ohio	ND	580nn-588nn
Oklahoma	OH	430nn-459nn
Onlanoma	OK	730nn-732nn, 734nn-749nn

EXHIBIT1 -Valid ZIP Codes Continued

State Abbr. ZIP Code

Oregon	OR	970nn-979nn
Pennsylvania	PA	150nn-196nn
Rhode Island	RI	028nn, 029nn
South Carolina	SC	290nn-299nn
South Dakota	SD	570nn-577nn
Tennessee	TN	370nn-385nn
Texas	TX	733nn, 73949, 750nn-799nn
Utah	UT	840nn-847nn
Vermont	VT	050nn-054nn, 056nn-059nn
Virginia	VA	20041, 201nn, 20301, 20370,
		220nn-246nn
Washington	WA	980nn-986nn, 988nn-994nn
West Virginia	WV	247nn-268nn
Wisconsin	WI	49936, 530nn-549nn
Wyoming	WY	820nn-831nn

STANDARD POSTAL SERVICE STATE ABBREVIATIONS AND ZIP CODES FOR U.S.POSSESSIONS

U.S. Possession Abbr. ZIP Code

American Samoa	AS	967nn
Federated States		
of Micronesia	FM	969nn
Guam	GU	9691n, 9692n
Marshall Islands	MH	969nn
Commonwealth of the	MP	9695n
Northern Mariana Islands		
Palau	PW	969nn
Puerto Rico	PR	006nn, 007nn, 009nn
U.S. Virgin Islands	VI	008nn

Form 1065 and 1065-B returns with addresses in the American Possessions are considered to have domestic addresses for processing purposes. The partnership return filer address (1065/1065-B) must contain a state abbreviation to be treated as (and processed in Philadelphia) an American Possession.

APO/FPO CITY/STATE/ZIP CODES FOR MILITARY OVERSEAS ADDRESSES

City	State	ZIP Code
APO or FPO	AA	340nn
APO or FPO	AE	090nn-098nn
APO or FPO	AP	962nn-966nn

EXHIBIT 2 FOREIGN COUNTRY CODES

Code	Foreign Country	Code	Foreign Country	
AF	Afghanistan	BM	Burma	
AL	Albania	BY	Burundi	
AG	Algeria	СВ	Cambodia	
AQ	American Samoa	CM	Cameroon	
AN	Andorra	CA	Canada	
AO	Angola	CV	Cape Verde	
AV	Anguilla	CJ	Cayman Islands	
AY	Antarctica	СТ	Central African Republic	
AC	Antigua & Barbuda	CD	Chad	
AR	Argentina	CI	Chile	
AM	Armenia	СН	China	
AA	Aruba	KT	Christmas Island	
AT	Ashmore & Cartier Islands	IP	Clipperton Island	
AS	Australia	CK	Cocos (Keeling) Islands	
AU	Austria	CO	Colombia	
AJ	Azerbaijan	CN	Comoros	
BF	Bahamas	CF	Congo, Republic of the (Brazzaville)	
BA	Bahrain	CG	Congo, Democratic Rep of the (Zaire)	
FQ	Baker Islands	CW	Cook Islands	
BG	Bangladesh	CR	Coral Sea Islands	
BB	Barbados	VP	Corsica	
BS	Bassas da India	CS	Costa Rica	
ВО	Belarus	IV	Cote D'Ivoire (Ivory Coast)	
BE	Belgium	HR	Croatia	
BH	Belize	CU	Cuba	
BN	Benin	CY	Cyprus	
BD	Bermuda	EZ	Czech Republic	
BT	Bhutan	DA	Denmark	
BL	Bolivia	DJ	Djibouti	
BK	Bosnia-Herzegovina	DO	Dominica	
ВС	Botswana	DR	Dominican Republic	
BV	Bouvet Island	TT	East Timor	
BR	Brazil	EC	Ecuador	
IO	British Indian Ocean Territory	EG	Egypt	
VI	British Virgin Islands	ES	El Salvador	

ВХ	Brunei	EK	Equatorial Guinea	
BU	Bulgaria	ER	Eritrea	
UV	Burkina Faso	EN	Estonia	
ET	Ethiopia	IR	Iran	
EU	Europe Island Territory	ΙZ	Iraq	
FK	Falkland Islands (Islas Malvinas)	EI	Ireland	
FO	Faroe Islands	IS	Israel	
FM	Federated States of Micronesia	ΙΤ	Italy	
FJ	Fiji	JM	Jamaica	
FI	Finland	JN	JanMayen	
FR	France	JA	Japan	
FG	French Guinea	DQ	Jarvis Island	
FP	French Polynesia	JE	Jersey	
FS	French Southern & Antarctic Lands	JQ	Johnston Atoll	
GB	Gabon	JO	Jordan	
GA	The Gambia	JU	Juan de Nova Island	
GZ	Gaza Strip	KZ	Kazakhstan	
GG	Georgia	KE	Kenya	
GM	Germany	KQ	Kingman Reef	
GH	Ghana	KR	Kiribati	
GI	Gibraltar	KN	N Korea, Democratic People's Republic of (North)	
GO	Glorioso Islands	KS	7	
GR	Greece	KU	J Kuwait	
GL	Greenland	KG	Kyrgyzstan	
GJ	Grenada	LA	A Laos	
GP	Guadeloupe	LG	Latvia	
GQ	Guam	LE	Lebanon	
GT	Guatemala	LT	Lesotho	
GK	Guernsey	LI	Liberia	
GV	Guinea	LY	Libya	
PU	Guinea-Bissau	LS	Liechtenstein	
GY	Guyana	LH	l Lithuania	
HA	Haiti	LU	J Luxembourg	
НМ	Heard Island & McDonald Islands	MC	IC Macau	
НО	Honduras	MK	/IK Macedonia	
HK	Hong Kong	MA	A Madagascar	
HQ	Howland Island	MI		
HU	Hungary	MY	Malaysia	

IC	Iceland	MV	Maldives	
IN	India	ML	Mali	
ID	Indonesia	MT	Malta	
IM	Man, Isle of	PP	Papua-New Guinea	
RM	Marshall Islands	PF	Paracel Islands	
MB	Martinique	PA	Paraguay	
MR	Mauritania	PE	Peru	
MP	Mauritius	RP	Philippines	
MF	Mayotte	PC	Pitcairn Islands	
MX	Mexico	PL	Poland	
MQ	Midway Islands	PO	Portugal	
MD	Moldova	RQ	Puerto Rico	
MN	Monaco	QA	Qatar	
MG	Mongolia	RE	Reunion	
MH	Montserrat	RO	Romania	
МО	Morocco	RS	Russia	
MZ	Mozambique	RW	Rwanda	
WA	Namibia	WS	Samoa (Western)	
NR	Nauru	SM	San Marino	
BQ	Navassa Island	TP	Sao Tome and Principe	
NP	Nepal	SA	Saudi Arabia	
NL	Netherlands	SG	Senegal	
NT	Netherlands Antilles	SE	Seychelles	
NC	New Caledonia	SL	Sierra Leone	
NZ	New Zealand	SN	Singapore	
NU	Nicaragua	LO	Slovakia	
NG	Niger	SI	Slovenia	
NI	Nigeria	BP	Solomon Islands	
NE	Niue	SO	Somalia	
NF	Norfolk Island	SF	South Africa	
CQ	Northern Mariana Island	SX	South Georgia & The South Sandwich Islands	
NO	Norway	SP	Spain	
MU	Oman	PG	Spratly Islands	
OC	Other Countries	CE	Sri Lanka	
PK	Pakistan	SH	St. Helena	
LQ	Palmyra	SC	St. Kitts & Nevis	
PS	Palau	ST	St. Lucia Island	
PM	Panama	SB	St. Pierre & Miquelon	
VC	St. Vincent and the Grenadines	TV	Tuvalu	
SU	Sudan	UG	Uganda	
NS	UP		Ukraine	

SV	Svalbard	TC	United Arab Emirates	
WZ	Swaziland	UK	United Kingdom (England, Northern Ireland, Scotland, and Wales)	
SW	Sweden	UC	Unknown Country	
SZ	Switzerland	UY	Uruguay	
SY	Syria	UZ	Uzbekistan	
TW	Taiwan	NH	Vanuatu	
TI	Tajikistin	VT	Vatican City	
TZ	Tanzania	VE	Venezuela	
TH	Thailand	VM	Vietnam	
TO	Togo	VQ	Virgin Islands (US)	
TL	Tokelau	WQ	Wake Island	
TN	Tonga	WF	Wallis & Futuna	
TD	Trinidad & Tobago	WE	West Bank	
TE	Tromelin Island	WI	Western Sahara	
TS	Tunisia	YM	Yemen (Aden)	
TU	Turkey	YO	Yugoslavia	
TX	Turkmenistan	ZA	Zambia	
TK	Turks and Caicos Islands	ZI	Zimbabwe	

EXHIBIT 3

VALID EINS AND NAME CONTROLS

For 1065	Name Control	Tax Period Ending Month
69-000001	SAMS	12
69-0000002	JENN	12
69-000003	CARL	12
69-000004	EAST	12
69-000005	SHOE	12

For 1065-B	Name Control	Tax Period Ending Month
69-000006	ABCO	12
69-000007	ABCC	12
69-000008	BLAC	12

After you have passed testing using the test scenarios in this Publication, you can use the following EINs and Name Controls for subsequent testing:

Form 1065:

EIN	N Name Control		EIN	Name Control
69-1000009	BROW		69-1000022	BROW
69-1000010	BROW		69-1000023	BROW
69-1000011	BROW		69-1000024	BROW
69-1000012	BROW		69-1000025	BROW
69-1000013	BROW		69-1000026	BROW
69-1000014	BROW		69-1000027	BROW
69-1000015	BROW		69-1000028	BROW
69-1000016	BROW		69-1000029	BROW
69-1000017	BROW		69-1000030	BROW
69-1000018	BROW		69-1000031	BROW
69-1000019	BROW		69-1000032	BROW
69-1000020	BROW		69-1000033	BROW
69-1000021	BROW			

Form 1065-B:

EIN	Name Control
69-1000034	BROW
69-1000035	BROW
69-1000036	BROW
69-1000037	BROW
69-1000038	BROW

Exhibit 4 Tax Year 2011 1065/1065-B Test Scenarios

TAX YEAR 2011 1065/1065-B TEST SCENARIOS

1. 1065, 4562 (2), 4797, 8825, 8844, 8882, 1065 SCH K-1 (27), Form 8453-PE, Schedule M-3, Schedule C

ATTACHMENTS:

Itemized Other Deductions Statement
Other Credits and Credit Recapture Statement
Schedule L Other Assets Statement
Schedule L Other Current Liabilities Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

NOTE: Please use the same data for the additional twenty four (24) Schedule K-1s, but increment the entity information as follows:

EIN: 001-06-1001 **Name:** Taxpayer A1 **Address:** PO Box 0001

EIN: 001-06-1002 **Name:** Taxpayer A2 **Address:** PO Box 0002

EIN: 001-06-1003 Name: Taxpayer A3 Address: PO Box 0003

2. 1065, 1125-A, 4562, 4797, 8824, 8925, 1065 SCH K-1 (2), Form 8453-PE, Schedule B-1

ATTACHMENTS:

Self-Charged Itemized Other Deductions Statement Other Cost Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE

3. 1065, Schedule M-3, 4562, 8865, 1065 SCH K-1 (3), 8865, Schedule O (Form 8865), Schedule B-1, Schedule C

ATTACHMENTS:

Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement Other Income (Loss) Statement Itemized Other Deductions Statement Section 754 Election Income (Loss) From Foreign Partnerships Schedule

BINARY ATTACHMENTS: None

4. 1065, 1125-A, 4562, 4797, 8308, Schedule D, 1065 Sch K-1 (3), Schedule B-1, Form 8453-PE, Schedule M-3, Schedule C

ATTACHMENTS:

Other Income (Loss) Statement
Itemized Other Deductions Statement
Itemized Section 263A Costs Schedule
Inventoriable Costs Paid Schedule
Section 754 Election
Partnership's Charitable Contributions Statement
Schedule L Other Current Assets Statement
Schedule L Other Assets Statement
Schedule L Other Current Liabilities Statement
Other Cost Statement
Other AMT Items Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

5. 1065, 1125-A, 4562 (3), 4797, 6252 (2), 8825, 1065 Sch K-1 (4), Schedule M-3, Schedule F (Form 1040), Form 8453-PE, Schedule C

ATTACHMENTS:

Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement Other Income (Loss) Statement Itemized Other Deductions Statement Schedule L Other Current Assets Statement Schedule L Other Current Liabilities Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

6. 1065-B, 1125-A, 4797, 1065-B SCH K-1 (2), Form 8453-B

ATTACHMENTS:

Itemized Other Deductions Schedule
Inventoriable Costs Paid Schedule
Current Assets Statement
Income Expenses Recorded on Books Not on Schedule K Statement
Itemized Deductions Not Charged Against Books Statement

BINARY ATTACHMENTS: Scanned Form 8453-B (8453 Signature Document)

7. 1065-B, 1125-A, 4562 (2), 8825, 1065-B SCH K-1 (2), Form 8453-B, Schedule C, Schedule M-3

ATTACHMENTS:

Itemized Other Deductions Schedule Qualified Nonrecourse Financing Statement Miscellaneous Item Statement

BINARY ATTACHMENTS: Scanned Form 8453-B (8453 Signature Document)

8. 1065-B, 1125-A, 8308, 1065-B SCH K-1 (75), Schedule M-3, Schedule C

ATTACHMENTS:

Itemized Other Deductions Schedule

BINARY ATTACHMENTS: None

NOTE: Please use the same data for the additional seventy four (74) Schedule K-1s, but increment the entity information as follows:

EIN: 001-06-2001 Name: Taxpayer B1 Address: PO Box

0001

EIN: 001-06-2002 Name: Taxpayer B2 Address: PO Box

0002

EIN: 001-06-2003 Name: Taxpayer B3 Address: PO Box

0003

- 9. K-1 Aggregator Testing same forms and attachments as Test Scenario #1
- 10. K-1 Aggregator Testing same forms and attachments as Test Scenario #3

Sam Starling, LLP 69-0000001

TEST SCENARIO 1

FORMS REQUIRED:

1065, 4562 (2), 4797, 8825, 8844, 8882, 1065 SCH K-1 (27), Form 8453-PE, DEPENDENCIES, Schedule M-3, Schedule C

ATTACHMENTS:

Itemized Other Deductions Statement Other Credits and Credit Recapture Statement Schedule L Other Assets Statement Schedule L Other Current Liabilities Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

HEADER INFO:

Tax Period: Calendar Year 2011

Preparer Firm: Electronic Tax Filers, Inc 69-0000098

1065 Efile Drive Anytown, NV 89501

Multiple Software Packages Used: Yes or No

Originator: EFIN: Self-select

Type: ERO

Practitioner PIN: None

PIN Entered by - N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1065

Filer: EIN: 69-0000001

Name: Sam Starling LLP Name Control: SAMS Address: 631 N McKinley Dr

Reno, NV 89510

Partner: Name: Sam Starling

Title: President Taxpayer PIN: Phone: 555-555-5555

Email Address: Anymail@email.com

Date Signed: 04/01/2012

Preparer: Name: Jesse James

PTIN: P00000001 Phone: 555-631-1212

Email Address: Anymail@email.com

Date Prepared: 04/01/2012

Self Employed: No

Sam Starling, LLP 69-0000001

IRS PAYMENT:

Details for attachments to Form

Itemized Other Deductions Statement (Form 1065, Page 1, Line 20)

N/A

Travel and Entertainment	5,600,000
Other	28,750,000
Utilities	10,000,000
Fees	6,387,848

Other Credits and Credit Recapture Statement (Form 1065, Page 4, Schedule K, Line 15f)

Childcare	35,600
Empowerment	40,000

Schedule L Other Assets Statement (Form 1065, Page 5, Schedule L, Line 13b and 13d)

Туре	BOY Amount	EOY Amount		
Client Receivable	7,148,515	10,916,115		
Other	6,030,400	4,227,867		

Schedule L Other Current Liabilities Statement (Form 1065, Page 5, Schedule L, Line 17b and 17d)

Туре	BOY Amount	EOY Amount
Other Current Liabilities	2,315,178	4,138,515
Other Accrued Liabilities	3.162.974	2,045,400

	San	n Starling,	LLP I	II S Do	turn of Dartnarel	sin lı	100m0		ļ	69-0000001	.000
Form	1 00	55	For oals	endar year 2011, or tax year	turn of Partnersh		nding 12/31	20 1	1	OMB No. 1545-0	099
	ment of t	ne Treasury	For Cale	ilidar year 2011, or tax year	► See separate instructio		12/31	, 20 1	··· ·	2011	1
		ness activity		Name of partnership						D Employer identificatio	n number
	l Servic			Sam Starling, LLP						69-0000001	
		ct or service	Print		n or suite no. If a P.O. box, see th	ne instruc	ctions.			E Date business star	ted
Lega	I Servic	es	or	631 N McKinley Street	t					10/01/1977	
C Bus	iness co	de number	type.	City or town, state, and Z	IP code					F Total assets (see the	——— е
Reno, NV 89510								instructions)			
	5411	10								\$ 108,367,919	9
	Check a	r of Sched	method: ules K-1.	(6) ☐ Technical termin (1) ☑ Cash	nation - also check (1) or (2) (2) Accrual on who was a partner at any	(3) \Box		iy) ► ar ►			
Caut	i on. Inci	ude only	trade or b	business income and ex	penses on lines 1a through	22 be	low. See the in	struction	s for m	nore information.	
	1a			nd third-party payment							
		•		n(s) 1099-K)		1a					
	b		•	sales not reported on		1b	323,455,				
	С			a and 1b		1c	323,455,	613			
	d				back" included on line						
<u>e</u>						1d			-		
Income			act line 1d from line 1c								
nc	2	_	goods sold (attach Form 1125-A)								
_	3		profit. Subtract line 2 from line 1e							323,455,613	3
	4		r income (loss) from other partnerships, estates, and trusts (attach statement)								
	5			oss) (attach Schedule F	**				5	40.00	
	6	-	(loss) from Form 4797, Part II, line 17 (attach Form 4797)						6	10,000)
	7		•	ss) (attach statement)					7	202.4/5./4/	
	8				hrough 7				8	323,465,613	
or limitations)	9		_		ners) (less employment cre				9	110,535,025	
nitat	10			•					10	22,675,031	
or Fi	11 12	_ '		itenance					11	2,042,164	+
_		Bad deb	ıs						12	25 022 17	
rotic	13 14	Rent Taxes an	 Id license						13 14	25,922,173 12,226,452	
nstrı	15	Interest .		38					15	12,226,452	
the i	16a			· · · · · · · · · · · · · · · · · · ·		 16a			15	14,022	<u>-</u>
(see the instructions			`	•	A and elsewhere on return	16b	18,		16c	7,274,616	4
	17	•		t deduct oil and gas		100	10,	273	17	7,274,010	4
Ö	18	-	-	, etc					18	4,255,918	2
댨	19		•	t programs					19	7,100,361	
Deductions	20			. •					20	50,737,848	
De	21				hown in the far right colur			h 20 .	21	242,784,210	
	22	Ordinary	/ busines	ss income (loss). Sub	otract line 21 from line 8				22	80,681,403	
		Under p	enalties of	perjury, I declare that I have	e examined this return, including	accompa	anying schedules	and statem			
Sig	n			lief, it is true, correct, and co ormation of which preparer ha	omplete. Declaration of preparer of as any knowledge.	other tha	an general partne	r or limited	liability	company member ma	ınager)
Her					,		4/04/00	10		ay the IRS discuss this return eparer shown below (see	n with the
1161	C	 					4/01/20	12		structions)? Yes	☐ No
				<u> </u>	bility company member manager	·	Date				
Paid	ı	Print/Ty	pe prepare	r's name	Preparer's signature		Date	4/01/2012	Checl	k 🗌 if PTIN	
	arer	Jesse .	James					T/ U I/ ZU I Z		employed P0000	0001
-	Only	Firm's n	name >	ELECTRIC TAX FILER					Firm's	EIN ► 69-0000	098
	y	Firm's a	address ►	1065 EFILE DRIVE, AN	NYTOWN, NV 89501				Phone	e no. 555-631-1	212

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2011)

Page 2

Sam Starling, LLP
Form 1065 (2011)
69-0

Sch	edule B Other Information					•		
1	What type of entity is filing this return? Check the ap	plicable box:				Yes	No	
а	☐ Domestic general partnership b	□ Domestic limit	ed partnership					
С	☐ Domestic limited liability company d	Domestic limit	ed liability partne	ership				
е	☐ Foreign partnership f	Other ►						
2	At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?							
3	At the end of the tax year:							
а	a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership							
b	b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership							
4 a								
				<i>(</i> ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(iv) Perce			
	(i) Name of Corporation	',' '	r Identification er (if any)	(iii) Country of Incorporation	Owned in Vo		ock	
			· , , ,					
b	Own directly an interest of 20% or more, or own, directly an interest of 20% or more, or own, directly or capital in any foreign or domestic partnership (in interest of a trust? For rules of constructive ownership	cluding an entity	treated as a par	tnership) or in the be	eneficial		_	
	interest of a trast. For raise of constructive owners,	(ii) Employer	<u> </u>	1, 3, 7		aximum		
	(i) Name of Entity	Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	Percentag Profit, Los	ge Own	ed in	
					Form	1065	(2011)	

69-0000001

Sam Starling, LLP Form 1065 (2011) Page 3

		Yes	No					
5	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under							
	section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for							
	more details		~					
6	Does the partnership satisfy all four of the following conditions?							
а	The partnership's total receipts for the tax year were less than \$250,000.							
b	The partnership's total assets at the end of the tax year were less than \$1 million.							
С	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.							
d	The partnership is not filing and is not required to file Schedule M-3		~					
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.							
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		~					
8	During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		~					
9	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		~					
10	At any time during calendar year 2011, did the partnership 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)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country.							
11	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or							
	transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		~					
12a	Is the partnership making, or had it previously made (and not revoked), a section 754 election?		~					
	See instructions for details regarding a section 754 election.							
b	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		~					
С	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		V					
13	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year)							
14	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?							
15	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign							
	Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶							
16	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶	V						
17	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶							
18a	Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions		~					
b	If "Yes," did you or will you file all required Form(s) 1099?		~					
19	Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶							
_	nation of Tax Matters Partner (see instructions) below the general partner designated as the tax matters partner (TMP) for the tax year of this return:							
Name desigr TMP								
entity, of TM	TMP is an name Prepresentative Barton and Jenkins Enterrise Prepresentative Pr							
Addre desigr								
TMP	Anchorage, AK 99502							

69-0000001

Sam Starling, LLP Page 4 Form 1065 (2011)

Sched	ule K	Partners' Distributive Share Items	1	otal amount
	1	Ordinary business income (loss) (page 1, line 22)	1	80,681,403
	2	Net rental real estate income (loss) (attach Form 8825)	2	
	За	Other gross rental income (loss)		
	b	Expenses from other rental activities (attach statement) 3b		
	С	Other net rental income (loss). Subtract line 3b from line 3a	3c	
⊙	4	Guaranteed payments	4	22,675,031
Income (Loss)	5	Interest income	5	92,650
į	6	Dividends: a Ordinary dividends	6a	,
e l		b Qualified dividends 6b		
Ö	7	Royalties	7	
<u> </u>	8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
	9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b	Collectibles (28%) gain (loss)	Ju	
	C	Unrecaptured section 1250 gain (attach statement) 9c		
	10	Net section 1231 gain (loss) (attach Form 4797)	10	
	11		11	
' 0	12	7,7,7	12	
ב ב		Section 179 deduction (attach Form 4562)		
Deductions	13a	Contributions	13a	
ğ	b	Investment interest expense	13b	
ě	C	Section 59(e)(2) expenditures: (1) Type ► (2) Amount ►	13c(2)	
	d	Other deductions (see instructions) Type ▶	13d	
Self- Employ- ment	14a	Net earnings (loss) from self-employment	14a	55,024,842
	b	Gross farming or fishing income	14b	
	С	Gross nonfarm income	14c	55,024,842
Credits	15a	Low-income housing credit (section 42(j)(5))	15a	
	b	Low-income housing credit (other)	15b	
	С	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
ē	d	Other rental real estate credits (see instructions) Type ▶	15d	
ر ر	е	Other rental credits (see instructions) Type ▶	15e	
	f	Other credits (see instructions) Type ►	15f	75,600
	16a	Name of country or U.S. possession ▶		
	b	Gross income from all sources	16b	
Su	С	Gross income sourced at partner level	16c	
<u>;</u>		Foreign gross income sourced at partnership level		
ğ	d	Passive category ► e General category ► f Other ►	16f	
<u> </u>		Deductions allocated and apportioned at partner level		
<u> </u>	g	Interest expense	16h	
_	3	Deductions allocated and apportioned at partnership level to foreign source income		
<u> </u>	i	Passive category ▶ j General category ▶ k Other ▶	16k	
Foreign I ransactions	i	Total foreign taxes (check one): ▶ Paid ☐ Accrued ☐ · · · · · · ·	161	
- ∣	m	Reduction in taxes available for credit (attach statement)	16m	
	n	Other foreign tax information (attach statement)	.5	
×	17a	Post-1986 depreciation adjustment	17a	199,456
(AMT) Items	1/a b		17b	177,450
en		Adjusted gain or loss		
֓֞֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓֓	C C	Depletion (other than oil and gas)	17c	
ĬĘ	d	Oil, gas, and geothermal properties—gross income	17d	
 	e	Oil, gas, and geothermal properties—deductions	17e	
	f	Other AMT items (attach statement)	17f	
ב ו	18a	Tax-exempt interest income	18a	
Ĭ	b	Other tax-exempt income	18b	
Ĕ	С	Nondeductible expenses	18c	775,128
5	19a	Distributions of cash and marketable securities	19a	75,140,310
Otner Information	b	Distributions of other property	19b	
<u>.</u>	20a	Investment income	20a	92,650
É	b	Investment expenses	20b	
		Other items and amounts (attach statement)		

Form 1065 (2011) Page 5

	000 (2011)										Page 3
Analy	sis of Net Incon										
1		. Combine Schedule									
	Schedule K, lines	12 through 13d, and	1161						1		103,652,209
2	Analysis by	(i) Corporate	(ii) Indi	vidual	(iii) Indiv	idual	(iv) Dortnorobi	(v)	Exem	npt	(vi)
	partner type:	(i) Corporate	(acti	ve)	(passiv	/e)	(iv) Partnership	org org	anizat	ion	Nominee/Other
а	General partners										
b	Limited partners										
		nce Sheets per E	Books		Beginnin	g of tax	x year	- 1	End	d of ta	ax year
		Assets			(a)	Ť	(b)	(0			(d)
1					(- ,		15,374,582	,			41,036,739
2a		accounts receivable					10/07 1/002			_	11/000/107
b		or bad debts								_	
3											
4	U.S. government					-					
5	-	_					-				
	Tax-exempt secur						-			H	
6 70		ets (attach statemen					-			H	
7a	•	(or persons related to				-				\vdash	
b	Mortgage and rea					_					
8		s (attach statement)			/ 4 00 7 00			_		E4.	
9a	_	er depreciable asset			64,937,02				9,134	_	
b		d depreciation .			32,123,45	6	32,813,572	2	26,947	,318	52,187,198
10a		S								_	
. b		d depletion									
11		amortization)									
12a	-	(amortizable only)								_	
b	Less accumulated					_					
13	Other assets (atta					_	13,178,915			-	15,143,982
14							61,367,069				108,367,919
		es and Capital									
15	· ·									_	
16		oonds payable in less th									
17		ilities (attach statem					5,478,152				6,183,915
18		oans					11,000,000				11,000,000
19a	·	s (or persons related to								_	
b		oonds payable in 1 yea									
20	•	ttach statement) .									
21		accounts					44,888,917				91,184,004
22		d capital					61,367,069				108,367,919
Sch	edule M-1	econciliation of Ir	ncome (L	.oss) per	Books	With I	ncome (Loss)	per Ret	turn		
		ote. Schedule M-3 m	nay be req	uired inst	ead of Sc	hedule	M-1 (see instru	ctions).			
1	Net income (loss)	per books					recorded on books			uded	
2	Income included on S	Schedule K, lines 1, 2, 3	Bc,				edule K, lines 1 throu	ugh 11 (iten	nize):		
	5, 6a, 7, 8, 9a, 10,	and 11, not recorded	on		а	Tax-ex	cempt interest \$_				
	books this year (item	ize):									
3	Guaranteed pay	ments (other tha					tions included or				
	health insurance)						ough 13d, and				
4		ed on books this ye				-	t book income t	his year (i	temiz	e):	
		Schedule K, lines	1		а	Depre	ciation \$				
	through 13d, and	16l (itemize):									
а	Depreciation \$				8	Add Iir	nes 6 and 7				
b	Travel and enterta	ainment \$			9	Income	e (loss) (Analysi	is of Ne	t Inc	ome	
5	Add lines 1 through	gh 4	.			(Loss),	line 1). Subtract	line 8 fror	n line	5.	
Sch		nalysis of Partner		al Accou	nts						
1	Balance at beginn	ning of year		44,888,91	17 6	Distrib	utions: a Cash				75,140,310
2	Capital contribute	ed: a Cash					b Proper	rty			
		b Property .			7	Other	decreases (itemi	ze):			
3		per books		121,435,39							
4	Other increases (in				8		nes 6 and 7				75,140,310
5	Add lines 1 through			166 324 31	14 9	Palanca	at and of year Sub	tract line Q	from li	no 5	91 184 004

Sam Starling, LLP

Depreciation and Amortization (Including Information on Listed Property)

OMB No. 1545-0172

69-0000001

Attachment

Department of the Treasury ► See separate instructions. Internal Revenue Service (99)

► Attach to your tax return.

Sequence No. 179

Name(s) shown on return Business or activity to which this form relates Identifying number Sam Starling, LLP Legal Services 69-0000001 Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I. 1 Total cost of section 179 property placed in service (see instructions) 2 Threshold cost of section 179 property before reduction in limitation (see instructions) . 3 4 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions 5 (a) Description of property (b) Cost (business use only) (c) Elected cost 6 7 Listed property. Enter the amount from line 29 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 8 9 Tentative deduction. Enter the smaller of line 5 or line 8 9 **10** Carryover of disallowed deduction from line 13 of your 2010 Form 4562 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) 11 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 12 13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12 Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.) Special depreciation allowance for qualified property (other than listed property) placed in service 14 3,258,175 15 **16** Other depreciation (including ACRS) 16 625,392 Part III MACRS Depreciation (Do not include listed property.) (See instructions.) 17 MACRS deductions for assets placed in service in tax years beginning before 2011 17 2.745.142 18 If you are electing to group any assets placed in service during the tax year into one or more general Section B-Assets Placed in Service During 2011 Tax Year Using the General Depreciation System (b) Month and year (c) Basis for depreciation (d) Recovery (a) Classification of property (f) Method placed in (business/investment use (e) Convention (g) Depreciation deduction service only-see instructions) 3-year property 285,740 5-year property 325.098 c 7-year property d 10-year property e 15-year property f 20-year property g 25-year property S/L 25 yrs. h Residential rental 27.5 yrs. MM 9/1 property 27.5 yrs. MM S/L i Nonresidential real 39 yrs. ММ S/L property MM S/L 35,069 Section C-Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System 20a Class life S/L 12 yrs. **b** 12-year **c** 40-year 40 yrs. MM S/L Part IV Summary (See instructions.) 21 Listed property. Enter amount from line 28 21 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions 7,274,616 22 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs 23

69-0000001

Sam Starling, LLP Page 2 Form 4562 (2011) Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.) Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable. Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.) Yes No 24b If "Yes," is the evidence written? **24a** Do you have evidence to support the business/investment use claimed? (g) Business/ Basis for depreciation (d) Type of property (list Date placed Method/ Depreciation Elected section 179 Recovery investment use Cost or other basis (business/investment vehicles first) Convention deduction in service period cost use only) percentage 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) . 25 26 Property used more than 50% in a qualified business use: % % 27 Property used 50% or less in a qualified business use: % S/L -S/L -% % S/L -28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. Add amounts in column (i), line 26. Enter here and on line 7, page 1 Section B-Information on Use of Vehicles Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles. (e) Vehicle 5 Vehicle 6 Vehicle 1 Vehicle 2 Vehicle 3 Vehicle 4 30 Total business/investment miles driven during the year (do not include commuting miles) . 31 Total commuting miles driven during the year 32 Total other personal (noncommuting) miles 33 Total miles driven during the year. Add lines 30 through 32 Yes No Yes Yes No Yes Yes No 34 Was the vehicle available for personal use Yes No No No during off-duty hours? 35 Was the vehicle used primarily by a more than 5% owner or related person? . . Is another vehicle available for personal use? Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions). 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by No 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners **39** Do you treat all use of vehicles by employees as personal use? 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? 41 Do you meet the requirements concerning gualified automobile demonstration use? (See instructions.) Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles. Part VI Amortization (b) Amortization (c) (d) Date amortization Description of costs Amortizable amount Code section Amortization for this year period or begins percentage

Form **4562** (2011)

44

42 Amortization of costs that begins during your 2011 tax year (see instructions):

43 Amortization of costs that began before your 2011 tax year 44 Total. Add amounts in column (f). See the instructions for where to report .

Sam Starling, LLP

Depreciation and Amortization (Including Information on Listed Property)

► See separate instructions.

► Attach to your tax return.

69-0000001 OMB No. 1545-0172

Attachment Sequence No. 179

Department of the Treasury Internal Revenue Service (99) Name(s) shown on return

Business or activity to which this form relates

Identifying number 69-0000001

Sam Starling, LLP Rental Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I. 1 Total cost of section 179 property placed in service (see instructions) 2 Threshold cost of section 179 property before reduction in limitation (see instructions) . 3 4 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions 5 (a) Description of property (b) Cost (business use only) (c) Elected cost 6 7 Listed property. Enter the amount from line 29 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 8 9 Tentative deduction. Enter the smaller of line 5 or line 8 9 **10** Carryover of disallowed deduction from line 13 of your 2010 Form 4562 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) 11 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 12 13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12 Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.) 14 Special depreciation allowance for qualified property (other than listed property) placed in service 14 15 **16** Other depreciation (including ACRS) 16 Part III MACRS Depreciation (Do not include listed property.) (See instructions.) 17 MACRS deductions for assets placed in service in tax years beginning before 2011 17 18,275 18 If you are electing to group any assets placed in service during the tax year into one or more general Section B-Assets Placed in Service During 2011 Tax Year Using the General Depreciation System (b) Month and year (c) Basis for depreciation (d) Recovery (a) Classification of property (f) Method placed in (business/investment use (e) Convention (g) Depreciation deduction service only-see instructions) 3-year property 5-year property c 7-year property d 10-year property e 15-year property **f** 20-year property g 25-year property S/L 25 yrs. h Residential rental 27.5 yrs. MM 9/1 property 27.5 yrs. MM S/L i Nonresidential real 39 yrs. ММ S/L property MM S/L Section C-Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System 20a Class life S/L **b** 12-year 12 yrs. **c** 40-year 40 yrs. MM S/L Part IV Summary (See instructions.) 21 Listed property. Enter amount from line 28 21 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions 22 18,275 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs 23

Sam Starling, LLP 69-0000001

Page 2 Form 4562 (2011) Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.) Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable. Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.) Yes No 24b If "Yes," is the evidence written? **24a** Do you have evidence to support the business/investment use claimed? (g) Business/ Basis for depreciation (d) Date placed Method/ Depreciation Elected section 179 Type of property (list Recovery investment use Cost or other basis (business/investment deduction vehicles first) in service period Convention cost percentage use only) Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) . 26 Property used more than 50% in a qualified business use: % % 27 Property used 50% or less in a qualified business use: % S/L -S/L -% % S/L -28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. Add amounts in column (i), line 26. Enter here and on line 7, page 1 Section B-Information on Use of Vehicles Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the guestions in Section C to see if you meet an exception to completing this section for those vehicles. (e) Vehicle 6 Vehicle 1 Vehicle 2 Vehicle 3 Vehicle 4 Vehicle 5 30 Total business/investment miles driven during the year (do not include commuting miles) . 31 Total commuting miles driven during the year 32 Total other personal (noncommuting) miles 33 Total miles driven during the year. Add lines 30 through 32 Yes No Yes Yes Yes No 34 Was the vehicle available for personal use Yes No No No No Yes during off-duty hours? 35 Was the vehicle used primarily by a more than 5% owner or related person? . . . Is another vehicle available for personal use? Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions). 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by No 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners **39** Do you treat all use of vehicles by employees as personal use? 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the 41 Do you meet the requirements concerning gualified automobile demonstration use? (See instructions.) Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles. Part VI Amortization

	(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	Amortization period or percentage		(f) Amortization for this year			
42	42 Amortization of costs that begins during your 2011 tax year (see instructions):									
43	Amortization of costs that beg	43								
44	Total. Add amounts in colum	44								

Sam Starling, LLP

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and $280F(\dot{b})(2)$

► Attach to your tax return. ► See separate instructions.

69-0000001 OMB No. 1545-0184

Attachment

Sequence No. 27

Department of the Treasury
Service (99) Name(s) shown on return Identifying number 69-0000001 Sam Starling, LLP Enter the gross proceeds from sales or exchanges reported to you for 2011 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (see instructions) (e) Depreciation (f) Cost or other (g) Gain or (loss) (a) Description (b) Date acquired (c) Date sold (d) Gross 2 basis, plus allowed or Subtract (f) from the sales price allowable since improvements and of property (mo., day, yr.) (mo., day, yr.) sum of (d) and (e) acquisition expense of sale Gain, if any, from Form 4684, line 39 3 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37. 4 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . 5 5 Gain, if any, from line 32, from other than casualty or theft. 6 6 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: . 7 Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below. Nonrecaptured net section 1231 losses from prior years (see instructions) 8 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term 9 capital gain on the Schedule D filed with your return (see instructions) . Ordinary Gains and Losses (see instructions) Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less): Loss, if any, from line 7 11 11 12 Gain, if any, from line 7 or amount from line 8, if applicable . . . 12 10,000 Gain, if any, from line 31 13 13 14 Net gain or (loss) from Form 4684, lines 31 and 38a 14 15 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 . 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824. . . . 16 10,000 17 Combine lines 10 through 16 17 18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 130861

Form 4797 (2011)

18a

18b

used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions . . .

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14

35

Form 4797 (2011) Page **2**

19	(a) Description of section 1245, 1250, 1252, 1254, or 1252			(b) Date acquire (mo., day, yr.)		(c) Date sold (mo., day, yr.)		
	Furniture and Fixtures		10/01/201		01/19/2011			
<u>^</u>	Turriture und Fixtures					10/01/20		01/17/2011
C								
D								
		T						
	These columns relate to the properties on lines 19A through 19D	. ▶	Property A	Property	В	Property	С	Property D
20	Gross sales price (Note: See line 1 before completing.) .	20	10,000					
21	Cost or other basis plus expense of sale	21	10,000					
22	Depreciation (or depletion) allowed or allowable	22	10,000					
23	Adjusted basis. Subtract line 22 from line 21	23						
24	Total gain. Subtract line 23 from line 20	24	10,000					
25	If section 1245 property:							
	Depreciation allowed or allowable from line 22	25a	10,000					
b	Enter the smaller of line 24 or 25a	25b	10,000					
26	If section 1250 property: If straight line depreciation was used,							
	enter -0- on line 26g, except for a corporation subject to section 291.							
	Additional depreciation after 1975 (see instructions) .	26a						
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b						
С	Subtract line 26a from line 24. If residential rental property							
	or line 24 is not more than line 26a, skip lines 26d and 26e	26c						
d	Additional depreciation after 1969 and before 1976	26d						
е	Enter the smaller of line 26c or 26d	26e						
f	Section 291 amount (corporations only)	26f						
g	Add lines 26b, 26e, and 26f	26g						
27	If section 1252 property: Skip this section if you did not							
	dispose of farmland or if this form is being completed for a							
	partnership (other than an electing large partnership).							
а	Soil, water, and land clearing expenses	27a						
	Line 27a multiplied by applicable percentage (see instructions)	27b						
С	Enter the smaller of line 24 or 27b	27c						
28	If section 1254 property:							
а	Intangible drilling and development costs, expenditures							
	for development of mines and other natural deposits, mining exploration costs, and depletion (see							
	instructions)	28a						
b	Enter the smaller of line 24 or 28a	28b						
29	If section 1255 property:	100						
	Applicable percentage of payments excluded from							
u	income under section 126 (see instructions)	29a						
b	Enter the smaller of line 24 or 29a (see instructions) .	29b						
Sun	mary of Part III Gains. Complete property colun	nns A t	through D through	h line 29b b	efore	going to lir	ne 30.	
30	Total gains for all properties. Add property columns A thro	ugh D,	line 24				30	10,000
31	Add property columns A through D, lines 25b, 26g, 27c, 26	8b, and	29b. Enter here and	on line 13 .			31	10,000
32	Subtract line 31 from line 30. Enter the portion from casu							
	other than casualty or theft on Form 4797, line 6						32	
							50%	or Less
ar								
Par	(see instructions)					(a) Section	n	(b) Section
Par				г	33	(a) Section 179	on	(b) Section 280F(b)(2)

35

Sam Starling, LLP sorm **8825**

(Rev. December 2010)

Department of the Treasury

Internal Revenue Service

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

► See instructions on back.

► Attach to Form 1065, Form 1065-B, or Form 1120S.

69-0000001

Employer identification number

OMB No. 1545-1186

Sam Starling, LLP 69-0000001 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties. Type—Enter code 1-8; Physical address of each property—street, city, Fair Rental Days Personal Use Days state, ZIP code see page 2 for list 125 Modernized Street Rental Α Newtown, NV 89510 В C D **Properties Rental Real Estate Income** В С D Α 1,234,900 2 Gross rents 2 **Rental Real Estate Expenses** 3 Advertising 3 Auto and travel 4 Cleaning and maintenance . . 5 5 Commissions 6 Insurance 7 7 8 Legal and other professional fees 8 9 Interest 9 10 Repairs 10 11 Taxes 11 Utilities 12 12 13 Wages and salaries 13 Depreciation (see instructions) 14 18,275 14 Other (list) ► Ground Lease, Fees 1,013,500 15 Total expenses for each property. Add lines 3 through 15 16 1.031.775 17 Income or (Loss) from each 203,125 property. Subtract line 16 from line 2 17 1,234,900 **18a** Total gross rents. Add gross rents from line 2, columns A through H . 18a **b** Total expenses. Add total expenses from line 16, columns A through H 18b 1,031,775 19 Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real 19 20a Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1) 20a b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed: (1) Name (2) Employer identification number 203,125 21 Net rental estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2, or • Form 1065-B: Part I, line 4

For Paperwork Reduction Act Notice, see back of form.

Sam Starling, LLP 69-0000001 Form 8825 (12-2010) Page 2

1	Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions.									
	Physical address of each property—street, city, state, ZIP code			Type—Enter code 1-8; see below for list		Fair Rental Days		Personal Use Days		
E										
F										
G										
Н										
			Properties							
	Rental Real Estate Income		E		F		G		Н	
2	Gross rents	2							-	
3	Advertising	3								
4	Auto and travel	4								
5	Cleaning and maintenance	5								
6	Commissions	6								
7	Insurance	7								
8	Legal and other professional fees	8								
9	Interest	9								
10	Repairs	10								
11	Taxes	11								
	Utilities	12								
	Wages and salaries	13								
	Depreciation (see instructions)	14								
15	Other (list) ►									
		15								
16	Total expenses for each property.								_	
10	Add lines 3 through 15	16								
17		10								
• •	property. Subtract line 16 from line 2	17								
Allo	wable Codes for Type of Property							1		

- 1-Single Family Residence
- 2-Multi-Family Residence
- 3-Vacation or Short-Term Rental
- 4-Commercial
- 5-Land
- 6-Royalties
- 7-Self-Rental
- 8-Other (describe)

Form **8825** (12-2010)

Sam Starling, LLP

Empowerment Zone and Renewal Community Employment Credit

69-0000001 OMB No. 1545-1444

Attachment Sequence No. 99

Department of the Treasury Internal Revenue Service

► Attach to your tax return.

Name(s) shown on return Identifying number Sam Starling, LLP 69-0000001 Enter the total qualified wages paid or incurred during calendar year 2011 only (see instructions) a Qualified empowerment zone wages \$ 200,000 × 20% (.20) 40,000 1a × 0% (.00) 1b Enter the amount from line 1a. See instructions for the adjustment you must make to salaries and 40,000 Empowerment zone and renewal community employment credit from partnerships, S 3 Add lines 2 and 3. Cooperatives, estates, and trusts, go to line 5. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, stop here and report this amount on 4 40,000 Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see 5 Cooperatives, estates, and trusts, subtract line 5 from line 4. Report this amount on Form 3800, Form **8844** (2011) For Paperwork Reduction Act Notice, see instructions.

Cat. No. 16145S

Sam Starling, LLP 8882 (Rev. December 2006) Department of the Treasury Internal Revenue Service

Name(s) shown on return

Credit for Employer-Provided Childcare Facilities and Services

► Attach to your tax return.

69-000001 OMB No. 1545-1809

Attachment Sequence No. 131

Identifying number

Sam Starling, LLP 69-000001 Qualified childcare facility expenditures paid or incurred 2 2 Enter 25% (.25) of line 1 Qualified childcare resource and referral expenditures paid or incurred 3 4 Enter 10% (.10) of line 3 Credit for employer-provided childcare facilities and services from partnerships, S corporations, 35,000 5 estates, and trusts 35,000 6 Add lines 2, 4, and 5 . . . Enter the smaller of line 6 or \$150,000. Estates and trusts, go to line 8. All others report this amount as follows: partnerships and S corporations, report this amount on Schedule K; all others, 35,000 7 report the credit on the applicable line of Form 3800, (e.g., line 1n of the 2006 Form 3800) . . . 8 Amount allocated to beneficiaries of the estate or trust (see instructions) . Estates and trusts. Subtract line 8 from line 7. Report the credit on the applicable line of Form 3800 (e.g., line 1n of the 2006 Form 3800)

General Instructions

Section references are to the Internal Revenue Code.

What's New

- The tax liability limit is no longer figured on this form. Instead, it must be figured on Form 3800, General Business Credit
- Taxpayers that are not partnerships, S corporations, estates, or trusts, and whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this credit directly on line 1n of Form 3800.
- The IRS will revise this December 2006 version of the form only when necessary. Continue to use this version for tax years beginning after 2005 until a new revision is issued.

Purpose of Form

Employers use Form 8882 to claim the credit for qualified childcare facility and resource and referral expenditures. The credit is part of the general business credit. You may claim the credit any time within 3 years from the due date of your return on either an original or amended return.

For details, see section 45F.

How To Figure the Credit

The credit is 25% of the qualified childcare facility expenditures plus 10% of the qualified childcare resource and referral expenditures paid or incurred during the tax year. The credit is limited to \$150,000 per tax year.

Qualified childcare expenditures are amounts paid or incurred:

- To acquire, construct, rehabilitate, or expand property that:
 - Is to be used as part of a qualified childcare facility of the taxpayer,
 - 2. Is depreciable (or amortizable) property, and
 - **3.** Is not part of the principal residence of the taxpayer or any employee of the taxpayer;
- For the operating expenses of a qualified childcare facility of the taxpayer, including expenses for training of employees, scholarship programs, and providing increased compensation to employees with higher levels of childcare training; or
- Under a contract with a qualified childcare facility to provide childcare services to employees of the taxpayer.

Note. Any expenses for childcare included in qualified childcare facility expenditures may not exceed the fair market value of such care.

A *qualified childcare facility* is a facility that meets the requirements of all applicable laws and regulations of the state or local government in which it is located, including the licensing of the facility as a childcare facility. The following conditions must also be met.

- The principal use of the facility must be to provide childcare (unless the facility is also the personal residence of the person operating the facility).
- Enrollment in the facility must be open to employees of the taxpayer during the tax year.

Sam Starling, LLP

SCHEDULE C (Form 1065)

(Rev. December 2011) Department of the Treasury Internal Revenue Service

Additional Information for Schedule M-3 Filers

69-0000001

OMB No. 1545-0099

▶ Attach to Form 1065. See separate instructions.

Name of partnership

Sam Starling, LLP

Employer identification number
69-0000001

	~		
		Yes	No
1	At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		V
2	Do the amounts reported on Schedule M-3, Part II, lines 7 or 8, column (d), reflect allocations to this partnership from another partnership of income, gain, loss, deduction, or credit that are disproportionate to this partnership's		
	share of capital in such partnership or its ratio for sharing other items of such partnership?		~
3	At any time during the tax year, did the partnership sell, exchange, or transfer any interest in an intangible asset to		
	a related person as defined in sections 267(b) and 707(b)(1)?		~
4	At any time during the tax year, did the partnership acquire any interest in an intangible asset from a related		
	person as defined in sections 267(b) and 707(b)(1)?		~
5	At any time during the tax year, did the partnership make any change in accounting principle for financial		
	accounting purposes? See instructions for a definition of change in accounting principle		~
6	At any time during the tax year, did the partnership make any change in a method of accounting for U.S. income		
	tax purposes?		~

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49945S

Schedule C (Form 1065) (Rev. 12-2011)

Sam Starling, LLP SCHEDULE M-3 (Form 1065)

Department of the Treasury Internal Revenue Service

Net Income (Loss) Reconciliation for Certain Partnerships

► Attach to Form 1065 or Form 1065-B.
 ► See separate instructions.

69-000001 OMB No. 1545-0099

2011

Employer identification number Name of partnership 69-0000001 Sam Starling, LLP This Schedule M-3 is being filed because (check all that apply): The amount of the partnership's total assets at the end of the tax year is equal to \$10 million or more. В ☑ The amount of the partnership's adjusted total assets for the tax year is equal to \$10 million or more. If box B is checked, enter the amount of adjusted total assets for the tax year 183,508,229 C The amount of total receipts for the tax year is equal to \$35 million or more. If box C is checked, enter the total receipts for the tax year 323,558,263 D An entity that is a reportable entity partner with respect to the partnership owns or is deemed to own an interest of 50 percent or more in the partnership's capital, profit, or loss, on any day during the tax year of the partnership. Name of Reportable Entity Partner Identifying Number Maximum Percentage Owned or Deemed Owned ☐ Voluntary Filer. Part I Financial Information and Net Income (Loss) Reconciliation 1a Did the partnership file SEC Form 10-K for its income statement period ending with or within this tax year? Ves. Skip lines 1b and 1c and complete lines 2 through 11 with respect to that SEC Form 10-K. No. Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared. Did the partnership prepare a certified audited non-tax-basis income statement for that period? Yes. Skip line 1c and complete lines 2 through 11 with respect to that income statement. No. Go to line 1c. Did the partnership prepare a non-tax-basis income statement for that period? ✓ Yes. Complete lines 2 through 11 with respect to that income statement. □ No. Skip lines 2 through 3b and enter the partnership's net income (loss) per its books and records on line 4a. 01 / 01 / 2011 Enter the income statement period: Beginning Ending 12 / 3a Has the partnership's income statement been restated for the income statement period on line 2? Yes. (If "Yes," attach an explanation and the amount of each item restated.) ✓ No. b Has the partnership's income statement been restated for any of the five income statement periods preceding the period on line 2? ☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.) Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 4a 121,435,397 Indicate accounting standard used for line 4a (see instructions): ~ **GAAP** 2 IFRS 704(b) 4 Tax-basis 5 Other: (Specify) ▶ Net income from nonincludible foreign entities (attach schedule) 5a Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) 5b Net income from nonincludible U.S. entities (attach schedule) Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) 6b 7a Net income (loss) of other foreign disregarded entities (attach schedule) 7a Net income (loss) of other U.S. disregarded entities (attach schedule) 7b 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities 8 9 Adjustment to reconcile income statement period to tax year (attach schedule) 9 10 10 Other adjustments to reconcile to amount on line 11 (attach schedule) 11 Net income (loss) per income statement of the partnership. Combine lines 4a through 10 . 11 121,435,397 Note. Part I, line 11, must equal the amount on Part II, line 26, column (a). Enter the total amount (not just the partnership's share) of the assets and liabilities of all entities included or removed on the following lines: 12 Total Assets **Total Liabilities** Included on Part I, line 4 108,367,919 17,183,000 Removed on Part I, line 5 Removed on Part I, line 6 Included on Part I, line 7

Part II

Starling, LLP 69-0000001

Name of partnership Employer identification number

Sam Starling, LLP 69-000001

Reconciliation of Net Income (Loss) per Income Statement of Partnership with Income (Loss) per Return

	neturn	1			
	Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
	(Attach schedules for lines 1 through 9)				
1	Income (loss) from equity method foreign corporations				
2	Gross foreign dividends not previously taxed				
3	Subpart F, QEF, and similar income inclusions				
4	Gross foreign distributions previously taxed				
5	Income (loss) from equity method U.S. corporations				
6	U.S. dividends				
7	Income (loss) from U.S. partnerships				
8	Income (loss) from foreign partnerships				
9	Income (loss) from other pass-through entities				
10	Items relating to reportable transactions (attach details)				
11	Interest income (attach Form 8916-A)				
12	Total accrual to cash adjustment				
13	Hedging transactions				
14	Mark-to-market income (loss)				
15	Cost of goods sold (attach Form 8916-A)	())
16	Sale versus lease (for sellers and/or lessors)				
17	Section 481(a) adjustments				
18	Unearned/deferred revenue				
19	Income recognition from long-term contracts				
20	Original issue discount and other imputed interest .				
21a	Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities .	10,000			
b	Gross capital gains from Schedule D, excluding amounts from pass-through entities				
С	Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d	Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses .				10,000
е	Abandonment losses				
f	Worthless stock losses (attach details)				
g	Other gain/loss on disposition of assets other than inventory				
22	Other income (loss) items with differences (attach schedule)				
23	Total income (loss) items. Combine lines 1 through 22	10,000			10,000
24	Total expense/deduction items. (from Part III, line				
	31) (see instructions)	(12,959,862)	4,116,715	(21,899,903)	(30,743,050)
25	Other items with no differences	134,385,259			134,385,259
26	Reconciliation totals. Combine lines 23 through 25	121,435,397	4,116,715	(21,899,903)	103,652,209

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Schedule M-3 (Form 1065) 2011

Page 2

Part III

Page 3 Name of partnership Employer identification number

Sam Starling, LLP 69-000001

Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return-Expense/Deduction Items

	neturii—Expense/Deduction Items				
	Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	State and local current income tax expense				
2	State and local deferred income tax expense				
3	Foreign current income tax expense (other than				
Ū	foreign withholding taxes)				
4	Foreign deferred income tax expense				
5	Equity-based compensation				
6	Meals and entertainment	1,550,256		(775 120)	775,128
		1,550,250		(775,128)	775,120
7	Fines and penalties				
8	Judgments, damages, awards, and similar costs			00 (75 004	20 / 75 004
9	Guaranteed payments			22,675,031	22,675,031
10	Pension and profit-sharing				
11	Other post-retirement benefits				
12	Deferred compensation				
13	Charitable contribution of cash and tangible property				
14	Charitable contribution of intangible property				
15	Organizational expenses as per Regulations section 1.709-2(a)				
16	Syndication expenses as per Regulations section 1.709-2(b)				
17	Current year acquisition/reorganization investment banking fees				
18	Current year acquisition/reorganization legal and accounting fees				
19	Amortization/impairment of goodwill				
20	Amortization of acquisition, reorganization, and start-up costs				
21	Other amortization or impairment write-offs				
22	Section 198 environmental remediation costs				
23a	Depletion—Oil & Gas				
23a b	Depletion—Other than Oil & Gas				
24	Intangible drilling & development costs				
2 4 25	Depreciation	11,409,606	(4,116,715)		7,292,891
26		11,407,000	(4,110,713)		1,272,091
20 27	Bad debt expense				
28	Purchase versus lease (for purchasers and/ or lessees)				
29	Research and development costs (attach schedule) .				
30	Other expense/deduction items with differences				
	(attach schedule)				
31	Total expense/deduction items. Combine lines 1	1			
	through 30. Enter here and on Part II, line 24,				
	reporting positive amounts as negative and negative				
	amounts as positive	12,959,862	(4,116,715)	21,899,903	30,743,050
			<u> </u>		

Schedule M-3 (Form 1065) 2011

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|--|

Amended K-1

Final K-1

Department of the Treasury
Internal Revenue Service

Schedule K-1

	0			
rent Year	Inc	om	e,	
nd Other	lten	ne		

Part III Partner's Share of Cur (Form 1065) **Deductions, Credits, an** Ordinary business income (loss) 15 Credits For calendar year 2011, or tax 32,272,562 L 16,000 01/01 vear beginning , 2011 ending 12/31 , 20 11 Net rental real estate income (loss) P 14,240 81,250 Partner's Share of Income. Deductions. Other net rental income (loss) 16 Foreign transactions Credits, etc. ▶ See back of form and separate instructions. Guaranteed payments Part I Information About the Partnership 22,675,031 Partnership's employer identification number 69-0000001 5 Interest income 37,060 Partnership's name, address, city, state, and ZIP code Ordinary dividends Sam Starling, LLP Qualified dividends 631 N McKinley Drive Reno, NV 89510 Royalties IRS Center where partnership filed return С 0gden Net short-term capital gain (loss) Check if this is a publicly traded partnership (PTP) Net long-term capital gain (loss) Alternative minimum tax (AMT) items Part II Information About the Partner Collectibles (28%) gain (loss) Partner's identifying number A 79,782 69-1000001 Unrecaptured section 1250 gain Partner's name, address, city, state, and ZIP code Barton and Jenkins Enterprise Net section 1231 gain (loss) Tax-exempt income and nondeductible expenses RR 510 W Other income (loss) Anchorage, AK 99502 C 310,052 X General partner or LLC Limited partner or other LLC member-manager member Н X Domestic partner Foreign partner Distributions Partnership Section 179 deduction What type of entity is this partner? Partner's share of profit, loss, and capital (see instructions): A 30,056,124 Beginning **Ending** Other deductions 40 %_ 40 % Other information Profit 40 % 40 % Loss 40 % 40 % Capital A 37,060 Partner's share of liabilities at year end: 4,400,000 Self-employment earnings (loss) Nonrecourse \$ A 55,024,842 Qualified nonrecourse financing . \$ Recourse C 55,024,842 *See attached statement for additional information. Partner's capital account analysis: 17,955,568 Beginning capital account . . . Capital contributed during the year 48,574,160 Current year increase (decrease) . 30,056,124) Withdrawals & distributions . . . For IRS Use Only 36,473,604 Ending capital account GAAP X Section 704(b) book Tax basis Other (explain) Did the partner contribute property with a built-in gain or loss? X No Yes

If "Yes," attach statement (see instructions)

Cat. No. 11394R

Schedule K-1	
(F 4005)	201

Final		Amended K-1	OMB No. 154
Part III	Parmer	s Share of Curren	t rear income,

Deductions, Credits, and Other Items

Department of the Treasury Internal Revenue Service

(Form 1065)

For calendar ye	ear 2011, or	tax	
year beginning	01/0)1	, 2011
ending	12/31	, 20	11

Partner's Share o	of Income, Deductions,
Credits, etc.	► See back of form and separate instructions

Оера	rtment of the Treasury	For calenda	r year 2011, or tax	1	Ordinary business income (loss)	15	Credits
nterr	nal Revenue Service	year beginn			8,068,141		L 4,000
D	dwaria Chara af I	_	12/31 , 20 11	2	Net rental real estate income (loss) 20,312		P 3,560
	rtner's Share of I edits, etc.	•	tions, and separate instructions.	3	Other net rental income (loss)	16	Foreign transactions
	Part I Information	About the Partr	ership	4	Guaranteed payments		
Α	Partnership's employer ide						
В	Dortnorphin's name addre	69-0000001	ndo.	5	Interest income 9,265		
	Partnership's name, addre	-	ode	6a	Ordinary dividends		
	m Starling, LLP 			6b	Qualified dividends		
	l N McKinley Dr	ive		"	Qualified dividends		
Rer	no, NV 89510			7	Royalties		
c 0ga	IRS Center where partners	ship filed return		8	Net short-term capital gain (loss)		
D	Check if this is a publi	icly traded partnership (P	TP)				
	lort II Information	About the Borts		9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
	art II Information		ier	9b	Collectibles (28%) gain (loss)		
E	Partner's identifying numb	000-00-0022		35	Concombics (2070) gain (1033)		A 19,946
F Sam	Partner's name, address, on Starling	city, state, and ZIP code		9с	Unrecaptured section 1250 gain		
P.O	. Box 99 7 Birc	h Branch		10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
St.	Johns, NFLD			11	Other income (loss)	+	·
Can	ada, AIC5N5			''	Other moorne (1033)		G 55 512
G	General partner or LL		partner or other LLC				C 77,513
	member-manager	membe					
Н	Domestic partner	X Foreign	partner			19	Distributions
ı	What type of entity is this p	partner? Indiv	ridual	12	Section 179 deduction	1	
J	Partner's share of profit, lo	· · ·	·	-10	Other deductions	-	A 7,514,031
	Beginnin	10	Ending	13	Other deductions	20	Other information
	Profit	10 %	10 %			20	Other information
	Loss Capital	10 %	10 %				
							A 9,265
K	Partner's share of liabilities		1,100,000	14	Self-employment earnings (loss)		
	Nonrecourse			'-	Gen-employment earnings (ioss)		
	Recourse	\$					
L	Partner's capital account a	•		*Se	e attached statement for add	dition	al information.
	Beginning capital account		4,488,892				
	Capital contributed during		10 140 540				
	Current year increase (dec	rease) . \$	12,143,540				
	Withdrawals & distributions		7,514,031)	Į Ę			
	Ending capital account .	\$	9,118,401	For IRS Use Only			
	Tax basis	GAAP X Secti	on 704(b) book	S U			
	Other (explain)	,		≝			
				For			
М	Did the partner contribute	property with a built-in a	ain or loss?	_			
-		No					
	If "Yes," attach staten						

K-1	201
· C \	(U)

Amended K-1

Final K-1

03-0000	, -	
OMB N	lo. 154	5-00

(Form 1065)		2011	Pá	Deductions, Cred		rent Year Income, nd Other Items
Department of the Treas	sury For	calendar year 2011, or tax	1	Ordinary business income (loss)	15	Credits
Internal Revenue Service	Δ .	beginning 01/01 , 2011		1,613,628	3	L 800
		ending 12/31, 20 11	2	Net rental real estate income (loss) 4 , 0 6 3	3	P 712
Partner's Shar Credits, etc.	re of Income, D ► See back	eductions, of form and separate instructions.	3	Other net rental income (loss)	16	Foreign transactions
	mation About the	Partnershin	4	Guaranteed payments		
	ployer identification numb	•	1			
	69-00000		5	Interest income		
B Partnership's nar	me, address, city, state, a	nd ZIP code		1,853	3	
Sam Starling	, LLP		6a	Ordinary dividends		
631 N McKinl	ey Drive		6b	Qualified dividends		
Reno, NV	89510		7	Royalties		
c IRS Center where Ogden	e partnership filed return		8	Net short-term capital gain (loss)		
H	is a publicly traded partne	ership (PTP)	1	Trot onort torm ouprial gain (toos)		
			9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
	mation About the	Partner	9b	Collectibles (28%) gain (loss)		
E Partner's identify	990-00-00	01	"	Concendica (2070) gain (1033)		A 3,989
F Partner's name,	address, city, state, and Z	P code	9с	Unrecaptured section 1250 gain		
Taxpayer 1			10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
P.O. Box 000	1		11	Other income (loss)		nondeductible expenses
Reno, NV	89510		''	Other income (ioss)		
G General part member-ma		Limited partner or other LLC member				C 15,503
H X Domestic pa	artner	Foreign partner				
	_				19	Distributions
i	ity is this partner? Ind		12	Section 179 deduction		
1	of profit, loss, and capital (s Beginning	see instructions): Ending	13	Other deductions	_	A 1502,806
Profit	2 %				20	Other information
Loss	2 %	2 %				
Capital	2 %	2 %				
						A 1,853
1	of liabilities at year end:	55,000	14	Self-employment earnings (loss)		
Nonrecourse . Qualified nonreco	-	33,000	'7	Gen-employment earnings (1033)		
Recourse	-					
	`-					
L Partner's capital	account analysis:		*Se	e attached statement for ad	dition	al information.
Beginning capital	-	224,445				
•	ed during the year \$	607,177				
Current year incre Withdrawals & di	` ′ -	375,702)	>			
Ending capital ac	-	455,920	l o			
Lifding capital ac	- σουπτ	100 / > 20	Use Only			
Tax basis	GAAP	Section 704(b) book				
Other (explain		• •	For IRS			
1			Ŗ			
1 —	contribute property with a l	ouilt-in gain or loss?				
☐ Yes If "Yes," atta	X No ach statement (see instruc	tions)				

Jennings Boats, LLC 69-0000002

TEST SCENARIO 2

FORMS REQUIRED:

1065, 4562, 4797, 8824, 8925, 1125-A 1065 SCH K-1 (2), 1065 SCH B-1, Form 8453-PE

ATTACHMENTS:

Self-Charged Interest Election Itemized Other Deductions Statement Other Cost Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE

HEADER INFO:

Tax Period: Calendar Year 2011

Preparer Firm Electronic Tax Filers, Inc 69-0000098

1065 Efile Drive Anytown, NV 89501

Multiple Software Packages Used: Yes or No

Originator: EFIN: Self-select

Type: ERO

Practitioner PIN: None PIN Entered by – N/A

Signature Option: Binary Attachment 8453-PE Signature Document

Return Type: Form 1065

Filer: EIN: 69-0000002

Name: Jennings Boats LLC Name Control: JENN Address: Rt 1 Box 843 Bar Harbor, ME 04609

Partner: Name: Horace Jennings

Title: Chief Executive Officer

Taxpayer PIN: Phone: 555-555-555

Email Address: Anymail@email.com

Date Signed: 04/15/2012

Preparer: Name: Paul Jennings

PTIN: P00000002 Phone: 555-631-1212

Email Address: Anymail@email.com

Date Prepared: 04/15/2012

Self Employed: No

IRS PAYMENT: N/A

Jennings Boats, LLC 69-0000002

Details for attachments to Form

Self-Charged Interest Election (Form 1065)

Name of Partnership	Address	EIN	Regulation Section 1.469- 7(g) Declaration			
Jennings Boats	Rt 1 Box 843 Bar Harbor, ME 04609	69-0000002	Yes			

Itemized Other Deductions Statement (Form 1065, Page 1, Line 20)

Amortization	500
Professional Fees	225,000
Insurance	84,722

Other Cost Statement (Cost of Good Sold, Form 1125-A, Line 5)

Other Cost	131,245
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Note: Guaranteed payments are for medical insurance

	Jeni	nings Boat	s, LLC	U.S.	Return of P	artnersl	nin I	ncom	e		1	000002 No. 1545-009	19
Form Depar	tment of thal Revenue	ne Treasury	For cale	endar year 2011, or t	ax year beginning		2011,		12/31 , 20	11 .		011	<u> </u>
		ness activity		Name of partnersh	• • • • • • • • • • • • • • • • • • •						D Employer	r identification n	umber
	t Sales			Jennings Boat,	•							-0000002	
B Prin	cipal produ	ct or service	Print	_	nd room or suite no. If a	P.O. box, see th	ne instri	uctions.			E Date bu	siness started	 d
	s & Serv		or	Rt 1 Box 843							01	1/01/2010	
C Bu	siness cod	le number	type.	City or town, state	e, and ZIP code						F Total ass	sets (see the	
	44122	22		Bar Harbor, ME	04609						instructi	•	
G H I J	Check a	of Sched	method: ules K-1. /	(1)	n (2) Final retul termination - also che (2) According to the desired termination - also che (2) According termination (2) Final return (2) Final retur	neck (1) or (2) rual	(3)	Other) ☐ Address (specify) ► tax year ►		(5)	Amended ret	turn
Caut	tion. Incl	ude only	trade or b	ousiness income a	and expenses on line	es 1a through	n 22 b	elow. See	the instructi	ons for n	nore infor	mation.	
	1a	Merchan	t card an	d third-party pa	yments (including a	amounts							
		reported	on Form	(s) 1099-K)			1a						
	b	Gross re	ceipts or	sales not report	ed on line 1a		1b		4,212,980				
	С	Total. Ad	d lines 1	a and 1b			1c		4,212,980				
	d	Returns a	and allow		"cash back" includ								
d)	1						1d		350,000				
ncome	е						1e		3,862,980				
ဝ					1125-A)		2		3,508,023				
므		_		•	·					3		354,957	
	1		Gross profit. Subtract line 2 from line 1e										
		-	let farm profit (loss) (attach Schedule F (Form 1040))										
	1			, ,	art II, line 17 (attac					6		9,000	
		_			nent)		•			7		7,000	
	1		•	, ,	•					8		262.057	
					es 3 through 7 .							363,957	
limitations)	1		_	•	partners) (less em					9		150,000	
nitat				•	3					10		110,000	
Ë	l l			tenance						11		5,562	
S fc		Bad debt	is							12			
(see the instructions		Rent								13		265,740	
stru	14	Taxes an	d license	es						14		33,450	
⊒. •		Interest .								15		95,362	
e th	1	•	•	equired, attach F	•		16a		100,976				
	•	•		•	1125-A and elsewhe	re on return	16b			16c		100,976	
Deductions	17	Depletion	n (Do no t	t deduct oil and	l gas depletion.)					17			
.፬	18	Retireme	nt plans,	etc						18			
텇	19	Employe	e benefit	programs						19		1,250	
즃	20	Other de	ductions	(attach stateme	nt)					20		310,222	
صّ	21	Total de	ductions	. Add the amou	ints shown in the fa	ar right colur	nn foi	r lines 9 t	hrough 20.	21		1,072,562	
	22	Ordinary	busines	ss income (loss). Subtract line 21	from line 8				22		(708,605)	
Sig	n	knowled	dge and bel	lief, it is true, correct,	t I have examined this re and complete. Declarat parer has any knowledg	tion of preparer							ager)
Hei					,			1/1	5/2012	pr	ay the IRS disc eparer shown structions)?		vith the
		Si	anature of a	 general partner or lim	nited liability company m	nember manage		Date				_ 169 <u> </u>	140
			pe prepare		Preparer's sign		•	, Date	Date			PTIN	
Pai		'			i reparer s sign	a.u.o			4/15/2012	1	k 📙 if	P000000	າດວ
Pre	parer		ennings	FI FOTDIO TAY	FILEDS INC				1/ 10/2012		employed		
Use	Only	Firm's n		1065 FEIL F DRIV	VE, ANYTOWN, NV	80501					EIN ►	69-0000098 55-631-121	
		ı ⊨ırm′s a	ddress ▶	1000 EFILE DKI	v 🗕 , AIN 1 I OVVIV., INV	U7JUI				Phone	no. S	/JJ-UJ I- IZ I	4

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2011)

Jennings Boats, LLC Form 1065 (2011) Page 2

Sch	edule B Other Information							
1	What type of entity is filing this return? Check the ap	oplicable	box:				Yes	No
а	☐ Domestic general partnership b	☐ Dom	estic limite	ed partnership				
С	✓ Domestic limited liability company	☐ Dom	estic limite	ed liability part	nership			
е	☐ Foreign partnership f	Othe	er >					
2	At any time during the tax year, was any partner in an entity treated as a partnership), a trust, an S corp or a nominee or similar person?	ooration,	an estate	(other than an		ed partner),		>
3	At the end of the tax year:							
а	a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership							
b	Did any individual or estate own, directly or indirect the partnership? For rules of constructive ownershi on Partners Owning 50% or More of the Partnership	ip, see ir	nstructions	s. If "Yes," atta		Information	\ \ \	
4 a	At the end of the tax year, did the partnership: Own directly 20% or more, or own, directly or indi stock entitled to vote of any foreign or domes instructions. If "Yes," complete (i) through (iv) below	stic corp	ooration?	For rules of	constructive owner			~
	(i) Name of Corporation			r Identification er (if any)	(iii) Country of Incorporation	(iv) Perc Owned in Vo		ock
b	Own directly an interest of 20% or more, or own, dir or capital in any foreign or domestic partnership (in	ncluding	an entity	treated as a p	artnership) or in the	e beneficial		
	interest of a trust? For rules of constructive ownershi			If "Yes," comp	olete (i) through (v) b			~
	(i) Name of Entity Identification (iii) Type of (iv) Country of Percent		(v) M Percenta Profit, Los	aximum ge Own ss, or C	ed in			
						F	1065	(0011)

Form **1065** (2011)

Page 3

		Yes	No
5	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for		
	more details		~
6	Does the partnership satisfy all four of the following conditions?		
a	The partnership's total receipts for the tax year were less than \$250,000.		
b	The partnership's total assets at the end of the tax year were less than \$1 million.		
С	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
d	The partnership is not filing and is not required to file Schedule M-3		<u> </u>
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		
8	During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		~
9	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		~
10	At any time during calendar year 2011, did the partnership 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)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country.		V
11	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or		
	transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		V
12a	Is the partnership making, or had it previously made (and not revoked), a section 754 election?		~
	See instructions for details regarding a section 754 election.		
b	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		/
С	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		V
13	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year)		
14	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		~
15	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		~
17	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
18a	Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions		~
b	If "Yes," did you or will you file all required Form(s) 1099?		~
19	Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶		
_	nation of Tax Matters Partner (see instructions)		
Enter b	elow the general partner designated as the tax matters partner (TMP) for the tax year of this return:		
Name desigr TMP			
entity, of TM	P representative of TMP		
Addre desigr TMP			

Jennings Boats, LLC Form 1065 (2011) Page 4

Sched	ule K	Partners' Distributive Share Items		Total amount
	1	Ordinary business income (loss) (page 1, line 22)	1	(708,605)
	2	Net rental real estate income (loss) (attach Form 8825)	2	
	За	Other gross rental income (loss)		
	b	Expenses from other rental activities (attach statement) 3b		
	С	Other net rental income (loss). Subtract line 3b from line 3a	3с	
(S	4	Guaranteed payments	4	110,000
Income (Loss)	5	Interest income	5	250
7	6	Dividends: a Ordinary dividends	6a	
ле		b Qualified dividends 6b		
Ö	7	Royalties	7	
<u>=</u>	8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
	9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b	Collectibles (28%) gain (loss) 9b		
	С	Unrecaptured section 1250 gain (attach statement) 9c		
	10	Net section 1231 gain (loss) (attach Form 4797)	10	
	11	Other income (loss) (see instructions) Type ▶	11	
SI	12	Section 179 deduction (attach Form 4562)	12	
<u>.</u>	13a	Contributions	13a	
Ţ	b	Investment interest expense	13b	
β	С	Section 59(e)(2) expenditures: (1) Type ► (2) Amount ►	13c(2)	
۵	d	Other deductions (see instructions) Type ▶	13d	
	14a	Net earnings (loss) from self-employment	14a	(248,803)
Self- Employ- Deductions ment	b	Gross farming or fishing income	14b	
	С	Gross nonfarm income	14c	(248,803)
	15a	Low-income housing credit (section 42(j)(5))	15a	
S	b	Low-income housing credit (other)	15b	
Credits	С	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
re	d	Other rental real estate credits (see instructions) Type ▶	15d	
0	е	Other rental credits (see instructions) Type ▶	15e	
	f	Other credits (see instructions) Type ►	15f	
	16a	Name of country or U.S. possession ▶		
m	b	Gross income from all sources	16b	
ü	С	Gross income sourced at partner level	16c	
ansactions		Foreign gross income sourced at partnership level		
sa	d	Passive category ► e General category ► f Other ►	16f	
än		Deductions allocated and apportioned at partner level		
Ē	g	Interest expense ► h Other	16h	
Foreign		Deductions allocated and apportioned at partnership level to foreign source income		
<u>re</u>	i	Passive category ► j General category ► k Other ►	16k	
P.	ı	Total foreign taxes (check one): ► Paid ☐ Accrued ☐ · · · · · · · ·	16I	
	m	Reduction in taxes available for credit (attach statement)	16m	
	n	Other foreign tax information (attach statement)	4-	
Alternative Minimum Tax (AMT) Items	17a	Post-1986 depreciation adjustment	17a	
ive n T	b	Adjusted gain or loss	17b	
nat Tr	C	Depletion (other than oil and gas)	17c	
err Jir /T	d	Oil, gas, and geothermal properties—gross income	17d	
Aligh	e •	Oil, gas, and geothermal properties—deductions	17e 17f	
	18a	Other AMT items (attach statement)	171 18a	
ion	loa b	Other tax-exempt income	18b	
ati	C	Nondeductible expenses	18c	600
Ę	19a	Distributions of cash and marketable securities	19a	000
Jίο	b	Distributions of other property	19b	
Other Information	20a	Investment income	20a	250
	b	Investment expenses	20b	200
ō	C	Other items and amounts (attach statement)		

FOIIII I	065 (2011)											Page 3
Analy	sis of Net Incon	ne (Loss)										
1		. Combine Schedule	K, lines 1	through	11. F	rom the	esult, sub	tract the s	um of			
	Schedule K, lines	12 through 13d, and	1161							1		(598,355)
2	Analysis by	(i) Componets	(ii) Indi	vidual	(iii)	Individua	(:\ D		(v)	Exen	npt	(vi)
	partner type:	(i) Corporate	(activ	/e)	(p	passive)	(IV) Pa	artnership	org	anizat	ion	Nominee/Other
а	General partners		(2	244,178)								
b	Limited partners			354,177)								
Sch	edule L Bala	nce Sheets per E	Books		Beg	inning of	tax year			End	d of ta	ax year
		Assets		•	(a)		(b)		(0)		(d)
1	Cash											75,500
2a	Trade notes and a	accounts receivable								42	,555	
b	Less allowance fo	or bad debts										42,555
3	Inventories											2,225,675
4	U.S. government	obligations										
5	Tax-exempt secur	rities										
6	Other current asse	ets (attach statemen	t)									
7a	Loans to partners (or persons related to	partners)									
b	Mortgage and rea	ıl estate loans .										
8	Other investments	s (attach statement)										
9a	Buildings and oth	er depreciable asset	s							501	,229	
b	Less accumulated	d depreciation .								100	,976	400,253
10a	Depletable assets											
b	Less accumulated	d depletion										
11	Land (net of any a	amortization)										
12a	Intangible assets	(amortizable only)								6	,000	
b	Less accumulated	d amortization .									500	5,500
13	Other assets (atta	ch statement) .										
14	Total assets											2,749,483
	Liabilitie	es and Capital										
15	Accounts payable											496,442
16	Mortgages, notes, b	onds payable in less th	nan 1 year									
17	Other current liab	ilities (attach stateme	ent) .									345,622
18	All nonrecourse lo	oans										
19a	Loans from partners	s (or persons related to	partners)									
b	Mortgages, notes, k	oonds payable in 1 yea	r or more									
20	Other liabilities (at	ttach statement) .										2,375,869
21		accounts										(468,450)
22		d capital										2,749,483
Sch		econciliation of In								turn		
		ote. Schedule M-3 m	nay be req			of Sched	ule M-1 (se	ee instructi	ions).			
1	Net income (loss)	per books		518,4	50)			on books th			luded	
2	Income included on S	Schedule K, lines 1, 2, 3	c,					nes 1 through	n 11 (iten	nize):		
		and 11, not recorded of				a Tax-	exempt in	terest \$				
	books this year (item	ize):										
3		ments (other that						cluded on S				
	•							d, and 1				
4		ed on books this yea				•		ncome this	• ,		•	
		Schedule K, lines	1			a Dep	reciation \$) 		80	,505	80,505
	through 13d, and	roi (iterriize).										
a	Depreciation \$			6	5001			d7				80,505
b	ravel and enterta	ainment \$			'			(Analysis				
5		gh 4		(517,8	-	(LOS	s), line 1). S	Subtract lin	e 8 froi	n iine	э.	(598,355)
		nalysis of Partner		II ACCO	-							
1	_	ning of year				6 Disti	ibutions:					
2	Capital contribute	ed: a Cash		50,0		7 0	 	b Property	'			
_	AL III	b Property .	<u> </u>	/F		7 Othe	uecreas	es (itemize	:). 			
3		per books		(518,4	<u> </u>							
4 5	Other increases (in			(468.4				d7				(468 450)
2	ACIC TIPES I TOROLLO	11.1.4	1	IANX /I	aut I	w Holor	ca at and of	VAGE SUBTE	CT IIDA Q	rrom li	חם ה	1/468 /(5(1)

Jennings Boats, LLC

Form **1125-A**

(December 2011)

Department of the Treasury
Internal Revenue Service

Cost of Goods Sold

69-0000002

OMB No. 1545-XXXX

► Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, and 1065-B.

Name			Employer identification number
Jenni	ngs Boat, LLC		69-0000002
1	Inventory at beginning of year	1	
2	Purchases	2	5,602,453
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	131,245
6	Total. Add lines 1 through 5	6	5,733,698
7	Inventory at end of year	7	2,225,675
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions)	8	3,508,023
9a	Check all methods used for valuing closing inventory: (i) ☐ Cost (ii) ☐ Lower of cost or market (iii) ☐ Other (Specify method used and attach explanation.) ▶		
b	Check if there was a writedown of subnormal goods		
С	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 9	70) .	▶ 🗆
d	If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO	9d	
е	If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?		🗌 Yes 🔽 No
f	Was there any change in determining quantities, cost, or valuations between opening and closing invattach explanation		
For Pa	perwork Reduction Act Notice, see separate instructions. Cat. No. 55988R		Form 1125-A (12-2011)

Jennings Boats, LLC

(Including Information on Listed Property) ► See separate instructions.

69-0000002 OMB No. 1545-0172

Attachment Sequence No. **179**

Identifying number

Department of the Treasury Internal Revenue Service (99) Name(s) shown on return

► Attach to your tax return. Business or activity to which this form relates

Depreciation and Amortization

Boat Sales 69-0000002

Jenr	nings Boats, LLC		Bo	at Sales				69-0000002
Pai			ertain Property led property, com			mplete Part I.	!	
1	Maximum amount (s	see instruction	ıs)				1	
2	Total cost of section	n 179 property	placed in service	(see instructions	s)		2	
3	Threshold cost of se	ection 179 pro	perty before reduc	ction in limitation	(see instruction	ons)	3	
4							4	
5						r -0 If married filing		
	separately, see instr	ructions					5	
6	(a) De	scription of proper	rty	(b) Cost (busi	ness use only)	(c) Elected cost		
7	Listed property. Ent	er the amount	from line 29		7			-
	Total elected cost of					17	8	
	Tentative deduction						9	
10							10	
11	-		•			ne 5 (see instructions)	11	
12	Section 179 expens						12	
	Carryover of disallov					13		
	: Do not use Part II							
Par	t II Special Depr	reciation Allo	wance and Othe	er Depreciation	(Do not inc	lude listed property.)	(See i	nstructions.)
14	Special depreciatio	n allowance	for qualified prop	erty (other than	listed prope	rty) placed in service		
	during the tax year ((see instruction	ns)				14	73,490
15 Property subject to section 168(f)(1) election								
16	Other depreciation (including ACF	RS)				16	
Par	t III MACRS Dep	reciation (D	o not include lis	ted property.)	(See instruct	ions.)	•	
				Section A				
						1	17	
18						one or more general		
	asset accounts, che							
	Section B			-	ear Using the	e General Depreciation	n Syst	em
	Classification of property	(b) Month and year placed in service	(c) Basis for depreciati (business/investment u only—see instructions	ise (a) Recovery	(e) Convention	n (f) Method	(g) [Depreciation deduction
19a	3-year property		22,444	3	HY	200 DB		7,481
b			1,500	5	HY	200 DB		300
	7-year property		26,555	7	HY	200 DB		3,792
	10-year property							
	15-year property							
	20-year property							
	25-year property			25 yrs.		S/L		
h	Residential rental			27.5 yrs.	MM	5/L		
	property			27.5 yrs.	MM	S/L		
į	Nonresidential real			39 yrs.	MM	S/L		
	property		425,740		MM	S/L		10,913
		-Assets Place	ed in Service Duri	ng 2011 Tax Ye	ar Using the	Alternative Depreciati	on Sy	stem
	Class life					S/L		
	12-year			12 yrs.		S/L		
	40-year			40 yrs.	MM	5/L		
	t IV Summary (S							
	Listed property. Ent						21	5,000
22			-		(-,	and line 21. Enter here		
		-				ictions	22	100,976
23	For assets shown a							
	portion of the basis	attributable to	section 263A cos	sts		23		

Jennings Boats, LLC 69-0000002

Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

			ehicle for w through (c)									g lease (expense	e, com	olete on	ly 24a,
		. ,	ation and (s for pas	senger	autom	obiles.)	
248	Do you have ev	vidence to su	oport the busi	iness/inves	tment us	e claime	ed?	Yes	No	24b	f "Yes," i	s the evic	lence wri	itten?	☐ Yes	No
١.	(a) e of property (list vehicles first)	in service	(c) Business/ investment use percentage	Cost or o		(busir	(e) for depre ness/inves use only)	stment	(f) Recovery period	Co	(g) lethod/ nvention		(h) preciation duction	Ele	(i) ected sect cost	
	Special dep	and used	more than	50% in a	qualifie	d busi	ness us									
26	Property use	1		qualified								_				
2009	Pilot	07/22/11	100 %		25,00	0 25,00	00	!	5	200	DB-HY		5,	000		
			%													
			%													
27	Property use	ed 50% or I	ess in a qu	alified bu	siness	use:		•								
			%							S/L	_					
			%							S/L	_					
			%							S/L	_					
28	Add amount	s in column		5 throug	h 27 F	nter he	re and	on line	21 nan	ie 1	28		5	000		
	Add amount			_										29		
	7 laa ambant	.5 III COIGIIII	1 (1), 11110 20						e of Ve		• •		. '			
	plete this secti our employees,		-	a sole pro	oprietor	partne	r, or oth	er "mo	re than 5	% ow						ehicles
30	30 Total business/investment miles driven during the year (do not include commuting miles) .			•	(a) (b) Vehicle 1 Vehicle 2			(c) Vehicle 3			(d) Vehicle 4		e) cle 5	(t Vehi	f) cle 6	
31	Total commutir	ng miles drive	n during the	year												
32	Total other p	•		g) miles 												
33	Total miles do	J	the year. A	dd lines												
34	Was the veh during off-dut		•		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No

Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions).

37	Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by	Yes	No
	your employees?		
38	Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your		
	employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39	Do you treat all use of vehicles by employees as personal use?		
40	Do you provide more than five vehicles to your employees, obtain information from your employees about the		
	use of the vehicles, and retain the information received?		
41	Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		
	Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

Part VI Amortization

35 Was the vehicle used primarily by a more than 5% owner or related person? . . .36 Is another vehicle available for personal use?

(a) Description of costs (b) Date amortization begins		(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage		(f) Amortization for this year				
42 Amortization of costs that begins during your 2011 tax year (see instructions):										
t Up	01/01/2011	6,000	195	5		500				
Amortization of costs that beg		43								
Total. Add amounts in colum	44	500								
	Description of costs Amortization of costs that begin t Up Amortization of costs that beg	Description of costs Amortization of costs that begins during your 2011 t Up Amortization of costs that began before your 2010 and the cost of the c	Date amortization begins Date amortization begins Amortizable amount Amortization of costs that begins during your 2011 tax year (see instructions): t Up 01/01/2011 Amortization of costs that began before your 2011 tax year	Date amortization begins Date amortization begins Amortizable amount Amortization of costs that begins during your 2011 tax year (see instructions): t Up 01/01/2011 Amortization of costs that began before your 2011 tax year	(a) Description of costs Amortization Description of costs Desc	(a) Description of costs (D) Date amortization begins (C) Amortizable amount (C) Code section (C) Amortization period or percentage (C) Amortization of costs that begins during your 2011 tax year (see instructions): 1 Up 01/01/2011 6,000 195 5 Amortization of costs that began before your 2011 tax year				

Jennings Boats, LLC

Department of the Treasury Internal Revenue Service (99)

Name(s) shown on return

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

► Attach to your tax return.

► See separate instructions.

69-0000002 OMB No. 1545-0184

Attachment

Sequence No. 27

Identifying number

Jeni	nings Boats, LLC						69-000	00002
1	Enter the gross proceeds substitute statement) that						1	
Pa	Sales or Exchan Than Casualty o	ges of Proper	ty Used in a T	rade or Busines	ss and Involunta	ary Conver		From Other
2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or o basis, plu improvements expense of s	is s and	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
3	Gain, if any, from Form 4684	 4, line 39					3	
4	Section 1231 gain from insta	allment sales from	Form 6252, line 20	6 or 37			4	
5	Section 1231 gain or (loss) f	rom like-kind exch	anges from Form	8824			5	
6	Gain, if any, from line 32, from		· ·				6	
7	Combine lines 2 through 6.		•				7	
	Partnerships (except elecinstructions for Form 1065,	ting large partne	rships) and S co	orporations. Report	the gain or (loss) f	ollowing the		
	Individuals, partners, S co line 7 on line 11 below and losses, or they were recap Schedule D filed with your r	rporation sharehold skip lines 8 and 9 tured in an earlier	olders, and all others. If line 7 is a gaing year, enter the g	hers. If line 7 is zero in and you did not h gain from line 7 as	or a loss, enter the a	amount from section 1231		
8	Nonrecaptured net section	1231 losses from p	rior years (see ins	structions)			8	
9	Subtract line 8 from line 7. I	•	`	,		selow If line		
3	9 is more than zero, enter	•						
	capital gain on the Schedule				•	•	9	
Par								
	Ordinary gains and losses n			<u>, </u>	1 year or less):			
	Gramary game and recess in							
11	Loss, if any, from line 7.						11	
12	Gain, if any, from line 7 or a	mount from line 8,	if applicable .				12	
13	•						13	
14	Net gain or (loss) from Form	4684, lines 31 and	138a				14	
15	Ordinary gain from installme	ent sales from Forn	n 6252, line 25 or 3	36			15	
16	Ordinary gain or (loss) from	like-kind exchange	s from Form 8824	1			16	9,000
17	Combine lines 10 through 1	6					17	9,000
18	For all except individual retu and b below. For individual	· ·			ne of your return and	l skip lines a		
_		•			ut of the lass been 5	ntou the resul		
a	If the loss on line 11 includes					•		
	of the loss from income-prodused as an employee on Sch	0	•	,	•		18a	
h	Redetermine the gain or (los	,	,,	•			-	
	Panarwark Poduation Act N			iy, on mic roa. Litter	Cat No. 120061	o-ro, iii i⊂ 14	18b	Form 4797 (2011

Page 2

19	(see instructions) (a) Description of section 1245, 1250, 1252, 1254, or 125.	5 prope	ertv.			(b) Date acq		(c) Date sold (mo.
		э ргоре				(mo., day,	yr.)	day, yr.)
A								
В								
<u> </u>								
D				Γ				
	These columns relate to the properties on lines 19A through 19D	.▶	Property A	Property	В	Property	C	Property D
20	Gross sales price (Note: See line 1 before completing.) .	20						
21	Cost or other basis plus expense of sale	21						
22	Depreciation (or depletion) allowed or allowable	22						
23	Adjusted basis. Subtract line 22 from line 21	23						
24	Total gain. Subtract line 23 from line 20	24						
25	If section 1245 property:	24						
	Depreciation allowed or allowable from line 22	25a						
	Enter the smaller of line 24 or 25a	25b						
26	If section 1250 property: If straight line depreciation was used,							
	enter -0- on line 26g, except for a corporation subject to section 291.							
а	Additional depreciation after 1975 (see instructions) .	26a						
b	Applicable percentage multiplied by the smaller of line							
_	24 or line 26a (see instructions)	26b						
С	Subtract line 26a from line 24. If residential rental property							
	or line 24 is not more than line 26a, skip lines 26d and 26e	26c						
d	Additional depreciation after 1969 and before 1976	26d						
е		26e						
f	Section 291 amount (corporations only)	26f						
g	Add lines 26b, 26e, and 26f	26g						
27	If section 1252 property: Skip this section if you did not							
	dispose of farmland or if this form is being completed for a							
	partnership (other than an electing large partnership).	07-						
a	3 1	27a						
	Line 27a multiplied by applicable percentage (see instructions) Enter the smaller of line 24 or 27b	27b						
	-	27c						
28	If section 1254 property:							
а	Intangible drilling and development costs, expenditures for development of mines and other natural deposits,							
	mining exploration costs, and depletion (see							
	instructions)	28a						
b	Enter the smaller of line 24 or 28a	28b						
	If section 1255 property:	1						
	Applicable percentage of payments excluded from							
u	income under section 126 (see instructions)	29a						
b	Enter the smaller of line 24 or 29a (see instructions) .	29b						
Sun	nmary of Part III Gains. Complete property colur	nns A	through D through	h line 29b b	efor	e going to lir	ne 30.	
30	Total gains for all properties. Add property columns A thro	ugh D.	line 24				30	
31	Add property columns A through D, lines 25b, 26g, 27c, 2	-					31	
32	Subtract line 31 from line 30. Enter the portion from casu							
	•	-				•	32	
Par	Recapture Amounts Under Sections 17 (see instructions)						50%	or Less
	(SEE ITISTI UCTIONS)					(a) Section	on	(b) Section
						179		280F(b)(2)
33	Section 179 expense deduction or depreciation allowable	in prior	years	[33			
34	Recomputed depreciation (see instructions)				34			

35

Jennings Boats, LLC

Like-Kind Exchanges

(and section 1043 conflict-of-interest sales)

OMB No. 1545-1190

69-0000002

69-0000002

Identifying number

Department of the Treasury Internal Revenue Service Name(s) shown on tax return

Jennings Boats, LLC

► Attach to your tax return.

Attachment Sequence No. 109

Part I Information on the Like-Kind Exchange Note: If the property described on line 1 or line 2 is real or personal property located outside the United States, indicate the country. 1 Description of like-kind property given up: 2 Description of like-kind property received: 3 Date like-kind property given up was originally acquired (month, day, year) . . . 3 01/21/2011 4 Date you actually transferred your property to other party (month, day, year) 4 07/22/2011 Date like-kind property you received was identified by written notice to another party (month, 5 day, year). See instructions for 45-day written identification requirement . . . 5 07/22/2011 Date you actually received the like-kind property from other party (month, day, year). See instructions 07/22/2011 Was the exchange of the property given up or received made with a related party, either directly or indirectly (such as through an intermediary)? See instructions. If "Yes," complete Part II. If "No," go to Part III ☐ Yes ✓ No Related Party Exchange Information Name of related party Relationship to you Related party's identifying number Address (no., street, and apt., room, or suite no., city or town, state, and ZIP code) 9 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did the related party sell or dispose of any part of the like-kind property received from you (or an intermediary) in the exchange or transfer property into the exchange, directly or indirectly (such as through an intermediary), that became your replacement property? 10 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did you sell or dispose of any part of the like-kind property you received? If both lines 9 and 10 are "No" and this is the year of the exchange, go to Part III. If both lines 9 and 10 are "No" and this is not the year of the exchange, stop here. If either line 9 or line 10 is "Yes," complete Part III and report on this year's tax return the deferred gain or (loss) from line 24 unless one of the exceptions on line 11 applies. 11 If one of the exceptions below applies to the disposition, check the applicable box: ☐ The disposition was after the death of either of the related parties. The disposition was an involuntary conversion, and the threat of conversion occurred after the exchange. You can establish to the satisfaction of the IRS that neither the exchange nor the disposition had tax avoidance as one of its principal purposes. If this box is checked, attach an explanation (see instructions).

For Paperwork Reduction Act Notice, see the instructions.

Cat. No. 12311A

Form 8824 (2011) Page **2**

Adjusted basis of other property given up 13 13 14 Gain or (loss) recognized on other property given up. Subtract line 13 from line 12. Report the 14 gain or (loss) in the same manner as if the exchange had been a sale Caution: If the property given up was used previously or partly as a home, see Property used as home in the instructions. 15 Cash received, FMV of other property received, plus net liabilities assumed by other party, reduced (but not below zero) by any exchange expenses you incurred (see instructions) 15 9,000 30,000 16 16 17 39,000 17 18 Adjusted basis of like-kind property you gave up, net amounts paid to other party, plus any 18 25,000 19 19 14,000 20 Enter the smaller of line 15 or line 19, but not less than zero 20 21 Ordinary income under recapture rules. Enter here and on Form 4797, line 16 (see instructions) 21 9,000 22 Subtract line 21 from line 20. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797, unless the installment method applies (see instructions) 22 23 9,000 23 24 Deferred gain or (loss). Subtract line 23 from line 19. If a related party exchange, see instructions 24 5,000 25 Basis of like-kind property received. Subtract line 15 from the sum of lines 18 and 23 25,000 **Deferral of Gain From Section 1043 Conflict-of-Interest Sales** Part IV

Note: This part is to be used **only** by officers or employees of the executive branch of the Federal Government or judicial officers of the Federal Government (including certain spouses, minor or dependent children, and trustees as described in section 1043) for reporting nonrecognition of gain under section 1043 on the sale of property to comply with the conflict-of-interest requirements. This part can be used **only** if the cost of the replacement property is more than the basis of the divested property.

Enter the number from the upper right corner of your certificate of divestiture. (Do not attach a

20	copy of your certificate. Keep the certificate with your records.)		_
27	Description of divested property ►		
28	Description of replacement property ▶		
29	Date divested property was sold (month, day, year)	29	1
30	Sales price of divested property (see instructions)		
31	Basis of divested property		
32 33	Realized gain. Subtract line 31 from line 30	32	
34	Subtract line 33 from line 30. If zero or less, enter -0	34	
35 36	Ordinary income under recapture rules. Enter here and on Form 4797, line 10 (see instructions) Subtract line 35 from line 34. If zero or less, enter -0 If more than zero, enter here and on Schedule D or Form 4797 (see instructions)	35 36	
37	Deferred gain. Subtract the sum of lines 35 and 36 from line 32	37	
38	Basis of replacement property. Subtract line 37 from line 33	38	

Department of the Treasury

Internal Revenue Service (99)

(Rev. January 2010)

Report of Employer-Owned Life Insurance Contracts

▶ Attach to the policyholder's tax return—See instructions.

69-0000002 OMB No. 1545-2089

> Attachment Sequence No. **160**

Identifying number Name(s) shown on return 69-0000002 Jennings Boats, LLC Name of policyholder, if different from above Identifying number, if different from above Type of business 111100 3 Enter the number of employees the policyholder had at the end of the tax year 2 Enter the number of employees included on line 1 who were insured at the end of the tax year under the policyholder's employer-owned life insurance contract(s) issued after August 2 Enter the total amount of employer-owned life insurance in force at the end of the tax year 50.000 3 4a Does the policyholder have a valid consent (see instructions) for each b If "No," enter the number of employees included on line 2 for whom the policyholder does

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

not have a valid consent

Purpose of Form

Use Form 8925 to report the number of employees covered by employer-owned life insurance contracts issued after August 17, 2006, and the total amount of employer-owned life insurance in force on those employees at the end of the tax year. Policyholders must also indicate whether a valid consent has been received from each covered employee, and the number of covered employees for which a valid consent has not been received.

See sections 101(j) and 6039I, and Notice 2009-48, 2009-24 I.R.B. 1085, for more information.

Definitions

Employer-owned life insurance contract. For purposes of Form 8925, an insurance contract is an employer-owned life insurance contract if it is owned by a policyholder as defined below, and covers the life of the policyholder's employee(s) on the date the life insurance contract is issued. If you have master contracts, see section 101(j)(3) for additional information.

Policyholder. For purposes of Form 8925 and these instructions, a policyholder is an "applicable policyholder" as defined in section 101(j)(3)(B). Generally, a policyholder is the person who owns the employerowned life insurance contract, and who is (a) engaged in a trade or business

that employs the person insured under the employer-owned life insurance contract and (b) the direct or indirect beneficiary of the employer-owned life insurance contract.

Related person. A related person is considered a policyholder if that person is (a) related to the policyholder (defined earlier) under sections 267(b) or 707(b) (1), or (b) engaged in a trade or business under common control with the policyholder. See sections 52(a) and (b).

Employee. Employee includes an officer, director, or highly compensated employee under section 414(q).

Insured. An individual must be a U.S. citizen or resident to be considered insured under an employer-owned life insurance contract. Both individuals covered by a contract covering the joint lives of two individuals are considered insured.

Notice and consent requirements. To qualify as an employer-owned life insurance contract, the policyholder must meet the notice and consent requirements listed below before the issuance of the contract.

1. Provide written notification to the employee stating the policyholder intends to insure the employee's life and the maximum face amount for which the employee could be insured at the time the contract was issued.

The written notification must include a disclosure of the face amount of life insurance, either in dollars or as a multiple of salary, that the policyholder reasonably expects to purchase with regard to the employee during the course of the employee's tenure. Additional notice and consent are required if the aggregate face amount of the employer-owned life insurance contracts with regard to an employee exceeds the amount of which the employee was given notice and to which the employee consented. See Q&A-9 and Q&A-12 in Notice 2009-48.

- 2. Provide written notification to the employee that the policyholder will be a beneficiary of any proceeds payable upon the death of the employee.
- **3.** Receive written consent from the employee. See *Valid consent* under the instructions for line 4a.

Electronic notification and consent. The written notification and consent requirement can be met electronically only if the system for electronic notification and consent meets requirements 1 through 3, above. See Q&A-11 in Notice 2009-48 for more information.

Issue date of contract. Generally, the issue date of a life insurance contract is the date on the policy assigned by the insurance company on or after the date of application. For purposes of meeting the notice and consent requirements, the issue date of the employer-owned life insurance contract is the later of (1) the date of application of coverage, (2) the effective date of coverage, or (3) the formal issuance of the contract. See Q&A-4 in Notice 2009-48 for more information.

Jennings Boats, LLC SCHEDULE B-1 (Form 1065)

(Rev. December 2011) Department of the Treasury Internal Revenue Service

Information on Partners Owning 50% or More of the Partnership

► Attach to Form 1065. See instructions on back.

69-0000002

OMB No. 1545-0099

Name of partnership

Jennings Boats, LLC

Employer identification number (EIN)

69-0000002

Part I Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

Part II Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
James Stephens	000-10-0002	US	50%
Daniel Jennings	000-10-0001	US	50%

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49842K

Schedule B-1 (Form 1065) (Rev. 12-2011)

Jennings Boats, LLC

SCHEDULE M-3 (Form 1065)

for Certain Partnerships

► Attach to Form 1065 or Form 1065-B.

Net Income (Loss) Reconciliation

69-0000002 OMB No. 1545-0099

2011

Department of the Treasury Internal Revenue Service

Name of partnership

► See separate instructions.

Employer identification number

Carito	n Asset Management, LP				69-00	00003
This S	Schedule M-3 is being filed beca	ause (check all that apply):		<u> </u>		
Α		ip's total assets at the end of the	tax year is equal to \$10) million or more.		
В		ip's adjusted total assets for the				3 is checked,
С	☑ The amount of total receipts	for the tax year is equal to \$35 i		is checked, ent	er the t	otal receipts for
D	☐ An entity that is a reportable	e entity partner with respect to				
		ership's capital, profit, or loss, or				
	Name of Reportable B	Entity Partner	Identifying Number		Percent emed (tage Owned or Owned
_	□ Voluntom, Filor					
E Pari	☐ Voluntary Filer.	and Net Income (Loss) Rec	onciliation			
1a	Did the partnership file SEC For			ithin this tay year	r?	
ıa		d complete lines 2 through 11 w		-	· •	
	*	ctions if multiple non-tax-basis in	-			
b	Did the partnership prepare a ce		-	•		
b		ete lines 2 through 11 with respe	-			
	No. Go to line 1c.	ete iiiles z tiiiougii 11 witi 1espe	or to that income statem	iont.		
С	Did the partnership prepare a no	on-tax-hasis income statement fo	or that period?			
Ū		gh 11 with respect to that income	•			
	· · · · · · · · · · · · · · · · · · ·	and enter the partnership's net in		ks and records of	n line 4	a.
2	Enter the income statement peri		/ 2011 Ending		2011	
3a	Has the partnership's income st					_
		lanation and the amount of each				
	☑ No.		,			
b	Has the partnership's income sta	tement been restated for any of th	e five income statement	periods preceding	g the pe	eriod on line 2?
	☐ Yes. (If "Yes," attach an exp	lanation and the amount of each	item restated.)			
	✓ No.					
4a	Worldwide consolidated net inco	ome (loss) from income statemer	t source identified in Pa	ırt I, line 1	4a	406,974,260
b	Indicate accounting standard us	sed for line 4a (see instructions):				
	1 🗹 GAAP 2 🗌		704(b)			
	4 ☐ Tax-basis 5 ☐	Other: (Specify) ►				
5a	Net income from nonincludible f				5a ()
b	Net loss from nonincludible fore		enter as a positive amo	unt)	5b /	
6a	Net income from nonincludible U				6a (
b	Net loss from nonincludible U.S.		•	· -	6b	
7a		n disregarded entities (attach sch		-	7a	
b		disregarded entities (attach sched			7b	
8	•	transactions between includible			8	
9	,	statement period to tax year (att		-	9	
10	•	to amount on line 11 (attach sche	•	-	10	
11	-	statement of the partnership. (•	<u> </u>	11	406,974,260
••	` ,.	I the amount on Part II, line 26, c	•		•••	100/77 1/200
12		partnership's share) of the assets a		 ncluded or remove	ed on the	e following lines:
		Total Assets		iabilities		
а	Included on Part I, line 4		5,256	3,589,6	05	
b	Removed on Part I, line 5			· ·		
С	Removed on Part I, line 6					
d	Included on Part I, line 7	6,27	5,256	3,589,6	05	

Jennings Boats, LLC SCHEDULE O

(Form 8865)

Transfer of Property to a Foreign Partnership (under section 6038B)

69-0000002 OMB No. 1545-1668

Department of the Treasury

Internal Revenue Service	► Attach to Form 8865. See Instructions for Form 8865.		
Name of transferor		Filer's identifying r	number
Carlton Asset Manager	ment, LP	69-	0000003

Name of foreign partnership Mai Tai Investments

Type of property	(a) Date of transfer	(b) Number of items transferred	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Section 704(c) allocation method	(f) Gain recognized on transfer	(g) Percentage interest in partnership after transfer
Cash							
Marketable securities							
Inventory							
Tangible property used in trade or business	08/08/2011	4	12,345,000	16,000,000			25
Intangible property							
Other property							
Supplemental In	formation Requir	ed To Be Rep	oorted (see instru	ctions):			
Part II Disp	ositions Reporta	ble Under Sec	ction 6038B				
(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Depreciation recapture recognized by partnership	(g) Gain allocated to partner	(h) Depreciation recapture allocated to partner

For Paperwork Reduction Act Notice, see the Instructions for Form 8865.

Cat. No. 25909U

Schedule O (Form 8865) 2011

Page **2**

Name of partnership

Carlton Asset Management, LP

69-00003

Part II Reconciliation of Net Income (Loss) per Income Statement of Partnership with Income (Loss) per Return

	Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
	(Attach schedules for lines 1 through 9)				
1	Income (loss) from equity method foreign corporations				
2	Gross foreign dividends not previously taxed				
3	Subpart F, QEF, and similar income inclusions				
4	Gross foreign distributions previously taxed				
5	Income (loss) from equity method U.S. corporations				
6	U.S. dividends				
7	Income (loss) from U.S. partnerships				
8	Income (loss) from foreign partnerships	10,229,525			10,229,525
9	Income (loss) from other pass-through entities				
10	Items relating to reportable transactions (attach details)				
11	Interest income (attach Form 8916-A)				
12	Total accrual to cash adjustment				
13	Hedging transactions				
14	Mark-to-market income (loss)				
15	Cost of goods sold (attach Form 8916-A)	()			()
16	Sale versus lease (for sellers and/or lessors)				
17	Section 481(a) adjustments				
18	Unearned/deferred revenue				
19	Income recognition from long-term contracts				
20	Original issue discount and other imputed interest .				
21a	Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities .				
b	Gross capital gains from Schedule D, excluding amounts from pass-through entities				
С	Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d	Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses .				
е	Abandonment losses				
f	Worthless stock losses (attach details)				
g	Other gain/loss on disposition of assets other than inventory				
22	Other income (loss) items with differences (attach schedule)				
23	Total income (loss) items. Combine lines 1 through 22	10,229,525			10,229,525
24	Total expense/deduction items. (from Part III, line				
	31) (see instructions)	(2,222)		(560,789)	(563,011)
25	Other items with no differences	396,746,957			396,746,957
26	Reconciliation totals. Combine lines 23 through 25	406,974,260		(560,789)	406,413,471

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Schedule M-3 (Form 1065) 2011

Page 3

Name of partnership Employer identification number

Carlton Asset Management, LP 69-0000003

Part III Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return – Expense/Deduction Items

	Return – Expense/Deduction Items				
	Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	State and local current income tax expense				
2	State and local deferred income tax expense				
3	Foreign current income tax expense (other than foreign withholding taxes)				
4	Foreign deferred income tax expense				
5	Equity-based compensation				
6	Meals and entertainment	2,222		(1,111)	1,111
7	Fines and penalties				
8	Judgments, damages, awards, and similar costs				
9	Guaranteed payments			561,900	562,900
10	Pension and profit-sharing				
11	Other post-retirement benefits				
12	Deferred compensation				
13	Charitable contribution of cash and tangible property				
14	Charitable contribution of intangible property				
15	Organizational expenses as per Regulations section 1.709-2(a)				
16	Syndication expenses as per Regulations section 1.709-2(b)				
17	Current year acquisition/reorganization investment banking fees				
18	Current year acquisition/reorganization legal and accounting fees				
19	Amortization/impairment of goodwill				
20	Amortization of acquisition, reorganization, and start-up costs				
21	Other amortization or impairment write-offs				
22	Section 198 environmental remediation costs				
23a	Depletion—Oil & Gas				
b	Depletion—Other than Oil & Gas				
24	Intangible drilling & development costs				
25	Depreciation				
26	Bad debt expense				
27	Interest expense (attach Form 8916-A)				
28	Purchase versus lease (for purchasers and/or lessees)				
29	Research and development costs (attach schedule)				
30	Other expense/deduction items with differences (attach schedule)				
31	Total expense/deduction items. Combine lines 1				
	through 30. Enter here and on Part II, line 24,				
	reporting positive amounts as negative and negative amounts as positive	2,222		560,789	563,011
	•	2,222		300,737	300,011

Schedule M-3 (Form 1065) 2011

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201	1
	_

Final K-1 Amended K-1

69-0000 0 03	ПППП
OMB No.	1545-0099

	dule K-1 n 1065)	20	11	Pa		Partner's Share of	Current Year Income, its, and Other Items		
	nent of the Treasury Revenue Service	For calendar year 2011, or to year beginning01/01	1 , 2011	1	Ordinary	business income (loss) (354 , 303)	15	Credits	
D 4		ending 12/31	, 20 11	2	Net renta	al real estate income (loss)			
	ner's Share of Income its, etc. ► See	e, Deductions, back of form and separate in	nstructions.	3	Other ne	t rental income (loss)	16	Foreign transactions	
Pa	rt I Information About	the Partnership		4	Guarante	eed payments			
A F	Partnership's employer identification $69-00$			5	Interest i	110,000			
ВЕ	Partnership's name, address, city, st	ate, and ZIP code				125			
Jenn	nings Boats, LLC			6a	Ordinary	dividends			
	30x 843			6b	Qualified	I dividends			
Bar	Harbor, ME 04609			7	Royalties	3			
	RS Center where partnership filed re	eturn		8	. io jainot				
Ogde	_	nautravahin (DTD)			Net shor	t-term capital gain (loss)			
D [Check if this is a publicly traded	partnership (PTP)		9a	Net long	-term capital gain (loss)	17	Alternative minimum tax (AMT) items	
Pai	rt II Information About	the Partner							
E F	Partner's identifying number $000-10$	0-0001		9b	Collectib	oles (28%) gain (loss)			
F F	Partner's name, address, city, state,	and ZIP code		9с	Unrecap	tured section 1250 gain			
Dani	el Jennings			10	Net sect	ion 1231 gain (loss)	18	Tax-exempt income and	
P.O.	Box 1589							nondeductible expenses	
Bar	Harbor, ME 04609			11	Other inc	come (loss)			
G [General partner or LLC member-manager	Limited partner or other member	r LLC					C 300	
Н [X Domestic partner	Foreign partner					40	Distributions	
₁	What type of entity is this partner?	Individual		12	Section	179 deduction	19	Distributions	
1	Partner's share of profit, loss, and ca								
	Beginning	Ending	50	13	Other de	eductions	20	Other information	
-	Profitoss	%	50 _%				20	Other information	
-	Capital	%	50 %						
	Portner's chare of liabilities at year or	ad.						A 125	
	Partner's share of liabilities at year er Nonrecourse	\$		14	Self-emp	ployment earnings (loss)			
1	Qualified nonrecourse financing Recourse		75,869			A(248,803)			
						C(248,803)			
1	Partner's capital account analysis:	•		*Se	ee attach	ned statement for add	litiona	al information.	
	Beginning capital account	\$	25,000						
	Current year increase (decrease) .	/ 0.5.0	9,225)						
	Vithdrawals & distributions	· -)	<u>></u>					
	Ending capital account	<u>'</u>	4,225)	o					
[X Tax basis GAAP Other (explain)	Section 704(b) book		For IRS Use Only					
M [Did the partner contribute property w	vith a built-in gain or loss?							
I	YesX No			1					

Carlton Asset Manage	ment, LP					69-0000 5-05 1 1 1
_			Final K-1	Amended		OMB No. 1545-00
Schedule K-1	2011	Pa	art III Partr	ner's Share of	Cur	rent Year Income,
Form 1065)	∠ ⊎ ∎ ∎		Dedu	ictions, Credi	ts, a	nd Other Items
Department of the Treasury	For calendar year 2011, or tax	1	Ordinary busines	ss income (loss)	15	Credits

ntern	nal Revenue Service	year beginning 01/01	2011	(3	354,303)	
		ending 12/31, 20		Net rental real estate	income (loss)	
ar	tner's Share of Income	, Deductions,				
Cre	edits, etc. ▶ See t	pack of form and separate instruc	tions. 3	Other net rental incor	me (loss) 16	Foreign transactions
ŀ	art I Information About	•	4	Guaranteed payment	ts	
Α	Partnership's employer identification in 69-000		5	Interest income		
В	Partnership's name, address, city, sta				125	
T ~ **	onings Doobs IIA		6a	Ordinary dividends		
	nnings Boats, LLC		6b	Qualified dividends		
	Box 843		"	Qualified dividende		
Ваз	r Harbor, ME 04609		7	Royalties		
C	IRS Center where partnership filed ret	rurn	8	Net short-term capita	al gain (loss)	
D D	Check if this is a publicly traded p	partnership (PTP)		Net Short-term capita	ai gairi (ioss)	
_		Saltionip (FTT)	9a	Net long-term capita	l gain (loss) 17	' Alternative minimum tax (AMT) items
P	art II Information About	the Partner				
E	Partner's identifying number $000-10$	-0002	9b	Collectibles (28%) ga	ain (loss)	
F	Partner's name, address, city, state, a	and ZIP code	9c	Unrecaptured section	n 1250 gain	
Jar	mes Stephens		10	Net section 1231 gai	n (loss) 18	Tax-exempt income and nondeductible expenses
464	40 Madison Lane		11	Other income (loss)		nonacauciisis onponess
Bos	ston, MA 02109		''	Curer income (1999)		g 200
G	General partner or LLC member-manager	X Limited partner or other LLC member				C 300
н	X Domestic partner	Foreign partner				
					19	Distributions
I	What type of entity is this partner?	Individual	12	Section 179 deduction	on	
J	Partner's share of profit, loss, and cap Beginning	oital (see instructions): Ending	13	Other deductions		
	Profit	_	<u>%</u>	o in or abade none	20	Other information
	Loss	% 50	%			
	Capital	% 50	%			
						A 125
K	Partner's share of liabilities at year end		44	0-161		
	Nonrecourse	\$	14	Self-employment ear	nings (loss)	
	Qualified nonrecourse financing .	\$				
	Recourse	\$				
L	Partner's capital account analysis:		*S	ee attached staten	nent for addition	nal information.
	Beginning capital account	\$				
	Capital contributed during the year	\$ 25,0	000			
	Current year increase (decrease) .	\$ (259,22				
	Withdrawals & distributions	\$ (<u> </u>			
	Ending capital account	\$ (234,22	<u>ැ /</u> රි			
			s			
	X Tax basis GAAP	Section 704(b) book	Ιŭ			
	Other (explain)		≝			
	U Other (explain)		G C C C C C C C C C			
М	Did the partner contribute property wi	th a built-in gain or loss?	"			
	Yes X No					
	16.637 11 11 11 11 11 11		1			

Cat. No. 11394R

TEST SCENARIO 3

FORMS REQUIRED:

1065, Schedule M-3 (Form1065), 1065 SCH C, 4562, 8865, 1065 SCH K-1 (3), 1065 SCH B-1, 8865 SCH O

ATTACHMENTS:

Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement (Page 1 Line 4)

Other Income (Loss) Statement (Form 1065, Line7)

Itemized Other Deductions Statement (Page 1, Line 20)

Income (loss) From Foreign Partnerships Schedule (Sch M-3, Part II, Line 8)

Section 754 Election

BINARY ATTACHMENTS: None

HEADER INFO:

Tax Period: Calendar Year 2011

69-0000098 Preparer Firm: Electronic Tax Filers, Inc

> 123 Any Street Anytown, NY 11717

Multiple Software Packages Used: Yes or No

Originator: EFIN: Self-select

> Type: ERO **Practitioner PIN: EFIN: Self-select** PIN: Self-select PIN Entered by - ERO

Signature Option: PIN Number

Return Type: 1065

EIN: 69-0000003 Filer:

Name: Carlton Asset Management L P

Name Control: CARL

Address: 1678 South Hoover Blvd

San Francisco, CA 94101

Partner: **Name: Tony Carlton**

> **Title: President** Taxpayer PIN: 0200-Phone: 555-555-555

Email Address: Anymail@email.com

Date Signed: 03/15/2012

Preparer: Name: John Smith

PTIN: P00000003 Phone: 555-631-1212

Email Address: Anymail@email.com

Date Prepared: 03/14/2012

Self Employed: No

Details for attachments to Form

Attachment 1, Form 1065, Page 1, Line 4 (Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement)

Partnership, Estate or	Address	EIN	Trade or	Amount
Trusts Name			Business	
			Activity	
Mai Tai Investments	1-2-3 Ginsu Chuo-Ku	69-0000099	Security	\$10,229,525
	Tokyo, 190-2182		Dealing	

Attachment 2, Form 1065, Page 1, Line 7 (Other Income (Loss) Statement)

Cancellation of Debt	\$540,000		
Services Fees	\$399,880,252		

Attachment 3, Form 1065, Page 1, Line 20 (Itemized Other Deductions Statement)

Legal and Accounting	\$216,572
Bank Fees	\$142,080
Travel and	\$40,000
Entertainment	\$40,000

Attachment 5, Form 1065, Page 3, Schedule B, Line 12a (Section 754 Election)

Name of Partnership	Carlton Asset Management L P
Partnership Address	1678 South Hoover Blvd San Francisco, CA 94101
Section 754 Declaration	Made a section 754 declaration

Attachment 6, Form 1065, Schedule M-3, Part II, Line 8 (Income (loss) From Foreign Partnerships Schedule)

Name	EIN	EOY Profit Sharing Percentage	EOY Loss Sharing	Income per Income Statement	Amount
Mai Tai Investments	69-0000099	25%	Percentage 25%	\$10,229,525	\$10,229,525

Note: The 3.5% of Publicly Traded Partnership Tax is \$14,372,742. Please input this tax amount on Form 1065 Line 22. (Element name: "ThreeAndOneHalfPercent")

		ton Asset	Managem I	ent, LP	II C Da	turn of Dorte	a o r o h	in Inc	omo		I	000003	
Form 1065			For oalo	ndor voor (turn of Partr				11		No. 1545-0099	
Department of the Treasury Internal Revenue Service			For Cale	or calendar year 2011, or tax year beginning 01/01 , 2011, ending 12/31 , 20 11 . ► See separate instructions.							2	1011	
		ness activity		Name of	partnership						D Employe	r identification numb	
Management					Assets Mana	gement, LP					69-000003		
B Principal product or service			Print Number, street, and room or suite no. If a P.O. box, see the instructions.								E Date business started		
		estment	or								10	0/23/1998	
	siness cod		type.										
	52390	00	San Francisco, CA 94101								F Total assets (see the instructions)		
											\$	6,275,256	
G H I J	Check a Number	pplicable ccounting of Sched	method: ules K-1.	(1) \square C	echnical term eash e for each per	2) Final return ination - also check (1 (2) Accrual son who was a partne	l) or (2) er at any	(3) time duri	oge (4) ☐ Address Other (specify) ▶ ong the tax year ▶		3	Amended return	
Caut	ion. Incl	ude only	trade or b	ousiness i	ncome and e	xpenses on lines 1a	through	22 belov	v. See the instruct	ions for r	nore infoi	rmation.	
	1a	Merchan	t card an	d third-p	arty paymer	nts (including amour	nts						
		reported	on Form	(s) 1099-	K)			1a					
	b	Gross re	ceipts or	sales no	t reported o	n line 1a		1b					
	С	Total. Ad	d lines 1	a and 1b				1c					
	d	Returns and allowances plus any "cash back" included on line											
Ф	1			-	-			1d					
ncome	е	Subtract	line 1d fr	rom line	1c		. [1e					
8						-A)	- t	2					
드	1	_		-		e				3	1		
						nerships, estates, a				4	1	10,229,525	
										5		0,227,020	
	1					line 17 (attach For				6			
	1	_								7	40	00,420,252	
						through 7				8		10,649,777	
										9		1,179,658	
or limitations)		Salaries and wages (other than to partners) (less employment credits)									-		
nitat				•						10		561,900	
ř		•		tenance						11		8,610	
-		Bad debt	S							12	-		
(see the instructions		Rent								13		729,654	
stru		Taxes an		es						14		871,972	
e ii	_	Interest .								15			
96		•	•	•	ttach Form	,		16a	62,765				
	1	•		•		A and elsewhere on i	return [16b		16c		62,765	
ns		-	-		_	depletion.)				17			
엹			•							18		345,678	
Deductions										19			
eq										20		398,652	
Δ	21	Total de	ductions	. Add th	e amounts s	shown in the far righ	nt colum	n for lin	es 9 through 20.	21		4,158,889	
	22	Ordinary	busines	ss incom	e (loss). Su	btract line 21 from I	ine 8			22	40	06,490,888	
Sig	n	knowled	dge and bel	ief, it is true	e, correct, and c	e examined this return, ir omplete. Declaration of p nas any knowledge.				ted liability	company i		
Her	e							k	3/15/2012	pi	reparer shown	below (see	
		<u>e:</u>	anature of a	neneral nor	ner or limited lie	ability company member	managor	—	Date	In	Structions) f	」Yes □ No	
			pe prepare		andi Or III III IEU III		manayer	,	Date			PTIN	
Paid	b	'		i 3 Hallic		Preparer's signature			3/14/2012		k 🗌 if	P00000003	
Pre	parer	John S		FLECT	IO TAY E'' E	DC INC			0/14/2012		employed		
Use	Only	Firm's n			IC TAX FILE		1				s EIN ►	69-0000098	
	-	Firm's a	ddress ►	1U65 EF	ILE DRIVE, <i>P</i>	NYTOWN, NV 8950°	I .			Phone	a no.	555-631-1212	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2011)

Carlton Asset Management, LP Form 1065 (2011) Page 2

Sch	edule B Other Information						-	
1	What type of entity is filing this return? Check the	applica	ble box:				Yes	No
а	☐ Domestic general partnership b	v v D	omestic limit	ed partnership				
С	☐ Domestic limited liability company c	I 🗌 D	omestic limit	ed liability part	nership			
е	☐ Foreign partnership	· 🗆 0	ther ►					
2	At any time during the tax year, was any partner an entity treated as a partnership), a trust, an S co or a nominee or similar person?		on, an estate				\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	
3	At the end of the tax year:							
а	Did any foreign or domestic corporation, partners tax-exempt organization, or any foreign government, loss, or capital of the partnership? For ruschedule B-1, Information on Partners Owning 50	ent owr les of c	n, directly or constructive	indirectly, an i ownership, see	nterest of 50% or n	nore in the	·	
b	Did any individual or estate own, directly or indirectly or indirectly partnership? For rules of constructive owners on Partners Owning 50% or More of the Partnership.	ship, se		s. If "Yes," atta				>
4 a	At the end of the tax year, did the partnership: Own directly 20% or more, or own, directly or in stock entitled to vote of any foreign or dom instructions. If "Yes," complete (i) through (iv) below	nestic c	orporation?					V
	(i) Name of Corporation			r Identification er (if any)	(iii) Country of Incorporation	(iv) Perc Owned in Vo		ock
b	Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below.							
	(i) Name of Entity	Ìc	(ii) Employer Identification Number (if any)		(iv) Country of Organization	Percentag	(v) Maximum Percentage Owned i Profit, Loss, or Capit	
Mai Ta	ai Investment	69	69-0000099 Partnership		Japan		2	

Form **1065** (2011)

Carlton Asset Management, LP Form 1065 (2011) Page 3

		Yes	No			
5	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for					
	more details		~			
6	Does the partnership satisfy all four of the following conditions?					
а	The partnership's total receipts for the tax year were less than \$250,000.					
b	The partnership's total assets at the end of the tax year were less than \$1 million.					
С	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.					
d	The partnership is not filing and is not required to file Schedule M-3		~			
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.					
	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		~			
8	During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms					
	modified so as to reduce the principal amount of the debt?		~			
9	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		~			
10	At any time during calendar year 2011, did the partnership 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)?					
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and					
	Financial Accounts. If "Yes," enter the name of the foreign country. ▶		~			
11	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or					
	transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report					
	Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		~			
12a	Is the partnership making, or had it previously made (and not revoked), a section 754 election?	~				
	See instructions for details regarding a section 754 election.					
b	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		~			
С	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a					
	substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		V			
13	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year)					
14	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		~			
15	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶					
16	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		V			
17	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶					
18a	Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions		~			
b	If "Yes," did you or will you file all required Form(s) 1099?		~			
19	Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign					
	Corporations, attached to this return. ▶					
	nation of Tax Matters Partner (see instructions) below the general partner designated as the tax matters partner (TMP) for the tax year of this return:					
Name						
desigr TMP	XYZ Management number of TMP 69-3000001					
entity,	TMP is an					
Addre	ss of 7272 W. Truman Ave					
desigr TMP	Sacramento, CA 95813					

Page **4**

Sched	ule K	Partners' Distributive Share Items	1	Total amount
	1	Ordinary business income (loss) (page 1, line 22)	1	405,490,888
	2	Net rental real estate income (loss) (attach Form 8825)	2	
	3a	Other gross rental income (loss)		
	b	Expenses from other rental activities (attach statement) 3b		
	С	Other net rental income (loss). Subtract line 3b from line 3a	3c	
⊕	4	Guaranteed payments	4	561,900
SO	5	Interest income	5	36,525
Income (Loss)	6	Dividends: a Ordinary dividends	6a	22/222
e		b Qualified dividends 6b	Ju	
<u>ا</u>	7	Royalties	7	
2	8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
_	9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b	Collectibles (28%) gain (loss)	Ja	
		Unrecaptured section 1250 gain (attach statement) 9c	_	
	10	, , ,	10	
	10	Net section 1231 gain (loss) (attach Form 4797)	10	
' ^	11	Other income (loss) (see instructions) Type ►		42.222
Deductions	12	Section 179 deduction (attach Form 4562)	12	43,332
ĕ	13a	Contributions	13a	
<u>ĕ</u> ∣	b	Investment interest expense	13b	
ec	С	Section 59(e)(2) expenditures: (1) Type ► (2) Amount ►	13c(2)	
_	d	Other deductions (see instructions) Type ▶	13d	
. خ	14a	Net earnings (loss) from self-employment	14a	41,210,989
Employ- ment	b	Gross farming or fishing income	14b	
שׁבּ	С	Gross nonfarm income	14c	41,210,989
	15a	Low-income housing credit (section 42(j)(5))	15a	
တ	b	Low-income housing credit (other)	15b	
	С	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
Credits	d	Other rental real estate credits (see instructions) Type ▶	15d	
ပ	е	Other rental credits (see instructions) Type ▶	15e	
	f	Other credits (see instructions) Type ▶	15f	
	16a	Name of country or U.S. possession ▶		
	b	Gross income from all sources	16b	10,229,530
SE	С	Gross income sourced at partner level	16c	
을		Foreign gross income sourced at partnership level		
ac ac	d	Paraire actorion by a Company of	16f	
Su		Deductions allocated and apportioned at partner level	101	
<u> </u>	g	Interest expense h Other	16h	
_	9	Deductions allocated and apportioned at partnership level to foreign source income	1011	
<u>ğ</u>		Passive category ► j General category ► k Other ►	16k	
Foreign Transactions	;	Total foreign taxes (check one): ▶ Paid ☑ Accrued □ · · · · · · · ·	161	632,510
ĭ	m	Reduction in taxes available for credit (attach statement)	16m	032,010
	m n		10111	
		Other foreign tax information (attach statement)	170	
ု စ်	17a	Post-1986 depreciation adjustment	17a	
Minimum lax (AMT) Items	b	Adjusted gain or loss	17b	
ੂ ≝ ∣	C	Depletion (other than oil and gas)	17c	
≣£	d	Oil, gas, and geothermal properties—gross income	17d	
	е	Oil, gas, and geothermal properties—deductions	17e	
د ع	f	Other AMT items (attach statement)	17f	
ב ו	18a	Tax-exempt interest income	18a	
Ĕ	b	Other tax-exempt income	18b	
E	С	Nondeductible expenses	18c	1,111
<u> </u>	19a	Distributions of cash and marketable securities	19a	408,202,737
<u>=</u>	b	Distributions of other property	19b	
<u></u>	20a	Investment income	20a	36,525
Other Information	b	Investment expenses	20b	

	000 (2011)										Page 3
Analy	sis of Net Incon										
1		. Combine Schedule									
	Schedule K, lines	12 through 13d, and	1161						1		406,413,471
2	Analysis by	(i) Componeto	(ii) Indi	vidual	(iii) Indiv	idual	(iv.) Dowtoowolo	(v)	Exen	npt	(vi)
	partner type:	(i) Corporate	(activ	ve)	(passiv	e)	(iv) Partnersh		anizat		Nominee/Other
а	General partners						41,147,0)57			
b	Limited partners				4.0	58,516	361,207,8				
		nce Sheets per B	looks		Beginning			,,,,	Fno	d of ta	ıx year
OCII		Assets	JOONG	1	(a)	1	(b)	- (c)		(d)
1					, ,	_	5,232,390	,	-,		6,027,450
2a		accounts receivable					3,232,370			_	0,027,430
		or bad debts								_	
b						-					
3						-				\vdash	
4	=	obligations				-				\vdash	
5	Tax-exempt secui					-				-	
6		ets (attach statemen								-	
7a		or persons related to				-					
b	Mortgage and rea										
8		s (attach statement)									
9a	_	er depreciable asset			1,621,74				1,682		
b		d depreciation .			1,372,37	9	249,361		1,435	,144	247,806
10a										_	
b		d depletion									
11	Land (net of any a	mortization)									
12a	Intangible assets	(amortizable only)									
b	Less accumulated	d amortization .									
13	Other assets (atta	ch statement) .									
14	Total assets						5,481,751				6,275,256
	Liabilitie	es and Capital									
15	Accounts payable						1,567,623				3,049,605
16	Mortgages, notes, b	onds payable in less th	nan 1 year								
17	Other current liabi	ilities (attach stateme	ent) .								
18	All nonrecourse lo	ans									540,000
19a	Loans from partners	s (or persons related to	partners)								
b	Mortgages, notes, b	oonds payable in 1 yea	r or more								
20	Other liabilities (at	tach statement) .									
21	Partners' capital a	accounts					3,914,128				2,685,651
22	Total liabilities and	d capital					5,481,751				6,275,256
Sch	edule M-1 Re	econciliation of In	come (L	oss) per	Books \	With I	ncome (Loss) per Re	turn		
		ote. Schedule M-3 m	ay be req	uired inste	ead of Sci	nedule	M-1 (see instru	uctions).			
1	Net income (loss)	per books			6	ncome r	recorded on books	s this year	not incl	luded	
2	Income included on 9	· Schedule K, lines 1, 2, 3	,				dule K, lines 1 thro				
_		and 11, not recorded of	·		а	Гах-ех	empt interest \$				
	books this year (itemi	ize):					•				
3	Guaranteed pay	ments (other tha	in		7 1	Deduct	ions included o	n Schedu	 ıle K.	lines	
		· · · · · · ·			1		ugh 13d, and				
4	Expenses recorde	ed on books this yea	ar				book income				
		Schedule K, lines			a I	Depred	iation \$			•	
	through 13d, and	16l (itemize):				•					
а	Depreciation \$				8	Add lin	es 6 and 7 .				
b		inment \$			1		(loss) (Analys				
5	Add lines 1 through	gh 4					line 1). Subtract				
		nalysis of Partner		al Accoun		,	- 1,1 3000000				
<u>Sen</u>		ing of year		3,914,12		Dietrib	utions: a Cash				408,202,737
2	_	d: a Cash		3,714,12	<u> </u>	الاالات		erty .			700,202,737
_		b Property			7 (Other o	decreases (item	iise). vira .			
3	Net income (less)	per books		406,974,26							
3 4	Other increases (if	tamiza).		700,714,20			es 6 and 7 .				408,202,737
4 5	Add lines 1 through			410 888 28	1		es o anu / .				2 685 651

Depreciation and Amortization (Including Information on Listed Property)

► Attach to your tax return.

69-0000003 OMB No. 1545-0172

Attachment

Department of the Treasury Internal Revenue Service (99) Name(s) shown on return

► See separate instructions.

Sequence No. 179 Identifying number

Business or activity to which this form relates Carlton Asset Management, LP Carlton Asset Management, LP 69-0000003 Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I. 1 1 250,000 Total cost of section 179 property placed in service (see instructions) 2 43,332 800,000 Threshold cost of section 179 property before reduction in limitation (see instructions) . 3 4 0 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions 5 250,000 6 (a) Description of property (b) Cost (business use only) (c) Elected cost Office Equipment 23,456 23,456 Furniture/Fixtures 19.876 19,876 7 Listed property. Enter the amount from line 29 7 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 8 43,332 Tentative deduction. Enter the **smaller** of line 5 or line 8 9 43,332 **10** Carryover of disallowed deduction from line 13 of your 2010 Form 4562 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) 11 250,00 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 12 43,332 13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12 ▶ Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.) Special depreciation allowance for qualified property (other than listed property) placed in service 14 **15** Property subject to section 168(f)(1) election 15 **16** Other depreciation (including ACRS) 16 43,766 Part III MACRS Depreciation (Do not include listed property.) (See instructions.) 17 MACRS deductions for assets placed in service in tax years beginning before 2011 17 18,999 18 If you are electing to group any assets placed in service during the tax year into one or more general Section B-Assets Placed in Service During 2011 Tax Year Using the General Depreciation System (b) Month and year (c) Basis for depreciation (a) Classification of property (f) Method placed in (business/investment use (e) Convention (g) Depreciation deduction period service only-see instructions) 3-year property 5-year property c 7-year property d 10-year property e 15-year property f 20-year property g 25-year property S/L 25 yrs. h Residential rental 27.5 yrs. MM 9/1 property 27.5 yrs. MM S/L i Nonresidential real ММ S/L 39 yrs. property MM S/L Section C-Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System 20a Class life S/L 12 yrs. **b** 12-year **c** 40-year 40 yrs. MM S/L Part IV Summary (See instructions.) 21 Listed property. Enter amount from line 28 21 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions 22 62,765 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs 23

Page 2 Form 4562 (2011) Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)																	
24 a	Do you have ev	vidence to su	pport the bu	usiness/inves	stment us	e claime		Yes	No	24b	If "Ye	s," is	the evid	lence wr	ritten?	☐ Yes	☐ No
V	(a) e of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment upercentage	se Cost or o	d) ther basis	(busir	(e) for depreness/invesuse only)	stment	(f) Recove period	d l	(g) Metho Convent			(h) preciation duction	n Ele	(i) ected sect cost	
25	Special depo											05					
26	Property use							e (see	IIIStruc	LIONS	, .	25					
20	Froperty use			6 quaime	u busii ie	555 USE	.										
				6													
				6													
27	Property use	ed 50% or	less in a c	ualified bu	usiness	use:											
				%							/L –						
				6							/L –				_		
	A -1 -1	- ! !		% No. 11-11-11-11	- D- D- T-			!!	04		/L -						
28	Add amount			_					-	_	. [28			29		
29	Add amount	S III COIUITII	11 (1), 11116 2		ction B-							•	· · ·	•	29		
	plete this secti our employees,			y a sole pr	oprietor,	partne	r, or oth	er "mo	re than	5% o	wner,"						ehicles
30	Total business the year (do n			Ū	Vehic			b) icle 2	Ve	(c) hicle 3			d) cle 4		(e) nicle 5		f) cle 6
31 Total commuting miles driven during the year 32 Total other personal (noncommuting) miles driven																	
33	Total miles do	_	the year.														
34	Was the veh during off-dut				Yes	No	Yes	No	Yes	N	o Y	'es	No	Yes	No	Yes	No
35	Was the veh than 5% own		-														
36	Is another veh																
more	wer these que than 5% ow Do you mair	stions to d ners or rela	letermine ated perso	ons (see in	t an exc structio	ception ns).	to com	pletin	g Secti	on B	for veh	nicles	s used	by emp	oloyees	who are	e not No
38	your employ Do you mair		 tten polic		 nt that r	 orohibit			 se of v	 ehicle	 s exc	ent	 commu	 tina b	 v vour		
	employees? Do you treat	See the ins	tructions t	or vehicles	used by	y corpo	rate offi										
39 40	Do you treat Do you provuse of the ve	ride more t	han five v	ehicles to	your e	mploye	es, obt	ain inf	ormati	on fro	m you	ur en	nployee	 es abou	ut the		
41	Do you mee	t the requir	ements c	oncerning	qualifie	d autor	mobile o							s.) .			
Pai		tization	01, 00, 09	70, UI 41	1 ES,	uo 1101	. comple	رو عور	AUII D	or ure	COVE	cu V	Ji iiCies.				
(a) (b) (c) (d) (e) Amortization								(f) ation for th	is year								
42	Amortization	of costs that	at beains o	durina vour	2011 ta	x year	(see inst	ruction	 ns):								
						<i>,</i>	,										
43 44	Amortization Total. Add a		_	-		-							 	43 44			

Carlton Asset Management, LP

Return of U.S. Persons With Respect to Certain Foreign Partnerships

OMB No. 1545-1668

69-0000003

Attachment

Sequence No. 118

Department of the Treasury Internal Revenue Service

▶ Attach to your tax return. See separate instructions. Information furnished for the foreign partnership's tax year

beginning 01/01

, 2011 and ending 12/31

Name o	of person	filing this retu	urn					Filer's i	dentifying	number				
Carlto	on Asse	et Managem	ent, LP				69-000003							
	address (i	•	filing this form with	your tax	return)	A Catego	ory of fil	er (see C a	ategories o		the instruct	ions and	check ap	oplicable box(es)):
		co, CA 9410	1			B Filer's tax year beginning 01/01 , 20 11 , and ending 12/31 , 20 11								31 , 20 11
С	Filer's s	share of liab	ilities: Nonrecou	rse \$		Qualified	Qualified nonrecourse financing \$ 4,800,000 Other \$							
D	If filer is	s a member	of a consolidate	d group	but not the parent	, enter the	enter the following information about the parent:							
	Name								EIN					
	Addres	S												
E	Informa	ation about o	certain other part	ners (se	e instructions)									
			ос. та ото. ра					(0)	1 116 1		(4)	Check a	pplicable	e box(es)
		(1) Name			(2) Addres	SS		(3)	dentifying n	iumber	Category	-		Constructive owner
	Name and address of foreign partnership							2(a) i	EIN (if any)					
	ai Inves		or reverger param	o. op				_(-,	()		69-0000	099		
		Chuo-Kuo						2(b)	Reference ID	number ((see instr.)			
Toky	o, 190-2	182												
								3 Co	•	er whose	e laws orga	nized		
4	4 Date of 5 Principal place 6 Principal business of business activity code number						incipal b	ousiness	8a F	unctional cu	ırrency		exchange rate see instr.)	
	09/13/		Japan		523110			rity Dea	ling	Yen			.8739	,
G			•	r the for	eign partnership's		Jecu	illy Dea	iiig	Ten			.0737	
1 	United	States			agent (if any) in the			Forr Service C	n 1042 Center wher	Form 1	065 or 1065	Forn	:	or 1065-B books and
	organiz	ation, if any						records		eign par				of such books
5	Were an	ny special all	locations made b	y the fo	reign partnership?	٠	·					•	Y	es 🗹 No
			of Forms 8858, urn (see instructio		tion Return of U.	S. Person		Respe	ct To For	eign Dis	sregarded	Entities		0
7	How is t	this partners	ship classified un	der the I	aw of the country	in which it	t is org	anized?	▶	Partn	ership			
		partnership d)-1(b)(4)?	own any separat		within the meaning				1.1503-2(c	c)(3), (4), 	or 	▶	□ Y	es 🔽 No
9	Does thi	is partnersh	ip meet both of t	the follow	wing requirements	?				,				
	• The pa	artnership's	total receipts for	the tax	year were less tha	ın \$250,00	00 and					•		es ✓ No
			artnership's tota nplete Schedules		at the end of the ta , and M-2.	ax year wa	as less	than \$1	million.	ſ				
Sign Here Only If You Are Filing This Form Separately and Not With Your Tax		and belief, information	it is true, correct, at of which preparer	nd compl has any k	t I have examined thete. Declaration of properties of properties of the transfer of the transf	reparer (oth				nited liab		, membe		
Return.		_	reparer's name	ווווו וט וטוו	Preparer's si					Date	u.c		7 0	TIN
Paid		John Smit	•		i Teparer S Si	griature	Check □ if				P00000003			
-	parer	Firm's name		c Tax F	ilers, Inc						- 3	rm's EIN		69-0000098
Use	Only				Anviown NV 117	17						3 LIIV		55-631-1212

Sch	edule	box b , enter the name, addinterest you constructively	of Partnership Interest. Charless, and U.S. taxpayer idown. See instructions.	lentify	ring number (if any) of th	ne person	
		a	Address	b	Owns a constructiv		Check if foreign	Check if direct
C14	A	at Management I D	1/70 C Haavan Blod		(0.000000		person	partner
Carit	on ASS	et Management, LP	1678 S Hoover Blvd		69-000003			
			San Francisco, CA 94101					
Sche	edule	A-1 Certain Partners of Foreign	 yn Partnership (see instruct	ions)				
		Name	Address	,	Identifying num	nber (if a	any)	Check if foreign person
	tne pa edule	Arthership have any other foreign personal Affiliation Schedule. List a	on as a direct partner? all partnerships (foreign or d		tic) in which the fo		/es partnersh	<u> No </u>
		direct interest or indirectly			,			Check if
		Name	Address		EIN (if any)	1	nl ordinary me or loss	foreign partnership
Sch	edule	B Income Statement – Trade	e or Business Income					
		clude only trade or business income and		2 belov	w. See the instructions	for mo	re informat	ion.
	1a	Gross receipts or sales		1a	50,000,000			
	b							0,000
a)	2	Cost of goods sold				2		0,000
come	3	Gross profit. Subtract line 2 from line				3	45,00	0,000
ဝ	4	Ordinary income (loss) from other pa				4		
<u>Ž</u>	5	Net farm profit (loss) (attach Schedul	The state of the s			5		
	6	Net gain (loss) from Form 4797, Part				6		
	7	Other income (loss) (attach statemen	t)			7		
	8	Total income (loss). Combine lines	3 through 7			8	45,00	0,000
	9	Salaries and wages (other than to pa	rtners) (less employment credit	s) .		9	2,00	0,000
∞	10	Guaranteed payments to partners .				10		
tions	11	Repairs and maintenance				11		
nita	12	Bad debts				12		
.≓	13	Rent				13	2,08	1,900
ns fc	14	Taxes and licenses				14		
ictio	15	Interest				15		
ıstrı	16a	Depreciation (if required, attach Forn						
96	b	Less depreciation reported elsewher				16c		
Š	17	Depletion (Do not deduct oil and gas		17				
ü	18	Retirement plans, etc		18				
čţi	19	Employee benefit programs				19		
Deductions (see instructions for limitations)	20	Other deductions (attach statement)				20		
<u> </u>	21	Total deductions. Add the amounts	shown in the far right column f	or line	s 9 through 20	21	4,08	1,900
	22	Ordinary business income (loss) fro		<u>Subtra</u>	ct line 21 from line 8	22	40,91	8,100
			Page 77				Form	8865 (2011)

Carlton Asset Management, LP Form 8865 (2011)

Sch	edule D Capital Gains and	Losses (Use Sche	dule D-1 (Form 10	65) to list additio	nal transact	ions	for lines 1 and 7)
Par	t I Short-Term Capital Gair	ns and Losses—A	ssets Held One	Year or Less			
	(a) Description of property (Example: 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or othe (see instructi		(f) Gain or (loss) Subtract (e) from (d)
1							
2	Enter short-term gain or (loss), if a	any, from Schedule [D-1 (Form 1065), line	e2		2	
3	Short-term capital gain from insta	Illment sales from Fo	orm 6252, line 26 or	37		3	
4	Short-term capital gain (loss) from	n like-kind exchange	s from Form 8824			4	
5	Partnership's share of net shor capital gains (losses), from other				short-term	5	
6	Net short-term capital gain or Form 8865, Schedule K, line 8 or					6	
Par							
	(a) Description of property (Example: 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or othe (see instructi		(f) Gain or (loss) Subtract (e) from (d)
7							
8	Enter long-term gain or (loss), if a	ny, from Schedule D	-1 (Form 1065), line	8		8	
9	Long-term capital gain from insta	llment sales from Fo	rm 6252, line 26 or	37		9	
10	Long-term capital gain (loss) from	like-kind exchange:	s from Form 8824			10	
11	Partnership's share of net long-tegains (losses), from other partners					11	
12	Capital gain distributions					12	
13	Net long-term capital gain or (l		es 7 through 12 in c	column (f). Enter h	nere and on	13	

Carlton Asset Management, LP Form 8865 (2011) Page **4**

Schedu	` '	Partners' Distributive Share Items		Total amount
Schedu	1 1	Ordinary business income (loss) (page 2, line 22)	1	40,918,100
	2	Net rental real estate income (loss) (attach Form 8825)	2	40,710,100
	3a	Other gross rental income (loss)	-	
	b	Expenses from other rental activities (attach statement)	0-	
_	C	Other net rental income (loss). Subtract line 3b from line 3a	3c	
SS	4	Guaranteed payments	4	
Ľ	5	Interest income	5	
е (6	Dividends: a Ordinary dividends	6a	
Ĕ	_	b Qualified dividends 6b		
Income (Loss)	7	Royalties	7	
=	8	Net short-term capital gain (loss)	8	
	9a	Net long-term capital gain (loss)	9a	
	b	Collectibles (28%) gain (loss)		
	С	Unrecaptured section 1250 gain (attach statement)		
	10	Net section 1231 gain (loss) (attach Form 4797)	10	
	11	Other income (loss) (see instructions) Type ▶	11	
ns	12	Section 179 deduction (attach Form 4562)	12	
ţį	13a	Contributions	13a	
Deductions	b	Investment interest expense	13b	
þe	С	Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
	d	Other deductions (see instructions) Type ►	13d	
Self- Employ- ment	14a	Net earnings (loss) from self-employment	14a	
self pplc nen	b	Gross farming or fishing income	14b	
SE	С	Gross nonfarm income	14c	
	15a	Low-income housing credit (section 42(j)(5))	15a	
ø	b	Low-income housing credit (other)	15b	
Credits	С	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
ē	d	Other rental real estate credits (see instructions) Type ▶	15d	
ပ	е	Other rental credits (see instructions) Type ▶	15e	
	f	Other credits (see instructions) Type ▶	15f	
	16a	Name of country or U.S. possession ▶		
_	b	Gross income from all sources	16b	40,918,100
Su	С	Gross income sourced at partner level	16c	
ţi		Foreign gross income sourced at partnership level		
äc	d	Passive category ► e General category ► f Other (attach statement) ►	16f	
Su		Deductions allocated and apportioned at partner level		
Fra	g	Interest expense • h Other	16h	
<u>_</u>		Deductions allocated and apportioned at partnership level to foreign source income		
eig	i	Passive category ► j General category ► k Other (attach statement) ►	16k	
Foreign Transactions	l i	Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	161	2,530,040
ш	m	Reduction in taxes available for credit (attach statement)	16m	,,
	n	Other foreign tax information (attach statement)		
	17a	Post-1986 depreciation adjustment	17a	
Alternative Minimum Tax (AMT) Items	b	Adjusted gain or loss	17b	
Alternative //Inimum Tax (AMT) Items	C	Depletion (other than oil and gas)	17c	
ind I (I	d	Oil, gas, and geothermal properties—gross income	17d	
N ir	e	Oil, gas, and geothermal properties—deductions	17a	
~ <u>Σ</u> 3	f	Other AMT items (attach statement)	176	
	18a	Tax-exempt interest income	18a	
<u>io</u>	_			
ati	b	Other tax-exempt income	18b	
Other Information	100	Nondeductible expenses	18c	
	19a	Distributions of cash and marketable securities	19a	
<u>=</u>	b oo -	Distributions of other property	19b	
Jer	20 a	Investment income	20a	
₹	b	Investment expenses	20b	
	С	Other items and amounts (attach statement)		Farm 8865 (2011

Form 8865 (2011) Page **5**

Schedule L Balance Sheets per Books. (Not required if Item G9, page 1, is answered "Yes.") Beginning of tax year End of tax year (c) (a) (b) (d) Assets 1,750 2,250 1 Cash 27,000,000 14,000,000 2a Trade notes and accounts receivable . . . Less allowance for bad debts 27,000,000 14,000,000 3 Inventories 4 U.S. government obligations 5 Tax-exempt securities 6 Other current assets (attach statement) . . Loans to partners Mortgage and real estate loans 8 Other investments (attach statement) . . . 115,000,000 187,000,000 9a Buildings and other depreciable assets . . Less accumulated depreciation 11,000,000 104,000,000 13,081,900 183.918.100 10a Depletable assets **b** Less accumulated depletion 11 Land (net of any amortization) **12a** Intangible assets (amortizable only) . . Less accumulated amortization 13 Other assets (attach statement) . . 14 Total assets 131,001,750 197,920,350 **Liabilities and Capital** 15 1,000,000 1,500,000 Accounts payable 16 Mortgages, notes, bonds payable in less than 1 year 17 Other current liabilities (attach statement) . 18 All nonrecourse loans 19 Mortgages, notes, bonds payable in 1 year or more 20 Other liabilities (attach statement) 130,001,750 196,420,350 21 Partners' capital accounts 22 Total liabilities and capital 131,001,750 197,920,350

Form **8865** (2011)

Carlton Asset Management, LP Form 8865 (2011) Page 6

Sche	dule M Balance Sheets for I	nterest Allocation			'
				(a) Beginning of tax year	(b) End of tax year
1	Total U.S. assets				
2	Total foreign assets:				
а	Passive category				
b	General category				
	Other (attach statement)				
Sche	Reconciliation of Incor 1, is answered "Yes.")	me (Loss) per Books	With Inco	me (Loss) per Return. (Not requ	uired if Item G9, page
			6 Inc	come recorded on books this	
1	Net income (loss) per books	40,968,100		ar not included on Schedule K,	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11 not recorded on books			es 1 through 11 (itemize): x-exempt interest \$	
	this year (itemize):		- 7 De	ductions included on Schedule	
3	Guaranteed payments (other than health insurance)		K,	lines 1 through 13d, and 16l not arged against book income this	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a De	ar (itemize):	
а	Depreciation \$				50,000
b	Travel and entertainment \$		8 Ad	d lines 6 and 7	50,000
			9 Inc	come (loss). Subtract line 8	
5	Add lines 1 through 4	40,968,100	fro	m line 5	40,918,100
Sch	edule M-2 Analysis of Partners		_,`		swered "Yes.")
1	Balance at beginning of year	130,001,750	6 Dis	stributions: a Cash	
2	Capital contributed:			b Property	
	a Cash	9,450,500	7 Otl	her decreases (itemize):	
_	b Property	16,000,000			
3	Net income (loss) per books .	3,968,100			
4	Other increases (itemize):				
				d lines 6 and 7	
5	Add lines 1 through 4	196,420,350		lance at end of year. Subtract e 8 from line 5	196,420,350

Form **8865** (2011)

Schedule N Transactions Between Controlled Foreign Partnership and Partners or Other Related Entities

Important: Complete a separate Form 8865 and Schedule N for each controlled foreign partnership. Enter the totals for each type of transaction that occurred between the foreign partnership and the persons listed in columns (a) through (d).

	Transactions of foreign partnership	(a) U.S. person filing this return	(b) Any domestic corporation or partnership controlling or controlled by the U.S. person filing this return	(c) Any other foreign corporation or partnership controlling or controlled by the U.S. person filing this return	(d) Any U.S. person with a 10% or more direct interest in the controlled foreign partnership (other than the U.S. person filing this return)
1 2	Sales of inventory Sales of property rights (patents, trademarks, etc.)				
3	Compensation received for technical, managerial, engineering, construction, or like services				
4 5	Commissions received				
6 7	fees received Distributions received Interest received				
8	Other				
9	Add lines 1 through 8				
10	Purchases of inventory .				
11	Purchases of tangible property other than inventory				
12	Purchases of property rights (patents, trademarks, etc.)				
13	Compensation paid for technical, managerial, engineering, construction, or like services				
14	Commissions paid				
15	Rents, royalties, and license fees paid				
16	Distributions paid				
17	Interest paid				
18	Other				
19	Add lines 10 through 18 .				
20	Amounts borrowed (enter the maximum loan balance during the year). See instructions				
21	Amounts loaned (enter the maximum loan balance during the year). See instructions				Form 8865 (2011)

Form **8865** (2011)

Carlton Asset Management, LP

SCHEDULE B-1 (Form 1065)

Information on Partners Owning 50% or More of the Partnership

(Rev. December 2011) Department of the Treasury Internal Revenue Service

► Attach to Form 1065. See instructions on back.

OMB No. 1545-0099

69-0000003

Name of partnership

Carlton Asset Management, LP

69-000003

Part I Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
ABC Investments	69-3000002	Partnership	United States	89%

Part II Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49842K

Schedule B-1 (Form 1065) (Rev. 12-2011)

Schedule K-1 (Form 1065)

\bigcirc	4
ال ا ا الرك ^و	7
$\sim (0)$	

Final K-1

Ordinary business income (loss)

Amended K-1 Part III Partner's Share of Current Year Income,

Deductions, Credits, and Other Items

15 Credits

Department of the Treasury For calendar year 2011, or tax

nterr	nai Revenue Service	year beg	ginning 01/01 _{, 2011}		361,776,890		
			ling 12/31 , 20 11	2	Net rental real estate income (loss)		
	rtner's Share of Indedits, etc.	•	uctions, orm and separate instructions.	3	Other net rental income (loss)	16	Foreign transactions
F	Part I Information A	bout the Pa	rtnership	4	Guaranteed payments		7 Tara an
Α	Partnership's employer identi	fication number	·				A Japan
_		9-0000003		5	Interest income 32,507		В 9,104,282
В	Partnership's name, address,	city, state, and Z	P code	6a	Ordinary dividends		
Ca	rlton Asset Manag	gement, LP			,		D 9,104,282
16'	78 S Hoover Blvd			6b	Qualified dividends		L 562,934
Saı	n Francisco, CA	94101		7	Royalties		
С	IRS Center where partnership	filed return		8	. iojailioo		
0g	den				Net short-term capital gain (loss)		
D	Check if this is a publicly	traded partnershi	p (PTP)	0-	Nietiene temperaritei mein (leen)	47	All and the second seco
	art II Information A	bout the Pa	rtner	9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) item
E	Partner's identifying number			9b	Collectibles (28%) gain (loss)		
		9-3000002					
F	Partner's name, address, city	, state, and ZIP co	ode	9с	Unrecaptured section 1250 gain		
AB	C Investments			10	Net section 1231 gain (loss)	18	Tax-exempt income and
93	Oaks Drive				gam (cos)		nondeductible expenses
		15.2		11	Other income (loss)		
	s Angeles, CA 900						C 989
G	General partner or LLC member-manager		ited partner or other LLC mber				
н	X Domestic partner	☐ For	eign partner				
						19	Distributions
I	What type of entity is this part		artnership	12	Section 179 deduction 38,567		
J	Partner's share of profit, loss, Beginning	and capital (see i	nstructions): Ending	13	Other deductions		A 363,300,436
	Profit	89 %	89 %			20	Other information
	Loss	89 %	89 %				
	Capital	89 %	89 %				
.,	D 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1						A 32,507
K	Partner's share of liabilities at Nonrecourse	-	480,600	14	Self-employment earnings (loss)		
	Qualified nonrecourse financia		·				
	Recourse	\$					
_				*0.	a attached atatament for add	ition	al information
L	Partner's capital account ana Beginning capital account .	•	3,483,574	36	e attached statement for add	ШОП	a mormation.
	Capital contributed during the		<u>·</u>				
	Current year increase (decrea	se) . \$	362,207,091				
	Withdrawals & distributions	\$ (363,300,436)	lu y			
	Ending capital account	\$	2,390,229) se			
	☐ Tax basis ☐ G.	AAP 🕱 S	Section 704(b) book	For IRS Use Only			
	Other (explain)		אסטנוסוו ויסיונטן טיסטונ	≝			
				For			
М	Did the partner contribute pro		in gain or loss?				
	☐ Yes X No If "Yes," attach statemen		s)				
		,	,				

Deductions, Credits, and Other Items

Schedule K-1	201
(Form 1065)	

Final K-1 Amended K-1 Part III Partner's Share of Current Year Income,

Department of the Treasury
Internal Revenue Service

Partner's Snare o	t Income, Deductions,
Credits, etc.	► See back of form and separate instructions

	rantent of the Treasury For Calendar year 2011, or tax lal Revenue Service year beginning 01/01 , 2011	'	4,064,909	15	Credits
	ending 12/31, 20 11	2	Net rental real estate income (loss)		
	tner's Share of Income, Deductions, edits, etc. See back of form and separate instructions.	3	Other net rental income (loss)	16	Foreign transactions
	art I Information About the Partnership	4	Guaranteed payments		A Japan
Α	Partnership's employer identification number 69-000003	5	Interest income 365		в 102,295
В	Partnership's name, address, city, state, and ZIP code	6a	Ordinary dividends		7 100 005
Cai	rlton Asset Management, LP				D 102,295
167	72 S Hoover Blvd	6b	Qualified dividends		L 6,325
Sar	n Francisco, CA 94101	7	Royalties		
C	IRS Center where partnership filed return	8	Net short-term capital gain (loss)		
D	Check if this is a publicly traded partnership (PTP)				
	Information About the Dordney	9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
E	art II Information About the Partner Partner's identifying number	9b	Collectibles (28%) gain (loss)		
-	990-00-0001				
F	Partner's name, address, city, state, and ZIP code	9с	Unrecaptured section 1250 gain		
Tax	xpayer B1	10	Net section 1231 gain (loss)	18	Tax-exempt income and
888	NW Peach Street	44	Other income (less)		nondeductible expenses
Sar	n Francisco, CA 94101	11	Other income (loss)		
G	General partner or LLC X Limited partner or other LLC				C 11
	member-manager member				
Н	▼ Domestic partner Foreign partner			19	Distributions
ı	What type of entity is this partner? Individual	12	Section 179 deduction		J. G. I. J. G. I. G.
J	Partner's share of profit, loss, and capital (see instructions):		433		A 4,082,027
	Beginning Ending	13	Other deductions	20	Other information
	Profit 1 % 1 % Loss 1 % 1 %			20	Other information
	Loss 1 % 1 % Capital 1 % 1 %				
					A 365
K	Partner's share of liabilities at year end: Nonrecourse \$ 5 , 400	14	Self-employment earnings (loss)		
	Nonrecourse \$ 5,400 Qualified nonrecourse financing . \$				
	Recourse \$				
	Parkenda and the language and order	*\$6	ee attached statement for add	lition	al information
L	Partner's capital account analysis: Beginning capital account \$ 39,141	36	se attached statement for add	illiOile	ai iiiioiiiiatioii.
	Capital contributed during the year \$				
	Current year increase (decrease) . \$ 4,069,743	١.			
	Withdrawals & distributions \$ 4,082,743) Ending capital account \$ 26,141	l r			
	Ending capital account \$ 26,141	Se (
	☐ Tax basis ☐ GAAP 🕱 Section 704(b) book	For IRS Use Only			
	Other (explain)	<u>E</u>			
		<u> </u>			
M	Did the partner contribute property with a built-in gain or loss?				
	Yes X No If "Yes." attach statement (see instructions)				

Cat. No. 11394R

Amended K-1

Final K-1

	edule K-1 m 1065)	2011	Pa	Partner's Share Deductions, Cre		rrent Year Income, and Other Items
	tment of the Treasury al Revenue Service	For calendar year 2011, or tax year beginning 01/01 , 2011	1	Ordinary business income (loss) 40,649,08	15	Credits
D	to and a Channe of the const	ending 12/31, 20 11	2	Net rental real estate income (loss)	
	tner's Share of Income dits, etc. ▶ ऽ००	e, Deductions, back of form and separate instructions.	3	Other net rental income (loss)	16	Foreign transactions
	art I Information About	•	4	Guaranteed payments 561,90	0	A Japan
A	Partnership's employer identification 69-00	00003	5	Interest income 3,65		в 1,022,953
В	Partnership's name, address, city, sta		6a	Ordinary dividends	3	D 1,022,953
	lton Asset Managemer 8 S Hoover Blvd	nt, LP	6b	Qualified dividends		L 63,251
San	Francisco, CA 94101	L	7	Royalties		1 03,231
c	IRS Center where partnership filed reen	turn	8	Net short-term capital gain (loss)		
D	Check if this is a publicly traded	partnership (PTP)	9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
	art II Information About	the Partner	0.	O-IItible- (000() (I)		
E	Partner's identifying number 69-30	00001	9b	Collectibles (28%) gain (loss)		
F	Partner's name, address, city, state,	and ZIP code	9c	Unrecaptured section 1250 gain		
	Management		10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
	2 W Truman Ave		11	Other income (loss)		
G	ramento, CA 95813 X General partner or LLC	Limited partner or other LLC				C 111
	member-manager	member				
H	X Domestic partner	Foreign partner			19	Distributions
l J	What type of entity is this partner? Partner's share of profit, loss, and ca	Partnership	12	Section 179 deduction 4,33	3	- 40 000 074
"	Beginning	Ending	13	Other deductions		A 40,820,274
	Profit 1: Loss 1:	0 % 10 % 0 % 10 %			20	Other information
	Capital 1					
ĸ	Partner's share of liabilities at year en					A 3,653
	Nonrecourse	\$ 54,000 \$	14	Self-employment earnings (loss) A 41,210,98	9	
	Recourse	\$		C 41,210,98	9	
L	Partner's capital account analysis:	\$ 391,413	*Se	e attached statement for a	dition	al information.
	Beginning capital account Capital contributed during the year					
	Current year increase (decrease) .	\$ 40,697,426 \$ (40,820,274)				
	Withdrawals & distributions Ending capital account	\$ (40,820,274) \$ 268,565	Only			
			Use			
	Tax basis GAAP Other (explain)	🗴 Section 704(b) book	For IRS (
м	Did the partner contribute property w Yes No If "Yes," attach statement (see in					

TEST SCENARIO 4

FORMS REQUIRED:

1065, 4562, 4797, 8308, 1125-A, (F1065) Schedule D, (F1065) Sch K-1 (3), (F1065) Schedule B-1, (F1065) Schedule M-3, (F1065) Schedule C, Form 8453-PE

ATTACHMENTS:

Other Income (Loss) Statement

Itemized Other Deductions Statement Itemized Section 263A Costs Schedule Inventoriable Costs Paid Schedule

Section 754 Election

Partnership's Charitable Contributions Statement

Other Cost Statement

Schedule L Other Current Assets Statement

Schedule L Other Assets Statement

Schedule L Other Current Liabilities Statement

Other AMT Items Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

HEADER INFO:

Tax Period: Calendar Year 2011

Preparer Firm Electronic Tax Filers, Inc 69-0000098

1065 Efile Drive Anytown, OR 97201

Multiple Software Packages Used: Yes or No

Originator: EFIN: Self-select

Type: ERO

Practitioner PIN: None PIN Entered by – N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1065

Filer: EIN: 69-0000004

Name: Eastland Quarries Name Control: EAST Address: 2313 Jackson Ave

Portland, OR 97208

Partner: Name: Jonathan Teak

Title: President Taxpayer PIN: Phone: 555-555-5555

Email Address: Anymail@email.com

Date Signed: 04/11/2012

Preparer: Name: John Smith

PTIN: P00000004 Phone: 555-631-1212

Email Address: Anymail@email.com

Date Prepared: 04/11/2012 Self Employed: No

Details for attachments to Form

Other Income (Loss) Statement (Form 1065, Page 1, Line 7)

Miscellaneous	36 522
Miscellaneous	30,322

Itemized Other Deductions Statement (Form 1065, Page 1 Line 20)

Amortization	441,924
Insurance	75,606
Professional Fees	583,204
Miscellaneous	213,470

Itemized Section 263A Costs Schedule (Form 1125-A, Line 4)

Rent	50,000
Utilities	24,212

Inventoriable Costs Paid Schedule (Form 1125-A, Line 5)

Professional Fees	19,360
Utilities	1,321,610
Miscellaneous	225,142
Depreciation	1,552,633

Other Cost Statement (Cost of Good Sold, Form 1125-A, Line 5)

Other Cost	3,118,745
------------	-----------

Section 754 Election (Form 1065, Page 3, Schedule B, Line 12a)

Name of Partnership	Eastland Quarries
Partnership Address	2313 Jackson Ave Portland, OR 97208
Section 754 Declaration	Made a section 754 declaration

Partnership's Charitable Contributions Statement (Form 1065, Page 4, Schedule K, Line 13a)

Type of Contribution	50% Cash Contribution
Amount	3,000

Other AMT Items Statement (Form 1065, Page 4, Schedule K, Line 17f)

Other AMT Items	(22,101)
-----------------	----------

Schedule L Other Current Assets Statement (Form 1065, Page5, Schedule L, Line 6b and 6d)

Type	BOY Amount	EOY Amount
Prepaid Insurance	105,000	105,000
Deposit	45,000	20,000

Schedule L Other Assets Statement (Form 1065, Page 5, Schedule L, Line 13b and 13d)

Type	BOY Amount	EOY Amount
Other Assets	387,000	411,000

Schedule L Other Current Liabilities Statement (Form 1065, Page 5, Schedule L, Line 17)

Type	BOY Amount	EOY Amount
Accrued Payroll	793,542	801,250
Accrued Profit Sharing	377,622	486,135

	East	tland Quar	ries								69-00	000004	
_	106	<u> </u>				turn of Part						No. 1545-0099	
Form Depar	tment of th	ne Treasury	For cale	ndar year 201	11, or tax yea				ding, 20		· 🤊	<u>11</u>	
	al Revenue					► See separate in	nstructio	ns.			+		
	•	ness activity		Name of pa								er identification nur	mber
Quai				Eastland C								9-0000004	
		ct or service	Print			n or suite no. If a P.O. I	box, see th	ne instruc	tions.			usiness started	
	hed Sto		or	2313 Jacks							0:	3/29/2002	
C Bus	siness cod	le number	type.	City or tow	n, state, and Z	IP code						ssets (see the	
	21231	10		Portland, 0	OR 97208						instructi	ions)	
											\$ 2	28,234,548	
G H I J	Check a Number Check if	of Schedule	method: ules K-1. A es C and N	(1) Cas Attach one for M-3 are attac	chnical termi sh or each pers		(1) or (2) ner at any	(3) time du	ring the tax year ▶		3		
Caut	ion. Incl	ude only :	trade or b	ousiness inc	ome and ex	kpenses on lines 1a	a through	1 22 bel	ow. See the instructi	ons for	more intoi	rmation.	
	1a	Merchan	t card an	d third-par	ty paymen	ts (including amou	unts						_
								1a					
	b	Gross red	ceipts or	sales not r	eported or	line 1a		1b	15,200,800				
	С	Total. Ad	d lines 1	a and 1b				1c	15,200,800				
	d	Returns a	and allow	vances plus	s any "cash	n back" included o	on line						
Ø				•	-			1d	115,470				
Ě	е	Subtract	line 1d fi	rom line 1c				1e	15,085,330				
ncome	2	Cost of a	oods so	ld (attach F	orm 1125-	A)		2	7,000,032				
드		_								3		8,085,298	
									ch statement)	4		-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
	1	•		. ,	•	• •		•		5			
			-							6		37,400	
		_								7		36,522	—
	1		•	, ,	,					8	+	8,151,220	—
									· · · · · · ·	9	-	550,000	—
or limitations)			_	•		, , , , ,		,		10	1	330,000	—
nita				•						11	+	3,120,512	—
or Fi		Repairs a		tenance.									—
-			lS							12		11,411	
(see the instructions		Rent								13		486,634	
ıstrı		Taxes an		}S						14		262,140	—
heir		Interest .								15		38,106	
see t		-		equired, atta		•		16a	1,552,633	10-			
	1			•		A and elsewhere on	return	16b	1,552,633	16c	-	(50.404	—
ũ		-	-		_	depletion.) .				17		653,121	—
뜢			• .							18		53,721	
Deductions										19		287,416	
ec										20		1,314,204	
								iii ior i	ines 9 through 20.	21		6,777,265	
	22					otract line 21 from				22	<u> </u>	1,381,955	
Sig Her		knowled is based	dge and bel d on all info	lief, it is true, c rmation of wh	correct, and co ich preparer h		f preparer (other tha	nying schedules and staten general partner or limit 4/11/2012 Date	ed liability	y company	member manag scuss this return with below (see	
	_		pe prepare		, or minicula		, manayer					PTIN	—
Paid				i 3 Hallic		Preparer's signature			Date 4/11/2012	I	ck 🗌 if	P00000000	14
Pre	parer	John S		FLECTRIC	TAV 5" 55	L INC			7/11/2012		employed		
Use	Only	Firm's n			TAX FILER		1				's EIN ►	69-0000098	
	-	Firm's a	ıddress ►	1005 EFIL	L UKIVE, Aľ	NYTOWN, NV 8950°	I .			Phor	ne no.	555-631-5555	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2011)

Form 1065 (2011)

Eastland Quarries 69-0000004

Sch	edule B Other Information								
1	What type of entity is filing this return? Check the a	pplical	ole box:				Yes	No	
а	☐ Domestic general partnership b		omestic limit	ed partnership					
С	☐ Domestic limited liability company d		omestic limit	ed liability part	nership				
е	☐ Foreign partnership f	□ O ¹	ther ►						
2	At any time during the tax year, was any partner in								
	an entity treated as a partnership), a trust, an S corp	poratio	on, an estate	(other than an	estate of a decease	ed partner),			
	or a nominee or similar person?							~	
3	At the end of the tax year:								
а	Did any foreign or domestic corporation, partnershi								
	tax-exempt organization, or any foreign government								
	profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach								
Schedule B-1, Information on Partners Owning 50% or More of the Partnership									
b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of									
the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership									
	-	ρ.					~		
4	At the end of the tax year, did the partnership:	iroothy	50% or mo	ro of the total	voting power of all	classes of			
a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see									
	instructions. If "Yes," complete (i) through (iv) below							/	
				r Identification	(iii) Country of	(iv) Perc	entage		
	(i) Name of Corporation			er (if any)	Incorporation	Owned in Vo		ock	
b	Own directly an interest of 20% or more, or own, di	rectly	or indirectly,	an interest of 5	50% or more in the	profit, loss,			
	or capital in any foreign or domestic partnership (i								
	interest of a trust? For rules of constructive ownersh	ip, see	instructions	. If "Yes," comp	olete (i) through (v) b	elow		>	
	(i) Name of Entity) Employer entification	(iii) Type of	(iv) Country of	(v) M Percenta	aximum ae Own	n ed in	
	(i) Name of Littly		mber (if any)	Entity	Organization	Profit, Los	ss, or C	apital	

Form **1065** (2011)

Page 2

Form 1065 (2011) Page **3**

		Yes	No
5	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for		
	more details		\
6	Does the partnership satisfy all four of the following conditions?		
а	The partnership's total receipts for the tax year were less than \$250,000.		
b	The partnership's total assets at the end of the tax year were less than \$1 million.		
С	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
d	The partnership is not filing and is not required to file Schedule M-3		'
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		~
8	During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		>
9	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		>
10	At any time during calendar year 2011, did the partnership 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)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country.		V
11	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or		_
••	transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		V
12a	Is the partnership making, or had it previously made (and not revoked), a section 754 election?	~	
	See instructions for details regarding a section 754 election.		
b	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes,"		
-	attach a statement showing the computation and allocation of the basis adjustment. See instructions		~
С	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		V
13	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year)		
14	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		
15	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		V
17	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
18a	Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions		~
b	If "Yes," did you or will you file all required Form(s) 1099?		~
19	Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶		
Design	nation of Tax Matters Partner (see instructions)		
	pelow the general partner designated as the tax matters partner (TMP) for the tax year of this return:		
Name desigr TMP			
entity,	TMP is an name Phone number of TMP		
Addre desigr TMP	ss of hated ————————————————————————————————————		

Page 4

Eastland Quarries 69-0000004 Form 1065 (2011)

Schedule K **Partners' Distributive Share Items Total amount** Ordinary business income (loss) (page 1, line 22) 1,381,955 1 1 2 2 Net rental real estate income (loss) (attach Form 8825) 3a Other gross rental income (loss) За b Expenses from other rental activities (attach statement) Other net rental income (loss). Subtract line 3b from line 3a . . . 3с С 4 ncome (Loss) Interest income 5 5 14,225 6 **b** Qualified dividends 7 8 8 2,300 Net short-term capital gain (loss) (attach Schedule D (Form 1065)) . . . 9a Net long-term capital gain (loss) (attach Schedule D (Form 1065)) 9a (2,500)b Collectibles (28%) gain (loss) 9b С Unrecaptured section 1250 gain (attach statement) . . 9c (56,500)10 10 11 Other income (loss) (see instructions) Type ▶ 11 Employ- Deductions 12 12 13a 13a 3,000 b 13b Section 59(e)(2) expenditures: (1) Type ▶ 13c(2) С Other deductions (see instructions) Type ▶ 13d 14a 14a 739,523 b 14b С Gross nonfarm income . . . 14c 739,523 15a 15a b 15b С Qualified rehabilitation expenditures (rental real estate) (attach Form 3468) . . . 15c d Type ► 15d Other rental real estate credits (see instructions) Type ▶ Other rental credits (see instructions) 15e е Type ▶ f Other credits (see instructions) Name of country or U.S. possession ▶ 16a b 16b Foreign Transactions 16c С Foreign gross income sourced at partnership level Passive category ► ____ e General category ► 16f d Deductions allocated and apportioned at partner level 16h Deductions allocated and apportioned at partnership level to foreign source income i Passive category ► j General category ► 16k Total foreign taxes (check one): ▶ Paid ☐ Accrued ☐ ı **16**l Reduction in taxes available for credit (attach statement) 16m Alternative Minimum Tax (AMT) Items 17a 17a (199,426)17b b (15,622)Depletion (other than oil and gas) 619,783 С 17c d Oil, gas, and geothermal properties—gross income 17d е 17e f 17f (22,101)18a 18a Other Information b Other tax-exempt income 18b 18c С 19a Distributions of cash and marketable securities 19a 1,900,000 b 19b 20a 20a 14,225 20b b Other items and amounts (attach statement)

Form 1065 (2011) Page **5**

Analy	sis of Net Incom										
1		. Combine Schedule									
	Schedule K, lines	12 through 13d, and							1		1,336,480
2	Analysis by partner type:	(i) Corporate	(ii) Indiv (activ	I	(iii) Individ (passive		(iv) Partnersh		Exem janizati		(vi) Nominee/Other
а	General partners			735,064							
b	Limited partners			601,416							
Sche		nce Sheets per B			Beginning	of tax	year	ı	End	of ta	x year
		Assets			(a)		(b)	(c)		(d)
1	Cash						375,120				1,530,820
2a	Trade notes and a	accounts receivable			1,140,165				1,353,	242	
b	Less allowance fo	r bad debts					1,140,165				1,353,242
3	Inventories						1,372,320				1,207,920
4	U.S. government										
5	Tax-exempt secur	rities									
6	Other current asse	ets (attach statemen	t)				150,000				125,000
7a	Loans to partners (or persons related to	partners)								
b	Mortgage and rea	l estate loans .									
8	Other investments	s (attach statement)									
9a	Buildings and other	er depreciable asset	s		9,327,811				9,529,	741	
b	Less accumulated	d depreciation .			1,426,314		7,901,497				8,006,441
10a	Depletable assets				7,426,187				7,312,	547	
b	Less accumulated	d depletion			426,187		7,000,000		375,	638	6,936,909
11	Land (net of any a	mortization)					747,000				
12a	Intangible assets ((amortizable only)			7,926,216				7,926,	216	
b	Less accumulated	d amortization .					7,926,216				7,926,216
13	Other assets (attach	ch statement) .					387,000				411,000
14	Total assets						26,999,318				28,234,548
	Liabilitie	es and Capital									
15	Accounts payable						1,000,000				1,200,000
16	Mortgages, notes, b	onds payable in less th	nan 1 year								
17	Other current liabi	ilities (attach stateme	ent) .				1,171,164				1,287,385
18	All nonrecourse lo	ans									
19a	Loans from partners	s (or persons related to	partners)								
b		oonds payable in 1 yea					3,000,000				2,500,000
20	·	tach statement) .									
21	Partners' capital a						21,828,154				23,247,163
22	Total liabilities and						26,999,318				28,234,548
Sch		econciliation of In							turn		
		ote. Schedule M-3 m		uirea ins							
1		per books					recorded on book dule K, lines 1 thro			ided	
2		Schedule K, lines 1, 2, 3					empt interest \$	-	11126).		
	5, 6a, 7, 8, 9a, 10, a	and 11, not recorded of	on		" '	un GA	omprimerest ¢	, 			
3	Guaranteed nav	ize): vments (other tha	ın		7 □ 7 □		ions included o				
J							ugh 13d, and				
4	•	ed on books this yea					book income				
•		Schedule K, lines				_	:: (-	•	•	
	through 13d, and					•					
а	Depreciation \$				8 A		es 6 and 7 .				
b	Travel and enterta	inment \$					(loss) (Analys				
5	Add lines 1 through	gh 4					line 1). Subtract				
	edule M-2 An	nalysis of Partner	s' Capita	Ι Αςςοι		-					<u></u>
1		ning of year		21,828,1		istribu	utions: a Cash				1,900,000
2	_	d: a Cash					b Prope	erty .			
	-	b Property .	-		7 C	ther c	decreases (item	nize):			
3	Net income (loss)	per books	-	3,319,0	no						
4	Other increases (it						es 6 and 7 .				1,900,000
5	Add lines 1 through	ah 4		25.147.1	63 9 R	alance	at end of year. Su	btract line 8	R from lin	ne 5	23,247,163

Department of the Treasury Internal Revenue Service

Cost of Goods Sold

69-0000004

OMB No. 1545-XXXX

► Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, and 1065-B.

Employer identification number 69-0000004 **Eastland Quarries** 1,372,320 1 1 Inventory at beginning of year 1,512,263 2 2 3 3 2,130,412 74,212 4 4 3,118,745 5 Other costs (attach schedule) 5 6 6 8,207,952 1,207.920 7 7 8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the 7,000,032 8 Check all methods used for valuing closing inventory: 9a (i) Cost (ii) Lower of cost or market (iii) ☐ Other (Specify method used and attach explanation.) ► Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed □ No If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," ✓ No For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 55988R Form **1125-A** (12-2011)

Depreciation and Amortization (Including Information on Listed Property)

69-0000004 OMB No. 1545-0172

Attachment

Department of the Treasury Internal Revenue Service (99)

► See separate instructions.

► Attach to your tax return.

Sequence No. 179 Name(s) shown on return Business or activity to which this form relates Identifying number **Eastland Quarries** Quarries 69-000004 Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I. 1 2 Threshold cost of section 179 property before reduction in limitation (see instructions) . 3 4 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions 5 (a) Description of property (b) Cost (business use only) (c) Elected cost 6 7 Listed property. Enter the amount from line 29 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 8 9 Tentative deduction. Enter the smaller of line 5 or line 8 9 **10** Carryover of disallowed deduction from line 13 of your 2010 Form 4562 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) 11 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 12 13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12 Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.) 14 Special depreciation allowance for qualified property (other than listed property) placed in service 14 182,157 15 **16** Other depreciation (including ACRS) 16 Part III MACRS Depreciation (Do not include listed property.) (See instructions.) 17 MACRS deductions for assets placed in service in tax years beginning before 2011 17 1,300,700 18 If you are electing to group any assets placed in service during the tax year into one or more general Section B-Assets Placed in Service During 2011 Tax Year Using the General Depreciation System (b) Month and year (c) Basis for depreciation (d) Recovery (a) Classification of property placed in (business/investment use (e) Convention (f) Method (g) Depreciation deduction period service only-see instructions) 3-year property **b** 5-year property 55,260 5 HY 200 DB 11.052 c 7-year property 7 322,560 HY 200 DB 46,094 d 10-year property e 15-year property **f** 20-year property g 25-year property 25 yrs. S/L h Residential rental 27.5 yrs. MM 9/1 property 27.5 yrs. MM S/L i Nonresidential real 39 yrs. ММ S/L property MM S/L Section C-Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System 20a Class life S/L **b** 12-year 12 yrs. **c** 40-year 40 yrs. MM S/L Part IV Summary (See instructions.) 21 Listed property. Enter amount from line 28 12,630 21

For Paperwork Reduction Act Notice, see separate instructions.

portion of the basis attributable to section 263A costs

23 Cat. No. 12906N

Form **4562** (2011)

1,552,633

22

22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions

23 For assets shown above and placed in service during the current year, enter the

Eastiand Quarries 69-000004

Page 2
Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A. all of Section B. and Section C if applicable.

	24b, co	olumns (a) i	tnrougn (c) of Section	on A, al	of Sec	tion B,	ana S	ection	C If	applic	able.					
	Section A	-Depreci	ation an	d Other In	format	ion (Ca	ution:	See th	ne instr	uctio	ons fo	r limit	for pa	ssenger	autor	nobiles.)	
24 a	Do you have ev	idence to su	pport the b	usiness/inve	stment u	se claime	ed?	Yes	No	24	1b If "	'Yes," i	s the evid	dence wr	itten?	✓ Yes	☐ No
	(a) e of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment u percentag	use Cost or c	d) other bas		(e) for depreness/investuse only	stment	(f) Recov perio	•	Met	g) thod/ rention		(h) oreciation eduction	E	(i) Elected sect cost	
25	Special dep																
	the tax year	and used	more tha	n 50% in a	ı qualifi	ed busi	ness us	se (see	instru	ction	าร) .	25					
26	Property use	ed more tha	an 50% ii	n a qualifie	d busir	ness use	e:						_				
2011	l Envoy	02/17/11	100	%	42,6	00 42,60	00		5		200 D	B/HY		8	,520		
2011	Honda Civ	01/01/11	100	%	20,5	50 20,5!	50		5		200 D	B/HY		4,	,110		
				%													
27	Property use	ed 50% or l	less in a	qualified bu	usiness	use:											
				%							S/L -						
				%							S/L -						
				%							S/L -						
28	Add amount	s in columr	n (h), line:	s 25 throug	gh 27. E	nter he	re and	on line	21, pa	age	1 .	28		12,	,630		
	Add amount			_					-	_			·		29		
			.,,				mation										
	plete this secti our employees,																ehicles
						(a)	(b)		(c)			(d)	((e)	(1	f)
30	Total business/investment miles driven during the year (do not include commuting miles) .			Veh	nicle 1	Vehi	icle 2	Vehicle 3 Vel			Phicle 4 Vehicle 5		icle 5				
31	Total commutin	ng miles drive	en during th	ne year													
	Total other p	ersonal (no	ncommu	-													
33	Total miles dr 30 through 32	_	-														
34	Was the vehi	icle availab			Yes	No	Yes	No	Yes	3	No	Yes	No	Yes	No	Yes	No
35	Was the vehi	icle used p	rimarily b	y a more													
36	Is another veh																
	is another ver			stions for	Fmplo	vers W	/ho Pro	vide \	/ehicle	s fo	r Use	by TI	eir Fm	nlovee	\$		
	wer these que e than 5% ow	stions to d	etermine	if you mee	et an ex	ception						-				s who ar	e not
37	Do you main	ntain a writ	ten polic	v statemer	nt that i	prohibit	s all pe	rsonal	use of	f vel	nicles.	inclu	dina co	mmutin	g, by	Yes	No
	your employ	_	-	=												V	
38	Do you mair employees?	ntain a writ	tten polic	y statemer												_	
39	Do you treat									-,	.,						~
40	Do you prov							 tain in	 formati	on t	from v	OULE	mplove	 es ahoi	 It the		
	use of the ve	ehicles, and	d retain th	ne informat	ion rec	eived?										•	
41	Do you meet Note: If your	answer to															<i>'</i>
Pa	rt VI Amor	tization															
		a) on of costs		(b) Date amortiz begins	ation	Amo	(c) rtizable aı	mount		Cod	(d) e sectio	on	(e) Amortiz perioc percen	ation I or	Amortiz	(f) zation for th	nis year
42	Amortization	of costs tha	at begins	during your	2011 t	ax year	(see inst	tructio	ns):								
	elopment			06/30/20				104.			291			5			10,411

43,513

441,924

43

44

43 Amortization of costs that began before your 2011 tax year

44 Total. Add amounts in column (f). See the instructions for where to report .

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

69-0000004 OMB No. 1545-0184

Attachment

Sequence No. 27

Depar	tment of the Treasury al Revenue Service (99)			achment quence No. 27				
Nam	e(s) shown on return					Identifying		
Eas	tland Quarries						69-00	00004
1	Enter the gross proceed	ds from sales or exc	hanges reported t	to you for 2011 on	Form(s) 1099-B or	1099-S (or		
	substitute statement) th	nat you are including	on line 2, 10, or 2	20 (see instructions	s)		1	
Pa	rt I Sales or Excha	anges of Proper	ty Used in a Tr	ade or Busines	s and Involunta	ary Conve	rsions	From Other
	Than Casualty	or Theft-Most	Property Held	More Than 1	Year (see instru	ctions)		
2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or basis, p improvemen expense of	lus ts and	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
Stor	ne Crusher	01/01/2009	06/30/2011	162,372	37,128	2	60,000	(60,500)
3	Gain, if any, from Form 46	684, line 39					3	
4	Section 1231 gain from in	nstallment sales from	Form 6252, line 26	or 37			4	
5	Section 1231 gain or (loss	s) from like-kind exch	anges from Form 8	824			5	
6	Gain, if any, from line 32,	from other than casu	alty or theft				6	4,000
7	Combine lines 2 through	6. Enter the gain or (lo	oss) here and on th	e appropriate line a	s follows:		7	(56,500)
	Partnerships (except el instructions for Form 106							
	Individuals, partners, Soline 7 on line 11 below a losses, or they were rec Schedule D filed with you	and skip lines 8 and 9 captured in an earlier	9. If line 7 is a gain year, enter the ga	and you did not h ain from line 7 as	ave any prior year s	section 1231		
8	Nonrecaptured net section	on 1231 losses from p	rior years (see instr	ructions)			8	
9	Subtract line 8 from line 7	7. If zero or less, ente	r -0 If line 9 is zer	o, enter the gain fro	m line 7 on line 12 b	elow. If line		
	9 is more than zero, ente	er the amount from I	ine 8 on line 12 be	elow and enter the	gain from line 9 as	a long-term		
	capital gain on the Sched						9	
Pai		s and Losses (se						
10	Ordinary gains and losses	s not included on lines	s 11 through 16 (inc	clude property held	1 year or less):			
	. , ,						1	/
11	Loss, if any, from line 7.						11	(
12	Gain, if any, from line 7 or						12	27.404
13							13	37,400
14	Net gain or (loss) from Fo						14	
15	Ordinary gain from install						15	
16	Ordinary gain or (loss) fro	•					16	27.40/
17	Combine lines 10 through						17	37,400
18	For all except individual r and b below. For individu				ne of your return and	I skip lines a		
а	If the loss on line 11 include	des a loss from Form 4	1684, line 35, colum	n (b)(ii), enter that pa	art of the loss here. E	nter the part		

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 13086I

Form **4797** (2011)

18a

18b

of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions . . .

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14

35

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19	(a) Description of section 1245, 1250, 1252, 1254, or 1255	5 prope	rty:			(b) Date acq (mo., day,		(c) Date sold (mo., day, yr.)
Δ	Machinery & Equipment					01/01/20	10	06/01/2011
	Machinery & Equipment					01/30/20		06/30/2011
D								
	These columns relate to the properties on lines 19A through 19D	. ▶	Property A	Property	В	Property	C	Property D
20	Gross sales price (Note: See line 1 before completing.) .	20	70,000	1	3,000			
21	Cost or other basis plus expense of sale	21	82,000		9,000			
22	Depreciation (or depletion) allowed or allowable	22	44,000		5,400			
23	Adjusted basis. Subtract line 22 from line 21	23	38,000		3,600			
24	Total gain. Subtract line 23 from line 20	24	32,000		9,400			
25	If section 1245 property:	24	32,000		7,400			
	Depreciation allowed or allowable from line 22	25a	44,000		5,400			
	Enter the smaller of line 24 or 25a	25b	32,000		5,400			
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.							
а	Additional depreciation after 1975 (see instructions) .	26a						
	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b						
С	Subtract line 26a from line 24. If residential rental property							
ч	or line 24 is not more than line 26a, skip lines 26d and 26e Additional depreciation after 1969 and before 1976	26c 26d						
u e	Enter the smaller of line 26c or 26d	26e						
f	Section 291 amount (corporations only)	26f						
	Add lines 26b, 26e, and 26f	26g						
27	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).							
а	Soil, water, and land clearing expenses	27a						
	Line 27a multiplied by applicable percentage (see instructions) Enter the smaller of line 24 or 27b	27b 27c						
	If section 1254 property:	210						
а	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a						
b	Enter the smaller of line 24 or 28a	28b						
29	If section 1255 property:							
а	Applicable percentage of payments excluded from	00.						
h	income under section 126 (see instructions) Enter the smaller of line 24 or 29a (see instructions) .	29a 29b						
	mary of Part III Gains. Complete property colum		through D throug	h line 29b b	efore	e aoina to lir	ne 30.	
						<u> </u>		
30	Total gains for all properties. Add property columns A thro	ugh D,	line 24				30	41,400
31	Add property columns A through D, lines 25b, 26g, 27c, 26	8b, and	29b. Enter here and	on line 13 .			31	37,400
32	Subtract line 31 from line 30. Enter the portion from casu	alty or	theft on Form 4684	, line 33. Ente	r the	portion from		
							32	4,000
Par	Recapture Amounts Under Sections 17 (see instructions)	9 and	280F(b)(2) Whe	en Busines	s Us			
						(a) Section 179	on	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable	in prior	years		33			
34	Recomputed depreciation (see instructions)				34			

35

Form **8308**

(Rev. October 2005)

Department of the Treasury
Internal Revenue Service

Report of a Sale or Exchange of Certain Partnership Interests

▶ Please print or type.

OMB No. 1545-0941

Name of partnership Employer identification number Telephone number Number, street, and room or suite no. If a P.O. box, see instructions. City or town, state, and ZIP code Part I Transferor Information (Beneficial owner of the partnership interest immediately before the transfer of that Name Identifying number Number and street (including apt. no.) City or town, state, and ZIP code Notice to Transferors: The information on this form has been supplied to the Internal Revenue Service. The transferor in a section 751(a) exchange is required to treat a portion of the gain realized from the exchange as ordinary income. For more details, see Pub. 541, Partnerships. Statement by Transferor: The transferor in a section 751(a) exchange is required under Regulations section 1.751-1(a)(3) to attach a statement relating to the sale or exchange to his or her return. See Instructions to Transferors for more details. Part II Transferee Information (Beneficial owner of the partnership interest immediately after the transfer of that interest) Name Identifying number Number and street (including apt. no.) City or town, state, and ZIP code Part III Date of Sale or Exchange of Partnership Interest Under penalties of perjury, I declare that I have examined this return, including accompanying attachments, and to the best of my Sign Here Only if You knowledge and belief, it is true, correct, and complete. Are Filing This Form by Itself and Not With Form 1065 or Form 1065-B Signature of general partner or limited liability company member Date

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form. Form 8308 is filed by a partnership to report the sale or exchange by a partner of all or part of a partnership interest where any money or other property received in exchange for the interest is attributable to unrealized receivables or inventory items (that is, where there has been a section 751(a) exchange).

Who Must File. A partnership must file a separate Form 8308 for each section 751(a) exchange of an interest in such partnership. See Regulations section 1.6050K-1.

Note: Form 8308 does not have to be filed if, under section 6045, Form 1099-B, Proceeds From Broker and Barter Exchange Transactions, is required to be filed with respect to the sale or exchange.

A partnership must file Form 8308 once the partnership has notice of the section 751(a) exchange. The partnership has such notice when either:

- 1. The partnership receives written notification of the exchange from the transferor that includes the names and addresses of both parties to the exchange, the identifying numbers of the transferor and (if known) of the transferee, and the date of the exchange; or
- 2. The partnership has knowledge that there has been a transfer of a partnership interest and, at the time of the transfer, the partnership had any unrealized receivables or inventory items.

No returns or statements are required under section 6050K if the transfer was not a section 751(a) exchange. For example, a transfer which in its entirety constitutes a gift for federal income tax purposes is not a section 751(a) exchange.

A partnership may rely on a written statement from the transferor that the transfer was not a section 751(a) exchange unless the partnership has knowledge to the contrary. If a partnership is in doubt whether partnership property constitutes unrealized receivables or inventory items or whether a transfer constitutes a section 751(a) exchange, the partnership may file Form 8308 to avoid the risk of incurring a penalty for failure to file.

When To File. Generally, file Form 8308 as an attachment to Form 1065 or Form 1065-B for the tax year of the partnership that includes the last day of the calendar year in which the section 751(a) exchange took place. Form 8308 is due at the time for filing the partnership return, including extensions.

If, however, a partnership is notified of a section 751(a) exchange after it has filed its partnership return, file Form 8308 separately, within 30 days of notification, with the service center where Form 1065 or Form 1065-B was filed.

Copies of Form 8308 To Be Furnished to Transferor and Transferee. All partnerships required to file Form 8308

partnerships required to file Form 8308 must furnish a copy of the form to each transferor and transferee by January 31 of the year following the calendar year in which the section 751(a) exchange occurred or, if later, 30 days after the partnership has notice of the exchange.

If the partnership does not know the identity of the beneficial owner of an interest in the partnership, the record holder of the interest is treated as the transferor or transferee.

Form 8308 (Rev. 10-2005) Page 2

Note: The transferor of the interest is required to notify the partnership of the exchange of the partnership interest unless. under section 6045, Form 1099-B is required to be filed.

Form 8308 must generally be prepared prior to the time it must be attached to the partnership return and sent to the IRS. This will allow the timely furnishing of Forms 8308 to the transferor and transferee.

Instructions to Transferors

This form alerts transferors that they are required to treat a portion of the gain realized from a section 751(a) exchange as ordinary income. For more details, see Pub. 541.

Separate Statement Required by Transferor. The transferor is required by Regulations section 1.751-1(a)(3) to attach a statement to the transferor's income tax return for the tax year of the sale or exchange with the following information:

- 1. The date of the sale or exchange.
- 2. The amount of any gain or loss attributable to the section 751 property.
- 3. The amount of any gain or loss attributable to capital gain or loss on the sale of the partnership interest.

Instructions to Partnerships

Section 751(a) Exchange. A section 751(a) exchange occurs when money or any property is exchanged for all or part of a partnership interest that is attributable to unrealized receivables or inventory items. Generally, any sale or exchange of a partnership interest (or any portion) at a time when the partnership has any unrealized receivables or inventory items is a section 751(a) exchange.

Unrealized Receivables. Unrealized receivables, to the extent not previously includible in income under the partnership's accounting method, are any rights to payment for:

- 1. Goods delivered or to be delivered, to the extent that the payment would be treated as received for property other than a capital asset, and
 - 2. Services rendered or to be rendered.

Unrealized receivables also include the amount of gain that would be ordinary income if any of the following types of partnership property were sold on the date of the section 751(a) exchange:

- Mining property (section 617(f)(2)).
- Stock in an interest charge domestic international sales corporation (section
- Farm recapture property or farm land (section 1252(a)).

• Franchises, trademarks, or trade names (section 1253(a)).

- Oil, gas, or geothermal property (section 1254).
- Stock of a controlled foreign corporation (section 1248).
- Section 1245 property.
- Section 1245 recovery property.
- Section 1250 property.
- Market discount bonds (section 1278).
- Short-term governmental obligations (section 1283).
- Other short-term obligations (section 1283(c)).

Inventory Items. Inventory items are not just stock in trade of the partnership. They also include:

- Any properties that would be included in inventory if on hand at the end of the tax year or that are held primarily for sale to customers in the normal course of business.
- Any asset that is not a capital asset or is not treated as a capital asset.
- Any other property held by the partnership that would be considered inventory if held by the transferor partner.
- Any trade receivables of accrual method partnerships.

Tiered Partnerships. In determining whether partnership property is an unrealized receivable or an inventory item, the partnership is treated as owning its proportionate share of the property of any other partnership in which it is a partner. See section 751(f).

Penalty for Late Filing of Correct Form 8308. A penalty may be imposed for failing to file each Form 8308 when due, including extensions. The penalty may also be imposed for failing to include all required information on Form 8308 or for furnishing incorrect information. The penalty is based on when the partnership files a correct Form 8308. Generally, the penalty is:

- \$15 per Form 8308 if the partnership correctly files within 30 days of the due date.
- \$50 per Form 8308 if the partnership files more than 30 days after the due date or does not file correct Forms 8308.

If the partnership intentionally disregards the requirement to report correct information, the penalty per Form 8308 is increased to \$100.

The penalty will not apply to any failure that the partnership can show was due to reasonable cause and not willful neglect.

For more details, see sections 6721 and 6724

Penalty for Failure To Furnish Correct Forms 8308 to Transferor and

Transferee. A penalty of \$50 may be imposed for each failure to furnish when due a copy of Form 8308 to either party to the exchange. The penalty may also be imposed for each failure to give the transferor or transferee all required information on each Form 8308 or for furnishing incorrect information. If the partnership intentionally disregards the requirement to report correct information, each \$50 penalty is increased to \$100. The penalty will not apply to any failure that the partnership can show was due to reasonable cause and not willful neglect. See sections 6722 and 6724 for more

Partnership Address. Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the partnership has a P.O. box, show the box number instead

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time

Recordkeeping 2 hr., 23 min.

Learning about

the law or the form . . . 2 hr., 23 min.

Preparing and sending the form to the IRS . . . 2 hr., 32 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP. 1111 Constitution Ave. NW, IR-6406, Washington, DC 20224. Do not send the tax form to this address. Instead, see When To File on page 1.

Eastland Quarries SCHEDULE B-1 (Form 1065)

(Rev. December 2011) Department of the Treasury Internal Revenue Service

Information on Partners Owning 50% or More of the Partnership

▶ Attach to Form 1065. See instructions on back.

69-0000004

OMB No. 1545-0099

Name of partnership	Employer identification number (EIN)
Eastland Quarries	69-000004

Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions). (ii) Employer Identification Number (if any) (iii) Type of Entity (iv) Country of Organization (v) Maximum Percentage Owned in Profit, Loss, or Capital

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	Percentage Owned in Profit, Loss, or Capital

Part II Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
Johnathan Teak	000-30-0003	US	55

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49842K

Schedule B-1 (Form 1065) (Rev. 12-2011)

SCHEDULE C (Form 1065)

(Rev. December 2011) Department of the Treasury Internal Revenue Service

Additional Information for Schedule M-3 Filers

69-0000004

OMB No. 1545-0099

▶ Attach to Form 1065. See separate instructions.

Name of partnership

Eastland Quarries

69-000004

		Yes	No
1	At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		V
2	Do the amounts reported on Schedule M-3, Part II, lines 7 or 8, column (d), reflect allocations to this partnership from another partnership of income, gain, loss, deduction, or credit that are disproportionate to this partnership's		
	share of capital in such partnership or its ratio for sharing other items of such partnership?		~
3	At any time during the tax year, did the partnership sell, exchange, or transfer any interest in an intangible asset to		
	a related person as defined in sections 267(b) and 707(b)(1)?		~
4	At any time during the tax year, did the partnership acquire any interest in an intangible asset from a related		
	person as defined in sections 267(b) and 707(b)(1)?		~
5	At any time during the tax year, did the partnership make any change in accounting principle for financial		
	accounting purposes? See instructions for a definition of change in accounting principle		~
6	At any time during the tax year, did the partnership make any change in a method of accounting for U.S. income		
	tax purposes?		~

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49945S

Schedule C (Form 1065) (Rev. 12-2011)

SCHEDULE D (Form 1065)

Department of the Treasury
Internal Revenue Service

► Attach to
► Use Schedule D-

Capital Gains and Losses

69-0000004 OMB No. 1545-0099

2011

► Attach to Form 1065. ► See separate instructions.

► Use Schedule D-1 to list additional transactions for lines 1 and 7.

Name of partnership

Eastland Quarries

69-0000004

Par	Short-Term Capita		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	ola Olio i cai ci E	-000		
	(a) Description of property (Example: 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or other b (see instruction		(f) Gain or (loss) Subtract (e) from (d)
1 10	O Shares ABC 04/09/2011 09/13/2011		5,000		2,700	2,300	
2	Enter short-term capital	gain or (loss), if any	y, from Schedule D)-1, line 2		2	
3	Short-term capital gain fi	rom installment sal	les from Form 6252	2, line 26 or 37		3	
4	Short-term capital gain (l	oss) from like-kind	exchanges from F	Form 8824		4	
5	Partnership's share of n	et short-term can	uital gain (loss) ind	cluding specially all	located short-		
	term capital gains (losses					5	
6	Net short-term capital			• ,,			
Pari	on Form 1065, Schedule Long-Term Capita				ne Vear	6	2,300
ı aı	(a) Description of property	(b) Date acquired	(c) Date sold	(d) Sales price	(e) Cost or other b	asis	(f) Gain or (loss)
	(Example: 100 shares	(month, day, year)	(month, day, year)	(see instructions)	(see instruction		Subtract (e) from (d)
7 ₁	(Example: 100 shares of "Z" Co.) Acre Land			(see instructions)	(see instruction		
7 ₁	of "Z" Co.)	(month, day, year)	(month, day, year)	,	(see instruction	s)	Subtract (e) from (d)
7 1	of "Z" Co.)	(month, day, year)	(month, day, year)	,	(see instruction	s)	Subtract (e) from (d)
71	of "Z" Co.)	(month, day, year)	(month, day, year)	,	(see instruction	s)	Subtract (e) from (d)
7 1	of "Z" Co.)	(month, day, year)	(month, day, year)	,	(see instruction	s)	Subtract (e) from (d)
71	of "Z" Co.)	(month, day, year)	(month, day, year)	,	(see instruction	s)	Subtract (e) from (d)
7 1	of "Z" Co.)	08/01/2005	(month, day, year) 01/10/2011	7,500	(see instruction	s)	Subtract (e) from (d)
	of "Z" Co.) Acre Land	08/01/2005 08s), if any, from S	(month, day, year) 01/10/2011 Schedule D-1, line	7,500	(see instruction	0,000	Subtract (e) from (d)
8 9	of "Z" Co.) Acre Land Enter long-term gain or (I	oss), if any, from Som installment sal	(month, day, year) 01/10/2011 Schedule D-1, line are from Form 6252	7,500 8	(see instruction	8	Subtract (e) from (d)
8 9 10	of "Z" Co.) Acre Land Enter long-term gain or (I Long-term capital gain fr Long-term capital gain (Id	oss), if any, from Som installment sal	(month, day, year) 01/10/2011 Schedule D-1, line are from Form 6252 exchanges from F	7,500 8	1	0,000	Subtract (e) from (d)
8 9	of "Z" Co.) Acre Land Enter long-term gain or (I	oss), if any, from Som installment saless) from like-kindet long-term capital	onth, day, year) 01/10/2011 Schedule D-1, line and the sestion of the sestion o	7,500 8	(see instruction	8	Subtract (e) from (d)
8 9 10	of "Z" Co.) Acre Land Enter long-term gain or (I Long-term capital gain fr Long-term capital gain (I Partnership's share of ne	oss), if any, from Som installment saloss) from like-kind at long-term capital mother partnershi	(month, day, year) 01/10/2011 Schedule D-1, line and the session of the session	7,500 8	(see instruction	8 9	Subtract (e) from (d)
8 9 10 11	of "Z" Co.) Acre Land Enter long-term gain or (I Long-term capital gain fr Long-term capital gain (Ic Partnership's share of ne capital gains (losses), fro	oss), if any, from Som installment saless) from like-kindet long-term capital mother partnership.	exchanges from Form 6252 exchanges from Form Guil gain (loss), includes, estates, and tr	7,500 8	(see instruction	8 9 10	Subtract (e) from (d)

SCHEDULE M-3 (Form 1065)

Department of the Treasury Internal Revenue Service

Net Income (Loss) Reconciliation for Certain Partnerships

► Attach to Form 1065 or Form 1065-B.
 ► See separate instructions.

69-0000004 OMB No. 1545-0099

2011

Employer identification number Name of partnership 69-000004 **Eastland Quarries** This Schedule M-3 is being filed because (check all that apply): The amount of the partnership's total assets at the end of the tax year is equal to \$10 million or more. В ☑ The amount of the partnership's adjusted total assets for the tax year is equal to \$10 million or more. If box B is checked, enter the amount of adjusted total assets for the tax year 30,134,548 . C ☐ The amount of total receipts for the tax year is equal to \$35 million or more. If box C is checked, enter the total receipts for the tax year D An entity that is a reportable entity partner with respect to the partnership owns or is deemed to own an interest of 50 percent or more in the partnership's capital, profit, or loss, on any day during the tax year of the partnership. Name of Reportable Entity Partner Identifying Number Maximum Percentage Owned or Deemed Owned ☐ Voluntary Filer. Part I Financial Information and Net Income (Loss) Reconciliation 1a Did the partnership file SEC Form 10-K for its income statement period ending with or within this tax year? Yes. Skip lines 1b and 1c and complete lines 2 through 11 with respect to that SEC Form 10-K. **No.** Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared. Did the partnership prepare a certified audited non-tax-basis income statement for that period? Ves. Skip line 1c and complete lines 2 through 11 with respect to that income statement. No. Go to line 1c. Did the partnership prepare a non-tax-basis income statement for that period? ☐ **Yes.** Complete lines 2 through 11 with respect to that income statement. Vo. Skip lines 2 through 3b and enter the partnership's net income (loss) per its books and records on line 4a. 01 / 01 / 2011 Enter the income statement period: Beginning Ending 12 / 3a Has the partnership's income statement been restated for the income statement period on line 2? Yes. (If "Yes," attach an explanation and the amount of each item restated.) ✓ No. b Has the partnership's income statement been restated for any of the five income statement periods preceding the period on line 2? ☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.) Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 3,319,009 4a Indicate accounting standard used for line 4a (see instructions): ~ **GAAP** 2 | IFRS 704(b) 4 5 Other: (Specify) ▶ Tax-basis Net income from nonincludible foreign entities (attach schedule) 5a Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) 5b Net income from nonincludible U.S. entities (attach schedule) Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) 6b 7a Net income (loss) of other foreign disregarded entities (attach schedule) 7a Net income (loss) of other U.S. disregarded entities (attach schedule) 7b 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities 8 9 Adjustment to reconcile income statement period to tax year (attach schedule) 9 10 10 Other adjustments to reconcile to amount on line 11 (attach schedule) 11 Net income (loss) per income statement of the partnership. Combine lines 4a through 10 . 11 3.319.009 Note. Part I, line 11, must equal the amount on Part II, line 26, column (a). Enter the total amount (not just the partnership's share) of the assets and liabilities of all entities included or removed on the following lines: 12 Total Assets **Total Liabilities** Included on Part I, line 4 28,234,548 4.987.385 Removed on Part I, line 5 Removed on Part I, line 6 Included on Part I, line 7

Name of partnership

Eastland Quarries

69-000004

Part II Reconciliation of Net Income (Loss) per Income Statement of Partnership with Income (Loss) per Return

	Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
	(Attach schedules for lines 1 through 9)				
1	Income (loss) from equity method foreign corporations				
2	Gross foreign dividends not previously taxed				
3	Subpart F, QEF, and similar income inclusions				
4	Gross foreign distributions previously taxed				
5	Income (loss) from equity method U.S. corporations				
6	U.S. dividends				
7	Income (loss) from U.S. partnerships				
8	Income (loss) from foreign partnerships				_
9	Income (loss) from other pass-through entities				
10	Items relating to reportable transactions (attach details)				
11	Interest income (attach Form 8916-A)				
12	Total accrual to cash adjustment				_
13	Hedging transactions				_
14	Mark-to-market income (loss)				_
15	Cost of goods sold (attach Form 8916-A)	()			()
16	Sale versus lease (for sellers and/or lessors)				_
17	Section 481(a) adjustments				_
18	Unearned/deferred revenue				_
19	Income recognition from long-term contracts				_
20	Original issue discount and other imputed interest .				
21a	Income statement gain/loss on sale, exchange,				
Liu	abandonment, worthlessness, or other disposition of				
	assets other than inventory and pass-through entities .	37,200			
b	Gross capital gains from Schedule D, excluding				
	amounts from pass-through entities				2,300
С	Gross capital losses from Schedule D, excluding				
	amounts from pass-through entities, abandonment				
	losses, and worthless stock losses				(2,500)
d	Net gain/loss reported on Form 4797, line 17,				
	excluding amounts from pass-through entities,				
	abandonment losses, and worthless stock losses .				37,400
е	Abandonment losses				
f	Worthless stock losses (attach details)				
g	Other gain/loss on disposition of assets other than inventory				
22	Other income (loss) items with differences (attach schedule)				
23	Total income (loss) items. Combine lines 1 through				
	22	27,300			37,200
24	Total expense/deduction items. (from Part III, line				
	31) (see instructions)	(88,989)	(1,994,529)	12,000	(2,071,518)
25	Other items with no differences	3,370,798			3,370,798
26	Reconciliation totals. Combine lines 23 through 25	3,319,009	(1,994,529)	12,000	1,336,480

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Schedule M-3 (Form 1065) 2011

Page 2

Name of partnership

Eastland Quarries

69-000004

Part III Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return – Expense/Deduction Items

	Return – Expense/Deduction Items				
	Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	State and local current income tax expense				
2	State and local deferred income tax expense				
3	Foreign current income tax expense (other than foreign withholding taxes)				
4	Foreign deferred income tax expense				
5	Equity-based compensation				
6	Meals and entertainment	24,000		(12,000)	12,0000
7	Fines and penalties	21,000		(12/000)	12,0000
8	Judgments, damages, awards, and similar costs				
9	Guaranteed payments				
10	Pension and profit-sharing				
11	Other post-retirement benefits				
12	Deferred compensation				
13	Charitable contribution of cash and tangible				
10	property				
14	Charitable contribution of intangible property				
15	Organizational expenses as per Regulations section 1.709-2(a)				
16	Syndication expenses as per Regulations section 1.709-2(b)				
17	Current year acquisition/reorganization investment banking fees				
18	Current year acquisition/reorganization legal and accounting fees				
19	Amortization/impairment of goodwill				
20	Amortization of acquisition, reorganization, and				
	start-up costs				
21	Other amortization or impairment write-offs				
22	Section 198 environmental remediation costs				
23a	Depletion-Oil & Gas				
b	Depletion—Other than Oil & Gas		506,885		506,885
24	Intangible drilling & development costs				· · · · · · · · · · · · · · · · · · ·
25	Depreciation	64,989	1,487,644		1,552,633
26	Bad debt expense				
27	Interest expense (attach Form 8916-A)				
28	Purchase versus lease (for purchasers and/or lessees)				
29	Research and development costs (attach schedule) .				
30	Other expense/deduction items with differences				
	(attach schedule)				
31	Total expense/deduction items. Combine lines 1				
	through 30. Enter here and on Part II, line 24,				
	reporting positive amounts as negative and negative amounts as positive	88,989	1,994,529	(12,000)	2,071,518
	<u>'</u>	00,707	1,774,027	(12,000)	2,071,310

Page 3

Sched	ule K-1
Form	1065)

Amended K-1 Part III Partner's Share of Current Year Income,

Deductions, Credits, and Other Items

15 Credits

Final K-1

Ordinary business income (loss)

Department of the Treasury For calendar year 2011, or tax

nterr	nai Revenue Service	year begin	ning 01/01 _{, 2011}		760,075		
		ending		2	Net rental real estate income (loss)		
	rtner's Share of Inc edits, etc.	•	ctions, n and separate instructions.	3	Other net rental income (loss)	16	Foreign transactions
	Part I Information A		nership	4	Guaranteed payments		
Α	Partnership's employer identif	9 – 0 0 0 0 0 0 4		5	Interest income 7 , 824		
В	Partnership's name, address,	city, state, and ZIP	code	6a	Ordinary dividends		
Eas	stland Quarries						
23	13 Jackson Ave			6b	Qualified dividends		
Po	rtland, OR 97208			7	Royalties		
c 0ga	IRS Center where partnership	filed return		8	Net short-term capital gain (loss)		
D	Check if this is a publicly	traded partnership (PTP)		1,265		
	art II Information A	hout the Dort	204	9a	Net long-term capital gain (loss) (1,375)	17	Alternative minimum tax (AMT) items A (109, 684)
E E	Partner's identifying number	bout the Part	ner	9b	Collectibles (28%) gain (loss)		
		0-30-0003			, ,,		B(8,592)C 340,881
F	Partner's name, address, city,	, state, and ZIP code	•	9с	Unrecaptured section 1250 gain		F(12,155)
	nathan Teak Adams Ave			10	Net section 1231 gain (loss) (31 , 075)	18	Tax-exempt income and nondeductible expenses
				11	Other income (loss)		
	rtland, OR 97208						
G	X General partner or LLC member-manager	Limite memb	d partner or other LLC er				
Н	X Domestic partner	Foreig	n partner			19	Distributions
ı	What type of entity is this part	ner? Indi	vidual	12	Section 179 deduction	"	Distributions
J	Partner's share of profit, loss,	and capital (see inst	ructions):				A 1,045,000
	Beginning	EE	Ending E.E.	13	Other deductions	20	Other information
	Profit Loss	55 _%	55 _%				Other information
	Capital	55 %	55 %		A 1,650		
K	Dortner's above of liabilities at	year and					A 7,824
N.	Partner's share of liabilities at Nonrecourse	-		14	Self-employment earnings (loss)		
	Qualified nonrecourse financing	ng . \$	2,500,000		A 739,523		
	Recourse	\$			C 739,523		
L	Partner's capital account anal	ysis:		*Se	ee attached statement for add	dition	al information.
	Beginning capital account .		12,005,484				
	Capital contributed during the Current year increase (decrease)	-	1,825,455				
	Withdrawals & distributions	\$	1,045,000)	<u>></u>			
	Ending capital account	\$	12,785,939	ő			
				Use			
	Tax basis GA	AAP X Sec	tion 704(b) book	RS I			
	Other (explain)			For IRS Use Only			
				1 4			

If "Yes," attach statement (see instructions)

Yes

Did the partner contribute property with a built-in gain or loss? X No

Schedule K-1	
(Form 1065)	
Department of the Treasury	For calendar ye

2011

For calendar y	ear 2011, or	tax	
year beginning	01/0	1	, 2011
ending	12/31	, 20	11

For calendar y	ear 2011, or	tax	
year beginning	01/0)1	, 2011
ending	12/31	, 20	11

Partner's Share of	Income, Deductions,
Credits, etc.	► See back of form and separate instruction

nterr	nal Revenue Service	year beginning 0.3	1/01 ,2011		310,940		
		ending $\frac{12/3}{2}$		2	Net rental real estate income (loss)		
	rtner's Share of Incomedits, etc. ► Sec	e, Deductions, e back of form and sepa		3	Other net rental income (loss)	16	Foreign transactions
	Part I Information Abou	<u> </u>		4	Guaranteed payments		
A	Partnership's employer identification			"	additineed payments		
	69-00	000004		5	Interest income 3,200		
В	Partnership's name, address, city, s	state, and ZIP code		6a	Ordinary dividends	1	
Eas	stland Quarries						
232	l3 Jackson Ave			6b	Qualified dividends		
Poi	ctland, OR 97208			7	Royalties		
C	IRS Center where partnership filed i	return		8	Net short-term capital gain (loss)		
D D	Check if this is a publicly trade	d partnership (PTP)		ľ	517		
_	Oncok ii tilio io a publiciy tradek			9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
E	art II Information Abou	t the Partner			(562)		A(44,871)
E	Partner's identifying number $0\ 0\ 0\ -0$	0-0002		9b	Collectibles (28%) gain (loss)		B(3,515)C 139,451
F	Partner's name, address, city, state	, and ZIP code		9с	Unrecaptured section 1250 gain		F(4,972)
	seph Spruce			10	Net section 1231 gain (loss) (12,712)	18	Tax-exempt income and nondeductible expenses
542	21 North 2100 South			11	Other income (loss)	1	
Poi	ctland, OR 97208						
G	General partner or LLC member-manager	X Limited partner of member	r other LLC				
н	X Domestic partner	Foreign partner				19	Distributions
ı	What type of entity is this partner?	Individual		12	Section 179 deduction	"	Biotribations
J	Partner's share of profit, loss, and c Beginning	apital (see instructions):	ling	13	Other deductions		A 855,000
	Profit	%	45 %			20	Other information
	Loss	%	45 %		A 675		
	Capital	%	45 %				
ĸ	Partner's share of liabilities at year e	end:					A 3,200
	Nonrecourse	. \$		14	Self-employment earnings (loss)		
	Qualified nonrecourse financing	. \$					
	Recourse	. \$					
L	Partner's capital account analysis:			*Se	ee attached statement for add	dition	al information.
-	Beginning capital account	. \$					
	Capital contributed during the year	\$					
	Current year increase (decrease)	. \$	746,777				
	Withdrawals & distributions	. \$ (855,000)	<u> </u>			
	Ending capital account	. \$ 10	0,461,224	Ŏ			
				Use			
	☐ Tax basis ☐ GAAP	X Section 704(b)	book	SS (
	Other (explain)			For IRS Use Only			
				R			
М	Did the partner contribute property	with a built-in gain or loss	?	I			

Final K-1

Ordinary business income (loss)

Amended K-1 Part III Partner's Share of Current Year Income,

Deductions, Credits, and Other Items

15 Credits

X No

If "Yes," attach statement (see instructions)

Yes

Schedule K-1	
(Form 1065)	

Final K-1 Amended K-1 OMB No.

Deductions, Credits, and Other Items

15 Credits

Ordinary business income (loss)

Department of the Treasury

For calendar year 2011, or tax

Partner's Share of	Income, Deductions,
Credits, etc.	► See back of form and separa

nter	nal Revenue Service	year beginning 01/01	, 2011		310,940		
		ending $\frac{12/31}{}$,	20 11	2	Net rental real estate income (loss)		
	rtner's Share of I edits, etc.	ncome, Deductions, ► See back of form and separate in	structions.	3	Other net rental income (loss)	16	Foreign transactions
	Part I Information	About the Partnership		4	Guaranteed payments		
Α	Partnership's employer ide						
_		69-000004		5	Interest income 3,201		
В	Partnership's name, addre	ss, city, state, and ZIP code		6a	Ordinary dividends		
Ea	stland Quarries						
23	13 Jackson Ave			6b	Qualified dividends		
Po:	rtland, OR 9720	8		7	Royalties		
C	IRS Center where partners den	hip filed return		8	Net short-term capital gain (loss)		
D		cly traded partnership (PTP)			518		
_		ory traded partitioning (i. 11)		9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
Ŀ	Part II Information	About the Partner			(563)		A(44,871)
E	Partner's identifying numb	er 000-30-0001		9b	Collectibles (28%) gain (loss)		B(3,515)C 139,451
F	Partner's name, address, o	city, state, and ZIP code		9с	Unrecaptured section 1250 gain		F(4,973)
	ter Teak			10	Net section 1231 gain (loss) (12,713)	18	Tax-exempt income and nondeductible expenses
	Washington Ave	•		11	Other income (loss)		
Po:	rtland, OR 9720	8					
G	General partner or LL0 member-manager	Limited partner or other member	LLC				
н	X Domestic partner	Foreign partner				19	Distributions
ı	What type of entity is this p	partner? Individual		12	Section 179 deduction		Distributions
J	•	ss, and capital (see instructions):					
	Beginning	g Ending $45~_{\%}$		13	Other deductions	20	Other information
	Profit Loss	45 %	<u>%</u> %			20	Other information
	Capital	45 %	%		A 675		
							A 3,201
K	Partner's share of liabilities Nonrecourse			14	Self-employment earnings (loss)		
	Qualified nonrecourse final						
	Recourse	\$					
	Partner's capital account a	mah raia.		*\$0	e attached statement for add	litions	al information
-	Beginning capital account	, , , , ,	2,670		o attached diatomont for add		a momaton.
	Capital contributed during						
	Current year increase (dec	• • • • • • • • • • • • • • • • • • • •	6,777				
	Withdrawals & distributions		9,447)	Only			
	Ending capital account .	\$		se (
	Tax basis Other (explain)	GAAP X Section 704(b) book		For IRS Use Only			
М		property with a built-in gain or loss? No lent (see instructions)		- -			

Shoebill Unlimited 69-000005

TEST SCENARIO 5

FORMS REQUIRED:

1065, 1125-A, 4562 (3), 4797, 6252 (2), 8825, (F1040) SCH F, (F1065) Schedule K-1 (4), (F1065) Schedule M-3, (F1065) Schedule C, Form 8454-PE

ATTACHMENTS:

Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement
Other Income (Loss) Statement
Itemized Other Deductions Statement
Schedule L Other Current Assets Statement
Schedule L Other Current Liabilities Statement

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

HEADER INFO

Tax Period: Calendar Year 2011

Preparer Firm: Electronic Tax Filers, Inc 69-0000098

1065 Efile Drive Anytown, NV 89501

Multiple Software Packages Used: Yes or No

Originator: EFIN: Self-select

Type: Self-select Practitioner PIN: None PIN Entered by – N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1065

Filer: EIN: 69-0000005

Name: Shoebill Unlimited Name Control: SHOE Address: 5551 Elliot Rd Salt Lake City, UT 84101

Partner: Name: David Boxwood

Title: Chief Executive Officer

Taxpayer PIN: N/A Phone: 555-555

Email Address: Anymail@email.com

Date Signed: 04/15/2012

Preparer: Name: John Doe

PTIN: P0000005 Phone: 555-631-1212

Email Address: <u>Anymail@email.com</u>

Date Prepared: 04/15/2012

Self Employed: No

IRS PAYMENT: N/A

Shoebill Unlimited 69-0000005

Details for attachments

Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement (Form 1065, Page 1, Line 4)

Partnership, Estate or Trust Name	Address	EIN	Amount
Hummingbird Flies	275 W Coolidge Ave Boise, ID 83708	69-5000005	\$23,712

Other Income (Loss) Statement (Form 1065, Page 1, Line 7)

Type	Amount
Cancellation of Debt Income	\$478,206

Itemized Other Deductions Statement (Form 1065, Page 1, Line 20)

Type	Amount
Insurance	\$5,000,000
Permits	\$961,480
Professional Fees	\$1,500,000
Bank Fees	\$1,500,000

Schedule L Other Current Assets Statement (Form 1065, Page 5, Schedule L, Line 6b and 6d)

Type	BOY Amount	EOY Amount
Prepaid	\$22,700	\$24,300
Investment	\$0	\$5,075,978

Schedule L Other Current Liabilities Statement (Form 1065, Page 5, Schedule L, Line 17b and 17d)

Type	BOY Amount	EOY Amount
Accrued Bonus	\$1,500,000	\$2,818,150
Accrued Payroll	\$500,000	\$640,000
Deferred Revenue	\$5,530,250	\$8,742,300

	Sho	ebill Unlim	ited 	US	Return	of Partnersl	hin I	ncom	e			00005 No. 1545-00	199
Form	IU	JJ	For cale	endar year 2011, or t							_		
Depar Interna	tment of that Revenue	ne Treasury e Service		, , ,		separate instruction		· · · · · ·		··	2	011	
A Prir	ncipal busir	ness activity		Name of partnersh	hip						D Employer	dentification	number
Food	d Manufa	cture		Shoebill Unlimit	ted						69	-0000005	
B Prin	cipal produ	ct or service	Print	Number, street, ar	nd room or suite	no. If a P.O. box, see the	ne instru	uctions.			E Date bu	siness starte	ed
Dair	y Produc	ets	or	5551 Elliot Road							10)/01/1968	
C Bu	siness coc	le number	type.	City or town, state	e, and ZIP code							sets (see the	
	31150	00		Salt Lake City,	UT 84101						instructi	,	1
											\$ 7	1,419,054	
G H I J	Check a	of Sched	method: ules K-1.	(1) Cash	I termination - a	also check (1) or (2) Accrual was a partner at any	(3) [Other	Address of (specify) ► tax year ►		4	Amended re	
Caut	tion. Incl	ude only	trade or b	ousiness income	and expenses	on lines 1a through	h 22 be	elow. See	the instruction	ns for n	nore infor	mation.	
	1a	Merchan	t card an	nd third-party pa	yments (inclu	ding amounts							
				n(s) 1099-K)			1a						
	b	Gross re	ceipts or	sales not report	ted on line 1a		1b	4	7,291,088				
	С	Total. Ad	d lines 1	a and 1b			1c	4	7,291,088				
	d	Returns a	and allow	vances plus any	"cash back"	included on line							
ō		1a											
Income	е	Subtract	line 1d fi	rom line 1c			1e	4	7,291,088				
ည	2	Cost of goods sold (attach Form 1125-A)											
=	3	Gross pr	ofit. Subt	tract line 2 from	line 1e					3	2	5,409,017	
	1	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)								4		23,712	
		Net farm profit (loss) (attach Schedule F (Form 1040))								5		636,570	<u> </u>
		_				(attach Form 4797				6			
					•					7		478,206	
						7				8	2	6,547,505	
(suc			_			ss employment cr				9		804,722	
limitations)				•						10			
Ë		-		tenance						11		17,239	
s fo		Bad debt	ts							12		2,571,330	├
cţio		Rent								13		900,022	<u> </u>
stru		Taxes an								14		44,444	<u> </u>
he ir		Interest .								15		912,647	-
(see the instructions	1	•	•	equired, attach F	•		16a		6,226,647	40		4/0.040	
	1	•		•		sewhere on return	16b		6,064,407	16c		162,240	-
ũ		-	-	t deduct oil and	-	-				17			├
Ħ			•	, etc						18			-
ğ				programs (attach stateme						19 20		8,961,480	
Deductions						the far right colur			 hrough 20	21		4,374,124	├──
						ne 21 from line 8				22		2,173,381	-
	<u> </u>			•	•	d this return, including		anving sch					Ь
Sig Hei		knowled is based	dge and bel d on all info	lief, it is true, correct, rmation of which pre	, and complete. E parer has any kn	Declaration of preparer owledge.	(other th	han general		d liability	company r	member mar	• ,
		Si	gnature of o	general partner or lim	nited liability com	pany member manage	r	Date)				
Paid	d	Print/Ty	pe prepare	r's name	Prepare	r's signature			Date	Checl	< ☐ if	PTIN	
	parer	John D	oe						4/15/2012	1	employed	P00000	005
	Only	Firm's n	ame ►	ELECTRIC TAX	FILERS INC					Firm's	EIN►	69-00000	98
USE	Uilly	Firm's a	ıddress ▶	1065 EFILE DRI	VE, ANYTOWN	N. NV 89501				Phone	no. 5	55-631-55	55

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2011)

Form 1065 (2011) Page **2**

Sch	edule B Other Information						-	
1	What type of entity is filing this return? Check the a	pplica	ble box:				Yes	No
а	☐ Domestic general partnership b	∠ D	omestic limit	ed partnership				
С	☐ Domestic limited liability company d			ed liability part	nership			
е	☐ Foreign partnership f		ther ►					
2	At any time during the tax year, was any partner in							
	an entity treated as a partnership), a trust, an S corp			(other than an	estate of a decease	ed partner),		
_	or a nominee or similar person?						~	
3	At the end of the tax year:							
а	Did any foreign or domestic corporation, partnershi							
	tax-exempt organization, or any foreign government profit, loss, or capital of the partnership? For rule							
	Schedule B-1, Information on Partners Owning 50%				· · · · · · · ·	es, allacii		~
L	Did any individual or estate own, directly or indirect			· ·		r conital of		
b	the partnership? For rules of constructive ownersh							
	on Partners Owning 50% or More of the Partnership							~
4	At the end of the tax year, did the partnership:							•
a	Own directly 20% or more, or own, directly or indi	irectly	, 50% or mo	re of the total	voting power of all	classes of		
	stock entitled to vote of any foreign or dome	stic c	orporation?	For rules of	constructive owne			
	instructions. If "Yes," complete (i) through (iv) below	<i>'</i>						~
	(i) Name of Corporation		(ii) Employe	r Identification	(iii) Country of	(iv) Perc	entage	
	V		Numb	er (if any)	Incorporation	Owned in Vo	oting Sto	ock
b	Own directly an interest of 20% or more, or own, di							
	or capital in any foreign or domestic partnership (interest of a trust? For rules of constructive ownersh							_
	interest of a trust? For rules of constructive ownersh	-	i) Employer		1, 5, 7		aximum	<u> </u>
	(i) Name of Entity	Ìc	lentification	(iii) Type of Entity	(iv) Country of Organization	Percentag	ge Own	ed in
		Nu	mber (if any)	Linux	Organization	Profit, Los	ss, or Ca	apıtal
		+						
		1					1005	

Form **1065** (2011)

69-0000005

orm 10	65 (2011)	P	Page
5	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details	Yes	N
6 a b c	Does the partnership satisfy all four of the following conditions? The partnership's total receipts for the tax year were less than \$250,000. The partnership's total assets at the end of the tax year were less than \$1 million. Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
d	The partnership is not filing and is not required to file Schedule M-3		•
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		~
8	During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?	,	
9	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		~
10	At any time during calendar year 2011, did the partnership 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)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country.		~
11	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		~
12a b	Is the partnership making, or had it previously made (and not revoked), a section 754 election?		\(\cdot\)
С	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		~
13	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year)		
14	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		-
15	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ►		
16	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		V
17	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
18a	Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions		~
19	If "Yes," did you or will you file all required Form(s) 1099?		·



Form 1065 (2011) Page **4**

Sched	ule K	Partners' Distributive Share Items	Т	otal amount
	1	Ordinary business income (loss) (page 1, line 22)	1	12,173,381
	2	Net rental real estate income (loss) (attach Form 8825)	2	1,029,503
	3a	Other gross rental income (loss)		
	b	Expenses from other rental activities (attach statement) 3b		
	С	Other net rental income (loss). Subtract line 3b from line 3a	3c	
<u>6</u>	4	Guaranteed payments	4	
S	5	Interest income	5	1,771,604
Ĭ	6	Dividends: a Ordinary dividends	6a	1,111,000
Je	•	b Qualified dividends 6b	- Cu	
Ö	7	Royalties	7	2,550,000
Income (Loss)	8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	2/000/000
	9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b	Collectibles (28%) gain (loss)	Ju	
	C	Unrecaptured section 1250 gain (attach statement) 9c		
	10	Net section 1231 gain (loss) (attach Form 4797)	10	237,975
	11	Other income (loss) (see instructions) Type	11	231,713
(n	12	Section 179 deduction (attach Form 4562)	12	
Ü	13a		13a	
ij			13b	
Deductions	b	Investment interest expense		
ĕ	C	Section 59(e)(2) expenditures: (1) Type ► (2) Amount ►	13c(2)	
-	d	Other deductions (see instructions) Type ►	13d	0.000.704
<u>د و</u>	14a	Net earnings (loss) from self-employment	14a	3,300,721
Employ-	b	Gross farming or fishing income	14b	700,205
шΕ	С	Gross nonfarm income	14c	3,300,721
	15a	Low-income housing credit (section 42(j)(5))	15a	
S	b	Low-income housing credit (other)	15b	
Credits	C	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
Ä	d	Other rental real estate credits (see instructions)	15d	
•	е	Other rental credits (see instructions) Type ▶	15e	
	f	Other credits (see instructions) Type ►	15f	
	16a	Name of country or U.S. possession ▶		
ω	b	Gross income from all sources	16b	
٥	С	Gross income sourced at partner level	16c	
Ė		Foreign gross income sourced at partnership level		
sa	d	Passive category ► e General category ► f Other ►	16f	
ä		Deductions allocated and apportioned at partner level		
Ë	g	Interest expense ► h Other	16h	
Z,		Deductions allocated and apportioned at partnership level to foreign source income		
<u>ë</u>	i	Passive category ▶ j General category ▶ k Other ▶	16k	
Foreign Transactions	ı	Total foreign taxes (check one): ▶ Paid ☐ Accrued ☐ · · · · · · ·	16I	
_	m	Reduction in taxes available for credit (attach statement)	16m	
	n	Other foreign tax information (attach statement)		
×	17a	Post-1986 depreciation adjustment	17a	800,000
Minimum Tax (AMT) Items	b	Adjusted gain or loss	17b	
Ē ⊒	С	Depletion (other than oil and gas)	17c	
T (d	Oil, gas, and geothermal properties—gross income	17d	
ΞΞ	e	Oil, gas, and geothermal properties—deductions	17e	
Σ₹	f	Other AMT items (attach statement)	17f	
	18a	Tax-exempt interest income	18a	
<u>ö</u>	b	Other tax-exempt income	18b	
lat	C	Nondeductible expenses	18c	
Other Information	19a	Distributions of cash and marketable securities	19a	
٦fo	b	Distributions of other property	19a	
=			20a	1,771,604
Ō	20a b	Investment income	20a	1,771,004
\mathbf{L}		DOVESTICATION PARTICIPANT	ZUU	

Analy	sis of Net Income (Loss)									
1	Net income (loss). Combine Schedule						e sum of			
	Schedule K, lines 12 through 13d, and	161						1		17,762,463
2	Analysis by (i) Corporate	(ii) Indiv	/idual	(iii) Indiv	ridual	(iv) Partnersh		Exem		(vi)
	partner type:	(activ	/e)	(passi	ve)	(IV) I altileisii	org	anizati	on	Nominee/Other
а	General partners			4,4	140,615					
b	Limited partners		881,232			4,440,6	16			
Sch	edule L Balance Sheets per E	Books		Beginnin	g of tax	year		Enc	of ta	x year
	Assets			(a)		(b)	(0	;)		(d)
1	Cash					700,440				25,330
2a	Trade notes and accounts receivable			4,999,22	2		1	6,488,	999	
b	Less allowance for bad debts			809,11	1	4,190,111		1,288,	222	15,200,777
3	Inventories					27,126,200				18,204,529
4	U.S. government obligations									
5	Tax-exempt securities									
6	Other current assets (attach statemen	ıt)				22,700				5,100,278
7a	Loans to partners (or persons related to	partners)								
b	Mortgage and real estate loans .									
8	Other investments (attach statement)									
9a	Buildings and other depreciable asset	s		22,500,03	0		2	24,785,	827	
b	Less accumulated depreciation .			2,200,03	80	20,300,000		2,435,	217	22,350,610
10a	Depletable assets									
b	Less accumulated depletion									
11	Land (net of any amortization)					8,774,228				10,537,530
12a	Intangible assets (amortizable only)									
b	Less accumulated amortization .									
13	Other assets (attach statement) .									
14	Total assets					61,113,679				71,419,054
	Liabilities and Capital									
15	Accounts payable					3,100,377				3,987,244
16	Mortgages, notes, bonds payable in less the		•			-,,-				20,317,292
17	Other current liabilities (attach statem		•			7,530,250				12,200,450
18	All nonrecourse loans	-	•			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,				,,
19a	Loans from partners (or persons related to		•							
b	Mortgages, notes, bonds payable in 1 year	-				32,908,075				
20	Other liabilities (attach statement) .					,,				
21	Partners' capital accounts					17,574,977				34,914,068
22	Total liabilities and capital					61,113,679				71,419,054
	edule M-1 Reconciliation of Ir		occ) no	r Books	With I		nor Pot	turn		71/117/001
COII	Note. Schedule M-3 n							lurn		
1	Net income (loss) per books		an oa mo			recorded on books		ot incl	ıdod	T
	, , ,					dule K, lines 1 thro	•		uucu	
2	Income included on Schedule K, lines 1, 2, 3	·		а	Tax-ex	empt interest \$		/-		
	5, 6a, 7, 8, 9a, 10, and 11, not recorded books this year (itemize):			_		σοι φ				
3	Guaranteed payments (other tha	an		7	Deduct	ions included o	n Schedu	ـــــــــــــــــــــــــــــــــــــ	inge	
Ū	health insurance)					ugh 13d, and				
4	Expenses recorded on books this ye					book income				
-	not included on Schedule K, lines									
	through 13d, and 16l (itemize):	.		"	Боргоо	iation \$				
а	Depreciation \$					oc 6 and 7				
a b	Travel and entertainment \$					es 6 and 7 . (loss) (Analys				
5	Add lines 1 through 4					line 1). Subtract				-
	edule M-2 Analysis of Partner	'c' Canita	I Accou		(2000),	o 1). Gabiraot	11110 0 1101		· .	
Sent 1	Balance at beginning of year		17,574,9		Dietrik	utions: a Cash				
					אוווופוח					
2	Capital contributed: a Cash		500,0	7	Other	b Prope occases (itam	rty	• •		
0	b Property .		14 020 2	01	Ouilei C	lecreases (item				
3	Net income (loss) per books	•	16,839,0		 ۸ ما ما ۱۱:۰-					
4	Other increases (itemize):		24.04.1.2			es 6 and 7 .				04.044.075
_ 5	Add lines 1 through 4		34,914,0	68 9	Balance	at end of year. Sub	otract line 8	Trom lir	ne 5	34,914,068

Cost of Goods Sold

69-0000005

OMB No. 1545-XXXX

Department of the Treasury Internal Revenue Service

Employer identification number 69-000005 **Shoebill Unlimited** 1 27,126,200 1 Inventory at beginning of year 12,960,400 2 2 3 3 Additional section 263A costs (attach schedule) 4 4 5 Other costs (attach schedule) 5 **Total.** Add lines 1 through 5 6 6 40,086,600 18,204,529 7 7 8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the 21,882,071 appropriate line of your tax return (see instructions) 8 Check all methods used for valuing closing inventory: 9a (i) Cost (ii) Lower of cost or market (iii) ☐ Other (Specify method used and attach explanation.) ► Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed □ No If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," Yes ✓ No For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 55988R Form **1125-A** (12-2011)

Department of the Treasury Internal Revenue Service (99)

Depreciation and Amortization (Including Information on Listed Property)

► See separate instructions.

► Attach to your tax return.

69-0000005 OMB No. 1545-0172

Attachment Sequence No. 179

Name(s) shown on return Business or activity to which this form relates Identifying number **Shoebill Unlimited** Dairy Products MFG 69-000005 **Election To Expense Certain Property Under Section 179** Part I Note: If you have any listed property, complete Part V before you complete Part I. 1 2 Threshold cost of section 179 property before reduction in limitation (see instructions) . 3 4 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions 5 (a) Description of property (b) Cost (business use only) (c) Elected cost 6 7 Listed property. Enter the amount from line 29 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 8 9 Tentative deduction. Enter the smaller of line 5 or line 8 9 **10** Carryover of disallowed deduction from line 13 of your 2010 Form 4562 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) 11 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 12 13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12 Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.) 14 Special depreciation allowance for qualified property (other than listed property) placed in service 14 **15** Property subject to section 168(f)(1) election 15 **16** Other depreciation (including ACRS) 16 Part III MACRS Depreciation (Do not include listed property.) (See instructions.) 17 MACRS deductions for assets placed in service in tax years beginning before 2011 17 5.075.260 18 If you are electing to group any assets placed in service during the tax year into one or more general Section B-Assets Placed in Service During 2011 Tax Year Using the General Depreciation System (b) Month and year (c) Basis for depreciation (d) Recovery (a) Classification of property placed in (business/investment use (e) Convention (f) Method (g) Depreciation deduction period service only-see instructions) 3-year property **b** 5-year property 2,642,388 5 HY 200 DB 528,478 c 7-year property d 10-year property e 15-year property **f** 20-year property g 25-year property S/L 25 yrs. h Residential rental 27.5 yrs. MM 9/1 property 27.5 yrs. MM S/L i Nonresidential real 39 yrs. ММ S/L property MM S/L Section C-Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System 20a Class life S/L **b** 12-year 2,935,176 12 yrs. HY 122,299 **c** 40-year 40 yrs. MM S/L Part IV Summary (See instructions.) 21 Listed property. Enter amount from line 28 21 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions 22 5.726.037 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs 23

	4562 (2011)														Page 2
Pa	rt V Listed Propert	• \			tain ot	her ve	ehicle	s, c	ertair	con	nputer	s, and	l prope	erty us	ed for
	·	ecreation, or amu		,											
		chicle for which you									lease (expens	e, com	olete on	ily 24a,
		through (c) of Section									<i>f</i>			- I- !I X	
-04-	Section A—Deprecia										•				
248	Do you have evidence to sup	oport the business/inve	stment us	e claime	ed? (e)	Yes	_ No	24	ו וו מ	es," is	the evic	lence wi	ritten?	Yes	No
	(a) (b) e of property (list vehicles first) Date placed in service	Business/	(d) other basis		for depreness/investuse only	stment	(f) Recove period		(g Meth Conve	nod/		(h) preciation eduction	n Ele	(i) ected sect cost	
25	Special depreciation al														
	<u> </u>		<u> </u>			e (see	instruc	LION	S) .	25					
26	Property used more that	an 50% in a qualifie	a busine	ess use	9:										
		%													
		%													
27	Property used 50% or I		ucinocc	1100.											
	1 Toperty used 30 70 OF F	%	u3111633	use.				0	6/L –						
		%							3/L –						
		%							3/L -						
28	Add amounts in column	* *	nh 27. Fi	 nter he	re and	on line	21. pa			28					
	Add amounts in column									_			29		
			ction B-									-			
Com	plete this section for vehic									," or re	elated p	erson. I	lf you pr	ovided v	ehicles
to yo	our employees, first answer	r the questions in Se	ction C t	o see if	you me	et an ex	xceptic	n to	compl	eting t	his sect	tion for	those ve	ehicles.	
30	Total business/investment	miles driven during	(a Vehic			b) icle 2	Ve	(c) hicle	3	(c Vehi	d) cle 4		(e) nicle 5		f) cle 6
	the year (do not include co	ommuting miles) .													
	Total commuting miles drive Total other personal (no														
	driven														
33	Total miles driven during 30 through 32	the year. Add lines													
34	Was the vehicle available during off-duty hours? .	•	Yes	No	Yes	No	Yes	1	No	Yes	No	Yes	No	Yes	No
35	Was the vehicle used p than 5% owner or related														
36	Is another vehicle available	le for personal use?													
		C-Questions for		-						-				who ar	e not
	e than 5% owners or rela						,	J				۰, ۰	,		
37	Do you maintain a writt your employees?	ten policy statemer	nt that p	rohibits	s all pe 	rsonal 	use of	veh	icles, 	includ 	ling coi	mmutir 	ng, by	Yes	No
38	Do you maintain a writ employees? See the inst											-	y your		
39	Do you treat all use of v														
40	Do you provide more the use of the vehicles, and	han five vehicles to	your e	mploye	es, obt	tain info	ormati	on fr	om yo	our en 	nployee	es abou	ut the		
41	Do you meet the require Note: If your answer to 3	ements concerning 37, 38, 39, 40, or 41	qualifie is "Yes,"	d autor <i>do not</i>	mobile o	demon	stratio	n use	e? (Se ne cov	e inst	ruction: ehicles.	s.) .			
Pai	rt VI Amortization	<u> </u>	-		· ·										
	(a) Description of costs	(b) Date amortiz begins	ation	Amoi	(c) rtizable aı	mount			(d) section	1	(e) Amortiza period percent	or	Amortiza	(f) ation for th	is year
42	Amortization of costs that	at begins during you	2011 ta	x year (see inst	truction	s):					l I			
43	Amortization of costs th	nat began before yo	our 2011	tax ye	ar							43			

44

44 Total. Add amounts in column (f). See the instructions for where to report .

Depreciation and Amortization (Including Information on Listed Property)

69-0000005 OMB No. 1545-0172

Department of the Treasury Internal Revenue Service (99) Name(s) shown on return

► See separate instructions. ► Attach to your tax return. Business or activity to which this form relates

Attachment Sequence No. **179**

Identifying number

Shoebill	Unlimited		Dairy I	Products MFG				69-0000005
Part I			ertain Property Und ed property, comple			moloto Part I		
4 14			· · · · · · · · · · · · · · · · · · ·			•	T .	1
	ximum amount (s		•				1	
			placed in service (se				2	
		•			•	ions)	3	1
							4	1
						er -0 If married filing	_	
·	parately, see instr						5	
6	(a) Des	scription of prope	rty	(b) Cost (busi	ness use only)	(c) Elected cost		_
								_
								_
	ted property. Ent						1	
			property. Add amount	,	•		8	
							9	
	-		•				10	
			e smaller of business inc	•	,	,	11	
	·					ne 11	12	
			n to 2012. Add lines 9			13		
			w for listed property.					
						clude listed property.)	(See i	instructions.)
	•			•		erty) placed in service		
	ing the tax year (·				14	22,361
		.,	` '				15	
	ner depreciation (16	
Part III	MACRS Dep	reciation (D	Do not include listed		(See instruc	tions.)		
				Section A			_	
						1	17	131,190
-	_			=	=	o one or more general		
ass	et accounts, che							
		(b) Month and year		1	ear Using th	e General Depreciation	1 Sysi	iem
(a) Class	ification of property	placed in service	(business/investment use only—see instructions)	(d) Recovery period	(e) Conventio	n (f) Method	(g) [Depreciation deduction
	-year property		6,120	3	HY	S/L		1,020
	-year property		29,304	5	HY	200 DB		5,861
	-year property		10,885	7	HY	200 DB		1,555
d 10-	-year property							
	-year property							
	-year property							
	-year property			25 yrs.		S/L		
	sidential rental			27.5 yrs.	MM	S/L		
	perty			27.5 yrs.	MM	S/L		
i No	nresidential real	2011-4	9,856	39 yrs.	MM	S/L		253
pro	perty				MM	S/L		
	Section C	Assets Place	ed in Service During	2011 Tax Ye	ar Using the	Alternative Depreciation	on Sy	stem
20a Cla	ass life					S/L		
b 12-	-year			12 yrs.		S/L		
c 40-	-year			40 yrs.	MM	S/L		
Part IV	Summary (S	See instruction	ons.)	-				
21 List	ted property. Ent	er amount fro	m line 28				21	
22 Tot	al. Add amounts	from line 12,	lines 14 through 17, lin	nes 19 and 20	in column (g)	, and line 21. Enter here		
and	I on the appropriat	te lines of your	return. Partnerships an	nd S corporation	ons-see instr	uctions	22	162,240
23 For	assets shown al	bove and plac	ced in service during t	the current ye	ar, enter the			
por	tion of the basis	attributable to	section 263A costs			23		

	4562 (2011)		-														Page 2
Pa		Proper					tain ot	her v	ehicles	s, ce	rtain	con	nputer	s, and	prop	erty us	ed for
		ainment, ı		•		•		, ,			, ,		,				
	24b, c	For any ve olumns (a)	through (c) of Section	on A, a	ll of Sec	tion B,	and Se	ection (C if ap	plica	ble.		•			ily 24a,
		-Depreci				•											_
248	Do you have e	vidence to su	1	siness/inve	stment u	ise claime		Yes	_ No	24b	If "Y	es," is	the evic	lence wi	ritten?		∐ No
	(a) e of property (list vehicles first)	(b) Date placed in service	Business/ investment us percentage		(d) other bas		(e) for depreness/invenues use only	stment	(f) Recove period	,	(g) Meth Conve	od/		(h) preciation eduction	n El	(i) ected sect cost	
25	Special dep																
-06	the tax year							se (see	Instruc	tions) .	25					
_26	Property use	Thore the	9		a busii	less use) <u>.</u>										
			9														
			9	_													
27	Property use	ed 50% or			usiness	use:											
			9	6						Si	/L –						
			9	6							/L –						
			9								/L –						
	Add amount											28					
_29	Add amount	s in colum	n (i), line 2									•			29		
Com	plete this sect	ion for vehic	des used h			Infor						" or re	elated n	erson l	lf vou pr	ovided v	ehicles
	our employees,			•	•												01110100
						(a)	i .	b)	1	(c)	i		d)		(e)		f)
30	Total busines the year (do n			ū		nicle 1		icle 2	Ve	hicle 3			cle 4		nicle 5		cle 6
31 Total commuting miles driven during the year																	
	Total other p	personal (no	oncommuti	ng) miles													
33	Total miles d 30 through 32	_	-														
34	Was the veh during off-du		•		Yes	No	Yes	No	Yes	N	0	Yes	No	Yes	No	Yes	No
35	Was the veh																
36	Is another vel	nicle availab	ole for perso	onal use?													
Ansı	wer these que than 5% ow	Section estions to d	C-Ques	stions for f you mee	et an ex	ception						-				who ar	e not
	Do you mair	ntain a writ		<u> </u>			s all pe	rsonal	use of	vehic	cles, i	incluc	ling co	mmutir	ng, by	Yes	No
38	Do you main employees?	ntain a wri				•	•							-			
39 40	Do you treat	all use of vide more t	vehicles b	y employe ehicles to	es as	persona employe	l use? es, ob										
41	Do you mee Note: If your	t the requir	ements co	oncerning	qualifi	ed autor	nobile	demon ete Sec	stration	n use' for the	? (Se	e inst ered v	ruction ehicles.	s.) .			
Pa		tization		-		-	,										
		a) on of costs	1	(b) Date amortiz begins	ation	Amoi	(c) rtizable a	mount		(d Code s			(e) Amortiza period percent	or	Amortiza	(f) ation for th	nis year
42	Amortization	of costs the	at begins c	luring your	2011 t	ax year (see ins	truction	ns):								
	Δ	- .	L -1 !	la a f	22.	4.1								40			
43	Amortization	i ot costs t	nat began	perore yo	our 201	ı tax ye	ar							43			

44

44 Total. Add amounts in column (f). See the instructions for where to report.

Shoebill Unlimited

Part I

6

Depreciation and Amortization (Including Information on Listed Property)

69-0000005

OMB No. 1545-0172

Attachment Sequence No. 179

Department of the Treasury ► See separate instructions. Internal Revenue Service (99) Name(s) shown on return

16 Other depreciation (including ACRS)

(a) Description of property

► Attach to your tax return. Business or activity to which this form relates Identifying number Dairy Products MFG 69-000005 **Election To Expense Certain Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I. 1 Total cost of section 179 property placed in service (see instructions) 2 Threshold cost of section 179 property before reduction in limitation (see instructions) . 3 4 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing 5 (b) Cost (business use only) (c) Elected cost 7 Listed property. Enter the amount from line 29 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 8 9 Tentative deduction. Enter the smaller of line 5 or line 8 9 **10** Carryover of disallowed deduction from line 13 of your 2010 Form 4562 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) 11 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 12 13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12 Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.) 14 Special depreciation allowance for qualified property (other than listed property) placed in service 14 **15** Property subject to section 168(f)(1) election 15 16 Part III MACRS Depreciation (Do not include listed property.) (See instructions.) 17 MACRS deductions for assets placed in service in tax years beginning before 2011 17 338.370 18 If you are electing to group any assets placed in service during the tax year into one or more general

Section B-Assets Placed in Service During 2011 Tax Year Using the General Depreciation System (b) Month and year (c) Basis for depreciation (d) Recovery (a) Classification of property placed in (business/investment use (e) Convention (f) Method (g) Depreciation deduction service only-see instructions) 3-year property 5-year property c 7-year property d 10-year property e 15-year property **f** 20-year property g 25-year property S/L 25 yrs. h Residential rental 27.5 yrs. MM 9/1 property 27.5 yrs. MM S/L i Nonresidential real 39 yrs. ММ S/L property MM S/L Section C-Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System 20a Class life S/L **b** 12-year 12 yrs. **c** 40-year 40 yrs. MM S/L

portion of the basis attributable to section 263A costs

Part IV Summary (See instructions.) 21 Listed property. Enter amount from line 28

338,370

21

22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions

23 For assets shown above and placed in service during the current year, enter the

	4562 (2011)	-l D	. . / .	-1	la !l			U	-1-1-1-								Page 2	
Pa		d Propertainment, i					tain ot	iner v	enicie	s, c	certai	n cor	nputer	s, and	prope	erty us	ea tor	
		For any ve		•		,	standa	ard mile	eage ra	ate d	or dec	ductino	ı lease	expens	e. comi	olete or	ı lv 24a.	
		olumns (a)											,		-,			
	Section A	-Depreci	iation and	Other In	formation	on (Ca	ution:	See th	e instru	uctio	ons fo	r limits	s for pas	ssengei	autom	obiles.)		
2 4a	Do you have e	vidence to su	pport the bu	siness/inves	stment us	e claime		Yes	No	24	4b If '	"Yes," is	s the evic	lence wr	itten?	☐ Yes	☐ No	
_	(a)	(b)	(c) Business/		d)	Basis	(e) for depre	eciation	_ (f)			(g)	_	(h)		(i)		
	e of property (list vehicles first)	in service	investment us percentage	e Cost or o	other basis	(busir	ness/inve use only	stment)	Recove	ď	Conv	thod/ /ention		oreciation eduction	EIG	ected sectors cost		
25	Special dep the tax year											25						
26	Property use	ed more tha			d busine	ess use	э:				1							
			%															
			%										-					
27	Property use	l ed 50% or		-	ısiness	IISO.												
	1 Topolty use	0070 01	9/		20111000	130.					S/L -							
			9/								S/L -							
			%	ó							S/L -							
	Add amount											28						
29	Add amount	ts in colum	n (i), line 26												29			
Com	plete this sect	ion for vehic	cles used b		ction B-							r"orr	alatad n	arean I	f vou pr	ovidad v	ahiclas	
	our employees,																CHICICS	
			4		(a	_	Ť.	(b)		(c)			(d)		e)			
30	Total busines	s/investmen	t miles drive	en durina	Vehic			icle 2	Ve	hicle	e 3		iicle 4		icle 5		(f) ehicle 6	
	the year (do n	ū																
31	Total commuti	ng miles drive	en during the	year														
32	Total other p	•		ng) miles														
33	Total miles d 30 through 32	_	-															
34	Was the veh during off-du				Yes	No	Yes	No	Yes	;	No	Yes	No	Yes	No	Yes	No	
35	Was the veh than 5% own																	
36	Is another vel	hicle availab	ole for perso	nal use?														
	wer these que	estions to d		f you mee	et an exc	eption						-				who ar	e not	
	e than 5% ow Do you mair			-			s all ne	rsonal	use of	· veł	hicles	inclu	dina co	mmutin	a by	Yes	No	
	your employ	ees?																
38	Do you mai employees?														y your 			
39	Do you treat																	
40	Do you provuse of the ve				-			tain inf	ormati	on f	from y	our er	mployee	es abou 	it the			
41	Do you mee Note: If your													s.) .				
Pai	rt VI Amor		<u> </u>				-											
		a) on of costs		(b) Date amortiza begins	ation	Amo	(c) rtizable a	mount		Cod	(d) e sectio	on	(e) Amortiza period percent	or	Amortiza	(f) Ition for th	is year	
42	Amortization	of costs the	⊥ at begins d	uring your	2011 ta	x year	(see ins	truction	⊔ ns):				,					
						-												
			1		1				1									

43

44

43 Amortization of costs that began before your 2011 tax year . . . 44 Total. Add amounts in column (f). See the instructions for where to report .

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2)

► Attach to your tax return.

69-0000005 OMB No. 1545-0184

Attachment Sequence No. 27

Identifying number

Department of the Treasury Internal Revenue Service Name(s) shown on return

► See separate instructions.

69-000005 **Shoebill Unlimited** Enter the gross proceeds from sales or exchanges reported to you for 2011 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) . Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (see instructions) (f) Cost or other (e) Depreciation (g) Gain or (loss) (a) Description (b) Date acquired (c) Date sold (d) Gross 2 basis, plus allowed or Subtract (f) from the sales price allowable since improvements and of property (mo., day, yr.) (mo., day, yr.) sum of (d) and (e) acquisition expense of sale Gain, if any, from Form 4684, line 39 3 237,975 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37. 4 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 . 5 5 6 Gain, if any, from line 32, from other than casualty or theft. 6 237.975 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: . Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below. Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below. Nonrecaptured net section 1231 losses from prior years (see instructions) 8 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term 9 capital gain on the Schedule D filed with your return (see instructions) . Ordinary Gains and Losses (see instructions) Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less): Loss, if any, from line 7 11 11 12 Gain, if any, from line 7 or amount from line 8, if applicable . . . 12 150,000 Gain, if any, from line 31 13 13 14 Net gain or (loss) from Form 4684, lines 31 and 38a 14 15 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 . 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824. . . . 16 150,000 17 Combine lines 10 through 16 17 18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below: a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions . . . 18a b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 18b

09-0000003

Form	4797 (2011)						Page 2
Pa	Gain From Disposition of Property Und (see instructions)	ler Se	ctions 1245, 12	50, 1252, 1254,	and 1255		
19	(a) Description of section 1245, 1250, 1252, 1254, or 1255	5 prope	erty:		(b) Date acq (mo., day,		(c) Date sold (mo., day, yr.)
A	See Form 6252				04/30/20	10	06/30/2011
В							
С							
D							
	These columns relate to the properties on lines 19A through 19D	. ▶	Property A	Property B	Property	C	Property D
20	Gross sales price (Note: See line 1 before completing.) .	20	3,150,000				
21	Cost or other basis plus expense of sale	21	600,000				
22	Depreciation (or depletion) allowed or allowable	22	150,000			-	
23	Adjusted basis. Subtract line 22 from line 21	23	450,000				
24	Total gain. Subtract line 23 from line 20	24	2,700,000				
25	If section 1245 property:						
	Depreciation allowed or allowable from line 22	25a	150,000				
b	Enter the smaller of line 24 or 25a	25b	150,000				
26	If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.						
а	Additional depreciation after 1975 (see instructions) .	26a					
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b					
С	Subtract line 26a from line 24. If residential rental property						
	or line 24 is not more than line 26a, skip lines 26d and 26e	26c					
	Additional depreciation after 1969 and before 1976	26d					
е	Enter the smaller of line 26c or 26d	26e					
f	Section 291 amount (corporations only)	26f					
g	Add lines 26b, 26e, and 26f	26g					
27	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).						
а		27a					
	Line 27a multiplied by applicable percentage (see instructions)	27b					
	Enter the smaller of line 24 or 27b	27c					
28	If section 1254 property:						
а	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see						
L	instructions)	28a 28b					
29	If section 1255 property:	200					
	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a					
b	Enter the smaller of line 24 or 29a (see instructions) .	29b					
	nmary of Part III Gains. Complete property colun		through D throug	h line 29b befor	e going to lir	ne 30.	
30	Total gains for all properties. Add property columns A thro	-				30	2,700,000
31	Add property columns A through D, lines 25b, 26g, 27c, 26					31	150,000
32	Subtract line 31 from line 30. Enter the portion from casu						
Par	IV Recapture Amounts Under Sections 17		1 280F(b)(2) Whe			32 50%	or Less
	(see instructions)				(a) Section	on .	(b) Section
					119		280F(b)(2)

Installment Sale Income

69-0000005 OMB No. 1545-0228

2011

Identifying number

Department of the Treasury Internal Revenue Service Name(s) shown on return

► Attach to your tax return. ► Use a separate form for each sale or other disposition of property on the installment method. Attachment Sequence No. **79**

Shoeb	oebill Unlimited 69-0000005			
1	Description of property ► Equipment from Bottling Machine			
2a	Date acquired (mm/dd/yyyy) ► 04/30/2010 b Date sold (mm/dd/yyyy) ►	06/30/201	1	
3	Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4		Yes No	
4	Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "I	No,"		
	complete Part III for the year of sale and the 2 years after the year of sale		☐ Yes ☐ No	
Part				
5	Selling price including mortgages and other debts. Do not include interest, whether stated or unstated	5	3,150,000	
6	Mortgages, debts, and other liabilities the buyer assumed or took the			
	property subject to (see instructions) 6			
7	Subtract line 6 from line 5			
8	Cost or other basis of property sold			
9	Depreciation allowed or allowable			
10	Adjusted basis. Subtract line 9 from line 8			
11	Commissions and other expenses of sale			
12	Income recapture from Form 4797, Part III (see instructions) 12 150,000			
13	Add lines 10, 11, and 12	13	600,000	
14	Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)		2,550,000	
15	If the property described on line 1 above was your main home, enter the amount of your excluded		2/000/000	
	gain (see instructions). Otherwise, enter -0			
16	Gross profit. Subtract line 15 from line 14		2,550,000	
17	Subtract line 13 from line 6. If zero or less, enter -0		2/000/000	
18	Contract price. Add line 7 and line 17		3,150,000	
Part	Installment Sale Income. Complete this part for the year of sale and any year you			
	certain debts you must treat as a payment on installment obligations.			
19	Gross profit percentage (expressed as a decimal amount). Divide line 16 by line 18. For years after the year of sale, see instructions			
	•		.80952	
20	If this is the year of sale, enter the amount from line 17. Otherwise, enter -0			
21	Payments received during year (see instructions). Do not include interest, whether stated or unstated			
22	Add lines 20 and 21	. 22		
23	Payments received in prior years (see instructions). Do not include interest, whether stated or unstated			
24	Installment sale income. Multiply line 22 by line 19	. 24		
25	Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)			
26	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions).			
Part			t this tax year.	
27	Name, address, and taxpayer identifying number of related party		•	
28	Did the related party resell or dispose of the property ("second disposition") during this tax year?		. 🗌 Yes 🗌 No	
29	If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is		ck the box that applies.	
а	The second disposition was more than 2 years after the first disposition (other than disposition marketable securities). If this box is checked, enter the date of disposition (mm/dd/yyyy)			
b	The first disposition was a sale or exchange of stock to the issuing corporation.			
C	The second disposition was an involuntary conversion and the threat of conversion occurred a	fter the fi	ret dienocition	
d	The second disposition occurred after the death of the original seller or buyer.	itei tile ii	ist disposition.	
e	It can be established to the satisfaction of the IRS that tax avoidance was not a princip	nal nurno	se for either of the	
C	dispositions. If this box is checked, attach an explanation (see instructions).	odi paipo	oc for ourior of the	
30	Selling price of property sold by related party (see instructions)	30		
31	Enter contract price from line 18 for year of first sale			
32	Enter the smaller of line 30 or line 31			
33	Total payments received by the end of your 2011 tax year (see instructions)			
34	Subtract line 33 from line 32. If zero or less, enter -0			
35	Multiply line 34 by the gross profit percentage on line 19 for year of first sale			
36	Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)			
37	Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions)			

Shoebill Unlimited Form **6252**

Installment Sale Income

69-0000005 OMB No. 1545-0228

Identifying number

Department of the Treasury Internal Revenue Service Name(s) shown on return

► Attach to your tax return. ► Use a separate form for each sale or other disposition of property on the installment method.

2011 Attachment Sequence No. **79**

Shoek	ill Unlimited		69-000005	
1	Description of property ► Pasteurizer			
2a	Date acquired (mm/dd/yyyy) ► 01/01/1984 b Date sold (mm/dd/yyyy) ►	06/30/200)4	
3	Was the property sold to a related party (see instructions) after May 14, 1980? If "No," skip line 4 Yes 🗹 No			
4	Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "N	lo,"		
	complete Part III for the year of sale and the 2 years after the year of sale		· 🔲 Yes 🗌	No
Part				
5	Selling price including mortgages and other debts. Do not include interest, whether stated or unstated	5		
6	Mortgages, debts, and other liabilities the buyer assumed or took the			
	property subject to (see instructions)			
7	Subtract line 6 from line 5			
8	Cost or other basis of property sold			
9	Depreciation allowed or allowable			
10	Adjusted basis. Subtract line 9 from line 8			
11	Commissions and other expenses of sale			
12	Income recapture from Form 4797, Part III (see instructions) 12			
13	Add lines 10, 11, and 12	13		
14	Subtract line 13 from line 5. If zero or less, do not complete the rest of this form (see instructions)	14		
15	If the property described on line 1 above was your main home, enter the amount of your excluded			
	gain (see instructions). Otherwise, enter -0	15		
16	Gross profit. Subtract line 15 from line 14	16		
17	Subtract line 13 from line 6. If zero or less, enter -0	17		
18	Contract price. Add line 7 and line 17	18		
Part	Installment Sale Income. Complete this part for the year of sale and any year your		a payment or h	nave
	certain debts you must treat as a payment on installment obligations.			
19	Gross profit percentage (expressed as a decimal amount). Divide line 16 by line 18. For years after the year of sale, see instructions	19	4	2018
20	If this is the year of sale, enter the amount from line 17. Otherwise, enter -0	20		2010
21	Payments received during year (see instructions). Do not include interest, whether stated or unstated	21	566,365	
22	Add lines 20 and 21	22	566,365	
23	Payments received in prior years (see instructions). Do not include		000,000	
20	interest, whether stated or unstated			
24	Installment sale income. Multiply line 22 by line 19		237,975	
25	Enter the part of line 24 that is ordinary income under the recapture rules (see instructions)			
26	Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions)	26	237,975	
Part		oaymen	t this tax year.	
27	Name, address, and taxpayer identifying number of related party			
28	$\label{eq:dispose} \mbox{Did the related party resell or dispose of the property ("second disposition") during this tax year? \ .}$			
29	If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is		ck the box that app	plies.
а	The second disposition was more than 2 years after the first disposition (other than disposimarketable securities). If this box is checked, enter the date of disposition (mm/dd/yyyy)			
b	☐ The first disposition was a sale or exchange of stock to the issuing corporation.			
C	☐ The second disposition was an involuntary conversion and the threat of conversion occurred at	ter the fi	rst disposition.	
d	The second disposition occurred after the death of the original seller or buyer.		·	
е	☐ It can be established to the satisfaction of the IRS that tax avoidance was not a princip	al purpo	se for either of	f the
-	dispositions. If this box is checked, attach an explanation (see instructions).			
30	Selling price of property sold by related party (see instructions)	30		
31	Enter contract price from line 18 for year of first sale	31		
32	Enter the smaller of line 30 or line 31	32		
33	Total payments received by the end of your 2011 tax year (see instructions)	33		
34	Subtract line 33 from line 32. If zero or less, enter -0	34		
35	Multiply line 34 by the gross profit percentage on line 19 for year of first sale	35		
36	Enter the part of line 35 that is ordinary income under the recapture rules (see instructions)	36		
37	Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797 (see instructions)	37		

(Rev. December 2010)

Department of the Treasury

Internal Revenue Service

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

► See instructions on back.

► Attach to Form 1065, Form 1065-B, or Form 1120S.

69-0000005

Employer identification number

OMB No. 1545-1186

Shoebill Unlimited 69-000005 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties. Physical address of each property—street, city, Type-Enter code 1-8; Fair Rental Days Personal Use Days state, ZIP code see page 2 for list 1201 New File Ave Commercial Α Modern, UT 84101 В C D ____ **Properties Rental Real Estate Income** В С D Α 7,381,514 2 Gross rents 2 **Rental Real Estate Expenses** 3 Advertising 3 4,230 Auto and travel 7,135 4 Cleaning and maintenance . . 5 5 Commissions 21,300 6 155,940 Insurance 7 7 8 Legal and other professional fees 8 38,342 Interest 406,581 9 9 Repairs 3,220 10 10 5,704 11 Taxes 11 Utilities 12 7,311 12 13 Wages and salaries 13 126,211 14 Depreciation (see instructions) 14 5,726,037 Other (list) ▶ Total expenses for each property. Add lines 3 through 15 . . . 16 6.502.011 17 Income or (Loss) from each 879,503 property. Subtract line 16 from line 2 17 7,381,514 **18a** Total gross rents. Add gross rents from line 2, columns A through H 18a **b** Total expenses. Add total expenses from line 16, columns A through H 18b 6,502,011 19 Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real 19 150,000 20a Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1) 20a b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed: (1) Name (2) Employer identification number 21 1,029,503 Net rental estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2, or • Form 1065-B: Part I, line 4

Page 129

Shoebill Unlimited 69-0000005 Form 8825 (12-2010) Page 2

1	Show the type and address of earental value and days with person				estate prop	erty I	isted, report the	e numb	per of days rented	at fair
	Physical address of each property—street, city, state, ZIP code			Type—Enter code 1-8; see below for list			Fair Rental Days		Personal Use Days	
E										
F										
G										
Н										
						Prop	erties			
	Rental Real Estate Income		E		F		G		Н	
2	Gross rents	2								
	Rental Real Estate Expenses									
	Advertising	3								<u> </u>
	Auto and travel	4								<u> </u>
5	Cleaning and maintenance	5								<u> </u>
6	Commissions	6								
7	Insurance	7								
8	Legal and other professional fees	8								-
9	Interest	9								-
10	Repairs	10								-
11	Taxes	11								-
	Utilities	12								-
	Wages and salaries	13 14				-				-
1 4 15	Depreciation (see instructions)	14								
15	Other (list) ▶									-
		15				+				-
										_
16	Total expenses for each property.									\vdash
	Add lines 3 through 15	16								
17										
	property. Subtract line 16 from line 2	17								
ΔΙΙΔ	wable Codes for Type of Property	,								-

- 1-Single Family Residence
- 2-Multi-Family Residence
- 3-Vacation or Short-Term Rental
- 4-Commercial
- 5-Land
- 6-Royalties
- 7-Self-Rental
- 8-Other (describe)

Form **8825** (12-2010)

SCHEDULE C (Form 1065)

(Rev. December 2011) Department of the Treasury Internal Revenue Service

Additional Information for Schedule M-3 Filers

69-0000005

OMB No. 1545-0099

▶ Attach to Form 1065. See separate instructions.

Name of partnership

Shoebil Unlimited

Employer identification number

69-000005

		Yes	No
1	At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		V
2	Do the amounts reported on Schedule M-3, Part II, lines 7 or 8, column (d), reflect allocations to this partnership from another partnership of income, gain, loss, deduction, or credit that are disproportionate to this partnership's		
	share of capital in such partnership or its ratio for sharing other items of such partnership?		~
3	At any time during the tax year, did the partnership sell, exchange, or transfer any interest in an intangible asset to		
	a related person as defined in sections 267(b) and 707(b)(1)?		-
4	At any time during the tax year, did the partnership acquire any interest in an intangible asset from a related		
	person as defined in sections 267(b) and 707(b)(1)?		~
5	At any time during the tax year, did the partnership make any change in accounting principle for financial		
	accounting purposes? See instructions for a definition of change in accounting principle		~
_			
6	At any time during the tax year, did the partnership make any change in a method of accounting for U.S. income		
	tax purposes?		

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49945S

Schedule C (Form 1065) (Rev. 12-2011)

SCHEDULE F (Form 1040)

Profit or Loss From Farming

69-0000005 OMB No. 1545-0074

Department of the Treasury Internal Revenue Service (99) ► Attach to Form 1040, Form 1040NR, Form 1041, Form 1065, or Form 1065-B. ► See Instructions for Schedule F (Form 1040).

Attachment Sequence No. 14

	or proprietor						Social se	curity number (SSN)
	ns Cows		15.5	D . D/				
	ncipal crop or activity		B Enter code from			Accounting method:	l i i	loyer ID number (EIN), if any
	Cattle			2 1 2		Cash Accrual	6 9	
	E Did you "materially participate" in the operation of this business during 2011? If "No," see instructions for limit on passive losses.							
	Did you make any payments in 2011 that would require you to file Form(s) 1099 (see page F-3 of the instructions)							
	if "Yes," did you or will you file all required Forms 1099?							
Part			•			od. Complete Parts I	I and III, a	and Part I, line 9.)
1a	Specified sales of livestock and of		` . •	,		405.040		
b	Sales of livestock and other resale		•			135,960		
С.						135,960	_	
d	Cost or other basis of livestock or		•			65,230		70 720
e	Subtract line 1d from line 1c							70,730
2a	Specified sales of products you ra	•	,					2 / 20 100
b	Sales of products you raised not r	•	1 1		1			2,630,180
3a	Cooperative distributions (Form(s)		, <u> </u>		1,450	3b Taxable amour		11,450
4a	Agricultural program payments (se				7,810	4b Taxable amour		67,810
5a	Commodity Credit Corporation (C	,	. 1 1	tion		1	. <u>5a</u>	6,650
b	CCC loans forfeited				- o\-	5c Taxable amour	nt 5c	
6	Crop insurance proceeds and fed			ee page i	3): 	Ch. Tauahla amanu	-	
a			_6a neck here ►		Cd Amo	db Taxable amour unt deferred from 2010		
C 70	If election to defer to 2012 is attac	-						
7a b	Specified custom hire (machine w Custom hire income not reported		, , , ,					12,580
8a	Specified other income (see page							12,300
b	Other income not reported on line	,						1,420
9	Gross income. Add amounts in		· · ·					1,120
9	8b). If you use the accrual method	•	•				▶ 9	2,800,820
Part								
10	Car and truck expenses (see			23		and profit-sharing plans		
	instructions). Also attach Form 4562	10		24		ease (see instructions):		
11	Chemicals	11	49,640	а		machinery, equipment	24a	96,600
12	Conservation expenses (see instructions)	12	67,810	b		nd, animals, etc.) .		135,040
13	Custom hire (machine work) .	13	80,550	25		and maintenance .		58,750
14	Depreciation and section 179			26	Seeds an	d plants	. 26	11,680
	expense (see page F-5)	14	338,370	27		and warehousing .		74,330
15	Employee benefit programs			28	_			32,010
	other than on line 23	15		29	Taxes .		. 29	55,040
16	Feed	16	508,140	30	Utilities .		. 30	85,080
17	Fertilizers and lime	17	65,440	31		, breeding, and medicin		
18	Freight and trucking	18	37,130	32	Other exp	penses (specify):		
19	Gasoline, fuel, and oil	19	62,160	а			32a	
20	Insurance (other than health)	20	33,620	b			32b	
21	Interest:			С			32c	
а	Mortgage (paid to banks, etc.)	21a	31,750	d			32d	
b	Other	21b	77,380	е				
22	Labor hired (less employment credits)	22	263,680	f			32f	
33	Total expenses. Add lines 10 thr	-		, see inst	tructions .		▶ 33	2,164,250
34	Net farm profit or (loss). Subtrac						. 34	636,570
	If a profit, stop here and see instru							
35	Did you receive a subsidy in 2011		- '					🗌 Yes 🗾 No
36	Check the box that describes you		_			here to report your los	s.	
a	All investment is at risk.	ŀ	Some investmen	it is not a	t risk.			

Part	Farm Income – Accrual Method (see instructions).			
37a	Specified sales of livestock, produce, grains, and other products (see page F-4)	37a		
b	Sales of livestock, produce, grains, and other products not reported on line 37a	37b		
38a	Cooperative distributions (Form(s) 1099-PATR) . 38a 38bTaxable amount	38b		
39a	Agricultural program payments	39b		
40	Commodity Credit Corporation (CCC) loans:			
а	CCC loans reported under election	40a		
b	CCC loans forfeited 40b 40cTaxable amount	40c		
41	Crop insurance proceeds	41		
42a	Specified custom hire (machine work) income from merchant card or third party payments (see page F-4) .	42a		
b	Other custom hire income not reported on line 42a	42b		
43a	Specified other income (see page F-4)	43a		
b	Other income not reported on line 43a	43b		
44	Add amounts in the right column for lines 37a through 43b (lines 37a, 37b, 38b, 39b, 40a, 40c, 41, 42a, 42b,	100		
••	43a, and 43b)	44		†
45	Inventory of livestock, produce, grains, and other products at beginning of			
	the year. Do not include sales reported on Form 4797			
46	Cost of livestock, produce, grains, and other products purchased during the			
	year	_		
	A.U. 45 . 140			
47	Add lines 45 and 46	-		
48	Inventory of livestock, produce, grains, and other products at end of year . 48			
49	Cost of livestock, produce, grains, and other products sold. Subtract line 48 from line 47*	49		
50	Gross income. Subtract line 49 from line 44. Enter the result here and on Part I, line 9 ▶	50		
	use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 48 is	lorgor t	han the emous	t on line

*If you use the unit-livestock-price method or the farm-price method of valuing inventory and the amount on line 48 is larger than the amount on line 47, subtract line 47 from line 48. Enter the result on line 49. Add lines 44 and 49. Enter the total on line 50 and on Part I, line 9.

Part IV Principal Agricultural Activity Codes



Do not file Schedule F to report the following.

- Income from providing agricultural services such as soil preparation, veterinary, farm labor, horticultural, or management for a fee or on a contract basis. Instead file Schedule C (Form 1040).
- Income from breeding, raising, or caring for dogs, cats, or other pet animals. Instead file Schedule C (Form 1040).
- Sales of livestock held for draft, breeding, sport, or dairy purposes. Instead file Form 4797.

These codes for the Principal Agricultural Activity classify farms by their primary activity to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).

Select the code that best identifies your primary farming activity and enter the six digit number on page 1, line B.

Crop Production

111100 Oilseed and grain farming
111210 Vegetable and melon farming

- 111300 Fruit and tree nut farming
- 111400 Greenhouse, nursery, and floriculture production
- 111900 Other crop farming

Animal Production

- 112111 Beef cattle ranching and farming
- 112112 Cattle feedlots
- 112120 Dairy cattle and milk production
- 112210 Hog and pig farming
- 112300 Poultry and egg production
- 112400 Sheep and goat farming
- 112510 Aquaculture
- 112900 Other animal production

Forestry and Logging

113000 Forestry and logging (including forest nurseries and timber tracts)

SCHEDULE M-3 (Form 1065)

Department of the Treasury Internal Revenue Service

Net Income (Loss) Reconciliation for Certain Partnerships

► Attach to Form 1065 or Form 1065-B.
 ► See separate instructions.

69-0000005 OMB No. 1545-0099

2011

Employer identification number Name of partnership **Shoebill Unlimited** 69-000005 This Schedule M-3 is being filed because (check all that apply): The amount of the partnership's total assets at the end of the tax year is equal to \$10 million or more. В ☑ The amount of the partnership's adjusted total assets for the tax year is equal to \$10 million or more. If box B is checked, enter the amount of adjusted total assets for the tax year 71,419,054 . C The amount of total receipts for the tax year is equal to \$35 million or more. If box C is checked, enter the total receipts for the tax year 60,582,694 D An entity that is a reportable entity partner with respect to the partnership owns or is deemed to own an interest of 50 percent or more in the partnership's capital, profit, or loss, on any day during the tax year of the partnership. Name of Reportable Entity Partner Identifying Number Maximum Percentage Owned or Deemed Owned ☐ Voluntary Filer. Part I Financial Information and Net Income (Loss) Reconciliation 1a Did the partnership file SEC Form 10-K for its income statement period ending with or within this tax year? Yes. Skip lines 1b and 1c and complete lines 2 through 11 with respect to that SEC Form 10-K. **No.** Go to line 1b. See instructions if multiple non-tax-basis income statements are prepared. Did the partnership prepare a certified audited non-tax-basis income statement for that period? Ves. Skip line 1c and complete lines 2 through 11 with respect to that income statement. No. Go to line 1c. Did the partnership prepare a non-tax-basis income statement for that period? ☐ **Yes.** Complete lines 2 through 11 with respect to that income statement. □ No. Skip lines 2 through 3b and enter the partnership's net income (loss) per its books and records on line 4a. 01 / 01 / 2011 Enter the income statement period: Beginning Ending 12 / 3a Has the partnership's income statement been restated for the income statement period on line 2? Yes. (If "Yes," attach an explanation and the amount of each item restated.) ✓ No. b Has the partnership's income statement been restated for any of the five income statement periods preceding the period on line 2? ☐ **Yes.** (If "Yes," attach an explanation and the amount of each item restated.) Worldwide consolidated net income (loss) from income statement source identified in Part I, line 1 16,839,091 4a Indicate accounting standard used for line 4a (see instructions): ~ **GAAP** 2 IFRS 704(b) 4 5 Other: (Specify) ▶ Tax-basis Net income from nonincludible foreign entities (attach schedule) 5a Net loss from nonincludible foreign entities (attach schedule and enter as a positive amount) 5b Net income from nonincludible U.S. entities (attach schedule) Net loss from nonincludible U.S. entities (attach schedule and enter as a positive amount) 6b 7a Net income (loss) of other foreign disregarded entities (attach schedule) 7a Net income (loss) of other U.S. disregarded entities (attach schedule) 7b 8 Adjustment to eliminations of transactions between includible entities and nonincludible entities 8 9 Adjustment to reconcile income statement period to tax year (attach schedule) 9 10 10 Other adjustments to reconcile to amount on line 11 (attach schedule) 11 Net income (loss) per income statement of the partnership. Combine lines 4a through 10 . 11 16.839.091 Note. Part I, line 11, must equal the amount on Part II, line 26, column (a). Enter the total amount (not just the partnership's share) of the assets and liabilities of all entities included or removed on the following lines: 12 Total Assets **Total Liabilities** Included on Part I, line 4 71,419,054 36,504,982 Removed on Part I, line 5 Removed on Part I, line 6 Included on Part I, line 7

ebill Unlimited 69-000005

Name of partnership

Shoebill Unlimited

69-0000005

Part II Reconciliation of Net Income (Loss) per Income Statement of Partnership with Income (Loss) per Return

	netuiii				
	Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
	(Attach schedules for lines 1 through 9)				
1	Income (loss) from equity method foreign corporations				
2	Gross foreign dividends not previously taxed				
3	Subpart F, QEF, and similar income inclusions				
4	Gross foreign distributions previously taxed				
5	Income (loss) from equity method U.S. corporations				
6	U.S. dividends				
7	Income (loss) from U.S. partnerships	23,712			23,712
8	Income (loss) from foreign partnerships				
9	Income (loss) from other pass-through entities				
10	Items relating to reportable transactions (attach details)				
11	Interest income (attach Form 8916-A)				
12	Total accrual to cash adjustment				
13	Hedging transactions				
14	Mark-to-market income (loss)				
15	Cost of goods sold (attach Form 8916-A)	()		()
16	Sale versus lease (for sellers and/or lessors)				
17	Section 481(a) adjustments				
18	Unearned/deferred revenue				
19	Income recognition from long-term contracts				
20	Original issue discount and other imputed interest .				
21a	Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities .	150,000			
b	Gross capital gains from Schedule D, excluding amounts from pass-through entities				
С	Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				150,000
d	Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses .				
е	Abandonment losses				
f	Worthless stock losses (attach details)				
g	Other gain/loss on disposition of assets other than inventory				
22	Other income (loss) items with differences (attach schedule)				
23	Total income (loss) items. Combine lines 1 through 22	173,712			173,712
24	Total expense/deduction items. (from Part III, line				
	31) (see instructions)	(1,846,744)		923,372	(923,372)
25	Other items with no differences	18,512,123			18,512,123
26	Reconciliation totals. Combine lines 23 through 25	16,839,091		923,372	17,762,463

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Schedule M-3 (Form 1065) 2011

Page 2

Part III

ebill Unlimited 69-0000005

Name of partnership

Shoebill Unlimited

69-0000005

Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return—Expense/Deduction Items

	neturii—Expense/Deduction Items				
	Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	State and local current income tax expense				
2	State and local deferred income tax expense				
3	Foreign current income tax expense (other than				
J	foreign withholding taxes)				
4	Foreign deferred income tax expense				
5	Equity-based compensation				
6	Meals and entertainment	1,846,744		(022 272)	022 272
		1,040,744		(923,372)	923,372
7	Fines and penalties				
8	Judgments, damages, awards, and similar costs				
9	Guaranteed payments				
10	Pension and profit-sharing				
11	Other post-retirement benefits				
12	Deferred compensation				
13	Charitable contribution of cash and tangible				
	property				
14	Charitable contribution of intangible property				
15	Organizational expenses as per Regulations section 1.709-2(a)				
16	Syndication expenses as per Regulations section 1.709-2(b)				
17	Current year acquisition/reorganization investment banking fees				
18	Current year acquisition/reorganization legal and accounting fees				
19	Amortization/impairment of goodwill				
20	Amortization of acquisition, reorganization, and				
20	start-up costs				
21	Other amortization or impairment write-offs				
22	Section 198 environmental remediation costs				
23a					
23a b	Depletion—Oil & Gas				
24	Intangible drilling & development costs				
24 25					
	Depreciation				
26 27	Bad debt expense				
27	Interest expense (attach Form 8916-A)				
28	Purchase versus lease (for purchasers and/or lessees)				
29	Research and development costs (attach schedule) .				
30	Other expense/deduction items with differences (attach schedule)				
31	Total expense/deduction items. Combine lines 1				
	through 30. Enter here and on Part II, line 24,				
	reporting positive amounts as negative and negative				
	amounts as positive	1,846,744		(923,372)	923,972)

Schedule M-3 (Form 1065) 2011

Page 3

Schedule k	(-1
Form 1065	5)

2011 For calen

		-
ndar yeaı	2011, or tax	
inning	01/01	, 2011

dar year	2011, or tax	
nning	01/01	, 2011

Final K-1

Amended K-1 Part III Partner's Share of Current Year Income,

Deductions, Credits, and Other Items

Partner's Share o	f Income, Deductions,
Credits. etc.	► See back of form and separate instructions

Department of the Treasury Internal Revenue Service	For calendar year 2011, or tax year beginning $01/01$, 2011	1	Ordinary business income (loss) 3,043,345	15	Credits
Partner's Share of Inc	ending $12/31$, 20 11	. 2	Net rental real estate income (loss) 257,376		
A 111 1	See back of form and separate instructions	3 i.	Other net rental income (loss)	16	Foreign transactions
	oout the Partnership	4	Guaranteed payments		
A Partnership's employer identific 69	cation number -000005	5	Interest income		
B Partnership's name, address, o	city, state, and ZIP code		442,901		
Shoebill Unlimited		6a	Ordinary dividends		
5551 Elliot Road		6b	Qualified dividends		
Salt Lake City, UT 8	34101	7	Develties		
C IRS Center where partnership f		┤ ′	Royalties 637,500		
Ogden		8	Net short-term capital gain (loss)		
D Check if this is a publicly to	aded partnership (PTP)	9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
Part II Information Ab	oout the Partner	94	Net long-term capital gain (loss)	''	Alternative minimum tax (Alvir) items
E Partner's identifying number	0-40-0001	9b	Collectibles (28%) gain (loss)		A 200,000
F Partner's name, address, city,	state, and ZIP code	9с	Unrecaptured section 1250 gain		
David Boxwood		10	Net section 1231 gain (loss) 59,495	18	Tax-exempt income and nondeductible expenses
348 Nixon Circle		11	Other income (loss)		
Boise, ID 83708					
G General partner or LLC member-manager	Limited partner or other LLC member				
H X Domestic partner	Foreign partner				
				19	Distributions
What type of entity is this partn		. 12	Section 179 deduction		
J Partner's share of profit, loss, a Beginning	ind capital (see instructions): Ending	13	Other deductions		
Profit	25 % 25 %			20	Other information
Loss	25 _% 25 _% 25 _%				
Capital	25 %				
K Partner's share of liabilities at y	ear end:				A 442,901
Nonrecourse		. 14	Self-employment earnings (loss) A 3,300,721		
Qualified nonrecourse financing Recourse	9		A 3,300,721		
necourse			B 700,205 C 3,300,721		
L Partner's capital account analy		*Se	ee attached statement for add	litiona	al information.
Beginning capital account .					
Capital contributed during the y	4 000 550				
Withdrawals & distributions	\$ (·			
Ending capital account	0 700 517				
	AD	For IRS Use Only			
Tax basis SA	AP Section 704(b) book	l RS			
Carior (expidin)		Por			
1	perty with a built-in gain or loss?				
Yes X No					
If "Yes," attach statement	(see instructions)				

Sched	ule	K-1
Form	106	35)

Amended K-1

Final K-1

03-0000	
OMB No.	1545-0099

	m 1065)		2011	Pá		Partner's Snare of Deductions, Credi		rent Year Income, nd Other Items
Depart	tment of the Treasury al Revenue Service	year beg	,=	1		business income (loss) 3,043,345	15	Credits
			ing 12/31, 20 11	2	Net renta	I real estate income (loss) 257,376		
	tner's Share of In dits, etc.	,	ICTIONS, rm and separate instructions.	3	Other ne	t rental income (loss)	16	Foreign transactions
P	art I Information	About the Pa	rtnership	4	Guarante	eed payments		
Α	Partnership's employer iden	tification number 59-0005		5	Interest i	ncome		
В	Partnership's name, address		P code		III TOTOGET	442,901		
Sho	ebill Unlimited			6a	Ordinary	dividends		
	1 Elliot Road			6b	Qualified	dividends		
	t Lake City, UT	84101		L_	D 11:			
C	IRS Center where partnershi			7	Royalties	637,500		
0gd	•	ip mod rotarri		8	Net shor	t-term capital gain (loss)		
D	Check if this is a publicl	y traded partnership	(PTP)	9a	Net long	-term capital gain (loss)	17	Alternative minimum tax (AMT) items
Pa	art II Information	About the Pa	rtner	""	iver long.	rterm capital gain (1033)	''	Alternative minimum tax (Aivir) items
E	Partner's identifying number 0	r 00-40-0002		9b	Collectib	les (28%) gain (loss)		A 200,000
F	Partner's name, address, cit	ty, state, and ZIP co	de	9с	Unrecap	tured section 1250 gain		
Jos	hua Plum			10	Net secti	on 1231 gain (loss)	18	Tax-exempt income and
289	4 N 6352 South			11	Other inc	59,495 come (loss)		nondeductible expenses
Ren	o, NV 89510			'''	Other inc	ome (1033)		
G	General partner or LLC member-manager		ted partner or other LLC nber					
н	X Domestic partner	Fore	eign partner					
	What type of entity is this pa	artner? In	dividual	12	Section 1	179 deduction	19	Distributions
i	Partner's share of profit, loss							
Ĭ	Beginning	25	Ending	13	Other de	ductions		
	Profit	25 _%	25 _% 25 _%				20	Other information
	Loss Capital	25 %	25 %					
k	Partner's share of liabilities a	at year and						A 442,901
ı	Nonrecourse	=		14	Self-emp	loyment earnings (loss)		
ı	Qualified nonrecourse finance							
	Recourse	\$						
L	Partner's capital account an	alysis:		*Se	ee attach	ed statement for add	litiona	al information.
1	Beginning capital account .		4,393,744					
1	Capital contributed during the Current year increase (decre		125,000 4,209,773					
1	Withdrawals & distributions	· · \$ ()	اج				
	Ending capital account	\$	8,728,517	e Only				
	Tax basis	GAAP 🗌 S	ection 704(b) book	S Use				
	Other (explain)	Gr.€1	554511 104(b) DOOK	For IRS				
м	Did the partner contribute pr		n gain or loss?	"				
	Yes X 1)					

Sched	ule K-1
Form	1065)

Amended K-1 nare of Current Year Income,

15 Credits

Schedule K-1	2011	Pa	art III Partner's Share o	f Cur	rent Year Incon
(Form 1065)			Deductions, Cred	its, a	nd Other Items
Department of the Treasury	For calendar year 2011, or tax	1	Ordinary business income (loss)	15	Credits

calendar year 2011, or tax

beginning 01/01 2011 3,043,345

Final K-1

Intern	al Revenue Service year beginning 01/01 , 2011		3,043,345		
	ending 12/31, 20 11	2	Net rental real estate income (loss) 257,376		
Par	tner's Share of Income, Deductions,	3		16	Foreign transactions
Cre	edits, etc. See back of form and separate instructions		Other net rental income (loss)	16	Foreign transactions
	Part I Information About the Partnership	4	Guaranteed payments		
Α .	Partnership's employer identification number 69 – 000005	5	Interest income		
		┨ `	442,901		
В	Partnership's name, address, city, state, and ZIP code	6a	Ordinary dividends		
Sho	pebill Unlimited				
555	51 Elliot Road	6b	Qualified dividends		
Sal	lt Lake City, UT 84101	7	Royalties		
С	IRS Center where partnership filed return	┨ `	637,500		
Ogd		8	Net short-term capital gain (loss)		
D	Check if this is a publicly traded partnership (PTP)				
-	Greek in this to a pashely traded partitioning (* 11)	9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
P	art II Information About the Partner				
E	Partner's identifying number	9b	Collectibles (28%) gain (loss)		
_	69-400004				
F	Partner's name, address, city, state, and ZIP code	9с	Unrecaptured section 1250 gain		
Red	lbird Trees	10	Net section 1231 gain (loss)	18	Tax-exempt income and
1		"	59,495	.0	nondeductible expenses
1/2/	72 West Truman Ave	11	Other income (loss)	1	
Sac	cramento, CA 95813				
G	General partner or LLC X Limited partner or other LLC				A 200,000
	member-manager member				
н	■ Domestic partner			İ	
İ				19	Distributions
ı	What type of entity is this partner? Partnership	12	Section 179 deduction		
J	Partner's share of profit, loss, and capital (see instructions):				
	Beginning Ending	13	Other deductions		
	Profit 25 % 25 %			20	Other information
	Loss 25 % 25 %				
	Capital 25 % 25 %				
1					A 442,901
K	Partner's share of liabilities at year end:				, , ,
	Nonrecourse \$	14	Self-employment earnings (loss)		
	Qualified nonrecourse financing . \$				
	Recourse				
	Partner's capital account analysis:	*Se	ee attached statement for add	litiona	al information.
-	Beginning capital account \$ 4,393,744				
	Capital contributed during the year \$ 125,000				
	Current year increase (decrease) \$ 4,209,773				
	Withdrawals & distributions \$ (<u></u>			
	Withdrawals & distributions \$ () Ending capital account \$ 8,728,517	Įδ			
		Jse			
	☐ Tax basis ▼ GAAP ☐ Section 704(b) book	or IRS Use Only			
	Other (explain)	≝			
1		Ō			

If "Yes," attach statement (see instructions)

Yes

Did the partner contribute property with a built-in gain or loss? X No

Sched	ule K-1
Form	1065)

	Davidus	aula C	L	- 4	$\overline{}$
Fir	nal K-1		Amen	ded	K-

69-0000 00	
OMB No.	1545-0099

(Form 1065)		2011	Pa		Partner's Snare of Deductions, Credi		rent Year Income, nd Other Items
Department of the Treasury Internal Revenue Service	year beginnir	, , , , , , , , , , , , , , , , , , , ,	1	_	pusiness income (loss) 3,043,345	15	Credits
D		12/31 , 20 11	2	Net rental	real estate income (loss) $257 \; \text{,} \; 376$		
Partner's Share of In Credits, etc.	,	IIONS, and separate instructions.	3	Other net	rental income (loss)	16	Foreign transactions
Part I Information	About the Partn	ership	4	Guarante	ed payments		
A Partnership's employer iden	tification number 59-000005		5	Interest in	ncome		
B Partnership's name, address		de			442,901		
Shoebill Unlimited			6a	Ordinary	dividends		
5551 Elliot Road			6b	Qualified	dividends		
Salt Lake City, UT	84101		7	Povaltion			
C IRS Center where partnersh			┤ ′	Royalties	637,500		
Ogden			8	Net short	-term capital gain (loss)		
D Check if this is a public	y traded partnership (P1	ΓP)	9a	Net long-	term capital gain (loss)	17	Alternative minimum tax (AMT) items
Part II Information	About the Partn	er			tom capital gam (1995)		7.110.110.110
E Partner's identifying number			9b	Collectibl	es (28%) gain (loss)		A 200,000
F Partner's name, address, cit			9c	Unrecapt	ured section 1250 gain		
Tony Cypress			10	Net section	on 1231 gain (loss)	18	Tax-exempt income and
4810 South 19 West			11	Other inc	59,495 ome (loss)		nondeductible expenses
San Francisco, CA	94104		''	Other inc	ome (ioss)		
G General partner or LLC member-manager	X Limited member	partner or other LLC					
H X Domestic partner	Foreign	partner					
What type of entity is this pa	urtner? Ind	ividual	12	Section 1	79 deduction	19	Distributions
J Partner's share of profit, loss		actions):					
Beginning	25 %	Ending 25	13	Other dec	ductions	20	Other information
Profit Loss	25 %	25 _% 25 _%				20	Other information
Capital	25 %	25 %					
K Partner's share of liabilities a	at veer end.						A 442,901
K Partner's share of liabilities a Nonrecourse			14	Self-emp	loyment earnings (loss)		
Qualified nonrecourse finance							
Recourse	\$						
L Partner's capital account an	alysis:		*Se	ee attach	ed statement for add	litiona	al information.
Beginning capital account .		4,393,744					
Capital contributed during the Current year increase (decre		125,000 4,209,773					
Withdrawals & distributions	\$ ()	<u> </u>				
Ending capital account	\$	8,728,517	e Only				
Tax basis	GAAP Section	on 704(b) book	S Use				
Other (explain)		704(b) book	For IRS				
M Did the partner contribute p	roperty with a built-in ga	ain or loss?	ا آج				
Yes X !							
ıı res, attacırstateme	iii (acc iiialiuuliuiia)		1				

ABC Oil And Gas LP 69-000006

TEST SCENARIO 6

FORMS REQUIRED: 1065-B, 1125-A, 4797, Schedule K-1 (F1065-B) (100), Form 8453-B,

Dependencies

ATTACHMENTS:

Itemized Other Deductions Schedule Inventoriable Costs Paid Schedule Other Current Assets Statement

Income Expenses Recorded On Books Not On Schedule K Statement

Itemized Deductions Not Charged Against Books Statement

BINARY ATTACHMENTS: Scanned Form 8453-B (8453 Signature Document)

HEADER INFO:

Tax Period: Calendar Year 2011

Preparer Firm: Electronic Tax Filers, Inc 69-0000098

1065 Efile Drive Anytown, TX 79001

Multiple Software Packages Used: Yes or No

Originator: EFIN: Self-select

Type: Self-select Practitioner PIN: None PIN Entered by – N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1065-B

Filer: EIN: 69-0000006

Name: ABC Oil and Gas L P Name Control: ABCO Address: 28 Oil Rig Rd Anytown, TX 79001

Partner: Name: Jonathan Walker

Title: Chief Executive Officer

Taxpayer PIN: N/A Phone: 555-555

Email Address: Anymail@email.com

Date Signed: 04/01/2012

Preparer: Name: Jane Doe

PTIN: P00000006 Phone: 555-631-1212

Email Address: Anymail@email.com

Date Prepared: 04/10/2012

Self Employed: No

ABC Oil And Gas LP 69-000006

IRS PAYMENT: N/A

Details for attachments to Form

Attachment 1, Form 1065-B, Page 1, Line 23 (Itemized Other Deductions Schedule)

Type	Amount
Survey Costs	\$150,750
Permits	\$27,250
Professional Fees	\$46,140
Bank Fees	\$2,600

Attachment 2, Form 1125-A, Page 1, Line 5 (Inventoriable Costs Paid Schedule)

Туре	Amount
Other Costs	\$576,000

Attachment 3, Form 1065-B, Page 5, Schedule L, Line 6 (Schedule L Other Current Assets Statement)

Type	BOY Amount	EOY Amount
Prepaid Insurance	\$260,000	\$280,001
Other	\$1,600,720	\$1,630,110

Attachment 4, Form 1065-B, Page 5, Schedule M-1, Line 4 (Income Expenses Recorded On Books Not On Schedule K Statement)

Professional Fee	S57,140

Attachment 5, Form 1065-B, Page 5, Schedule M-1, Line 7 (Itemized Deductions Not Charged Against Books Statement)

Survey Cost	\$74,212

	1		ABC Oil And Gas LP U.S. Return of Income for							69-0000006 OMB No. 1545-1626			
Electing Large Partnerships Department of the Treasury Internal Revenue Service Electing Large Partnerships For calendar year 2011, or tax year beginning , 2011, and ending , 20 See separate instructions.							2011						
A Prir	Principal business activity Name of partnership				DE	D Employer identification number							
Mining				ABC Oil and Ga					69-0000006				
	•	•	uct or service	TYPE		d room or suite no. If a P.O. b	ox, see instruction	IS.	ED	E Date business started			
Oli & Gas				or PRINT							11/08/1999		
C Business code no. (see instructions) 211110					City or town, state,	, and ZIP code			FT	F Total assets (see instruc			
			•		Anytown, TX 79	Anytown, TX 79001			\$		5,61	7,088	
G H I J	Ch Nu	eck a eck a mber	applicable box accounting me of Schedules	thod: (1 K-1. Attac	Cash	(2) Name change (2) Accrual erson who was a partner a	(3) Oti	g the tax year ►	(4)		ed return		
Pa	rt I		Taxable In	come o	r Loss From F	Passive Loss Limitat	tion Activitie	<u> </u>					
	18		oss receipts or s		2,512,000	b Less returns and allowar			▶ 1c	;	2,512,000		
	2					·A)					576,000		
	3		Ū	•	ne 2 from line 1	′				1	1,936,000		
	4		•			ach Form 8825)							
e l	5				, , ,	vities (attach schedule)							
ncome	6					nerships, estates, and t							
<u>일</u>	7	Ne	et farm profit	t (loss) (at	tach Schedule I	F (Form 1040))			. 7				
	8	E	cess of net	short-teri	m capital gain o	ver net long-term capit	al loss (Schedi	ule D, line 16) .	. 8				
	9	Ne	et gain (loss)	from For	m 4797, Part II,	line 17 (attach Form 47	797)		. 9				
	10	O	ther income	(loss) (see	e instructions) (a	attach schedule)			. 10)			
	11	To	otal income	(loss). C	ombine lines 3 t	hrough 10			. 11		1,936,000		
	12	Sa	alaries and w	vages (oth	ner than to partr	ners) (less employment	credits)		. 12	2			
	13	G	uaranteed pa	ayments t	to partners .				. 13	3			
	14	Re	epairs and m	naintenan	ce				. 14	,			
	15	Ва	ad debts .	. 15	;								
	16	Re	Rent										
,	17	Ta	axes and lice	enses .					. 17	•			
uctions	18	In	terest						. 18	3			
ĕ∣	198	a De	epreciation a	and section									
ğ	k) Le	Less: depreciation reported on Form 1125-A and elsewhere on return 19b							С			
Ded	20	De	epletion .						. 20)	148,180		
_	21	Re	Retirement plans, etc										
	22	Er	mployee ben	nefit progr	rams				. 22	!			
	23				,				. 23	1	226,740		
	24	To	otal deducti	ons. Add	the amounts sh	nown in the far right col	umn for lines 1	12 through 23 .	. 24	<u> </u>	599,085		
	25					oss limitation activitie			. 25	_	1,336,915		
lax and Payments	26	Tax (see instructions). Check if from: a								,			
ĭ y a	27	Other payments. Check if from: a \square Form 2439 b \square Form 4136											
Pay	28								. 28				
	29				e excess of line	27 OVER TIME 26			. 29		holiof it is true	correct	
Sig	ın					artner or limited liability company							
He		:	Signature of ger	neral nartne	r or limited liability or	ompany member manager	Date			with th	he IRS discuss this he preparer shown structions)? Yes	n below	
			Print/Type pre			Preparer's signature	, Date	Date			PTIN		
Pai			1 3 70 0 0 0		=				Check	if	P0000000	106	
Pre			Eirm's nems	► Flect	ronic Tax Filers I	INC:		1	self-emp		69-000009		
Use	e O	nly	Firm's name		e-file Dr Anytow				Firm's E		(555) 631 <u>-</u> 55		

For Paperwork Reduction Act Notice, see separate instructions.

ABC Oil And Gas LP Form 1065-B (2011) Page 2

Part	Taxable Income or Loss From Other Activities		
1	Interest	550	
2a	Total ordinary dividends		
b	Qualified dividends		
С	Nonqualified dividends (subtract line 2b from 2a)		
3	Gross royalties		
4	Excess of net short-term capital gain over net long-term capital loss (Schedule D, line 19) 4		
5	Other income (loss) (see instructions) (attach schedule)		
6	Total income (loss). Add lines 1, 2c, 3, 4, and 5	550	
7	Interest expense on investment debts (attach Form 4952)		
8	State and local income taxes (see instructions)		
9	Charitable contributions (see instructions for limitations and required attachment)		
10a	Total miscellaneous itemized deductions		
b	Deductible amount. Multiply line 10a by 30%		
11	Other deductions (attach schedule)		
12	Total deductions. Add lines 7, 8, 9, 10b, and 11		
13	Taxable income (loss) from other activities. Subtract line 12 from line 6	550	
Sch	edule B Other Information (see instructions)		
1	What type of entity is filing this return? Check the applicable box:	Yes	No
а	□ Domestic general partnership b ☑ Domestic limited partnership		
С	☐ Domestic limited liability company d ☐ Domestic limited liability partnership		
е	☐ Foreign partnership f ☐ Other ►		
2	Are any partners in this partnership also partnerships?		~
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign		
	entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and		
	301.7701-3? If "Yes," see instructions for required attachment		/
4	Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805, and		
_	8813. (See instructions.)		/
5	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		~
6	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide		
	information on any reportable transaction?		~
7	At any time during calendar year 2011, did the partnership 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)? See instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name		
_	of the foreign country. ►		<u> </u>
8	During the tax year, did the partnership receive a distribution from, or was it the grantor to, or transferor to, a		
•	foreign trust? If "Yes," the partnership may have to file Form 3520		
9	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.		
	to this return.		

Form **1065-B** (2011)

ABC Oil And Gas LP Page 3 Form 1065-B (2011)

Sch	edule D Capital Gair lines 1 and 6	,	se Schedule D-1 (Form 1065) to list a	dditional trai	nsac	tior	ns for	
			al Gains and Los	ses-Assets Held	1 Year or Le	SS			
	(a) Description of property (e.g., 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or oth (see instruc	ner bas	sis	(f) Gain or (lo Subtract (e) fro	
1	01 2 00.,								
2	Enter short-term gain or (lo	ss), if any, from Sch	nedule D-1 (Form 10	65), line 2	·		2		
3	Short-term capital gain from	m installment sales	from Form 6252, line	e 26 or 37			3		
4	Short-term capital gain (los	ss) from like-kind ex	changes from Form	8824			4		
5	Net short-term capital ga	in or (loss). Combin	ne lines 1 through 4	in column (f)		.	5		
	Part II-Lo	ng-Term Capital	Gains and Losse	s-Assets Held M	ore Than 1	Year	•		
	(a) Description of property (e.g., 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or oth (see instruc		sis	(f) Gain or (lo Subtract (e) fro	
6	5: <u> </u>								
7	Enter long-term gain or (los	ss), if any, from Sch	edule D-1 (Form 106	65), line 8			7		
8	Enter gain from Form 4797	′, Part I				. [8		2,500
9	Long-term capital gain fror	m installment sales f	rom Form 6252, line	e 26 or 37		. [9		
10	Long-term capital gain (los	s) from like-kind exc	changes from Form	8824		. [-	10		
11	Net long-term capital gai	n or (loss). Combin	e lines 6 through 10	in column (f)		. [11		2,500
		Part I	II—Summary of I	Parts I and II					
12	Combine lines 5 and 11 an	d enter the net gain	(loss)		[12		2,500	
13	Enter excess of net short-t	erm capital gain (line	e 5) over net long-te	rm capital loss (line 1	1) [13			
14	Net capital gain or (loss).					14		2,500	
	Part IV-	-Net Capital Gai	n (Loss) From Pa	ssive Loss Limitat	ion Activitie	S			
15	Redetermine the amount of	n line 13 by taking i	nto account only ga	ins and losses from p	assive loss				
	limitation activities					15			
16	Excess of net short-term	capital gain over i	net long-term capi	tal loss. Enter the sm	aller of the				
	amount on line 13 or line 1					16			
17	Redetermine the amount of	n line 14 by taking i	nto account only ga	ins and losses from p	assive loss				
	limitation activities					17			
18	Net capital gain or (loss	•							
	positive or both negative,		f line 14 or line 17.	Otherwise, enter -0	Enter here				
	and on Schedule K, line 4a Note. When figuring wheth		is amallar tract be	th numbers as assisting	· · · ·	18			
	Note. when figuring wheth								
	F			From Other Activi					
19	Excess of net short-term		-		ne 16 from	10			
00	line 13. Enter here and on					19			
20	Net capital gain or (loss) Schedule K line 4h	nom other activiti	es. Subtract line 18	monnine 14. Enter r	iere and on	20		2.500	

ABC Oil And Gas LP 69-0000006 Form 1065-B (2011)

orm 10	065-B (2011)							Р	age 4
Sch	edule K Partne	ers' Shares of In	ncome, Credits	, Deductions, et	c.			•	
		(a) Di	istributive share i	tems			(b)	Total amount	
1a	Taxable income (los	s) from passive lo	ss limitation activi	ties (Part I, line 25)			1a	1,336,915	
b	Amount on line 1a a	Illocated to genera	al partners as:						
	(1) Taxable income	(loss) from trade of	or business activiti	es	1b(1) 668,	458			
	(2) Taxable income	(loss) from rental	real estate activitie	es	1b(2)				
	(3) Taxable income	, ,			_ ` '				
С	Total amount on line						1c		
d	Taxable income (los	_	•			Subtract			
	line 1c from line 1a	(report on Schedu	les K-1, box 1)				1d	668,457	
2	Taxable income (los						2	550	
3	Qualified dividends	from other activitie	es (Part II, line 2b)				3		
4a	Net capital gain (los						4a		
b	Net capital gain (los						4b	2,500	
5	Net passive alternat						5		
6	Net other alternative						6		
7	Guaranteed paymer						7		
8	Income from discha						8		
9	Tax-exempt interest	-					9		
10	General credits (see						10		
11	Low-income housin						11		
12	Rehabilitation credit						12		
13a	Net earnings (loss) f						13a	668,458	
b	Gross nonfarm inco						13b	668,458	
14a	Name of foreign cou	intry or U.S. nossi	ession >				100	000,400	
b	Gross income from	all sources					14b		
C	Gross income source						14c		
d	Foreign gross incom	•	•	,			140		
u	(1) Passive category	•	•				14d(1)		
	(2) General categor						14d(1)		
	(3) Other (attach sc						14d(3)		
_	Deductions allocate	•					144(3)		
е							140(1)	•	
	(1) Interest expense						14e(1)		
_	(2) Other						14e(2)		
•	Deductions allocate			_			4.45(4)		
	(1) Passive category						14f(1)		
	(2) General categor						14f(2)		
	(3) Other (attach so	,					14f(3)		
g	Total foreign taxes (14g		
_ h	Reduction in taxes a		•				14h		
15 Anab	Other items and am		be reported separ	ately to partners (a	attach schedule)				
	sis of Net Income			7 0		4 4			
1	Net income (loss). In	i column (b), add li	_		e resuit, subtract l		1	1,339	9,965
_	Analysis by	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership		xempt nization	(vi) Nominee/O	ther
2	partner type:		` '	(hassing)		organ	ıı∠au∪∏		
а	General partners		669,982						
b	Limited partners			669,983					

ABC Oil And Gas LP 69-000006 Form 1065-B (2011) 69-000006

Sch	edule L Balance Sheets per Book	S						
	Acceta		Begir (a)	nning of tax year (b)		End of (c)	tax year	(d)
4	Assets		(a)		- / F 010	(6)		(u)
1	Cash				65,010			
2a	Trade notes and accounts receivable							
b	Less allowance for bad debts							
3	Inventories					-		
4	U.S. government obligations					-		
5 6	Tax-exempt securities			1.0	360,720	-		
				1,0	500,720	-		
7a 7h	Loans to partners					-		
7b 8	Other investments (attach schedule)							
9a	Buildings and other depreciable assets .							
b	Less accumulated depreciation							
10a	Depletable assets		3,140,	260		3,140,260		
b	Less accumulated depletion		375,		765,120	523,320		2,616,940
11	Land (net of any amortization)		373,	2,1	10,000	323,320		2,010,740
12a	Intangible assets (amortizable only)				10,000			
b	Less accumulated amortization							
13	Other assets (attach schedule)							
14	Total assets			5,2	200,850	-		5,617,088
	Liabilities and Capital							
15	Accounts payable			4	170,588			205,366
16	Mortgages, notes, bonds payable in less than	1 year .				_		
17	Other current liabilities (attach schedule)					_		
18	Loans from shareholders					_		
19	All nonrecourse loans			2,2	254,137	_		1,205,380
20	Mortgages, notes, bonds payable in 1 year or					_		
21	Other liabilities (attach schedule)					-		
22	Partners' capital accounts			-	176,125	-		4,206,342
23	Total liabilities and capital		alsa M		200,850	v Detrum		5,617,088
Sche	edule M-1 Reconciliation of income Note. Schedule M-3 may be r							
1	Net income (loss) per books	1,357,037		,		ooks this year no	ot	
2	Income included on Schedule K, lines 1c			included on Sch	nedule ł	K, lines 1c throug		
	through 4b, and 8, not recorded on books			4b, and 8 (itemiz	,			
	this year (itemize):		а	Tax-exempt inte	rest \$			
	- <u>-</u>							
3	Guaranteed payments		_					
4	Expenses recorded on books this year					Schedule K, lines 1		
	not included on Schedule K, lines 1c					ot charged agains	st	
•	through 4b, and 14g (itemize): Depreciation \$			book income this	s year (it	emize):		
a b	Travel and entertainment \$		а	Survey		·		
b	Travel and entertainment ψ							
	Professional fees							74,212
			8					74,212
		57,140	9	Income (loss).	(Analysi	is of Net Incom	ie	
5	Add lines 1 through 4	1,414,177	7	(Loss), line 1.) Su	ùbtract l	line 8 from line 5		1,339,965
Sche	edule M-2 Analysis of Partners' Cap							
1	Balance at beginning of year	2,476,125	6	Distributions:	a Casl	h		
2	Capital contributed: a Cash	373,180	D		b Prop	perty		
	b Property		_		4			
3	Net income (loss) per books	1,357,037	7 7	Other decreases	(Itemiz	e):		
4	Other increases (itemize):			A -1 -1 11				
						Culturant line O from	_	0
5	Add lines 1 through 4	4,206,342	-	line 5	-	Subtract line 8 fror	11	4.206.342
•	/ NOW IN 100 LINDUNG 1 +	4,200.347	<u>- 1</u>	III I			1	4.200.347

Cost of Goods Sold

69-0000006

OMB No. 1545-XXXX

(December 2011)

Department of the Treasury Internal Revenue Service ► Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, and 1065-B.

Employer identification number 69-0000006 ABC Oil and GAS LP 1 1 Inventory at beginning of year 2 2 3 3 Additional section 263A costs (attach schedule) 4 4 576.00 5 Other costs (attach schedule) 5 **Total.** Add lines 1 through 5 6 6 576,00 7 7 8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the 576,00 appropriate line of your tax return (see instructions) 8 Check all methods used for valuing closing inventory: 9a (i) Cost (ii) Lower of cost or market (iii) ☐ Other (Specify method used and attach explanation.) ▶ Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed □ No If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," ☐ Yes ☐ No For Paperwork Reduction Act Notice, see separate instructions. Cat. No. 55988R Form **1125-A** (12-2011)

ABC Oil And Gas LP

Department of the Treasury Internal Revenue Service (99)

Name(s) shown on return

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

► Attach to your tax return.

► See separate instructions.

69-0000006 OMB No. 1545-0184

Attachment

Sequence No. 27 Identifying number

ABC	Oil And GAS LP						69-000	00006
1	Enter the gross proceeds substitute statement) that						1	
Pa	rt I Sales or Exchan Than Casualty of						sions	From Other
2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or o basis, plu improvements expense of s	is s and	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
Lan	d	07/01/2000	06/30/2009	12,500		1	0,000	2,500
3	Gain, if any, from Form 468	4. line 39					3	
4	Section 1231 gain from inst	•					4	
5	Section 1231 gain or (loss) f						5	
6	Gain, if any, from line 32, from		-				6	
	Combine lines 2 through 6.						7	2,500
7	Partnerships (except elecinstructions for Form 1065, Individuals, partners, S coline 7 on line 11 below and	ting large partner Schedule K, line 10 rporation shareho	rships) and S co), or Form 1120S, olders, and all oth). If line 7 is a gai	rporations. Report Schedule K, line 9. S ners. If line 7 is zero n and you did not h	the gain or (loss) f Skip lines 8, 9, 11, ar or a loss, enter the ave any prior year	following the and 12 below. amount from section 1231		2,300
	losses, or they were recap Schedule D filed with your r	eturn and skip lines	s 8, 9, 11, and 12	below.		gain on the		
8	Nonrecaptured net section	1231 losses from p	rior years (see ins	tructions)			8	
9	Subtract line 8 from line 7. I 9 is more than zero, enter	•						
	capital gain on the Schedule						9	
	t II Ordinary Gains							
10	Ordinary gains and losses n	ot included on lines	s 11 through 16 (ir	nclude property held	1 year or less):			
11	Loss, if any, from line 7.						11	
12	Gain, if any, from line 7 or a	mount from line 8,	if applicable .				12	
13	Gain, if any, from line 31						13	
14	Net gain or (loss) from Form	4684, lines 31 and	l 38a				14	
15	Ordinary gain from installme						15	
16	Ordinary gain or (loss) from	like-kind exchange	s from Form 8824				16	
17	Combine lines 10 through 1						17	
18	For all except individual retu and b below. For individual	•			e of your return and	l skip lines a		
а	If the loss on line 11 includes of the loss from income-pro-			(// //		•		
	used as an employee on Sch	0	•	,	•		18a	
b	Redetermine the gain or (los		•				18b	
								F 4707 (0011

Form 4797 (2011)

Pa	Gain From Disposition of Property Und (see instructions)	ler Se	ctions 1245, 1	250, 1252, 1	254,	and 1255		
19	(a) Description of section 1245, 1250, 1252, 1254, or 1255	5 prope	erty:			(b) Date acq (mo., day, y		(c) Date sold (mo., day, yr.)
A								
B								
C	: -							
D				T				
	These columns relate to the properties on lines 19A through 19D	.▶	Property A	Property	В	Property	С	Property D
20	Gross sales price (Note: See line 1 before completing.) .	20						
21	Cost or other basis plus expense of sale	21						
22	Depreciation (or depletion) allowed or allowable	22						
23	Adjusted basis. Subtract line 22 from line 21	23						
24	Total gain. Subtract line 23 from line 20							
25	If section 1245 property:	24						
	Depreciation allowed or allowable from line 22	25a						
	Enter the smaller of line 24 or 25a	25b						
26	If section 1250 property: If straight line depreciation was used,	200						
20	enter -0- on line 26g, except for a corporation subject to section 291.							
а	Additional depreciation after 1975 (see instructions) .	26a						
	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b						
С	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c						
d	Additional depreciation after 1969 and before 1976	26d						
е	Enter the smaller of line 26c or 26d	26e						
f	Section 291 amount (corporations only)	26f						
g	Add lines 26b, 26e, and 26f	26g						
	If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership). Soil, water, and land clearing expenses	27a 27b						
28	If section 1254 property:	27c						
а	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a						
b	Enter the smaller of line 24 or 28a	28b						
29 a	If section 1255 property: Applicable percentage of payments excluded from income under section 126 (see instructions)	29a						
	Enter the smaller of line 24 or 29a (see instructions) .	29b						
Sun	nmary of Part III Gains. Complete property colun	nns A	through D throu	gh line 29b b	efore	e going to lir	ıe 30.	
30	Total gains for all properties. Add property columns A thro	-					30 31	
31 32	Add property columns A through D, lines 25b, 26g, 27c, 26 Subtract line 31 from line 30. Enter the portion from casu other than casualty or theft on Form 4797, line 6	alty or	theft on Form 468	4, line 33. Ente	er the	portion from		
Par			l 280F(b)(2) Wh				32 50%	or Less
	(000 11.01.0010)					(a) Section 179	n	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable	in prior	vears		33			
34	Recomputed depreciation (see instructions)	•	-		34			
35	Recapture amount. Subtract line 34 from line 33. See the i				35			

69-0000006

☐ CORRECTED	□ PUBLICLY TI	RADED PARTNERSHIF)	
PARTNERSHIP'S name, street address	s, city, state, and ZIP code.	1 Taxable income (loss) from	OMB No. 1545-1626	
ABC OIL AND GAS LP		passive activities		Partner's Share
28 OIL RIG RD		13,370	2011	of Income (Loss)
ANYTOWN, TX 79001		2 Taxable income (loss) from		From an Electing
		other activities	•	Large Partnership
		6	Schedule K-1 (Form 1065-B)	Large Farthership
PARTNERSHIP'S Employer I.D. number	PARTNER'S identifying number	3 Qualified dividends		Сору А
69-0000006	000-50-0001			For Internal Revenue
PARTNER'S name		4a Net capital gain (loss) from	4b Net capital gain (lo	Service Center
JONATHAN WALKER		passive activities	from other activitie	9S
				File with Form 1065-B.
Street address (including apt. no.)		5 Net passive AMT adjustment	6 Net other AMT adju	ustment
1657 E FORKS RD				For Paperwork
		7 General credits	8 Low-income housing	ŭ
				Notice and instructions for
City, state, and ZIP code		9 Other		completing this
DAY CHORE NIV 11704		J1 13,370		form, see the
BAY SHORE, NY 11706		J2 13,370		2011 Instructions for Form 1065-B,
Partner's share of liabilities:		1		U.S. Return of
a Nonrecourse	\$ 12,554			Income for Electing
I .	\$			Large Partnerships.
c Other				
Schedule K-1 (Form 1065-	ח	No. 25437H	Department of	the Treasury - Internal Revenue Service

ABC Oil And Gas LP

Do NOT Cut or Separate Forms on This Page

Department of the Treasury - Internal Revenue Service

ABC Oil And Gas LP				69-000006
☐ CORRECTED	☐ PUBLICLY T	RADED PARTNERSHIP		_
PARTNERSHIP'S name, street address ABC OIL AND GAS LP 28 OIL RIG RD ANYTOWN, TX 79001	ss, city, state, and ZIP code.	Taxable income (loss) from passive activities 13,370 Taxable income (loss) from other activities 6	Schedule K-1	Partner's Share of Income (Loss) From an Electing Large Partnership
PARTNERSHIP'S Employer I.D. number	PARTNER'S identifying number	3 Qualified dividends		Сору А
69-000006 PARTNER'S name	000-50-0002	4a Net capital gain (loss) from	4b Net capital gain (lo	Internal Revenue Service Center
JULIUS CAESAR WALKER		passive activities	from other activitie	es Service Center
SOLIOS GALSAN WALKER				25 File with Form 1065-B
Street address (including apt. no.)		5 Net passive AMT adjustment	6 Net other AMT adju	ustment
1657 E FORKS RD		7 General credits	8 Low-income housing	Notice and
City, state, and ZIP code BAY SHORE, NY 11706		9 Other		instructions for completing this form, see the 2011 Instructions
Partner's share of liabilities:				for Form 1065-B U.S. Return of
a Nonrecourse	\$			Income for Electing Large Partnerships
Schedule K-1 (Form 1065		No. 25437H	Department of	the Treasury - Internal Revenue Service

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Cat. No. 25437H

ABC Cement Manufacturing 69-0000007

TEST SCENARIO 7

FORMS REQUIRED: 1065-B, 1125-A, 4562 (2), 8825, Schedule K-1(F1065-B) (100), Form 8453-B, Schedule M-3 (F1065), Schedule C (F1065), Dependencies

ATTACHMENTS:

Itemized Other Deductions Schedule Miscellaneous Item Statement Qualified Nonrecourse Financing Statement

BINARY ATTACHMENTS: Scanned Form 8453-B (8453 Signature Document)

HEADER INFO:

Tax Period: Calendar Year 2011

Preparer Firm: Electronic Tax Filers, Inc 69-0000098

1065 Efile Drive Anytown, WV 25001

Multiple Software Packages Used: Yes or No

Originator: EFIN: Self-select

Type: ERO

Practitioner PIN: None PIN Entered by – N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1065-B

Filer: EIN: 69-0000007

Name: ABC Cement Manufacturing

Name Control: ABCC Address: 100 Concrete Ln. Anytown, MN 55001

Partner: Name: John Macbeth

Title: President Taxpayer PIN: N/A Phone: 555-555-5555

Email Address: Anymail@email.com

Date Signed: 04/06/2012

Preparer: Name: Jane Jones

PTIN: P00000007 Phone: 555-631-1212

Email Address: Anymail@email.com

Date Prepared: 04/12/2012

Self Employed: No

ABC Cement Manufacturing 69-0000007

IRS PAYMENT: N/A

Details for attachments to Form

Attachment 1, Form 1065-B, Page 1, Line 23 (Itemized Other Deductions Schedule)

Type	Amount
Professional Fees	\$528,000
Permits	\$125,000
Insurance	\$325,000
Others	\$544,700

Attachment 2, Schedule K-1 (Form 1065-B), (Miscellaneous Items Statement)

Code NumberType	Code Name	Amount
A1	General Partners	\$3,477,193
B1	N/A	\$242,500

Attachment 3, Schedule K-1 (Form 1065-B) (Qualified Nonrecourse Financing Statement)

Explanation of Qualified Nonrecourse Financing

		ABC Cem	ent Man	ufacturing				_				69-0000007	7		
	1	065	_R		ι	J.S. Return o	of Income	e for				OMB No. 1545-	-1626		
Forn	n 📕	UUJ	- D		El	ecting Large	Partner	ships	3						
Depa	artment	of the Treas	ırv	For calend	dar year 2011, or	tax year beginning	, 2011,	and endi	ng	, 20	.	201	1		
		enue Service				► See separate							•		
A Pr	incipal	business ac	tivity		Name of partners	ship					D Employer identification nu				
Cer	ment I	Manufactu	ıring		ABC Cement N	Manufacturing						69-000000)7		
B Pr	incipal	product or	service	TYPE	Number, street,	and room or suite no. If a	P.O. box, see in	nstructions	S.		E Dat	e business start	ted		
Cer	ment			or	100 Concrete I	Ln						01/19/199	8		
		code no.		PRINT	City or town, sta						F Tota	al assets (see in		ions)	
(se	ee instr	ructions)			'	,						•		,	
		327300			Anytown, TX	55001					\$	1	7,565	,232	
	۵.					(a) 🗆 N	(2)				· · ·				
G		ck applica		•	. —	rn (2) Name ch		_	dress chang		(4) ∐ Ar	mended returr	n		
Н			-	=) Cash	(2) 🗸 Accrual			er (specify)						
ı						person who was a par	-	_	•	ar ►		100			
J	Che	ck if Sche	dule M-3	3 (Form 10	065) is attached						~				
Pa	art I				r Loss From	Passive Loss Li	mitation A	ctivities	S						
	1a	Gross rec	eipts or s	ales	41,175,200	b Less returns and a	allowances			c Ball	► 1c	41,175	,200		
	2	Cost of	goods	sold (att	ach Form 1125	5-A)					. 2	26,654	,578		
	3	Gross	orofit. S	ubtract li	ine 2 from line	1c					. 3	14,220	,622		
	4	Net ren	ıtal real	estate in	come (loss) (a	ttach Form 8825) .						485	,000		
ē	5	Net inc	ome (lo	ss) from	other rental ac	ctivities (attach sche	edule)				. 5				
ncome	6					tnerships, estates,									
ည	7		Net farm profit (loss) (attach Schedule F (Form 1040))												
_	8		Excess of net short-term capital gain over net long-term capital loss (Schedule D, line 16)												
	9					_									
	_	-	, ,		m Form 4797, Part II, line 17 (attach Form 4797)										
	10											44.705	(00		
	11					3 through 10						14,705			
	12			•	•	tners) (less employ		•				1,937	,201		
	13			-	-										
	14	•										1,036	,752		
	15	Bad de	bts .								. 15				
	16	Rent									. 16				
Ś	17	Taxes a	and lice	nses .							. 17	1,414	,186		
Ë	18	Interes ^a	t								. 18				
uctions	19a	Depred	iation a	nd section	on 179 expens	e deduction (see in	structions)	19a	447	7,655					
Ĕ	b	Less: d	eprecia	tion repo	rted on Form 1	125-A and elsewhe	re on return	19b	20	5,438	19c	421	,217		
Ded	20	Depleti	on .								. 20				
Ц	21	Retiren	nent pla	ıns, etc.							. 21	148	,180		
	22		•	efit progr	rams						. 22	786	,000		
	23				ch schedule)						. 23	1,522	,700		
	24					shown in the far rig				23		7,266			
												,			
	25	Taxabl	e incor	ne (loss)	from passive	loss limitation ac	tivities. Sub	tract line	e 24 from l	ine 11	. 25	7,439	386		
_ ഗ					Check if from:			rm 8611			. 26	77107	7000		
lax and Payments	27	•		ts. Check		a ☐ Form 2439		rm 4136			. 27				
žĚ	28		-			e 26 over line 27					. 28				
<u>a</u>	29										. 29				
			•			this return, including accom	npanying schedule			the best of		lge and belief it is	s true o	orrect	
Sig						partner or limited liability co									
-	- 1						ķ				Ì	May the IRS discu			
пе	ere	0:	.u.a -£	anal '	was limited to 1.00	company member mana	<u></u>					with the preparer (see instructions)?	shown I	below	
							ager / Date		Det-	-			55		
Pa	id	Print/	ype prep	oarer's nam	е	Preparer's signature			Date		Check _] if PTIN			
	epar	er 🕌									self-emplo	,	00000		
	e Or		s name	•	ronic Tax Filers						Firm's EIN	• •	000098		
			s address	▶ 1065	e-file Dr. Anyto	wn, TX 79001					Phone no.	(555-) 63	31-555	55	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 26265H

ABC Cement Manufacturing Form 1065-B (2011)

Page 2

Part	Taxable Income or Loss From Other Activities				
1	Interest	1	37	7,412	
2a	Total ordinary dividends				
b	Qualified dividends				
С	Nonqualified dividends (subtract line 2b from 2a)	2c			
3	Gross royalties	3			
4	Excess of net short-term capital gain over net long-term capital loss (Schedule D, line 19)	4			
5	Other income (loss) (see instructions) (attach schedule)	5			
6	Total income (loss). Add lines 1, 2c, 3, 4, and 5	6	37	7,412	
7	Interest expense on investment debts (attach Form 4952)	7			
8	State and local income taxes (see instructions)	8			
9	Charitable contributions (see instructions for limitations and required attachment)	9			
10a	Total miscellaneous itemized deductions				
b	Deductible amount. Multiply line 10a by 30%	10b			
11	Other deductions (attach schedule)	11			
12	Total deductions. Add lines 7, 8, 9, 10b, and 11	12			
13	Taxable income (loss) from other activities. Subtract line 12 from line 6	13	37	7,412	
Sch	edule B Other Information (see instructions)				
1	What type of entity is filing this return? Check the applicable box:			Yes	No
а	☐ Domestic general partnership b ☐ Domestic limited partnership				
С	✓ Domestic limited liability companyd ☐ Domestic limited liability partnership				
е	☐ Foreign partnership f ☐ Other ►				
2	Are any partners in this partnership also partnerships?				~
3	During the partnership's tax year, did the partnership own any interest in another partnership or	in any	foreign		
	entity that was disregarded as an entity separate from its owner under Regulations sections 30	01.7701	-2 and		
	301.7701-3? If "Yes," see instructions for required attachment				~
4	Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 88	04, 880	5, and		
	8813. (See instructions.)				
5	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?				
6	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Stateme	ent, to	provide		
	information on any reportable transaction?				
7	At any time during calendar year 2011, did the partnership have an interest in or a signature or other	authori	ty		
	over a financial account in a foreign country (such as a bank account, securities account, or other fin				
	account)? See instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," en	ter the	name		
	of the foreign country. ►				
8	During the tax year, did the partnership receive a distribution from, or was it the grantor to, or t		or to, a		
	foreign trust? If "Yes," the partnership may have to file Form 3520				~
9	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partners	hips, a	ttached		
	to this return. ▶ 0				

rm 1065-B (2011) Page **3**

Sch	-	•	se Schedule D-1 (I	Form 1065) to list a	additional trar	ısa	ctior	ns for	
	lines 1 and 6	,	al Gains and Loss	ses-Assets Held	1 Vear or Le	99			
	(a) Description of property	1	(c) Date sold					(6) Coin or (1	
	(e.g., 100 shares	(b) Date acquired (month, day, year)	(month, day, year)	(d) Sales price (see instructions)	(e) Cost or othe (see instruct			(f) Gain or (I Subtract (e) fr	
1	of "Z" Co.)								
•									
2	Enter short-term gain or (lo	ss), if any, from Sch	edule D-1 (Form 10	65), line 2			2		
3	Short-term capital gain from	m installment sales t	from Form 6252, line	26 or 37			3		
4	Short-term capital gain (los						4		
5	Net short-term capital ga						5		
		ng-Term Capital	Gains and Losse	s-Assets Held M	lore Than 1 \	ea (ır	1	
	(a) Description of property (e.g., 100 shares	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or other (see instruct			(f) Gain or (I Subtract (e) from	
6	of "Z" Co.)	(e.iii, aay, yeai)	(memin, day, year)	(0000010)	(000		·/	- Cubi. uot (0)	———
-									
7	Enter long-term gain or (los	ss), if any, from Sche	edule D-1 (Form 106	5), line 8			7		
8	Enter gain from Form 4797	', Part I				Ī	8		
9	Long-term capital gain from	n installment sales f	rom Form 6252, line	26 or 37			9		
10	Long-term capital gain (los						10		
11	Net long-term capital gai						11		
			II—Summary of F						
12	Combine lines 5 and 11 an	•	• •		-	12			-
13 14	Enter excess of net short-t Net capital gain or (loss).					13 14			┼
17				ssive Loss Limitat					<u> </u>
15	Redetermine the amount o		• •						Т
	limitation activities	in line to by taking i	nio account only ga		3433170 1033	15			
16	Excess of net short-term	capital gain over r	net long-term capit	al loss. Enter the sm	naller of the				
	amount on line 13 or line 1		-			16			<u> </u>
17	Redetermine the amount o	n line 14 by taking i	nto account only ga	ins and losses from p	passive loss				
	limitation activities					17			
18	Net capital gain or (loss								
	positive or both negative,		f line 14 or line 17.	Otherwise, enter -0-	. Enter here				
	and on Schedule K, line 4a Note. When figuring wheth	l				18			
	when			From Other Activi					
19	Excess of net short-term								
	line 13. Enter here and on	page 2, Part II, line 4				19			
20	Net capital gain or (loss)	from other activiti	es. Subtract line 18	from line 14. Enter h	nere and on				
	Schedule K, line 4b					20			

ABC Cement Manufacturing Form 1065-B (2011)

Page 4

Sch	edule K Partne	ers' Shares of Ir	ncome, Credits,	, Deductions, et	tc.			
		(a) Di	stributive share i	tems			(b)	Total amount
1a	Taxable income (los	s) from passive lo	ss limitation activit	ties (Part I, line 25))		1a	7,439,386
b	Amount on line 1a a	llocated to genera	ll partners as:					
	(1) Taxable income	(loss) from trade of	or business activiti	es	1b(1) 3,477,	193		
	(2) Taxable income	(loss) from rental r	real estate activitie	es	1b(2) 242,	500		
	(3) Taxable income	(loss) from other r	ental activities .		1b(3)			
С	Total amount on line	e 1a allocated to g	eneral partners. C	ombine lines 1b(1) through 1b(3)		1c	3,719,693
d	Taxable income (los	, .		ities allocated to I	limited partners. S	Subtract		
	line 1c from line 1a						1d	3,719,693
2	Taxable income (los	•	•	•			2	37,412
3	Qualified dividends						3	
4a	Net capital gain (los			•	•		4a	
b	Net capital gain (los	•	•	•			4b	
5	Net passive alternat		-				5	
6	Net other alternative	•					6	
7	Guaranteed paymer						7	
8	Income from discha	•					8	
9	Tax-exempt interest						9	
10	General credits (see	•					10	
11	Low-income housing						11	
12 13a	Rehabilitation credit Net earnings (loss) f		·				13a	3,719,693
b	Gross nonfarm inco						13b	3,719,693
14a							130	3,719,093
b	Name of foreign cou Gross income from	all sources					14b	
C	Gross income source						146 14c	
d	Foreign gross incom	-		,			140	
u	(1) Passive categor		· ·				14d(1)	
	(2) General categor	•					14d(2)	
	(3) Other (attach sci						14d(3)	
е	Deductions allocate						114(0)	
	(1) Interest expense						14e(1)	
	(2) Other						14e(2)	
f	Deductions allocate						(-)	
	(1) Passive categor						14f(1)	
	(2) General categor	•					14f(2)	
	(3) Other (attach sci						14f(3)	
g	Total foreign taxes (14g	
h	Reduction in taxes a	•					14h	
15	Other items and am		•		attach schedule)			
naly	sis of Net Income	(Loss)						
1	Net income (loss). In	column (b), add lii	nes 1c through 4b	, 7, and 8. From th	e result, subtract l	ine 14g	1	7,476,798
_	Analysis by	(i) Corporate	(ii) Individual	(iii) Individual	(iv) Partnership		xempt	(vi) Nominee/Other
2	partner type:	·	(active)	(passive)		organ	ization	
а	General partners		3,738,399					
h	Limited partners		i l	3 738 399	I .	1		1

Scn	Balance Sneets per Book	<u> </u>				
	_			ning of tax year	End of ta	
_	Assets		(a)	(b)	(c)	(d)
1	Cash			1,565,00	_	4,791,818
2a	Trade notes and accounts receivable		3,525,6		3,100,000	
b	Less allowance for bad debts		200,0			2,900,000
3	Inventories			3,211,14	6	2,816,414
4	U.S. government obligations				_	
5	Tax-exempt securities				_	
6	Other current assets (attach schedule) .				_	
7a	Loans to partners				_	
7b	Mortgage and real estate loans					
8	Other investments (attach schedule)		7.500.0	100	7.057.000	
9a	Buildings and other depreciable assets .		7,500,0		7,957,000	4 0E7 000
b	Less accumulated depreciation		1,500,0	6,000,00	0 1,900,000	6,057,000
10a	Depletable assets					
b 11	Less accumulated depletion Land (net of any amortization)			1,000,00		1 000 000
11 12a	Intangible assets (amortizable only)			1,000,00		1,000,000
b	Less accumulated amortization					
13	Other assets (attach schedule)					
14	Total assets			15,101,84	2	17,565,232
17	Liabilities and Capital			13,101,04		17,303,232
15	Accounts payable			944,23	1	157,620
16	Mortgages, notes, bonds payable in less than					,
17	Other current liabilities (attach schedule)					
18	Loans from shareholders					
19	All nonrecourse loans			12,000,00	0	6,000,000
20	Mortgages, notes, bonds payable in 1 year or					<u> </u>
21	Other liabilities (attach schedule)					
22	Partners' capital accounts			2,157,61	2	11,407,612
23	Total liabilities and capital			15,101,84	3	17,565,232
Sche	edule M-1 Reconciliation of Income	(Loss) per Boo	oks Wi	th Income (Loss) p	er Return	
OCITO	Note. Schedule M-3 may be re	equired instead	of Sched	dule M-1 (see instruct	ions).	
1	Net income (loss) per books		6 I	ncome recorded on	books this year not	
2	Income included on Schedule K, lines 1c			ncluded on Schedule	K, lines 1c through	
	through 4b, and 8, not recorded on books			1b, and 8 (itemize):		
	this year (itemize):		а	Γax-exempt interest \$		
			_			
3	Guaranteed payments		_			
4	Expenses recorded on books this year			Deductions included or		
	not included on Schedule K, lines 1c			hrough 4b, and 14g,		
	through 4b, and 14g (itemize):		k	book income this year	(itemize):	
а	Depreciation \$		a L	Depreciation \$		
b	Travel and entertainment \$		-			
			-			
			•	Nalal lines Const 7		
				Add lines 6 and 7 .		
_	Add lines 1 through 4			ncome (loss). (Analy		
5 Seba	Add lines 1 through 4	ital Accounts	(Loss), line 1.) Subtrac	t line o from line 5	
	Edule M-2 Analysis of Partners' Capi Balance at beginning of year		6 [Distributions: a Ca	nch .	
1 2	Capital contributed: a Cash	2,157,612	J L			
2	b Property	2,000,000		b Pr	operty	
3	Net income (loss) per books	7,250,000	7 (Other decreases (item	ize).	
4	Other increases (itemize):	1,230,000	,	Janor Goorgases (item		
7			8 <i>A</i>	 Add lines 6 and 7 .		0
				Balance at end of year		
5	Add lines 1 through 4	11 407 612		ine 5	. Juditadi iili o 0 IIOIII	11 407 612

69-0000007

Cost of Goods Sold

(December 2011)

Department of the Treasury Internal Revenue Service ► Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, and 1065-B.

OMB No. 1545-XXXX

ame		Employer identification number
ABC Cement Manufacturing		69-000007
1 Inventory at beginning of year	. 1	3,211,146
2 Purchases		22,247,630
3 Cost of labor	. 3	4,312,216
4 Additional section 263A costs (attach schedule)	. 4	
5 Other costs (attach schedule)	. 5	
6 Total. Add lines 1 through 5	. 6	29,770,992
7 Inventory at end of year	. 7	2,816,414
Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or appropriate line of your tax return (see instructions)		26,954,578
 9a Check all methods used for valuing closing inventory: (i) ✓ Cost (ii) ☐ Lower of cost or market (iii) ☐ Other (Specify method used and attach explanation.) b Check if there was a writedown of subnormal goods		
c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form	m 970) .	🕨 🗌
d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computunder LIFO		
e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?	?	🗹 Yes 🗌 No
f Was there any change in determining quantities, cost, or valuations between opening and closing attach explanation	,	· — —

Form **4562**

Depreciation and Amortization(Including Information on Listed Property)

► Attach to your tax return.

69-0000007 OMB No. 1545-0172

2011 Attachment Sequence No. 179

Department of the Treasury
Internal Revenue Service (99)

➤ See separate instructions.

tach to your tax return.

Business or activity to which this form relates Identifying number Name(s) shown on return **ABC CEMENT MANUFACTURING CEMENT MANUFACTURING** 69-0000007 **Election To Expense Certain Property Under Section 179** Part I Note: If you have any listed property, complete Part V before you complete Part I. 1 \$250,000 2 3 Threshold cost of section 179 property before reduction in limitation (see instructions) . \$800,000 4 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing 5 (a) Description of property (b) Cost (business use only) (c) Elected cost 6 7 Listed property. Enter the amount from line 29 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 8 9 Tentative deduction. Enter the smaller of line 5 or line 8 9 **10** Carryover of disallowed deduction from line 13 of your 2010 Form 4562 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) 11 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 12 13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12 Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.) Special depreciation allowance for qualified property (other than listed property) placed in service 14 15 **16** Other depreciation (including ACRS) 16 Part III MACRS Depreciation (Do not include listed property.) (See instructions.) 17 MACRS deductions for assets placed in service in tax years beginning before 2011 17 26,438 18 If you are electing to group any assets placed in service during the tax year into one or more general Section B-Assets Placed in Service During 2011 Tax Year Using the General Depreciation System (b) Month and year (c) Basis for depreciation (d) Recovery (a) Classification of property (f) Method placed in (business/investment use (e) Convention (g) Depreciation deduction service only-see instructions) 3-year property 5-year property c 7-year property d 10-year property e 15-year property **f** 20-year property g 25-year property S/L 25 yrs. h Residential rental 27.5 yrs. MM 9/1 property 27.5 yrs. MM S/L i Nonresidential real 39 yrs. ММ S/L property MM S/L Section C-Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System 20a Class life S/L 12 yrs. **b** 12-year **c** 40-year 40 yrs. MM S/L Part IV Summary (See instructions.) 21 Listed property. Enter amount from line 28 21 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions 22 26.438 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs 23

	4562 (2011) rt V Listed	l Propert	t v (Inclu	ude autoi	mobile	es, cer	tain ot	her v	ehicles	, cer	tain co	mputer	rs, and	prop		Page 2 ed for
	entert Note :	ainment, ı <i>For any ve</i>	recreation ehicle for	n, or amu <i>which you</i>	isemei <i>are us</i>	nt.) sing the	e standa	rd mile	eage rat	te or d	deductin				•	
		olumns (a)														
040		-Depreci														
248	Do you have ev		pport the bu	usiness/inves	stment u	se claim	ea? <u>(</u> e)	Yes	_ No _	240	If "Yes,"	is the evi		itten?	∐ Yes	∐ No
V	(a) e of property (list vehicles first)	(b) Date placed in service	Business/ investment us percentage	se Cost or o		is (busi	for depre iness/inves use only	stment)	(f) Recover period	Ć	(g) Method/ onvention		(h) preciation eduction	El	(i) ected sec cost	
25	Special dep the tax year															
26	Property use	ed more tha	an 50% in	a qualifie	d busin	ess us	e:									
				%												
				%						_						
	Durantan	-1.500/		%												
_27	Property use	ea 50% or		uaimed bu %	ısıness	use:				5/		_				
				%						5/						
				%						SI						
28	Add amount	s in columi	n (h), lines	25 throug	jh 27. E	Inter he	ere and	on line	21, pag	ge 1	. 28					
29	Add amount	s in colum	n (i), line 2	6. Enter h	ere and	d on line	e 7, pag	e1.						29		
	plete this secti			y a sole pr	oprieto	r, partne		ner "mo	re than	5% ov	vner," or					ehicles
to yo	our employees,	first answe	r the ques	tions in Sec	ction C	to see i	f you me	et an e	xceptior	n to co	mpleting	this sec	tion for	those ve	ehicles.	
30	Total business			•		(a) nicle 1		b) icle 2		(c) nicle 3	Ve	(d) hicle 4		e) icle 5		f) cle 6
	the year (do n Total commutir Total other p	ng miles drive	en during the	e year												
33	driven Total miles di			 Add lines												
34	30 through 32 Was the veh	icle availab		sonal use	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35	during off-dut Was the veh	icle used p	orimarily by	y a more												
36	than 5% own Is another veh		•													
30	is another ver			stions for	Emplo	yers V	⊥ Vho Pro	vide V	ehicles	for L	 Jse by T	heir Em	ployee	S		
	wer these que e than 5% ow			•			n to com	npleting	g Section	n B f	or vehicl	es used	by emp	oloyees	who ar	e not
37	Do you mair your employ			statemen	-		-	rsonal 	use of	vehicl	es, inclu	iding co	mmutin 	g, by	Yes	No
38	Do you main employees?					•										
	Do you treat Do you provuse of the ve	ride more t	han five v	ehicles to	your e	employ	ees, obt	 tain inf	 ormatic	 on from	 n your e	 employe	 es abou	 ut the		
41	Do you mee	t the requir	ements co	oncerning	qualifie	ed auto	mobile (
Par	Note: If your	tization	o1, da, d9,	, 40, Or 41	is res,	uu 110	Comple	ste 260	uon B T	or the	covered	veriicies	•			
ા	AIIIOI	LauUII		/h)								(e)				
		a) on of costs		(b) Date amortiza begins	ation	Amo	(c) ortizable a	mount		(d) Code se		Amortiz period percen	ation d or	Amortiza	(f) ation for th	nis year
42	Amortization	of costs the	at begins c	during your	2011 t	ax year	(see inst	tructior	ıs):							
			1		1				1				1			

43

44

43 Amortization of costs that began before your 2011 tax year **44 Total.** Add amounts in column (f). See the instructions for where to report.

Depreciation and Amortization (Including Information on Listed Property)

► Attach to your tax return.

69-0000007 OMB No. 1545-0172

Department of the Treasury Internal Revenue Service (99)

► See separate instructions.

Attachment Sequence No. 179 Identifying number 69-0000007 1 \$250,000 2 80,500 3 \$800,000 4 5 125,000 8 80,500 9 80,500 10 11 125,000 12 80,500 (See instructions.) 14 15 16 17 280.063 (g) Depreciation deduction

Business or activity to which this form relates Name(s) shown on return **ABC CEMENT MANUFACTURING CEMENT MANUFACTURING Election To Expense Certain Property Under Section 179** Part I Note: If you have any listed property, complete Part V before you complete Part I. Total cost of section 179 property placed in service (see instructions) Threshold cost of section 179 property before reduction in limitation (see instructions) . Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions 6 (a) Description of property (b) Cost (business use only) (c) Elected cost **DUMP TRUCK** 80,500 7 Listed property. Enter the amount from line 29 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 9 Tentative deduction. Enter the smaller of line 5 or line 8 **10** Carryover of disallowed deduction from line 13 of your 2010 Form 4562 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12 Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) Special depreciation allowance for qualified property (other than listed property) placed in service **16** Other depreciation (including ACRS) Part III MACRS Depreciation (Do not include listed property.) (See instructions.) 17 MACRS deductions for assets placed in service in tax years beginning before 2011 18 If you are electing to group any assets placed in service during the tax year into one or more general Section B-Assets Placed in Service During 2011 Tax Year Using the General Depreciation System (b) Month and year (c) Basis for depreciation (d) Recovery (a) Classification of property placed in (business/investment use (e) Convention (f) Method period service only-see instructions) 3-year property 5-year property 120,000 5 HY 200 DB 24,000 c 7-year property 256,500 HY 200 DB 36,654 d 10-year property e 15-year property f 20-year property g 25-year property S/L 25 yrs. h Residential rental 27.5 yrs. MM 9/1 property 27.5 yrs. MM S/L i Nonresidential real ММ S/L 39 yrs. property MM S/L Section C-Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System 20a Class life S/L 12 yrs. **b** 12-year **c** 40-year 40 yrs. MM S/L Part IV Summary (See instructions.) 21 Listed property. Enter amount from line 28 21 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions 22 421,217 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs 23

	4562 (2011)																Page 2
Pa			t y (Includ recreation,				taın ot	ther v	ehicles	s, ce	rtaın	com	puter	s, and	l prope	erty us	ed to
			ehicle for w through (c)										lease (expens	e, com _l	olete or	i ly 24a
			ation and													obiles.)	
248	Do you have e	vidence to su	pport the bus	iness/inves	stment u	se claime	ed? (e)	Yes	No	24b	If "Ye	s," is	the evic	lence wr	ritten?	Yes	No
	(a) e of property (list vehicles first)	(b) Date placed in service	Business/ investment use percentage		d) other bas		for depre ness/inve use only	stment	(f) Recove period		(g) Method Convent	- 1		(h) preciation duction	n Ele	(i) ected sectoricost	
25	Special dep											25					
26	Property use	ed more tha	an 50% in a	a qualifie	d busir	ness use	e:										
			%														
			% %														
27	Property use	d 50% or		lalified bu	ısiness	IISE.											
	Troporty doc	00700.	%		20111000	100.				SI	′L –						
			%								′L –						
			%								<u>L – </u>				_		
	Add amount Add amount			_						-	_	28			29		
_29	Add amount	.S III COIUITII	ii (i), iii le 20			- Infor			 se of Ve			• •			29		
	plete this sect our employees,			a sole pr	oprieto	r, partne	r, or oth	ner "mo	re than	5% o	wner,"						ehicles
30	Total busines			•		(a) nicle 1		b) icle 2		(c) hicle 3		(d Vehic			(e) icle 5		f) cle 6
31	Total commuti		_	•													
	Total other p	-	_	-													
33	Total miles d 30 through 32		the year. A							_					_		
34	Was the veh during off-during				Yes	No	Yes	No	Yes	N	o Y	es	No	Yes	No	Yes	No
35	Was the veh than 5% own																
36	Is another vel									1							
more	wer these que e than 5% ow	estions to d ners or rela	ated persor	you mee ns (see in	t an ex	ception ons).	to con	npletin	g Section	on B f	or veh	nicles	used	by emp	oloyees	who ar	
	Do you mair your employ	ees?														Yes	No
38	Do you main employees?					•						•		•	, ,		
39 40	Do you treat Do you provuse of the ve	ide more t	han five ve	hicles to	your e	employe	es, ob	tain inf	 formatio	on fro	m you	ır em	ployee	es abou			
41	Do you mee Note: If your													s.) .			
Pa	rt VI Amor	tization										,		,			
		a) on of costs	Da	(b) ate amortiza begins	ation	Amo	(c) rtizable a	mount		(d Code s			(e) Amortiza period percent	or	Amortiza	(f) ation for th	nis year
42	Amortization	of costs tha	at begins du	iring your	2011 t	ax year	(see ins	truction	ns):								
43	Amortization	of costs tl	hat began k	pefore yo	ur 201	1 tax ye	ar							43			

44

43 Amortization of costs that began before your 2011 tax year 44 Total. Add amounts in column (f). See the instructions for where to report . **ABC Cement Manufacturing**

Form **8825**(Rev. December 2010)

Department of the Treasury

Internal Revenue Service

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

► See instructions on back.

► Attach to Form 1065, Form 1065-B, or Form 1120S.

69-0000007

Employer identification number

OMB No. 1545-1186

ABC CEMENT MANUFACTURING 69-0000007 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties. Physical address of each property—street, city, Type-Enter code 1-8; Personal Use Days state, ZIP code see page 2 for list WAREHOUSE Α 200 METAMORPHIC RD, ANYTOWN, MN 55001 В C D **Properties Rental Real Estate Income** В С D 615,000 2 Gross rents 2 **Rental Real Estate Expenses** 3 Advertising 3 24,000 Auto and travel 4 Cleaning and maintenance . . 5 5 Commissions 6 26,500 Insurance 7 7 8 Legal and other professional fees 8 42,312 9 Interest 9 Repairs 10 10 10,750 11 Taxes 11 Utilities 12 12 13 Wages and salaries 13 Depreciation (see instructions) 14 26,438 14 Other (list) ▶ Total expenses for each property. Add lines 3 through 15 . . . 130,000 16 17 Income or (Loss) from each property. Subtract line 16 from line 2 17 615,000 **18a** Total gross rents. Add gross rents from line 2, columns A through H 18a **b** Total expenses. Add total expenses from line 16, columns A through H 18b 130,000 19 Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real 19 20a Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1) 20a b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed: (1) Name (2) Employer identification number 21 485,000 Net rental estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2, or • Form 1065-B: Part I, line 4

ABC Cement Manufacturing

Form 8825 (12-2010) Page **2**

1	Show the type and address of earntal value and days with person			ate property	listed, report the	e numb	per of days rented a	at fair	
	Physical address of each proper state, ZIP code	ty—st	reet, city,		Type—Enter code 1-8; see below for list		ays	Personal Use Da	ays
E									
F									
G									
Н									
				<u>'</u>		perties			
	Rental Real Estate Income		E		F	G	1	Н	
2	Gross rents	2							
_	Rental Real Estate Expenses								
	Advertising	3							
4	Auto and travel	5							
5	Cleaning and maintenance	6							
6 7	Insurance	7							
8	Legal and other professional fees	8							
9		9							
-	Repairs	10							
	Taxes	11							
	Utilities	12							
	Wages and salaries	13							
	Depreciation (see instructions)	14							
15	Other (list)								
] '							
16	Total expenses for each property.								
	Add lines 3 through 15	16							
17	Income or (Loss) from each property. Subtract line 16 from line 2	17							

Allowable Codes for Type of Property

- 1-Single Family Residence
- 2-Multi-Family Residence
- 3-Vacation or Short-Term Rental
- 4-Commercial
- 5-Land
- 6-Royalties
- 7-Self-Rental
- 8-Other (describe)

Form **8825** (12-2010)

SCHEDULE C (Form 1065)

ABC Cement Manufacturing
OULE C | Additional Information for Schedule M-3 Filers

69-0000007

OMB No. 1545-0099

(Rev. December 2011) Department of the Treasury Internal Revenue Service

▶ Attach to Form 1065. See separate instructions.

Name of partnership Employer identification number **ABC CEMENT MANUFACTURING** 69-0000007

		Yes	No
1	At any time during the tax year, were there any transfers between the partnership and its partners subject to the		
	disclosure requirements of Regulations section 1.707-8?		~
2	Do the amounts reported on Schedule M-3, Part II, lines 7 or 8, column (d), reflect allocations to this partnership from another partnership of income, gain, loss, deduction, or credit that are dispreparationate to this partnership's		
	from another partnership of income, gain, loss, deduction, or credit that are disproportionate to this partnership's		
	share of capital in such partnership or its ratio for sharing other items of such partnership?		
3	At any time during the tax year, did the partnership sell, exchange, or transfer any interest in an intangible asset to		
	a related person as defined in sections 267(b) and 707(b)(1)?		~
4	At any time during the tax year, did the partnership acquire any interest in an intangible asset from a related		
	person as defined in sections 267(b) and 707(b)(1)?		~
5	At any time during the tax year, did the partnership make any change in accounting principle for financial		
	accounting purposes? See instructions for a definition of change in accounting principle		V
6	At any time during the tax year, did the partnership make any change in a method of accounting for U.S. income		
•	tax purposes?		~
			_

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49945S

Schedule C (Form 1065) (Rev. 12-2011)

ABC Cement Manufacturing

SCHEDULE M-3 (Form 1065)

Name of partnership

Department of the Treasury Internal Revenue Service

Net Income (Loss) Reconciliation for Certain Partnerships

► Attach to Form 1065 or Form 1065-B.
 ► See separate instructions.

69-0000007 OMB No. 1545-0099

2011

Employer identification number

ABC (Cement Manufacturing					69-000	0007
This S	Schedule M-3 is being filed beca	use (check all that apply):					
Α	✓ The amount of the partnersh		he tax y	ear is equal to \$10 milli	on or more		
В		ip's adjusted total assets for th	-	·			is checked,
	enter the amount of adjusted			565,232			,
С	☑ The amount of total receipts	for the tax year is equal to \$35	millio	n or more. If box C is ch	necked, ent	er the to	tal receipts for
	the tax year41,827,612						
D	☐ An entity that is a reportabl	e entity partner with respect t	o the p	partnership owns or is	deemed to	own an	interest of 50
	percent or more in the partne	ership's capital, profit, or loss, e	on any	day during the tax year	of the partr	nership.	
	Name of Reportable E	Entity Partner	lo	lentifying Number			age Owned or
					De	eemed O	wned
	□ Mahantana Ellan						
E Part	☐ Voluntary Filer.	and Not Income (Less) De		liation			
		and Net Income (Loss) Re			thic toy you	۳)	
1a	Did the partnership file SEC Form Yes. Skip lines 1b and 1c an		-	_	-	.1 .	
	✓ No. Go to line 1b. See instru	-					
b	Did the partnership prepare a ce						
b	✓ Yes. Skip line 1c and comple			•	u:		
	No. Go to line 1c.	ste iiiles Z tiiiOugii 11 Witi11esp	Ject to	inat income statement.			
С	Did the partnership prepare a no	n-tax-hasis income statement	for tha	t neriod?			
Ū	☐ Yes. Complete lines 2 through			•			
	-	and enter the partnership's net			d records o	n line 4a	
2	Enter the income statement peri		1 /			/ 2011	
3a	Has the partnership's income st				•		-
	Yes. (If "Yes," attach an expl			·			
	☑ No.			,			
b	Has the partnership's income state	ement been restated for any of	the five	income statement perio	ds precedin	g the per	iod on line 2?
	☐ Yes. (If "Yes," attach an exp	anation and the amount of eac	h item	restated.)			
	✓ No.						
4a	Worldwide consolidated net inco	ome (loss) from income stateme	ent sou	rce identified in Part I, I	ine 1	4a	7,250,000
b	Indicate accounting standard us	:	:				
	1 🗹 GAAP 2 🗌	IFRS 3	704(b)			
	4 Tax-basis 5	Other: (Specify) ►					
5a	Net income from nonincludible f	`	•			5a (
b	Net loss from nonincludible fore				t	5b /	
6a	Net income from nonincludible U	•			+	6a (
b 7-	Net loss from nonincludible U.S.			·		6b	
7a	Net income (loss) of other foreig			·		7a	
b 8	Net income (loss) of other U.S. of	_			t	7b	
0	Adjustment to eliminations of (attach schedule)	transactions between including				8	
9	Adjustment to reconcile income				+	9	
10	Other adjustments to reconcile to			,		10	
11	Net income (loss) per income	· · · · · · · · · · · · · · · · · · ·			+	11	7,250,000
••	Note. Part I, line 11, must equa	-		•	[7,230,000
12	Enter the total amount (not just the				ed or remove	ed on the	following lines:
_	in the second control of the second control	Total Assets	u iidk	Total Liabilit			
а	Included on Part I, line 4		565,232		6,157,6	520	
b	Removed on Part I, line 5						
С	Removed on Part I, line 6						
d	Included on Part I, line 7						

Schedule M-3 (Form 1065) 2011

Part II

Name of partnership

ABC Cement Manufacturing

69-000007

Reconciliation of Net Income (Loss) per Income Statement of Partnership with Income (Loss) per Return

	Return				
	Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
	(Attach schedules for lines 1 through 9)				
1	Income (loss) from equity method foreign corporations				
2	Gross foreign dividends not previously taxed				
3	Subpart F, QEF, and similar income inclusions				
4	Gross foreign distributions previously taxed				
5	Income (loss) from equity method U.S. corporations				
6	U.S. dividends				
7	Income (loss) from U.S. partnerships				
8	Income (loss) from foreign partnerships				
9	Income (loss) from other pass-through entities				
10	Items relating to reportable transactions (attach details)				
11	Interest income (attach Form 8916-A)				
12	Total accrual to cash adjustment				
13	Hedging transactions				
14	Mark-to-market income (loss)				
15	Cost of goods sold (attach Form 8916-A)	()		()
16	Sale versus lease (for sellers and/or lessors)				
17	Section 481(a) adjustments				
18	Unearned/deferred revenue				
19	Income recognition from long-term contracts				
20	Original issue discount and other imputed interest .				
21a	Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities .				
b	Gross capital gains from Schedule D, excluding amounts from pass-through entities				
С	Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d	Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses .				
е	Abandonment losses				
f	Worthless stock losses (attach details)				
g	Other gain/loss on disposition of assets other than inventory				
22	Other income (loss) items with differences (attach schedule)				
23	Total income (loss) items. Combine lines 1 through 22				
24	Total expense/deduction items. (from Part III, line				
	31) (see instructions)	(737,801)	163,450	63,438	(511,003)
25	Other items with no differences	7,987,801			7,987,801
26	Reconciliation totals. Combine lines 23 through 25	7,250,000	163,450	63,348	7,476,798

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Part III

Page 3

Name of partnership Employer identification number

ABC Cement Manufacturing 69-0000007

Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return – Expense/Deduction Items

	neturii—Expense/Deduction items				
	Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	State and local current income tax expense				
2	State and local deferred income tax expense				
3	Foreign current income tax expense (other than				
Ū	foreign withholding taxes)				
4	Foreign deferred income tax expense				
5	Equity-based compensation				
6	Meals and entertainment	126,696		(62.240)	42 240
		120,090		(63,348)	63,348
7	Fines and penalties				
8	Judgments, damages, awards, and similar costs				
9	Guaranteed payments				
10	Pension and profit-sharing				
11	Other post-retirement benefits				
12	Deferred compensation				
13	Charitable contribution of cash and tangible property				
14	Charitable contribution of intangible property				
15	Organizational expenses as per Regulations section 1.709-2(a)				
16	Syndication expenses as per Regulations section 1.709-2(b)				
17	Current year acquisition/reorganization investment banking fees				
18	Current year acquisition/reorganization legal and accounting fees				
19	Amortization/impairment of goodwill				
20	Amortization of acquisition, reorganization, and start-up costs				
21	Other amortization or impairment write-offs				
22	Section 198 environmental remediation costs				
23a	Depletion—Oil & Gas				
b	Depletion—Other than Oil & Gas				
24	Intangible drilling & development costs				
2 5	Depreciation	611,105	(163,450)		447,655
26		011,103	(103,430)		447,000
27	Bad debt expense				
28	Purchase versus lease (for purchasers and/or lessees)				
29	Research and development costs (attach schedule) .				
30	Other expense/deduction items with differences				
	(attach schedule)				
31	Total expense/deduction items. Combine lines 1				
	through 30. Enter here and on Part II, line 24,				
	reporting positive amounts as negative and negative				
	amounts as positive	737,801	(163,450)	(63,348)	511,003

Schedule M-3 (Form 1065) 2011

ABC Cement Manufacturing

DIIDI		TDVDED	DADT	NERSHIP
PUDL	コレット・ド	LBADED	PARI	INEROUIE

☐ CORRECTED		KΑ	DED PARTNERSHIF			
PARTNERSHIP'S name, street address	s, city, state, and ZIP code.	1	Taxable income (loss) from	OMB No. 1545-1626]	
ABC CEMENT MANUFACTURIN	G		passive activities 74,394	2011		Partner's Share of Income (Loss)
ANYTOWN, MN 55001		2	Taxable income (loss) from other activities			From an Electing Large Partnership
			374	Schedule K-1 (Form 1065-B)		3 • • • • •
PARTNERSHIP'S Employer I.D. number	PARTNER'S identifying number	3	Qualified dividends			Copy A
69-000007	000-60-0001					For Internal Revenue
PARTNER'S name		4	Net capital gain (loss) from passive activities	4b Net capital gain (I		Service Center
JOHN MACBETH		ł	paderre acumino			File with Form 1065-B.
Street address (including apt. no.)		5	Net passive AMT adjustment	6 Net other AMT adj	ustment	
1168 BEECH ST		L				For Paperwork
		7	General credits	8 Low-income housi	ng credit	Reduction Act Notice and
City, state, and ZIP code		9	Other			instructions for completing this
CENTRAL ISLIP, NY 11722		1	1 74,394 2 74,394			form, see the 2011 Instructions for Form 1065-B,
Partner's share of liabilities:						U.S. Return of
a Nonrecourse						Income for Electing Large Partnerships.
b Qualified nonrecourse financing .	\$ 60,000	1]

Schedule K-1 (Form 1065-B)

Cat. No. 25437H

Department of the Treasury - Internal Revenue Service

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ABC Cement Manufacturing CORRECTED
PARTNERSHIP'S name, street address, cit

PUBLICLY TRADED PARTNERSHIP	☐ PUBLICLY TRADED PARTNERS	HIP
-----------------------------	----------------------------	-----

PARTNERSHIP'S name, street address	s, city, state, and ZIP code.	1	Taxable income (loss) from passive activities	OMB No. 1545-1626		
ABC CEMENT MANUFACTURIN	G		passive activities			Partner's Share
100 CONCRETE LN			74,394	2011		of Income (Loss)
ANYTOWN, MN 55001		2	Taxable income (loss) from	1		From an Electing
			other activities			Large Partnership
			374	Schedule K-1 (Form 1065-B)		
PARTNERSHIP'S Employer I.D. number	PARTNER'S identifying number	3	Qualified dividends			Copy A
69-0000007	000-60-0002					For Internal Revenue
PARTNER'S name		48	Net capital gain (loss) from passive activities	4b Net capital gain (lo		Service Center
JOHN CAPULET			passive activities	Hom other detivition	20	File with Form 1065-B.
						File with Form 1065-B.
Street address (including apt. no.)		5	Net passive AMT adjustment	6 Net other AMT adju	ustment	
1175 BEECH ST						For Paperwork
		7	General credits	8 Low-income housing	ng credit	Reduction Act
						Notice and instructions for
City, state, and ZIP code		9	Other	•		completing this
CENTRAL ISLIP, NY 11722						form, see the 2011 Instructions
Partner's share of liabilities:		4				for Form 1065-B,
						U.S. Return of
a Nonrecourse	\$					Income for Electing Large Partnerships.
b Qualified nonrecourse financing	\$60,000					Large Farmerships.
- 045		1				1

Schedule K-1 (Form 1065-B)

Cat. No. 25437H

Department of the Treasury - Internal Revenue Service

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Black Coal Industries LLC 69-000008

TEST SCENARIO 8

FORMS REQUIRED: 1065-B, 1125-A, 8308, Schedule K-1(F1065-B) (100), Schedule M-3 (F1065),

Schedule C (F1065),

ATTACHMENTS:

Itemized Other Deductions Schedule

BINARY ATTACHMENTS: None

HEADER INFO:

Tax Period: Calendar Year 2011

Preparer Firm: Electronic Tax Filers, Inc 69-0000098

1065 Efile Drive Anytown, WV 25001

Multiple Software Packages Used: Yes or No

Originator: EFIN: Self-select

Type: ERO
Practitioner PIN:
EFIN: Self-select
PIN: Self-select

PIN Entered by - ERO

Signature Option: PIN Number

Return Type: 1065-B

Filer: EIN: 69-0000008

Name: Black Coal Industries LLC

Name Control: BLAC Address: 100 Main St Anytown, WV 55001

Partner: Name: Bubba Christmas

Title: Chief Executive Officer

Taxpayer PIN: 0200 Phone: 555-555-555

Email Address: Anymail@email.com

Date Signed: 03/15/2012

Preparer: Name: John Dark

PTIN: P00000008 Phone: 555-631-1212

Email Address: Anymail@email.com

Date Prepared: 04/01/2012

Self Employed: No

IRS PAYMENT: N/A

Black Coal Industries LLC 69-0000008

Details for attachments to Form

Attachment 1, Form 1065-B, Page 1, Line 23 (Itemized Other Deductions Schedule)

Туре	Amount
Engineering	\$2,168,140
Permits	\$1,400,000
Legal and Accounting	\$1,600,320
Consulting	\$385,914

Form	1		k Coal Industi	ries LLC	U.	S. Return o	of Inco	me for				69-0000008 MB No. 1545-1626	3
Depa	rtmen	t of the	e Treasury Service	For calend	Ele dar year 2011, or ta	cting Large x year beginning See separate	, 2	011, and endin	Ig,	, 20		2011	
A Pri	ncipa	l busir	ness activity		Name of partnersh	ip					D Emplo	oyer identification n	number
Min					Black Coal Indu							69-0000008	
B Pri	ncipa	l prod	uct or service	TYPE		d room or suite no. If	a P.O. box, s	see instructions	•		E Date b	ousiness started	
Coa				or PRINT	100 Main St							08/03/1998	
		s code tructio			City or town, state,	and ZIP code					F Total a	assets (see instruc	tions)
		212	,		Anytown, TX 25	001					\$	20,44	0,320
G H I J	Ch Nu	eck a mber		thod: (1 K-1. Attac) Cash	(2) Name cl (2) Name cl (2) Accrual erson who was a pa	artner at an		er (specify) > the tax year)	ended return 100	
D۵	ırt l		Tavahla In	come oi	r I oss From F	Passive Loss Li	imitation	Δctivities	<u> </u>				
1 6	16		oss receipts or s		101,256,342	b Less returns and				c Bal ▶	1c	101,256,342	
	2					A)	L					58,332,511	_
	3		•	•	ine 2 from line 1	•						42,923,831	_
	4		•			ach Form 8825) .						, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_
ဉ	5				, , ,	vities (attach sch							
Ö	6			-		nerships, estates,	-						
Income	7		-	, ,	•	F (Form 1040)) .		•	•				
	8		•	. , .	rt-term capital gain over net long-term capital loss (Schedule D, line 16)								
	9				rm 4797, Part II, line 17 (attach Form 4797)								
	10	O	ther income	(loss) (see	e instructions) (a	attach schedule)					10		
	11	To	otal income	(loss). C	ombine lines 3 t	hrough 10					11	42,923,831	
	12					ners) (less employ						12,487,136	
	13	G	uaranteed pa	ayments t	to partners .						13		
	14	Re	epairs and m	naintenan	ce						14	4,842,657	
	15	Ва	ad debts .								15		
	16	Re	ent								16	1,720,000	
,	17	Ta	axes and lice	enses .							17	4,106,315	
uctions	18	In	terest								18		
ij	198	a De	epreciation a	and section	on 179 expense	deduction (see in	nstructions	s) 19a					
ğ	k) Le	ess: deprecia	ation repo	rted on Form 11	25-A and elsewhe	ere on retu	ırn 19b			19c		
Ded	20	De	epletion .								20	1,520,108	
_	21	Re	etirement pla	ans, etc.							21		
	22		nployee ben								22	1,218,412	
	23										23	5,554,374	_
	24	To	otal deducti	ons. Add	the amounts sh	nown in the far rig	ght columi	n for lines 12	2 through 20	3	24	31,449,002	
	25					oss limitation ac				e 11 .		11,474,829	
lax and Payments	26		-	-	Check if from: a			Form 8611			26		
T a	27		ther paymen			_		Form 4136			27		-
<u>Р</u> а	28					26 over line 27.					28		-
	29				e excess of line that I have examined the	is return, including accor		edules and staten		best of n	ny knowledge	and belief it is true	correct
Sig	ın					artner or limited liability c							
He			Cianatura -f -	noral = a-t-	r or limited list list	ompany member man) -)oto			w	May the IRS discuss this with the preparer shown see instructions)?	n below
		y :				Preparer's signature		Date	Data		10	PTIN	<u>~</u>
Pai	id		Print/Type pre	parer s nam	E	rieparer s signature			Date		Check 🔲 i	f	200
Pre	pa	rer			mania Tarr Eller II	NC.					self-employe	/	
		nly	Firm's name		ronic Tax Filers I					F	Firm's EIN	69-000009 (555-) 631-12	
				11100	PELLIP LIL ADVIOLE					1 5	mono se	1000-1051-1	

For Paperwork Reduction Act Notice, see separate instructions.

Page 2

Black Coal Industries LLC 69-0000008 Form 1065-B (2011)

Part	Taxable Income or Loss From Other Activities			age =
1	Interest	1 3	357,610	
і 2а	Total ordinary dividends	1 3	37,010	
b	Qualified dividends			
C	Nonqualified dividends (subtract line 2b from 2a)	2c		
3	Gross royalties		569,721	
4	Excess of net short-term capital gain over net long-term capital loss (Schedule D, line 19)	4	107,721	
5	Other income (loss) (see instructions) (attach schedule)	5		
6	Total income (loss). Add lines 1, 2c, 3, 4, and 5		927,331	
7	Interest expense on investment debts (attach Form 4952)	7	727,331	
8	State and local income taxes (see instructions)	8		
9	Charitable contributions (see instructions for limitations and required attachment)	9		
10a	Total miscellaneous itemized deductions	3		
b	Deductible amount. Multiply line 10a by 30%	10b		
11	Other deductions (attach schedule)	11		
12	Total deductions. Add lines 7, 8, 9, 10b, and 11	12		
13	Taxable income (loss) from other activities. Subtract line 12 from line 6		927,331	
	edule B Other Information (see instructions)			
1	What type of entity is filing this return? Check the applicable box:		Yes	No
a	☐ Domestic general partnership b ✓ Domestic limited partnership			
С	✓ Domestic limited liability company d □ Domestic limited liability partnership			
e	☐ Foreign partnership f ☐ Other ▶			
2	Are any partners in this partnership also partnerships?			~
3	During the partnership's tax year, did the partnership own any interest in another partnership or			
0	entity that was disregarded as an entity separate from its owner under Regulations sections 30			
	301.7701-3? If "Yes," see instructions for required attachment			~
4	Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 88			
	8813. (See instructions.)			~
5	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?			~
6	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Stateme	ent, to provide		
	information on any reportable transaction?			'
7	At any time during calendar year 2011, did the partnership 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 fin			
	account)? See instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," en	ter the name		
	of the foreign country. ▶			'
8	During the tax year, did the partnership receive a distribution from, or was it the grantor to, or t	ransferor to, a		
	foreign trust? If "Yes," the partnership may have to file Form 3520			<u> </u>
9	Enter the number of Forms 8865 , Return of U.S. Persons With Respect to Certain Foreign Partners to this return. ▶	hips, attached		

Form 1065-B (2011) Page **3**

Sch	edule D Capital Gair lines 1 and 6	•	se Schedule D-1 (l	Form 1065) to list a	dditional trar	nsa	ctior	ns for	
		,	al Gains and Loss	ses-Assets Held	1 Year or Le	SS			
	(a) Description of property (e.g., 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or oth	er ba		(f) Gain or (lo Subtract (e) fro	
1	01 2 00.,								
_	Enter about tarm gain or //s	and if any from Cab	adula D 1 (Farm 10	GE) line O					
2 3	Enter short-term gain or (lo Short-term capital gain fro	•	,	•			3		
4	Short-term capital gain (los					-	4		
5	Net short-term capital ga						5		
		ng-Term Capital	Gains and Losse	s-Assets Held M	ore Than 1	Ye a	r		
	(a) Description of property (e.g., 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or oth (see instruct			(f) Gain or (lo Subtract (e) fro	
6									
7	Enter long-term gain or (lo	ss) if any from Sche	L Edule D-1 (Form 106	5) line 8			7		
8	Enter gain from Form 4797					ı	8		
9	Long-term capital gain from	•				Ī	9		
10	Long-term capital gain (los						10		
11	Net long-term capital gai						11		
10	Combine lines E and 11 an		II—Summary of F			12			
12 13	Combine lines 5 and 11 ar Enter excess of net short-t	•	• •	· · · · · · · · · · · · · · · · · · ·	-	13			-
14	Net capital gain or (loss).					14			
				ssive Loss Limitat	ion Activitie	S			
15	Redetermine the amount of	on line 13 by taking i	nto account only ga	ins and losses from p	passive loss				
	limitation activities					15			
16	Excess of net short-term		•			16			
17	amount on line 13 or line 1 Redetermine the amount of		, , ,			16			
.,	limitation activities	or line 14 by taking ii	nto account only ga	ins and losses from p	Dassive 1033	17			
18	Net capital gain or (loss) from passive los	s limitation activiti	es. If lines 14 and	17 are both				
	positive or both negative,	-							
	and on Schedule K, line 4a Note. When figuring wheth	a ner line 14 or line 17 is smaller, treat bot	 h numbers as positiv	 e.	18	<u> </u>		
				From Other Activi					
19	Excess of net short-tern	n capital gain over	net long-term cap	oital loss. Subtract I					_
	line 13. Enter here and on			<u> </u>		19			<u> </u>
20	Net capital gain or (loss) Schedule K, line 4b					20			

Black Coal Industries LLC

Form 1065-B (2011) Page **4**

Sch	Schedule K Partners' Shares of Income, Credits, Deductions, etc.							
		(a) Di	stributive share i	tems			(b)	Total amount
1a	Taxable income (loss)	from passive los	ss limitation activit	ties (Part I, line 25)			1a	11,474,829
b	Amount on line 1a allo	cated to genera	ll partners as:					
	(1) Taxable income (lo	oss) from trade o	or business activiti	es	1b(1)			
	(2) Taxable income (lo	oss) from rental r	eal estate activitie	es	1b(2)			
	(3) Taxable income (lo	oss) from other r	ental activities .	[1b(3)			
С	Total amount on line 1	a allocated to g	eneral partners. C	ombine lines 1b(1)	through 1b(3)		1c	
d	Taxable income (loss)	•		ities allocated to li	imited partners. S	ubtract		
	line 1c from line 1a (re						1d	11,474,829
2	Taxable income (loss)						2	1,927,331
3	Qualified dividends fro						3	
4a	Net capital gain (loss)	•		•	•		4a	
b	Net capital gain (loss)		· ·	•			4b	
5	Net passive alternative		•				5	
6	Net other alternative n	•					6	
7	Guaranteed payments						7	
8	Income from discharge						8	
9	Tax-exempt interest in						9	
10	General credits (see in	•					10	
11	Low-income housing of	•	,				11	
12	Rehabilitation credit fr		,	,			12	
13a	Net earnings (loss) from						13a	
b	Gross nonfarm income						13b	
14a b	Name of foreign count Gross income from all	sources					14b	
C	Gross income sourced						14c	
d	Foreign gross income	-		,			140	
u	(1) Passive category	-					14d(1)	
	(2) General category						14d(1)	
	(3) Other (attach sche						14d(3)	
е	Deductions allocated						1.0(0)	
_	(1) Interest expense						14e(1)	
	(2) Other						14e(2)	
f	Deductions allocated							
	(1) Passive category			_			14f(1)	
	(2) General category						14f(2)	
	(3) Other (attach sche	dule)	. .				14f(3)	
g	Total foreign taxes (ch	•					14g	
h	Reduction in taxes ava	ailable for credit	(attach schedule)				14h	
15	Other items and amou	ınts required to l	be reported separ	ately to partners (a	attach schedule)			
Analy	sis of Net Income (I							
1	Net income (loss). In co	olumn (b), add lii	nes 1c through 4b	, 7, and 8. From the	e result, subtract li	ine 14g	1	13,402,160
	Analysis by	(i) Corporate	(ii) Individual	(iii) Individual	(iv) Partnership		empt	(vi) Nominee/Other
2	partner type:	()	(active)	(passive)	, ,	organ	ization	, ,
а	General partners							
b	Limited partners			13,402,160				

Black Coal Industries LLC

Form 1065-B (2011) Page **5**

Scn	Balance Sneets per Book	S				
				ning of tax year	End of tax	
	Assets		(a)	(b)	(c)	(d)
1	Cash			2,468,821		2,612,147
2a	Trade notes and accounts receivable					
b	Less allowance for bad debts			F (F0.00F		
3	Inventories			5,650,225	_	6,222,163
4	U.S. government obligations				_	
5	Tax-exempt securities				-	
6 70	Other current assets (attach schedule) .				_	
7a	Loans to partners				-	
7b 8	Mortgage and real estate loans Other investments (attach schedule)					
9a	Buildings and other depreciable assets .					
b	Less accumulated depreciation					
10a	Depletable assets		4,227,	116	7,297,740	
b	Less accumulated depletion		1,392,0			4,385,600
11	Land (net of any amortization)		1,372,	7,220,410		7,220,410
12a	Intangible assets (amortizable only)			7,220,410		7,220,410
b	Less accumulated amortization					
13	Other assets (attach schedule)					
14	Total assets			18,174,540		20,440,320
	Liabilities and Capital					
15	Accounts payable			2,147,882	2	2,110,320
16	Mortgages, notes, bonds payable in less than					
17	Other current liabilities (attach schedule)					
18	Loans from shareholders					
19	All nonrecourse loans			10,376,658	3	5,263,460
20	Mortgages, notes, bonds payable in 1 year or	more .				
21	Other liabilities (attach schedule)					
22	Partners' capital accounts			5,650,000		13,066,540
23	Total liabilities and capital			18,174,540		20,440,320
Sche	edule M-1 Reconciliation of Income					
	Note. Schedule M-3 may be r	equired instead o		,		
1	Net income (loss) per books			Income recorded on		
2	Income included on Schedule K, lines 1c			included on Schedule	K, lines 1c through	
	through 4b, and 8, not recorded on books			4b, and 8 (itemize):		
	this year (itemize):		а	Tax-exempt interest \$		
_						
3	Guaranteed payments					
4	Expenses recorded on books this year			Deductions included on		
	not included on Schedule K, lines 1c			through 4b, and 14g,		
_	through 4b, and 14g (itemize): Depreciation \$		•	book income this year ((itemize):	
a b	Travel and entertainment \$		а	Depreciation \$		
b						
			8	Add lines 6 and 7		
				Income (loss). (Analy		
5	Add lines 1 through 4			(Loss), line 1.) Subtrac		
	edule M-2 Analysis of Partners' Cap	ital Accounts		(2000), iii 0 1.) Odbiido	t iii lo o ii oiii iii lo o	
1	Balance at beginning of year	5,650,000	6	Distributions: a Ca	sh	5,000,000
2	Capital contributed: a Cash	3,030,000			operty	5,550,550
_	b Property			2 110		
3	Net income (loss) per books	12,416,540	7	Other decreases (itemi	ze):	
4	Other increases (itemize):	7.1.575.16	-	(´	
	, ,		8	Add lines 6 and 7 .		5,000,000
				Balance at end of year		, , , , , , ,
5	Add lines 1 through 4	18 066 540		line 5		13 066 540

69-0000008

Cost of Goods Sold

Form **I I 25-A** (December 2011)

Department of the Treasury Internal Revenue Service ► Attach to Form 1120, 1120-C, 1120-F, 1120-S, 1065, and 1065-B.

OMB No. 1545-XXXX

lame	revenue Service		Employer identification number
Black	Coal Industries LLC		69-0000008
1	Inventory at beginning of year	1	5,650,225
2	Purchases	2	57,478,827
3	Cost of labor	3	1,425,622
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	64,554,674
7	Inventory at end of year	7	6,222,163
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions)	8	58,332,511
9a	Check all methods used for valuing closing inventory: (i) ☐ Cost (ii) ✓ Lower of cost or market (iii) ☐ Other (Specify method used and attach explanation.) ▶		
b	Check if there was a writedown of subnormal goods		
С	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)	0) .	• 🗆
d	If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO	9d	
е	If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? .		🔽 Yes 🗌 No
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventant explanation		
or Pa	perwork Reduction Act Notice, see separate instructions. Cat. No. 55988R		Form 1125-A (12-201

Black Coal Industries LLC 69-0000008

Form

(Rev. October 2005) Department of the Treasury Internal Revenue Service

Report of a Sale or Exchange of **Certain Partnership Interests**

► Please print or type.

OMB No. 1545-0941

Employer identification number Name of partnership Telephone number 69- 0000008 **Black Coal Industries** 555) 555-5555

Number, street, and room or suite no. If a P.O. box, see instructions.

100 Main St

City or town, state, and ZIP code

Anytown, WV 25001

Part I Transferor Information (Beneficial owner of the partnership interest immediately before the transfer of that

Identifying number Name

Bronco Juno 000-70-0002

Number and street (including apt. no.)

300 Main St

City or town, state, and ZIP code

Anvtown, WV 25001

Notice to Transferors: The information on this form has been supplied to the Internal Revenue Service. The transferor in a section 751(a) exchange is required to treat a portion of the gain realized from the exchange as ordinary income. For more details, see Pub. 541, Partnerships.

Statement by Transferor: The transferor in a section 751(a) exchange is required under Regulations section 1.751-1(a)(3) to attach a statement relating to the sale or exchange to his or her return. See Instructions to Transferors for more details.

Part II Transferee Information (Beneficial owner of the partnership interest immediately after the transfer of that interest)

Bubba Christmas 000-70-0001

Number and street (including apt. no.)

200 Main St

Name

City or town, state, and ZIP code

Anytown, WV 25001

Part III Date of Sale or Exchange of Partnership Interest ▶ 06 / 30 / 2009

Sign Here Only if You Are Filing This Form by Itself and Not With Form 1065 or Form 1065-B

Under penalties of perjury, I declare that I have examined this return, including accompanying attachments, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of general partner or limited liability company member



Date

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form. Form 8308 is filed by a partnership to report the sale or exchange by a partner of all or part of a partnership interest where any money or other property received in exchange for the interest is attributable to unrealized receivables or inventory items (that is, where there has been a section 751(a) exchange).

Who Must File. A partnership must file a separate Form 8308 for each section 751(a) exchange of an interest in such partnership. See Regulations section 1 6050K-1

Note: Form 8308 does not have to be filed if. under section 6045. Form 1099-B. Proceeds From Broker and Barter Exchange Transactions, is required to be filed with respect to the sale or exchange.

A partnership must file Form 8308 once the partnership has notice of the section 751(a) exchange. The partnership has such notice when either:

- 1. The partnership receives written notification of the exchange from the transferor that includes the names and addresses of both parties to the exchange, the identifying numbers of the transferor and (if known) of the transferee, and the date of the exchange; or
- 2. The partnership has knowledge that there has been a transfer of a partnership interest and, at the time of the transfer, the partnership had any unrealized receivables or inventory items.

No returns or statements are required under section 6050K if the transfer was not a section 751(a) exchange. For example, a transfer which in its entirety constitutes a gift for federal income tax purposes is not a section 751(a) exchange.

A partnership may rely on a written statement from the transferor that the transfer was not a section 751(a) exchange unless the partnership has knowledge to the contrary. If a partnership is in doubt whether partnership property constitutes unrealized receivables or inventory items or whether a transfer constitutes a section 751(a) exchange, the partnership may file Form 8308 to avoid the risk of incurring a penalty for failure to file.

When To File. Generally, file Form 8308 as an attachment to Form 1065 or Form 1065-B for the tax year of the partnership that includes the last day of the calendar year in which the section 751(a) exchange took place. Form 8308 is due at the time for filing the partnership return, including extensions

Identifying number

If, however, a partnership is notified of a section 751(a) exchange after it has filed its partnership return, file Form 8308 separately, within 30 days of notification, with the service center where Form 1065 or Form 1065-B was filed.

Copies of Form 8308 To Be Furnished to Transferor and Transferee. All

partnerships required to file Form 8308 must furnish a copy of the form to each transferor and transferee by January 31 of the year following the calendar year in which the section 751(a) exchange occurred or, if later, 30 days after the partnership has notice of the exchange.

If the partnership does not know the identity of the beneficial owner of an interest in the partnership, the record holder of the interest is treated as the transferor or transferee.

69-0000008

SCHEDULE C (Form 1065)

(Rev. December 2011) Department of the Treasury Internal Revenue Service

Additional Information for Schedule M-3 Filers

OMB No. 1545-0099

▶ Attach to Form 1065. See separate instructions.

Name of partnership

Black Coal Industries LLC

Employer identification number
69-0000008

		Yes	No
1	At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		V
2	Do the amounts reported on Schedule M-3, Part II, lines 7 or 8, column (d), reflect allocations to this partnership from another partnership of income, gain, loss, deduction, or credit that are disproportionate to this partnership's		
	share of capital in such partnership or its ratio for sharing other items of such partnership?		
3	At any time during the tax year, did the partnership sell, exchange, or transfer any interest in an intangible asset to a related person as defined in sections 267(b) and 707(b)(1)?		
	a related person as defined in sections 207(b) and 707(b)(1):		
4	At any time during the tax year, did the partnership acquire any interest in an intangible asset from a related		
	person as defined in sections 267(b) and 707(b)(1)?		~
5	At any time during the tax year, did the partnership make any change in accounting principle for financial		
	accounting purposes? See instructions for a definition of change in accounting principle		~
•	At any time during the tay year did the marks each marks any change in a mathed of accounting fault C income		
6	At any time during the tax year, did the partnership make any change in a method of accounting for U.S. income tax purposes?		
	tax purposes?		

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49945S

Schedule C (Form 1065) (Rev. 12-2011)

Black Coal Industries LLC

SCHEDULE M-3 (Form 1065)

(Form 1065)

Department of the Treasury Internal Revenue Service

for Certain Partnerships

► Attach to Form 1065 or Form 1065-B.

► See separate instructions.

69-0000008 OMB No. 1545-0099

2011

Name of partnership

Black Coal Industries, LLC

69-000008

Net Income (Loss) Reconciliation

This S	Schedule M-3 is being filed because	(check all that apply):				
Α	The amount of the partnership's t	total assets at the end of the	ne tax year is equal to \$10 milli	on or more.		
В	The amount of the partnership's a enter the amount of adjusted total		e tax year is equal to \$10 millio 25,440,320 .	on or more.	If box I	B is checked,
С	The amount of total receipts for the tax year is equal to \$35 million or more. If box C is checked, enter the total receipts for the tax year 103,183,673 .					
D		tity partner with respect t	a the partnership owns or is	doomod to	own a	n interest of 50
	An entity that is a reportable entity partner with respect to the partnership owns or is deemed to own an interest of percent or more in the partnership's capital, profit, or loss, on any day during the tax year of the partnership.					
	Name of Reportable Entity		Identifying Number			tage Owned or
	Name of Heportable Littly	T altiloi	identifying Number			Owned
				-		
Е	☐ Voluntary Filer.					
Part	I Financial Information and	l Net Income (Loss) Re	conciliation			
1a	Did the partnership file SEC Form 10	-K for its income statemer	nt period ending with or within	this tax year	?	
	☐ Yes. Skip lines 1b and 1c and co	mplete lines 2 through 11	with respect to that SEC Form	10-K.		
	✓ No. Go to line 1b. See instruction					
b	Did the partnership prepare a certifie		•	d?		
	✓ Yes. Skip line 1c and complete line	nes 2 through 11 with resp	ect to that income statement.			
	■ No. Go to line 1c.					
С	Did the partnership prepare a non-ta		·			
	Yes. Complete lines 2 through 11					
•	No. Skip lines 2 through 3b and 6	• •	` ''			
2	Enter the income statement period:		1 / 2011 Ending 12	/ 31 /	2011	_
3a	Has the partnership's income statem		· · · · · · · · · · · · · · · · · · ·	e 2?		
	Yes. (If "Yes," attach an explanat✓ No.	ion and the amount of eac	n item restated.)			
b		nt boon roctated for any of	the five income statement perio	de procedina	a tha n	oriod on line 22
D	Has the partnership's income statement been restated for any of the five income statement periods preceding the period on line 2' Yes. (If "Yes," attach an explanation and the amount of each item restated.)					enou on line 2 !
	No.	ion and the amount of cae	in item restated.)			
4a	Worldwide consolidated net income	(loss) from income stateme	ent source identified in Part I, I	ine 1	4a	12,416,540
b	Indicate accounting standard used for					
	1 ☑ GAAP 2 ☐ IFF		704(b)			
	4 Tax-basis 5 Ot	her: (Specify) ►				
5a	Net income from nonincludible foreig	n entities (attach schedule	e)		5a ()
b	Net loss from nonincludible foreign e	ntities (attach schedule an	d enter as a positive amount)		5b	
6a	Net income from nonincludible U.S. e	,			6a ()
b	Net loss from nonincludible U.S. enti-	•	•	-	6b	
7a	Net income (loss) of other foreign dis	•	•	-	7a	
b	Net income (loss) of other U.S. disreg	= :	·	_	7b	
8	Adjustment to eliminations of trans (attach schedule)		ole entities and nonincludible		8	
9	Adjustment to reconcile income state	ement period to tax year (a	ttach schedule)	[9	
10	Other adjustments to reconcile to am	nount on line 11 (attach scl	nedule)	[10	
11	Net income (loss) per income state			[11	12,416,540
	Note. Part I, line 11, must equal the					
12	Enter the total amount (not just the partn	· · · · · · · · · · · · · · · · · · ·			d on th	e following lines:
		Total Assets	Total Liabilit		_	
a	Included on Part I, line 4	20,4	140,320	7,373,7	80	
b	Removed on Part I, line 5				\dashv	
C	Removed on Part I, line 6				\dashv	
d	Included on Part I, line 7					

Page 2

Name of partnership

Black Coal Industries, LLC

69-000008

Part II Reconciliation of Net Income (Loss) per Income Statement of Partnership with Income (Loss) per Return

	neturii	1			
	Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
	(Attach schedules for lines 1 through 9)				
1	Income (loss) from equity method foreign corporations				
2	Gross foreign dividends not previously taxed				
3	Subpart F, QEF, and similar income inclusions				
4	Gross foreign distributions previously taxed				
5	Income (loss) from equity method U.S. corporations				
6	U.S. dividends				
7	Income (loss) from U.S. partnerships				
8	Income (loss) from foreign partnerships				
9	Income (loss) from other pass-through entities				
10	Items relating to reportable transactions (attach details)				
11	Interest income (attach Form 8916-A)				
12	Total accrual to cash adjustment				
13	Hedging transactions				
14	Mark-to-market income (loss)				
15	Cost of goods sold (attach Form 8916-A)	()			(
16	Sale versus lease (for sellers and/or lessors)	,			
17	Section 481(a) adjustments				
18	Unearned/deferred revenue				
19	Income recognition from long-term contracts				
20	Original issue discount and other imputed interest .				
	· ·				
21a	Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities.				
b	Gross capital gains from Schedule D, excluding amounts from pass-through entities				
С	Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d	Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses .				
е	Abandonment losses				
f	Worthless stock losses (attach details)				
g	Other gain/loss on disposition of assets other than inventory				
22	Other income (loss) items with differences (attach schedule)				
23	Total income (loss) items. Combine lines 1 through 22				
24	Total expense/deduction items. (from Part III, line				
	31) (see instructions)	(3,491,348)		985,620	(2,505,728)
25	Other items with no differences	15,907,888			15,907,888
26	Reconciliation totals. Combine lines 23 through 25	12,416,540		985,620	13,402,160

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Schedule M-3 (Form 1065) 2011

Part III

Name of partnership Employer identification number

Black Coal Industries LLC 69-0000008

Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return – Expense/Deduction Items

	neturn—Expense/Deduction items				1
	Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	State and local current income tax expense				
2	State and local deferred income tax expense				
3	Foreign current income tax expense (other than				
·	foreign withholding taxes)				
4	Foreign deferred income tax expense				
5	Equity-based compensation				
6	Meals and entertainment				
7	Fines and penalties				
8	Judgments, damages, awards, and similar costs				
9	Guaranteed payments				
10	Pension and profit-sharing				
11	Other post-retirement benefits				
12	Deferred compensation				
	Charitable contribution of cash and tangible				
13	property				
14	Charitable contribution of intangible property				
15	Organizational expenses as per Regulations section 1.709-2(a)				
16	Syndication expenses as per Regulations section 1.709-2(b)				
17	Current year acquisition/reorganization investment banking fees				
18	Current year acquisition/reorganization legal and accounting fees				
19	Amortization/impairment of goodwill				
20	Amortization of acquisition, reorganization, and start-up costs				
21	Other amortization or impairment write-offs				
22	Section 198 environmental remediation costs				
23a	Depletion-Oil & Gas				
b	Depletion—Other than Oil & Gas				
24	Intangible drilling & development costs				
25	Depreciation				
26	Bad debt expense				
27	Interest expense (attach Form 8916-A)				
28	Purchase versus lease (for purchasers and/				
	or lessees)				
29	Research and development costs (attach schedule) .				
30	Other expense/deduction items with differences				
	(attach schedule)				
31	Total expense/deduction items. Combine lines 1				
٠.	through 30. Enter here and on Part II, line 24,				
	reporting positive amounts as negative and negative				
	amounts as positive				
					1

Schedule M-3 (Form 1065) 2011

Black Coal Industries LLC 69-0000008

□ CORRECTED		RADED PARTNERSHIF	,	
PARTNERSHIP'S name, street address, city,	state, and ZIP code.	1 Taxable income (loss) from	OMB No. 1545-1626	_
Black Coal Industries LLC		passive activities		Partner's Share
100 Main St		114,749	2011	of Income (Loss)
ANYTOWN, WV 25001		2 Taxable income (loss) from]	From an Electing
		other activities	Online deals 16 d	Large Partnership
		19,274	Schedule K-1 (Form 1065-B)	_
PARTNERSHIP'S Employer I.D. number PART	NER'S identifying number	3 Qualified dividends		Сору А
69-000008	000-70-0001			For
				Internal Revenue
PARTNER'S name		4a Net capital gain (loss) from passive activities	4b Net capital gain (lo	Service Center
BUBBA CHRISTMAS		ρασσίνο αστίντισο	I on one douvide	
				File with Form 1065-B.
Street address (including apt. no.)		5 Net passive AMT adjustment	6 Net other AMT adju	ustment
200 MAIN ST				For Paperwork
		7 General credits	8 Low-income housing	
				Notice and instructions for
City, state, and ZIP code		9 Other		completing this
A NIVITONA/NI NAUV. 25001				form, see the
ANYTOWN, WV 25001				2011 Instructions for Form 1065-B.
Partner's share of liabilities:				U.S. Return of
a Nonrecourse	\$ 52,635			Income for Electing
b Qualified nonrecourse financing				Large Partnerships.
c Other				

Schedule K-1 (Form 1065-B)

Cat. No. 25437H

Department of the Treasury - Internal Revenue Service

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Department of the Treasury - Internal Revenue Service

Black Coal Industries LL	С					69-0000008
☐ CORRECTED	☐ PUBLICLY T	RA	DED PARTNERSHIF		_	
PARTNERSHIP'S name, street address Black Coal Industries LLC 100 Main St ANYTOWN, WV 25001	ss, city, state, and ZIP code.		Taxable income (loss) from passive activities 114,749 Taxable income (loss) from other activities 19,274	Schedule K-1		Partner's Share of Income (Loss) From an Electing Large Partnership
PARTNERSHIP'S Employer I.D. number	PARTNER'S identifying number	3	Qualified dividends			Copy A
69-0000008	000-70-0002					For Internal Revenue
PARTNER'S name BRONCO JUNO		48	Net capital gain (loss) from passive activities	4b Net capital gain (lo		Service Center
BRONGO SONO						File with Form 1065-B
Street address (including apt. no.)		5	Net passive AMT adjustment	6 Net other AMT adju	ustment	
300 MAIN ST		7	General credits	8 Low-income housing	ng credit	For Paperwork Reduction Act Notice and
City, state, and ZIP code		9	Other	I		instructions for completing this form, see the
ANYTOWN, WV 25001						2011 Instructions for Form 1065-B
Partner's share of liabilities:						U.S. Return of
a Nonrecourse						Income for Electing Large Partnerships
b Qualified nonrecourse financingc Other						Large i artifetstilps
Schedule K-1 (Form 1065-		No. 2	25437H	Department of	the Treas	ury - Internal Revenue Service

Cat. No. 25437H Do NOT Cut or Separate Forms on This Page

69-0000008

☐ CORRECTED ☐ PUBLICLY T	RADED PARTNERSHIP)	
PARTNERSHIP'S name, street address, city, state, and ZIP code.	1 Taxable income (loss) from	OMB No. 1545-1626	
Black Coal Industries LLC 100 Main St	passive activities 114,748	2011	Partner's Share of Income (Loss)
ANYTOWN, WV 25001	2 Taxable income (loss) from		From an Electing
	other activities	Schedule K-1	Large Partnership
	19,273		
PARTNERSHIP'S Employer I.D. number PARTNER'S identifying number	3 Qualified dividends		Copy A
69-000008 000-70-1001			For
PARTNER'S name	4a Net capital gain (loss) from passive activities	4b Net capital gain (lo	
TAXPAYER B1	pacoivo actividos	i i i i i i i i i i i i i i i i i i i	
			File with Form 1065-B.
Street address (including apt. no.)	5 Net passive AMT adjustment	6 Net other AMT adju	stment
1001 MAIN ST			For Paperwork
	7 General credits	8 Low-income housir	ng credit Reduction Act
City, state, and ZIP code	9 Other		instructions for
Gity, state, and ZIP code	9 Other		completing this form, see the
ANYTOWN, WV 25001			2011 Instructions
Partner's share of liabilities:	-		for Form 1065-B, U.S. Return of
a Nonrecourse			Income for Electing
b Qualified nonrecourse financing \$			Large Partnerships
c Other \$			

Schedule K-1 (Form 1065-B)

Cat. No. 25437H

Department of the Treasury - Internal Revenue Service

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Sam Starling LLP 69-0000001

Test Scenario 9 (K-1 Aggregator)

Test Scenario 9 uses the Form 1065 and related forms and schedules from Test Scenario 1, with these exceptions:

- The number of K-1's is 101
- The ordinary Business Income/Loss Statement attached to Schedule K-1 will apply to all K-1's.

Test Scenario 9 shows three K-1's: Sam Starling

Barton and Jenkins Enterprise Taxpayer A1 (990-00-0001)

Create the other 98 K-1's using this information:

- The partner's identifying number will increase by 1 (990-00-0002, 990-00-0003, 990-00-0004...through 990-10-0099)
- The partner's name will increase by 1 (Taxpayer A2, Taxpayer A3, Taxpayer A4...through Taxpayer A99)
- Use the same address as Taxpayer A1
- The 98 partners are limited partners, domestic partners, and individuals
- Use the same profit/loss/capitol percentages as Taxpayer A1

The Business Income Loss Statements attached to the K-1's will be:

Ordinary Business Income (Loss) Statement (Schedule K-1 (Form 1065), Part III, Line1)

Taxpayer A1 through Taxpayer A99				
Education	200			
Legal Services	203			

Ordinary Business Income (Loss) Statement (Schedule K-1 (Form 1065), Part III, Line 1)

Barton and Jenkins Enterprise					
Education	20,000				
Legal Services	32,252,560				

Sam Starling LLP 69-0000001

FORMS REQUIRED: 1065, 4797, 8825, 8844, 8882, Schedule K-1(F1065-B) (100), Form 8453-PE,

dependencies, Schedule M-3 (F1065), Schedule C (F1065)

ATTACHMENTS:

Itemized Other Deductions Schedule

Other Credits and Credit Recapture Statement

Schedule L Other Assets Statement

Schedule L other Current Liabilities Statement

Ordinary Business Income (Loss) Statement (see above)

BINARY ATTACHMENTS: Scanned Form 8453-PE (8453 Signature Document)

HEADER INFO:

Tax Period: Calendar Year 2011

Preparer Firm: Electronic Tax Filers, Inc 69-0000098

1065 Efile Drive Anytown, NV 89501

Multiple Software Packages Used: Yes or No

Originator: EFIN: Self-select

Type: ERO

Practitioner PIN: None

PIN Entered by – N/A

Signature Option: Binary Attachment 8453 Signature Document

Return Type: 1065

Filer: EIN: 69-0000001

Name: Sam Starling LLP Name Control: SAMS Address: 631 N McKinley Dr

Reno, NV 89510

Partner: Name: Sam Starling

Title: President
Taxpayer PIN:
Phane: 555 555 5551

Phone: 555-555-555

Email Address: Anymail@email.com

Date Signed: 04/01/2012

Preparer: Name: Jesse James

PTIN: P00000001 Phone: 555-631-1212

Email Address: Anymail@email.com

Date Prepared: 04/01/2012

Self Employed: No

Sam Starling LLP 69-0000001

IRS PAYMENT: N/A

Details for attachments to Form

Itemized Other Deductions Statement (Form 1065, Page 1, Line 20)

Travel and Entertainment	5,600,000
Other	28,750,000
Utilities	10,000,000
Fees	6,387,848

Other Credits and Credit Recapture Statement (Form 1065, Page 3, Schedule K, Line 15f)

Childcare	35,600
Empowerment	40,000

Schedule L Other Assets Statement (Form 1065, Page 4, Schedule L, Line 13b and 13d)

Type	BOY Amount	EOY Amount
Client Receivable	7,148,515	10,916,115
Other	6,030,400	4,227,867

Schedule L Other Current Liabilities Statement (Form 1065, Page 4, Schedule L, Line 17b and 17d)

Type	BOY Amount	EOY Amount
Other Current Liabilities	2,315,178	4,138,515
Other Accrued Liabilities	3.162.974	2,045,400

	San	n Starling I	_LP 	II S	Return	of Partners	hin I	ncom	e			00001 No. 1545-00	nga
Form		JJ	For cale	endar year 2011, or							_		
Depar	tment of that the state of the	ne Treasury e Service		, , ,		e separate instruction		· · · · · · · · · · · · · · · · · · ·	' '	··	2	011	
		ness activity		Name of partners	hip						D Employer	identification	number
Lega	al Servic	es		Sam Starling, L	LP						69	-0000001	
B Prin	icipal produ	ct or service	Print	Number, street, a	ınd room or suite	e no. If a P.O. box, see t	he instr	uctions.			E Date bu	siness start	ed
Lega	al Servic	es	or	631 N McKinley	Street						10	/01/1977	
C Bu	siness cod	de number	type.	City or town, state	e, and ZIP code						F Total ass	sets (see the	
5411	110			Reno, NV 8951	0							8,367,919	
G H	Check a		method:	(1) 🗹 Cash	al termination -	also check (1) or (2)	Othe	er (specify)				Amended r	
J				Л-3 are attached									. 🗸
Caut	tion. Incl	ude only	trade or b	ousiness income	and expense	s on lines 1a throug	h 22 b	elow. See	the instruct	ions for n	nore infor	mation.	
	1a	Merchan	t card an	nd third-party pa	yments (incl	udina amounts							
				ı(s) 1099-K) (see			1a						
		•		. ,		(see instructions)	1b	32	3,455,613				
	1		•	•			1c		3,455,613				
						ments to line 1a			7				
4)		(see instr					1d						
ncome	е	`	,	rom line 1c			1e	32	3,455,613				
ဝ				ld (attach Form			2		-,,				
<u>_</u>		_		•	-					3	32	3,455,613	
						s, estates, and trus				4		0,100,010	_
		_		ss) (attach Sche						5			_
				, ,	•	7 (attach Form 479						10,000	
		_					-			7		10,000	
			•	, ,	•	 17					32	3,465,613	
						ess employment cr				9		0,535,025	-
limitations)			_	· · · · ·						10		2,675,031	
mita	11			•						11		2,042,164	
or iii	12	Bad deb		tenance						12		2,042,104	-
ns f	13	Rent	ıs							13	2	E 022 172	
rctic		Taxes an	d license							14		5,922,173 2,226,452	-
nstr	15	Interest .		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,						15	•	14,622	+
(see the instructions				 equired, attach F			16a		7,292,891	13		14,022	-
see		•	•	•	•	elsewhere on return	16b		18,275	16c		7,274,616	
	17	•		t deduct oil and			100		10,273	17		7,274,010	
ü	18	-	-	, etc	_	-				18		4,255,918	
Ę	19		•	programs						19		7,100,361	-
пp				(attach stateme						20		0,737,848	
Deductions						n the far right colu			hrough 20 .	21		2,784,210	+
_						ine 21 from line 8				22		0,681,403	
		Under p	enalties of	perjury, I declare that	at I have examin	ed this return, including Declaration of preparer	accom	oanying sch	edules and sta	itements, a	nd to the b	est of my	
Sig Her				rmation of which pre			(Outer t	J		M	ay the IRS disceparer shown	cuss this return below (see	with the
	-	=			March 19 (1999)				01/2011	in	structions)?	Yes	No
						mpany member manage	r	Date				DTIN	
Paid	d	Print/Ty	pe prepare	r's name	'	er's signature			Date	Chec	k 🗌 if	PTIN	
Pre	parer					e James				self- e	employed	P00000	
	Only	Firm's r	ame >	ELECTRIC TAX						Firm's	EIN ►	69-00000	
		Firm's a	ıddress ▶	1065 EFILE DRI	IVE, ANYTOW	/N. NV 89501				Phone	eno 5	55-631-12	12

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2011)

69-0000001

Form 1065 (2011) Page **2**

Sch	edule B Other Information							
1	What type of entity is filing this return? Check the ax	oplicable be	ox:				Yes	No
а	☐ Domestic general partnership b	□ Domes	tic limit	ed partnership				
С	☐ Domestic limited liability company d	✓ Domes	tic limit	ed liability partı	nership			
е	☐ Foreign partnership f	Other ■	-					
2	At any time during the tax year, was any partner in an entity treated as a partnership), a trust, an S corp or a nominee or similar person?	ooration, ar	estate	(other than an		ed partner),	V	
3	At the end of the tax year:							
а	Did any foreign or domestic corporation, partnership tax-exempt organization, or any foreign government profit, loss, or capital of the partnership? For rules Schedule B-1, Information on Partners Owning 50%	nt own, dire	ectly or ructive o	indirectly, an in ownership, see	nterest of 50% or r	more in the es," attach		v
b	Did any individual or estate own, directly or indirect the partnership? For rules of constructive ownersh on Partners Owning 50% or More of the Partnership	ip, see inst	ructions	s. If "Yes," atta		Information		,
4 a	At the end of the tax year, did the partnership: Own directly 20% or more, or own, directly or indi stock entitled to vote of any foreign or domes instructions. If "Yes," complete (i) through (iv) below	stic corpoi	ation?	For rules of	constructive owne			v
	(i) Name of Corporation	(ii)		r Identification er (if any)	(iii) Country of Incorporation	(iv) Perc Owned in Vo		
b	Own directly an interest of 20% or more, or own, directly an interest of 20% or own, directly and an interest of 20% or own, directly an interest of 20% or own, directly and an interest of 20% or own, directly and an interest of 20% or own, directly and an interest of 20% or own, directly and 20% or own, directly and 20% or own, directly and 20% or own, directly and 20% or own, directly and 20% or own, directly and 20% or own, directly and 20% or own, directly and 20% or own, directly and 20% or own, d	ncluding ar	entity	treated as a pa	artnership) or in the	e beneficial		
	interest of a trust? For rules of constructive ownershi			If "Yes," comp	olete (i) through (v) b			~
	(i) Name of Entity	(ii) Empl Identifica Number (i	ation	(iii) Type of Entity	(iv) Country of Organization	(v) M Percenta Profit, Los	aximun ge Own ss, or C	ed in
						F	1065	(0011)

Form **1065** (2011)

69-0000001

Page 3

		Yes	No
5	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		
	Does the partnership satisfy all four of the following conditions?		
6			
a	The partnership's total receipts for the tax year were less than \$250,000. The partnership's total assets at the end of the tax year were less than \$1 million.		
b	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including		
С	extensions) for the partnership return.		
d	The partnership is not filing and is not required to file Schedule M-3		'
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		/
8	During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		>
9	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		'
10	At any time during calendar year 2011, did the partnership 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)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country.		V
11	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or		
	transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		V
12a	Is the partnership making, or had it previously made (and not revoked), a section 754 election?		~
	See instructions for details regarding a section 754 election.		
b	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes,"		
	attach a statement showing the computation and allocation of the basis adjustment. See instructions		~
С	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		>
13	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year)		
14	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		>
15	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign		
	Disregarded Entities, enter the number of Forms 8858 attached. See instructions ►		
16	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶ 1	~	
17	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		
18a	Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions		'
b	If "Yes," did you or will you file all required Form(s) 1099?		>
19	Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. ▶		
	nation of Tax Matters Partner (see instructions) below the general partner designated as the tax matters partner (TMP) for the tax year of this return:		
Name desigr TMP			
entity,	TMP is an name Phone number of TMP 555-555-1212		
Addre			
TMP	Anchorage, AK 99502		

Sam Starling LLP 69-0000001 Form 1065 (2011)

Form 1065	(2011)			Page 4
Sched	ule K	Partners' Distributive Share Items		Total amount
	1	Ordinary business income (loss) (page 1, line 22)	1	80,681,403
	2	Net rental real estate income (loss) (attach Form 8825)	2	203,125
	3a	Other gross rental income (loss)		
	b	Expenses from other rental activities (attach statement) 3b		
	С	Other net rental income (loss). Subtract line 3b from line 3a	3c	
(S	4	Guaranteed payments	4	22,675,031
SO	5	Interest income	5	92,650
Income (Loss)	6	Dividends: a Ordinary dividends	6a	
ЭL		b Qualified dividends 6b		
Ö	7	Royalties	7	
<u>=</u>	8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
	9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b	Collectibles (28%) gain (loss) 9b		
	С	Unrecaptured section 1250 gain (attach statement) 9c		
	10	Net section 1231 gain (loss) (attach Form 4797)	10	
	11	Other income (loss) (see instructions) Type ▶	11	
SI	12	Section 179 deduction (attach Form 4562)	12	
Deductions	13a	Contributions	13a	
<u>5</u>	b	Investment interest expense	13b	
ğ	С	Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
۵	d	Other deductions (see instructions) Type ▶	13d	
Self- Employ- ment	14a	Net earnings (loss) from self-employment	14a	55,024,842
누월눈	b	Gross farming or fishing income	14b	
Sel me	С	Gross nonfarm income	14c	55,024,842
	15a	Low-income housing credit (section 42(j)(5))	15a	
10	b	Low-income housing credit (other)	15b	
¥	С	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
Credits	d	Other rental real estate credits (see instructions) Other rental gradits (see instructions) Type	15d	
O	е	Other rental credits (see instructions) Type ▶	15e	
	f	Other credits (see instructions) Type ▶	15f	75,600
	16a	Name of country or U.S. possession ▶		
	b	Gross income from all sources	16b	
Su	С	Gross income sourced at partner level	16c	
sactions		Foreign gross income sourced at partnership level		
äc	d	Passive category ► e General category ► f Other ►	16f	
_		Deductions allocated and apportioned at partner level		
72	q	Interest expense ► h Other	16h	
<u>⊆</u>		Deductions allocated and apportioned at partnership level to foreign source income		
<u>6</u> .	i	Passive category ► j General category ► k Other ►	16k	
Foreign Tra	ı	Total foreign taxes (check one): ▶ Paid ☐ Accrued ☐ · · · · · · ·	16I	
ш	m	Reduction in taxes available for credit (attach statement)	16m	
	n	Other foreign tax information (attach statement)		
×	17a	Post-1986 depreciation adjustment	17a	199,456
Alternative Minimum Tax (AMT) Items	b	Adjusted gain or loss	17b	
te in te	С	Depletion (other than oil and gas)	17c	
ามะ m. []	d	Oil, gas, and geothermal properties—gross income	17d	
<u>₹</u> <u>:</u> <u>₹</u>	е	Oil, gas, and geothermal properties—deductions	17e	
₹≥₹	f	Other AMT items (attach statement)	17f	
	18a	Tax-exempt interest income	18a	
Other Information	b	Other tax-exempt income	18b	
na	С	Nondeductible expenses	18c	775,128
orr	19a	Distributions of cash and marketable securities	19a	75,140,310
<u>ľ</u>	b	Distributions of other property	19b	
7	20a	Investment income	20a	92,650
ş	b	Investment expenses	20b	
	С	Other items and amounts (attach statement)		

Analysis of Net Income (Loss)

Sam Starling LLP Form 1065 (2011) Page 5

1		Combine Schedule I 12 through 13d, and						e sum of	1		103,652,209	
2	Analysis by partner type:	(i) Corporate	(ii) Indiv	/idual	(iii) Indiv (passi	/idual	(iv) Partnersh	ını	Exem anizati		(vi) Nominee/O	
а	General partners						55,065,9	902				
b	Limited partners					586,307						
Sch	edule L Bala	nce Sheets per Bo	oks		Beginnin	g of tax	year			l of ta	x year	
		Assets		(8	a)		(b)	(0	:)		(d)	
1	Cash						15,374,582				41,03	6,739
2a		accounts receivable.										
b	Less allowance fo	r bad debts										
3												
4	_	obligations										
5	Tax-exempt secur											
6		ets (attach statement)										
7a	·	or persons related to p	-									
b	Mortgage and real											
8		(attach statement).				_						
9a	_	er depreciable assets			54,937,02	_			9,134,	_		
		I depreciation		3	32,123,45	56	32,813,572	2	6,947,	318	52,18	7,198
10a	•									_		
		I depletion				_						
11		mortization)										
12a	•	(amortizable only) .								-		
	Less accumulated					-	40 470 045			_		
13	•	ch statement)					13,178,915			-		3,982
14							61,367,069			-	108,36	7,919
45		es and Capital										
15										H		
16 17		onds payable in less tha lities (attach statemer					5,478,152			-	4 10	3,915
18		ans					11,000,000			-		0,000
19a		s (or persons related to					11,000,000			H	11,000	0,000
b		onds payable in 1 year								-		
20		tach statement)								H		
21	·	accounts					44,888,917				91 18	4,004
22		d capital					61,367,069				108,36	
	edule M-1	econciliation of Inc	omo (l	ocel per	Books	With Ir) per Bet	urn		100,00	11717
	No.	ite. Schedule M-3 ma	y be req	uired inste	ad of Sc	hedule	M-1 (see instru	uctions).	.uiii			
1		per books					ecorded on book		ot incl	ıded		
2	, ,	Schedule K, lines 1, 2, 3c			1	on Sched	lule K, lines 1 thro	ugh 11 (item	nize):			
_		and 11, not recorded or			а	Tax-exe	empt interest \$;				
3	Guaranteed pay	ze): ments (other than	i		7		ons included o					
							igh 13d, and					
4		d on books this year					book income					
		Schedule K, lines 1			а	Deprec	iation \$					
	through 13d, and	16I (Itemize):										
a	Depreciation \$	·			1	Add line	es 6 and 7 .					
b	I ravel and enterta	inment \$			9		(loss) (Analys					
5	Add lines 1 throug	jh 4			<u> </u>	(Loss), l	ine 1). Subtract	ine 8 fron	n line	o .		
		alysis of Partners	Capita			D 1 · · · ·						
1	_	ing of year		44,888,917	6	Distribu	tions: a Cash				75,140	0,310
2	Capital contribute	d: a Cash			_	OH	b Prope	erty				
_		b Property			7	Otner d	ecreases (item	ııze): 				
3		per books		121,435,397								0.61-
4	Other increases (it		-	1// 20/ 25			es 6 and 7 .					0,310
5	Add lines I throug	jh 4		<mark>166,324,31</mark> 4	9	Balance a	at end of year. Su	otract line 8	τrom lír	1e 5	91,18	4,004

Sam Starling LLP

Depreciation and Amortization (Including Information on Listed Property)

69-0000001 OMB No. 1545-0172

Attachment

Department of the Treasury Internal Revenue Service (99)

► See separate instructions.

► Attach to your tax return.

Sequence No. 179

Name(s) shown on return Business or activity to which this form relates Identifying number Sam Startling, LLP Legal Services 69-0000001 **Election To Expense Certain Property Under Section 179** Part I Note: If you have any listed property, complete Part V before you complete Part I. 1 \$250,000 Total cost of section 179 property placed in service (see instructions) 2 3 Threshold cost of section 179 property before reduction in limitation (see instructions) . \$800,000 4 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions 5 (a) Description of property (b) Cost (business use only) (c) Elected cost 6 7 Listed property. Enter the amount from line 29 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 8 9 Tentative deduction. Enter the smaller of line 5 or line 8 9 **10** Carryover of disallowed deduction from line 13 of your 2010 Form 4562 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) 11 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 12 13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12 Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.) 14 Special depreciation allowance for qualified property (other than listed property) placed in service 14 3,258,175 15 **16** Other depreciation (including ACRS) 16 625,392 Part III MACRS Depreciation (Do not include listed property.) (See instructions.) 17 MACRS deductions for assets placed in service in tax years beginning before 2011 17 2.745.142 18 If you are electing to group any assets placed in service during the tax year into one or more general Section B-Assets Placed in Service During 2011 Tax Year Using the General Depreciation System (b) Month and year (c) Basis for depreciation (d) Recovery (a) Classification of property placed in (business/investment use (e) Convention (f) Method (g) Depreciation deduction period service only-see instructions) 3-year property 5-year property 1,428,700 5 HY DB 285,740 c 7-year property 7 2,275,000 HY DB 325,098 d 10-year property e 15-year property **f** 20-year property g 25-year property S/L 25 yrs. h Residential rental 27.5 yrs. MM 9/1 property 27.5 yrs. MM S/L i Nonresidential real 39 yrs. ММ S/L property MM S/L Section C-Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System 20a Class life S/L **b** 12-year 12 yrs. **c** 40-year 40 yrs. MM S/L Part IV Summary (See instructions.) 21 Listed property. Enter amount from line 28 21 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions 7,274,616 22 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs 23

69-0000001

Page 2 Form 4562 (2011) Part V Listed Property (Include automobiles, certain other vehicles, certain computers, and property used for entertainment, recreation, or amusement.) Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable. Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.) Yes No 24b If "Yes," is the evidence written? **24a** Do you have evidence to support the business/investment use claimed? (g) Business/ Basis for depreciation (d) Type of property (list Date placed Method/ Depreciation Elected section 179 Recovery investment use Cost or other basis (business/investment vehicles first) Convention deduction in service period cost use only) percentage 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) . 25 26 Property used more than 50% in a qualified business use: % % 27 Property used 50% or less in a qualified business use: % S/L -S/L -% % S/L -28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. Add amounts in column (i), line 26. Enter here and on line 7, page 1 Section B-Information on Use of Vehicles Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the guestions in Section C to see if you meet an exception to completing this section for those vehicles. (e) Vehicle 5 Vehicle 6 Vehicle 1 Vehicle 2 Vehicle 3 Vehicle 4 30 Total business/investment miles driven during the year (do not include commuting miles) . 31 Total commuting miles driven during the year 32 Total other personal (noncommuting) miles 33 Total miles driven during the year. Add lines 30 through 32 Yes No Yes Yes No Yes Yes No 34 Was the vehicle available for personal use Yes No No No during off-duty hours? 35 Was the vehicle used primarily by a more than 5% owner or related person? . . Is another vehicle available for personal use? Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions). 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by No 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners **39** Do you treat all use of vehicles by employees as personal use? 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles. Part VI Amortization (b) Amortization (c) (d) Date amortization Description of costs Amortizable amount Code section Amortization for this year period or begins percentage 42 Amortization of costs that begins during your 2011 tax year (see instructions):

44

43 Amortization of costs that began before your 2011 tax year 44 Total. Add amounts in column (f). See the instructions for where to report .

Sam Starling LLP Form **4562**

Depreciation and Amortization(Including Information on Listed Property)

► Attach to your tax return.

69-0000001 OMB No. 1545-0172 20 **1 1** Attachment

Sequence No. 179

Department of the Treasury Internal Revenue Service (99) Name(s) shown on return

Business or activity to which this form relates

► See separate instructions.

Identifying number

Sam Startling, LLP Rental 69-0000001 Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I. 1 \$250,000 Total cost of section 179 property placed in service (see instructions) 2 3 Threshold cost of section 179 property before reduction in limitation (see instructions) . \$800,000 4 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions 5 (a) Description of property (b) Cost (business use only) (c) Elected cost 6 7 Listed property. Enter the amount from line 29 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 8 9 Tentative deduction. Enter the smaller of line 5 or line 8 9 **10** Carryover of disallowed deduction from line 13 of your 2010 Form 4562 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) 11 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 12 13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12 Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.) Special depreciation allowance for qualified property (other than listed property) placed in service 14 **15** Property subject to section 168(f)(1) election 15 **16** Other depreciation (including ACRS) 16 Part III MACRS Depreciation (Do not include listed property.) (See instructions.) 17 MACRS deductions for assets placed in service in tax years beginning before 2011 17 18,275 18 If you are electing to group any assets placed in service during the tax year into one or more general Section B-Assets Placed in Service During 2011 Tax Year Using the General Depreciation System (b) Month and year (c) Basis for depreciation (d) Recovery (a) Classification of property (f) Method placed in (business/investment use (e) Convention (g) Depreciation deduction service only-see instructions) 3-year property 5-year property c 7-year property d 10-year property e 15-year property **f** 20-year property g 25-year property S/L 25 yrs. h Residential rental 27.5 yrs. MM 9/1 property 27.5 yrs. MM S/L i Nonresidential real 39 yrs. ММ S/L property MM S/L Section C-Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System 20a Class life S/L 12 yrs. **b** 12-year **c** 40-year 40 yrs. MM S/L Part IV Summary (See instructions.) 21 Listed property. Enter amount from line 28 21 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions 22 18,275 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs 23

	4562 (2011)														Page 2
Pa	rt V Listed Propert	• \			tain ot	her ve	ehicle	s, c	ertair	con	nputer	s, and	l prope	erty us	ed for
	·	ecreation, or amu		,											
		chicle for which you									lease (expens	e, com	olete on	ily 24a,
		through (c) of Section									<i>f</i>			- I- !I X	
-04-	Section A—Deprecia										•				
248	Do you have evidence to sup	oport the business/inve	stment us	e claime	ed? (e)	Yes	_ No	24	ו וו מ	es," is	the evic	lence wi	ritten?	Yes	No
	(a) (b) e of property (list vehicles first) Date placed in service	Business/	(d) other basis		for depreness/investuse only	stment	(f) Recove period		(g Meth Conve	nod/		(h) preciation eduction	n Ele	(i) ected sect cost	
25	Special depreciation al														
	<u> </u>		<u> </u>			e (see	instruc	LION	S) .	25					
26	Property used more that	an 50% in a qualifie	a busine	ess use	9:										
		%													
		%													
27	Property used 50% or I		ucinocc	1100.											
	1 Toperty used 50 70 OF F	%	u3111633	use.				0	6/L –						
		%							3/L –						
		%							3/L -						
28	Add amounts in column	* *	nh 27. Fi	 nter he	re and	on line	21. pa			28					
	Add amounts in column									_			29		
			ction B-									-			
Com	plete this section for vehic									," or re	elated p	erson. I	lf you pr	ovided v	ehicles
to yo	our employees, first answer	r the questions in Se	ction C t	o see if	you me	et an ex	xceptic	n to	compl	eting t	his sect	tion for	those ve	ehicles.	
30	Total business/investment	miles driven during	(a Vehic			b) icle 2	Ve	(c) hicle	3	(c Vehi	d) cle 4		(e) nicle 5		f) cle 6
	the year (do not include co	ommuting miles) .													
	Total commuting miles drive Total other personal (no														
	driven														
33	Total miles driven during 30 through 32	the year. Add lines													
34	Was the vehicle available during off-duty hours? .	•	Yes	No	Yes	No	Yes	1	No	Yes	No	Yes	No	Yes	No
35	Was the vehicle used p than 5% owner or related														
36	Is another vehicle available	le for personal use?													
		C-Questions for		-						-				who ar	e not
	e than 5% owners or rela						,	J				۰, ۰	,		
37	Do you maintain a writt your employees?	ten policy statemer	nt that p	rohibits	s all pe 	rsonal 	use of	veh	icles, 	includ 	ling coi	mmutir 	ng, by	Yes	No
38	Do you maintain a writ employees? See the inst											-	y your		
39	Do you treat all use of v														
40	Do you provide more the use of the vehicles, and	han five vehicles to	your e	mploye	es, obt	tain info	ormati	on fr	om yo	our en 	nployee	es abou	ut the		
41	Do you meet the require Note: If your answer to 3	ements concerning 37, 38, 39, 40, or 41	qualifie	d autor <i>do not</i>	mobile o	demon	stratio	n use	e? (Se ne cov	e inst	ruction: ehicles.	s.) .			
Pai	rt VI Amortization	<u> </u>	-		<u> </u>										
	(a) Description of costs	(b) Date amortiz begins	ation	Amoi	(c) rtizable aı	mount			(d) section	1	(e) Amortiza period percent	or	Amortiza	(f) ation for th	is year
42	Amortization of costs that	at begins during you	2011 ta	x year (see inst	truction	s):					l I			
43	Amortization of costs th	nat began before yo	our 2011	tax ye	ar							43			

44

44 Total. Add amounts in column (f). See the instructions for where to report.

Sam Starling LLP

(Rev. December 2010) Department of the Treasury Internal Revenue Service

Rental Real Estate Income and Expenses of a Partnership or an S Corporation

▶ See instructions on back. ▶ Attach to Form 1065, Form 1065-B, or Form 1120S. 69-0000001

Employer identification number

OMB No. 1545-1186

Sam Starling, LLP 69-0000001 Show the type and address of each property. For each rental real estate property listed, report the number of days rented at fair rental value and days with personal use. See instructions. See page 2 to list additional properties. Physical address of each property—street, city, Type-Enter code 1-8; Fair Rental Days Personal Use Days state. ZIP code see page 2 for list Rental Α В C D ____ **Properties Rental Real Estate Income** В С D Α 1,234,900 2 Gross rents 2 **Rental Real Estate Expenses** 3 Advertising 3 Auto and travel 4 Cleaning and maintenance . . 5 Commissions 6 Insurance 7 7 8 Legal and other professional fees 8 Interest 9 9 Repairs 10 10 11 Taxes 11 Utilities 12 12 13 Wages and salaries 13 Depreciation (see instructions) 14 18,275 14 1,013,500 Other (list) ▶ Total expenses for each property. Add lines 3 through 15 . . . 16 1.031.775 17 Income or (Loss) from each 203,125 property. Subtract line 16 from line 2 17 1,234,900 **18a** Total gross rents. Add gross rents from line 2, columns A through H 18a 1,031,775 **b** Total expenses. Add total expenses from line 16, columns A through H 18b 19 Net gain (loss) from Form 4797, Part II, line 17, from the disposition of property from rental real 19 20a Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1) 20a b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed: (1) Name (2) Employer identification number 203,125 21 Net rental estate income (loss). Combine lines 18a through 20a. Enter the result here and on: • Form 1065 or 1120S: Schedule K, line 2, or • Form 1065-B: Part I, line 4

Page 201

Sam Starling LLP 69-0000001 Form 8825 (12-2010) Page 2

State, ZIP Code See Delow for list	Personal Use Days H
F	
C	
H	
Properties E F G	
Rental Real Estate Income E F G 2 Gross rents	Н
2 Gross rents	H
Rental Real Estate Expenses 3 Advertising	
3 Advertising 3 4 Auto and travel 4 5 Cleaning and maintenance 5 6 Commissions 6 7 Insurance 7 8 Legal and other professional fees 9 Interest 9 10 Repairs 10	
4 Auto and travel 4 ————————————————————————————————————	
5 Cleaning and maintenance	
6 Commissions 6	
7 Insurance 7 8 Legal and other professional fees 9 Interest 9 10 Repairs 10	
8 Legal and other professional fees 9 Interest	
9 Interest	
10 Repairs	
11 laxes 11	
12 Utilities	
13 Wages and salaries 13	
14 Depreciation (see instructions) 15 Other (link)	
15 Other (list) ▶	
16 Total expenses for each property.	
Add lines 3 through 15 16	
17 Income or (Loss) from each	
property. Subtract line 16 from line 2 17	

Allowable Codes for Type of Property

- 1-Single Family Residence
- 2-Multi-Family Residence
- 3-Vacation or Short-Term Rental
- 4-Commercial
- 5-Land
- 6-Royalties
- 7-Self-Rental
- 8-Other (describe)

Form **8825** (12-2010)

Sam Starling LLP Form **8844**

Name(s) shown on return

Empowerment Zone and Renewal Community Employment Credit

69-0000001 OMB No. 1545-1444

2011

Attachment Sequence No. **99**

Identifying number

Department of the Treasury
Internal Revenue Service ► Attach to your tax return.

Sam Starling, LLP 69-0000001 Enter the total qualified wages paid or incurred during calendar year 2011 only (see instructions) a Qualified empowerment zone wages \$ 200,000 × 20% (.20) 40,000 1a × 0% (.00) **b** Skip line 1b (see instructions) 1b Enter the amount from line 1a. See instructions for the adjustment you must make to salaries and 40,000 Empowerment zone and renewal community employment credit from partnerships, S 3 Add lines 2 and 3. Cooperatives, estates, and trusts, go to line 5. Partnerships and S corporations, stop here and report this amount on Schedule K. All others, stop here and report this amount on 4 40,000 Amount allocated to patrons of the cooperative or beneficiaries of the estate or trust (see 5 Cooperatives, estates, and trusts, subtract line 5 from line 4. Report this amount on Form 3800, Form **8844** (2011) For Paperwork Reduction Act Notice, see instructions. Cat. No. 16145S

Sam Starling LLP 8882 (Rev. December 2006) Department of the Treasury Internal Revenue Service

Name(s) shown on return

Credit for Employer-Provided Childcare Facilities and Services

69-000001 OMB No. 1545-1809

► Attach to your tax return.

Attachment Sequence No. 131

Identifying number

Sam Starling, LLP 69-000001 Qualified childcare facility expenditures paid or incurred 2 2 Enter 25% (.25) of line 1 Qualified childcare resource and referral expenditures paid or incurred 3 4 Enter 10% (.10) of line 3 Credit for employer-provided childcare facilities and services from partnerships, S corporations, 35,000 5 estates, and trusts 35,000 6 Add lines 2, 4, and 5 . . . Enter the smaller of line 6 or \$150,000. Estates and trusts, go to line 8. All others report this amount as follows: partnerships and S corporations, report this amount on Schedule K; all others, 35,000 7 report the credit on the applicable line of Form 3800, (e.g., line 1n of the 2006 Form 3800) . . . 8 Amount allocated to beneficiaries of the estate or trust (see instructions) . Estates and trusts. Subtract line 8 from line 7. Report the credit on the applicable line of Form 3800 (e.g., line 1n of the 2006 Form 3800)

General Instructions

Section references are to the Internal Revenue Code.

What's New

- The tax liability limit is no longer figured on this form. Instead, it must be figured on Form 3800, General Business Credit.
- Taxpayers that are not partnerships, S corporations, estates, or trusts, and whose only source of this credit is from those pass-through entities, are not required to complete or file this form. Instead, they can report this credit directly on line 1n of Form 3800.
- The IRS will revise this December 2006 version of the form only when necessary. Continue to use this version for tax years beginning after 2005 until a new revision is issued.

Purpose of Form

Employers use Form 8882 to claim the credit for qualified childcare facility and resource and referral expenditures. The credit is part of the general business credit. You may claim the credit any time within 3 years from the due date of your return on either an original or amended return.

For details, see section 45F.

How To Figure the Credit

The credit is 25% of the qualified childcare facility expenditures plus 10% of the qualified childcare resource and referral expenditures paid or incurred during the tax year. The credit is limited to \$150,000 per tax year.

Qualified childcare expenditures are amounts paid or incurred:

- To acquire, construct, rehabilitate, or expand property that:
 - Is to be used as part of a qualified childcare facility of the taxpayer,
 - 2. Is depreciable (or amortizable) property, and
 - **3.** Is not part of the principal residence of the taxpayer or any employee of the taxpayer;
- For the operating expenses of a qualified childcare facility of the taxpayer, including expenses for training of employees, scholarship programs, and providing increased compensation to employees with higher levels of childcare training; or
- Under a contract with a qualified childcare facility to provide childcare services to employees of the taxpayer.

Note. Any expenses for childcare included in qualified childcare facility expenditures may not exceed the fair market value of such care.

A *qualified childcare facility* is a facility that meets the requirements of all applicable laws and regulations of the state or local government in which it is located, including the licensing of the facility as a childcare facility. The following conditions must also be met.

- The principal use of the facility must be to provide childcare (unless the facility is also the personal residence of the person operating the facility).
- Enrollment in the facility must be open to employees of the taxpayer during the tax year.

Sam Starling LLP

SCHEDULE C (Form 1065)

(Rev. December 2011) Department of the Treasury Internal Revenue Service

Additional Information for Schedule M-3 Filers

69-0000001

OMB No. 1545-0099

▶ Attach to Form 1065. See separate instructions.

Name of partnership

Sam Starling, LLP

Employer identification number

69-0000001

		Yes	No
1	At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		v
2	Do the amounts reported on Schedule M-3, Part II, lines 7 or 8, column (d), reflect allocations to this partnership from another partnership of income, gain, loss, deduction, or credit that are disproportionate to this partnership's		
	share of capital in such partnership or its ratio for sharing other items of such partnership?		~
3	At any time during the tax year, did the partnership sell, exchange, or transfer any interest in an intangible asset to		
	a related person as defined in sections 267(b) and 707(b)(1)?		~
4	At any time during the tax year, did the partnership acquire any interest in an intangible asset from a related		
	person as defined in sections 267(b) and 707(b)(1)?		-
5	At any time during the tax year, did the partnership make any change in accounting principle for financial		
	accounting purposes? See instructions for a definition of change in accounting principle		~
6	At any time during the tax year, did the partnership make any change in a method of accounting for U.S. income		
	tax purposes?		~

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49945S

Schedule C (Form 1065) (Rev. 12-2011)

Sam Starling LLP **SCHEDULE M-3** (Form 1065)

Net Income (Loss) Reconciliation for Certain Partnerships

► Attach to Form 1065 or Form 1065-B. ► See separate instructions.

69-0000001 OMB No. 1545-0099

Department of the Treasury Internal Revenue Service Name of partnership **Employer identification number** Sam Starling, LLP 69-0000001

This S	chedule M-3 is being filed beca	use (check all that apply):					
Α	✓ The amount of the partnersh	ip's total assets at the end of the	ne tax y	ear is equal to \$10 milli	on or more.		
В	☑ The amount of the partnershill enter the amount of adjusted.		-	ear is equal to \$10 millio	on or more.	If box	B is checked,
С	The amount of total receipts the tax year 323,558,263	for the tax year is equal to \$35	millio	n or more. If box C is cl	necked, ent	er the	total receipts for
D		e entity partner with respect tership's capital, profit, or loss, o					
	Name of Reportable E			dentifying Number			ntage Owned or
					De	emed	Owned
_	□ Valuatan : Files						
E	☐ Voluntary Filer.	and Not Income (Leas) De		liation			
Part		and Net Income (Loss) Re			Haia day, yaa	<u>.</u>	
та	Did the partnership file SEC Form		•	•	-	~	
	Yes. Skip lines 1b and 1c an						
h	☐ No. Go to line 1b. See instructionDid the partnership prepare a ce	•		· · ·			
b	Yes. Skip line 1c and comple			•	J.		
	No. Go to line 1c.	ete iiiles 2 tiliough 11 with resp	ect to	mai moome statement.			
С	Did the partnership prepare a no	n-tay-hasis income statement	for tha	t period?			
Ū	☐ Yes. Complete lines 2 through						
	■ No. Skip lines 2 through 3b a				d records o	n line	4a.
2	Enter the income statement period		1 /	` ''	/ 31 /	/ 201	
3a	Has the partnership's income sta	· · · —	ncome	statement period on lin	e 2?		
	Yes. (If "Yes," attach an expl			•			
	✓ No.			•			
b	Has the partnership's income stat	ement been restated for any of	the five	income statement perio	ds preceding	g the p	period on line 2?
	☐ Yes. (If "Yes," attach an expl	anation and the amount of eac	h item	restated.)			
	✓ No.						
4a	Worldwide consolidated net inco			rce identified in Part I, I	ne 1	4a	121,435,397
b	Indicate accounting standard us						
	1 🗹 GAAP 2 🗌	IFRS 3 ∐	704(b	p)			
_	4 Tax-basis 5	Other: (Specify) ▶	`			_ /	,
5a	Net income from nonincludible for					5a (
b	Net loss from nonincludible forei	•		' '		5b	
6a	Net income from nonincludible U.S.					6a(6b	
ъ 7а	Net income (loss) of other foreign	*			-	7a	
b	Net income (loss) of other U.S. d	•		•	-	7b	
8	Adjustment to eliminations of	•	,		-		
•	•					8	
9	Adjustment to reconcile income				<u> </u>	9	
10	Other adjustments to reconcile t	• • • • • • • • • • • • • • • • • • • •		•	-	10	
11	Net income (loss) per income s	•			-	11	121,435,397
	Note. Part I, line 11, must equal	•		•	L		
12	Enter the total amount (not just the	partnership's share) of the assets	and liak	pilities of all entities include	ed or remove	d on t	he following lines:
		Total Assets		Total Liabilit	ies		
а	Included on Part I, line 4	108,3	867,919		17,183,0	00	
b	Removed on Part I, line 5					_	
С	Removed on Part I, line 6					_	
А	Included on Part I line 7			I		1	

Return

Sam Starling LLP 69-0000001

Name of partnership Employer identification number

Sam Starling, LLP 69-0000001

Part II Reconciliation of Net Income (Loss) per Income Statement of Partnership with Income (Loss) per

(a) (b) (c) Income (Loss) Items Income (Loss) per Temporary Permanent Income (Loss) per Tax Return Income Statement Difference Difference (Attach schedules for lines 1 through 9) 1 Income (loss) from equity method foreign corporations 2 Gross foreign dividends not previously taxed . . . 3 Subpart F, QEF, and similar income inclusions 4 Gross foreign distributions previously taxed 5 Income (loss) from equity method U.S. corporations 6 7 Income (loss) from U.S. partnerships 8 Income (loss) from foreign partnerships 9 Income (loss) from other pass-through entities . . . 10 Items relating to reportable transactions (attach details) 11 Interest income (attach Form 8916-A) 12 Total accrual to cash adjustment 13 Hedging transactions 14 Mark-to-market income (loss) 15 Cost of goods sold (attach Form 8916-A) 16 Sale versus lease (for sellers and/or lessors) . . 17 Section 481(a) adjustments Unearned/deferred revenue 18 19 Income recognition from long-term contracts . . . 20 Original issue discount and other imputed interest Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities . 10,000 Gross capital gains from Schedule D, excluding amounts from pass-through entities Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses d Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses 10,000 Abandonment losses Worthless stock losses (attach details) Other gain/loss on disposition of assets other than inventory 22 Other income (loss) items with differences (attach schedule) Total income (loss) items. Combine lines 1 through 23 10,000 22 24 Total expense/deduction items. (from Part III, line 31) (see instructions) (12,959,362)4,116,715 (21,899,903) (30,743,050) 25 Other items with no differences 134,835,397 134,385,259 26 121,435,397 4,116,715 (21,899,903) 103,652,209 **Reconciliation totals.** Combine lines 23 through 25

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Schedule M-3 (Form 1065) 2011

Page 2

m Starling LLP 69-0000001

Name of partnership

Sam Starling, LLP

69-0000001

Part III Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return – Expense/Deduction Items

	neturii—Expense/Deduction Items				
	Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	State and local current income tax expense				
2	State and local deferred income tax expense				
3	Foreign current income tax expense (other than				
3	foreign withholding taxes)				
4	Foreign deferred income tax expense				
	=				
5	Equity-based compensation	1.550.057		(775 100)	775 100
6	Meals and entertainment	1,550,256		(775,128)	775,128
7	Fines and penalties				
8	Judgments, damages, awards, and similar costs				
9	Guaranteed payments			22,675,031	22,675,031
10	Pension and profit-sharing				
11	Other post-retirement benefits				
12	Deferred compensation				
13	Charitable contribution of cash and tangible property				
14	Charitable contribution of intangible property				
15	Organizational expenses as per Regulations				
	section 1.709-2(a)				
16	Syndication expenses as per Regulations section 1.709-2(b)				
17	Current year acquisition/reorganization investment banking fees				
18	Current year acquisition/reorganization legal and accounting fees				
19	Amortization/impairment of goodwill				
20	Amortization of acquisition, reorganization, and start-up costs				
21	Other amortization or impairment write-offs				
22	Section 198 environmental remediation costs				
23a	Depletion—Oil & Gas				
b	Depletion—Other than Oil & Gas				
24	Intangible drilling & development costs				
25	Depreciation	11,409,606	(4,116,715)		7,292,891
26	Bad debt expense				
27	Interest expense (attach Form 8916-A)				
28	Purchase versus lease (for purchasers and/				
	or lessees)				
29	Research and development costs (attach schedule) .				
30	Other expense/deduction items with differences				
	(attach schedule)				
31	Total expense/deduction items. Combine lines 1				
O1	through 30. Enter here and on Part II, line 24,				
	reporting positive amounts as negative and negative				
	amounts as positive	12,959,862	(4 114 715)	(21,899,903)	30,743,050
	<u> </u>	12,737,002	(4,116,715)	(21,077,703)	30,143,030

Schedule M-3 (Form 1065) 2011

Page 3

	Sam Starling LLP					Final			69-0000 5-05 1 1 1 OMB No. 1545-00
	nedule K-1 rm 1065)			2011	Pa	rt III			rent Year Income,
•	•		_		1	Ordino	Deductions, Cree ry business income (loss)	15 15	Credits
	rtment of the Treasury nal Revenue Service			calendar year 2011, or tax	l '	Ordinar	32,272,56		L 16,00
			yeai	beginning, 2011 ending, 20	2	Net ren	ital real estate income (loss	_	
D	duada Chara af In		_				81,25	·	P 14,24
	rtner's Share of In edits, etc.	•		eductions, of form and separate instructions.	3	Other r	net rental income (loss)	16	Foreign transactions
	Part I Information /	About tl	he	Partnership	4	Guarar	nteed payments		
A	Partnership's employer iden			·	1		22,675,03	1	
69-0	0000001				5	Interes	t income		
В	Partnership's name, address	s, city, state	e, ar	nd ZIP code			37,06	0	
San	n Starling, LLP				6a	Ordina	ry dividends		
	N McKinley Drive								
	no, NV 89510				6b	Qualifie	ed dividends		
					—	Dovolti	00		
-	1000				7	Royalti	es		
Ogo	IRS Center where partnershi	p filed retu	rn		8	Net sho	ort-term capital gain (loss)		
D	Check if this is a publicly	v traded na	rtne	archin (DTD)	┨	THOU OIL	orr torri dapitar gairi (1000)		
١	Officer if this is a publici	y traded pa		samp (i ii)	9a	Net Ion	ng-term capital gain (loss)	17	Alternative minimum tax (AMT) iter
P	art II Information	About tl	he	Partner			,		, ,
E	Partner's identifying number				9b	Collect	tibles (28%) gain (loss)		A 79,78
F	Partner's name, address, cit	v. state. an	d Z	P code	9с	Unreca	aptured section 1250 gain		
Bar		•							
RR	ton and Jenkins Enterpr 510 W	156			10	Net sed	ction 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
And	chorage, AK 99502				11	Other is	ncome (loss)		_
G	X General partner or LLC member-manager			Limited partner or other LLC member					C 310,05
Н	X Domestic partner			Foreign partner					
1								19	Distributions
1	What type of entity is this pa	rtner? Pa	ırtn	ership	12	Section	n 179 deduction		
J	Partner's share of profit, loss	s, and capit	al (s	•		0.11			A 30,056,12
	Beginning	40		Ending	13	Other	deductions		Other information
	Profit	40						20	Other information
	Loss Capital	40							
	Oapitai	10	70	10 70					
ĸ	Partner's share of liabilities a	it vear end:							A 37,06
``	Nonrecourse			4,400,000	14	Self-en	nployment earnings (loss)		
	Qualified nonrecourse finance	ing .	\$				A 55,024,84	2	
	Recourse		\$_				C 55,024,84	2	
	Partner's capital account an	alvsis:			*Se	e attac	ched statement for a	dition	al information.
-	Beginning capital account .	-	\$	17,955,568					
	Capital contributed during th								
	Current year increase (decre	ase) .	\$ _	48,574,160	1				
	Withdrawals & distributions			30,056,124)	l l				
	Ending capital account		\$_	36,473,604	0 0				
	_		_	_	l s				
		GAAP	[Section 704(b) book	For IRS Use Only				
	Other (explain)				<u> </u>				
1					IЩ				

If "Yes," attach statement (see instructions)

Did the partner contribute property with a built-in gain or loss? X No

Yes

Cat. No. 11394R

Sam Starling LLP			ſ	□ Final K 1	☐ Amondos	4 K 4	69-0000 -05 1 1 1 OMB No. 1545-009
Schedule K-1				Final K-1	Amended		rent Year Income,
(Form 1065)		2011	L				nd Other Items
Department of the Treasury Internal Revenue Service	year begin	ar year 2011, or tax ning, 2011	1		ess income (loss) 484,089	15	Credits L 24
	endin	g, 20	. 2	Net rental real	estate income (loss)		P 21
Partner's Share of Inc	ome, Dedu	ctions,	3	Other net renta	1,219	16	Foreign transactions
Credits, etc.	► See back of form	n and separate instructions	s.	Outlot Hot fortic	a moomo (roos)		1 droigh trandactions
Part I Information A	bout the Part	nership	4	Guaranteed pa	yments		
A Partnership's employer identif 69-0000001	ication number		5	Interest income	e		
B Partnership's name, address,	city, state, and ZIP	code			556		
Sam Starling, LLP			6a	Ordinary divide	ends		
631 N McKinley Drive			4				
Reno, NV 89510			6b	Qualified divide	ends		
			7	Royalties			
C IRS Center where partnership	filed return						
Ogden			8	Net short-term	capital gain (loss)		
D Check if this is a publicly	traded partnership (PTP)					
Dout II Information A	bout the Dow	10.04	9a	Net long-term	capital gain (loss)	17	Alternative minimum tax (AMT) iten
Part II Information A	bout the Part	ner	9b	Collectibles (28	3%) gain (loss)		
E Partner's identifying number 000-00-0022			35	Oollectibles (20	70) gairi (1033)		A 1,19
F Partner's name, address, city,	state, and ZIP code) Э	9с	Unrecaptured	section 1250 gain		
Sam Starling			ļ.,				-
P. O. Box 99			10	Net section 12	31 gain (loss)	18	Tax-exempt income and nondeductible expenses
7 Birch Branch St. Johns, NFLD			11	Other income (loss)		μ
Canada, AIC5N5			''	Other income (1055)		
G General partner or LLC	X Limite	ed partner or other LLC					C 4,65
member-manager	memb						
H Domestic partner	X Foreig	ın partner					
1						19	Distributions
What type of entity is this part	ner? Individual		. 12	Section 179 de	eduction		
J Partner's share of profit, loss,	and capital (see inst	•	10	Othor doductio			A 450,84
Beginning	6	Ending	13	Other deduction	ITIS	20	Other information
Profit Loss	.6 %	.6 %				20	Other information
Capital	.6 %	.6 %					
<u> </u>	70	,,					A 55
K Partner's share of liabilities at	year end:						A 55
Nonrecourse	\$	66,000	. 14	Self-employme	ent earnings (loss)		
Qualified nonrecourse financing							
Recourse	\$						
L Partner's capital account anal	veie:		*56	ee attached s	tatement for add	lition	al information
Beginning capital account	•	269,334		oo allaonoa o	tatomont for add		
Capital contributed during the			•				
Current year increase (decrease		728,613					
Withdrawals & distributions	\$ (450,842)	. 출				
Ending capital account	\$	547,104	. 0				
	_		l s				
	AAP X Sec	tion 704(b) book	For IRS Use Only				
Other (explain)			= -				
1			ĮŬ				

If "Yes," attach statement (see instructions)

Yes

Did the partner contribute property with a built-in gain or loss? X No

Sam Starling LLP					Final I	K-1 ☐ Amended	d K-1	69-000 6-05 1 1 1 OMB No. 1545-00
Schedule K-1 (Form 1065)		201	1 [Pa	rt III	Partner's Share of Deductions, Credi		•
Department of the Treasury Internal Revenue Service	year beginni	year 2011, or tax	_, 2011			y business income (loss) 484,089	15	Credits
Dawtonau'a Chara af Ir		, 20)	2	Net ren	tal real estate income (loss) 1,219		P 21
Partner's Share of In Credits, etc.	See back of form	•	ructions.	3	Other n	et rental income (loss)	16	Foreign transactions
Part I Information	About the Partn	ership		4	Guaran	teed payments		
A Partnership's employer ide 69-0000001	ntification number			5	Interest	income		
B Partnership's name, addres	ss, city, state, and ZIP co	ode		6a	Ordinar	y dividends		
Sam Starling, LLP				va	Ordina	y dividends		
631 N McKinley Drive Reno, NV 89510				6b	Qualifie	d dividends		
				7	Royaltie	es		
C IRS Center where partners	hip filed return			8	Net sho	ort-term capital gain (loss)		
<u> </u>	cly traded partnership (P	ΓP)				9 (ccc)		
Part II Information	About the Partn	er		9a	Net Ion	g-term capital gain (loss)	17	Alternative minimum tax (AMT) iter
E Partner's identifying number	er			9b	Collect	bles (28%) gain (loss)		A 1,19
F Partner's name, address, o	ity, state, and ZIP code			9с	Unreca	ptured section 1250 gain		
Taxpayer 1 P. O. Box 0001 Reno, NV 89510				10	Net sec	ction 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
				11	Other in	ncome (loss)		
G General partner or LLC member-manager	Limited membe	partner or other LL	.C					C 4,65
H X Domestic partner	Foreign	partner					19	Distributions
What type of entity is this p	eartner? Individual		-	12	Section	179 deduction	19	Distributions
J Partner's share of profit, los		,			011			A 450,84
Beginning Profit	.6 %	Ending	.6 %	13	Otner c	leductions	20	Other information
Loss	.6 %		.6 %					
Capital	.6 %		.6 %					
K Partner's share of liabilities	at year end:							A 55
Nonrecourse			66,000	14	Self-em	ployment earnings (loss)		
Recourse								
L Partner's capital account a	nalvaia			*500	attac	hed statement for add	lition	al information
Beginning capital account	•	26	9,334		, arrac	Tiod States Tion Lag		
Capital contributed during								
Current year increase (decr	· —		8,613					
Withdrawals & distributions	. (0,842)	Ę.				
Ending capital account .	\$	54	7,104	se C				
Tay basis	CAAB [V] 0	on 704/h) ha-l-		č				
Tax basis Other (explain)	GAAP X Section	on 704(b) book		RS				
Onlei (explain)				For IRS Use Only				

If "Yes," attach statement (see instructions)

Yes

Did the partner contribute property with a built-in gain or loss? X No

Test Scenario 10 (K-1 Aggregator)

Test Scenario 10 uses the Form 1065 and related forms and schedules from Test Scenario 3, with these exceptions:

- The number of K-1's is 101
- The ordinary Business Income/Loss Statement is attached to all K-1's.

Test Scenario 10 shows three K-1's: XYZ Management
ABC Investments
Taxpayer B1 (990-00-0001)

Create the other 98 K-1's using this information:

- The partner's identifying number will increase by 1 (990-00-0002, 990-00-0003, 990-00-0004...through 990-20-0099)
- The partner's name will increase by 1 (Taxpayer B1 Taxpayer B2 Taxpayer B3 through Taxpayer B99)
- Use the same address as Taxpayer B1
- The 98 partners are limited partners, domestic partners, and individuals
- Use the same profit/loss/capitol percentages as Taxpayer B1

The Business Income Loss Statements attached to the K-1's will be:

Ordinary Business Income (Loss) Statement (Schedule K-1 (Form 1065), Part III, Line1)

Taxpayer B1 through Taxpayer B99					
Mai Tai Investments	38				
Cancellation of Debt	2				
Services Fees	1,500				

Ordinary Business Income (Loss) Statement (Schedule K-1 (Form 1065), Part III, Line 1)

XYZ Management						
Mai Tai Investments	1,022,953					
Cancellation of Debt	54,000					
Services Fees	39,988,025					

Ordinary Business Income (Loss) Statement (Schedule K-1 (Form 1065), Part III, Line 1)

ABC Investments					
Mai Tai Investments	1,534,429				
Cancellation of Debt	81,000				
Services Fees	59,982,038				

FORMS REQUIRED: 1065, 4562, 8865, Schedule K-1(F1065-B) (101), Schedule O (F8865), Schedule M-3 (F1065), Schedule C (F1065)

ATTACHMENTS:

Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement

Other Income (Loss) Statement

Itemized Other Deductions Statement

Form 1065 (Publicly Traded Partnership) & (Three And One Half Percent) Ownership of Any Interest in Another Partnership or Foreign Entity Statement

Section 754 Election

Income (Loss) From Foreign Partnerships Schedule

BINARY ATTACHMENTS: None

HEADER INFO:

Tax Period: Calendar Year 2011

Preparer Firm: Electronic Tax Filers, Inc 69-0000098

123 Any Street Anytown, NY 11717

Multiple Software Packages Used: Yes or No

Originator: EFIN: Self-select

Type: ERO Practitioner PIN: EFIN: Self-select PIN: Self-select

PIN Entered by - ERO

Signature Option: PIN Number

Return Type: 1065

Filer: EIN: 69-0000003

Name: Carlton Asset Management L P

Name Control: CARL

Address: 1678 South Hoover Blvd San Francisco, CA 94101

Partner: Name: Tony Carlton

Title: President Taxpayer PIN: 0200-Phone: 555-555-5555

Email Address: Anymail@email.com

Date Signed: 03/15/2012

Preparer: Name: John Smith

PTIN: P00000010 Phone: 555-631-1212

Email Address: Anymail@email.com

Date Prepared: 03/14/2012

Self Employed: No

IRS PAYMENT: N/A

Details for attachments to Form

Attachment 1, Form 1065, Line 4 (Ordinary Income (Loss) From Other Partnerships, Estates, and Trusts Statement)

Partnership, Estate	Address	EIN	Trade or Business	Amount
or Trusts Name			Activity	
Mai Tai Investments	1-2-3 Ginsu Chuo-Ku Tokyo, 190-2182	69-0000099	Security Dealing	\$10,229,525

Attachment 2, Form 1065, Page 1, Line 7 (Other Income (Loss) Statement)

Cancellation of Debt	\$540,000
Services Fees	\$399,880,252

Attachment 3, Form 1065, Page 1, Line 20 (Itemized Other Deductions Statement)

Legal and Accounting	\$216,572
Bank Fees	\$142,080
Travel and Entertainment	\$40,000

Attachment 5, Form 1065, Schedule B, Question 3 (Ownership of Any Interest in Another Partnership or Foreign Entity Statement)

Type of Entity	Entity Name	EIN	Country
Partnership	MaiTai Partnership	69-0000099	Japan

Attachment 6, Form 1065, Page 2, Schedule B, Line 11 (Section 754 Election)

Name of Partnership	Carlton Asset Management L P
Partnership Address	1678 South Hoover Blvd
	San Francisco, CA 94101
Section 754 Declaration	Made a Section 754 Declaration

Attachment 7, Form 1065, Schedule M-3, Part II, Line 8 (Income (Loss) From Foreign Partnerships Schedule)

Name	EIN	EOY Profit Sharing Percentage	EOY Loss Sharing Percentage	Income per Income Statement	Amount
Mai Tai Investments	69-0000099	25%	25%	\$10,229,525	\$10,229,525

NOTE: The 3.5% tax of the Publicly Traded Partnership is \$114,372,742. Please input this tax amount on Form 1065 Line 22. (Element name: "ThreeAndOneHalfPercent")

orm	106	5 For cal	U.S. Return of Partnership Income For calendar year 2010, or tax year beginning , 2010, ending , 20 .								69-0000003 OMB No. 1545-0099 20 10	
	ment of the	Treasury	•		► See separa	ate instructi	ons.				,	
A Prin	cipal busine	ess activity	_	e of partnership ton Assets M	lanagement, L	_P				D Employer identification 69-000003	number	
	cipal product ancial In	t or service label. NVest Other-	1	oer, street, and rook	om or suite no. If a l /er Blvd	P.O. box, see	the instruction	ons.		E Date business start	ed	
Bus 523	iness code	number wise, print or type								F Total assets (see the instructions) \$ 6,275,256		
G	Check ap	oplicable boxes:		Technical tern Cash	(2) Final retur	eck (1) or (2)	(3) 🗌	nge (4) ☐ Address	-	(5) Amended r	return	
1	Number of	of Schedules K-1.	Attach	one for each pe	erson who was a r	oartner at an	v time duri	ng the tax year ►		101		
J Cauti	Check if S	Schedules C and	M-3 are	attached .				w. See the instruction				
<u> </u>	b L		allowa	inces nedule A, line	8)				1c 2 3			
Income	4 C 5 N	ordinary income Net farm profit (l	Subtract line 2 from line 1c							10,229,525		
	7 0	Other income (lo	ss) (atta	ach statement,)				6 7 8	400,420,252 410,649,777	_	
tations)	1	Salaries and wages (other than to partners) (less employment credits)							9	1,179,658 561,900		
is for limi	12 E	Bad debts	d maintenance 11									
see the instructions for limitations)	14 T	axes and licens	enses							729,654 871,972	_	
9)	16a D	Depreciation (if releases depreciation	reporte	<i>d, attach Form</i> ed on Schedule	A and elsewhere		16a 16b	62,765	15 16c	62,765		
Deductions	18 F	Depletion (Do no Retirement plans Employee benefi	s, etc.						17 18 19	345,678	<u> </u>	
Dedu	20 C	Employee benefit programs						20	398,652 4,158,889	+		
	22 C	Ordinary busine	ss inc	ome (loss). St	ubtract line 21 f	rom line 8			22	406,490,888		
Sign Here		knowledge and b is based on all inf	elief, it is ormation	true, correct, and of which prepare		ion of prepare e.	r (other than	ying schedules and stat general partner or limit Date	ements, a	ind to the best of my	nager)	
Paic		Preparer's signature John		partitei Of Ilffilled I	паршту сотпрану те	Date		Check if self- employed ▶	PT P0	TIN 0000010		
-	oarer's Only	Firm's name (or yours if self-employed), ■ ELECTRIC TAX FILERS INC EIN ▶ 69							9-0000098			

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2010)

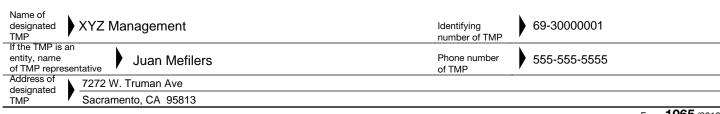
Form 1065 (2010) Page **2**

Sch	edule A Cost of Goods Sold (see the instru	uction	ns)					•		
1	Inventory at beginning of year					1				
2	Purchases less cost of items withdrawn for personal us					2				
3	Cost of labor				[3				
4	Additional section 263A costs (attach statement)				[4				
5	Other costs (attach statement)				[5				
6	Total. Add lines 1 through 5				[6				
7	Inventory at end of year				[7				
8	Cost of goods sold. Subtract line 7 from line 6. Enter	here a	nd on page 1	, line 2	[8				
9a	Check all methods used for valuing closing inventory:									
	(i) Cost as described in Regulations section 1.471	-3								
	(ii) Lower of cost or market as described in Regula			-4						
	(iii) Other (specify method used and attach explana							<u></u>		
b	Check this box if there was a writedown of "subnorma	-		•		. ,				
С	Check this box if the LIFO inventory method was adop		-					Ш		
d										
е	- $ -$									
Sch	If "Yes," attach explanation.									
	Guioi imormadon	nnlinn	ble bevi					V	N	
1	What type of entity is filing this return? Check the a	•		ed partnership				Yes	No	
a				ed partriership ed liability partn	ershin					
c e	☐ Domestic limited liability company d ☐ Foreign partnership f		ther >	ed liability partir	ersnip					
2	At any time during the tax year, was any partner in			disregarded e	ntity a nartne	rehin (in	cluding			
_	an entity treated as a partnership), a trust, an S corp							х		
	or a nominee or similar person?			•						
3	At the end of the tax year:									
а	Did any foreign or domestic corporation, partnersh	ip (in	cluding anv e	entity treated as	a partnershir	o), trust.	or tax-			
_	exempt organization own, directly or indirectly, ar									
	partnership? For rules of constructive ownership,	see in	structions. If	"Yes," attach S	Schedule B-1,	Informa	tion on	X		
	Partners Owning 50% or More of the Partnership									
b	Did any individual or estate own, directly or indirect									
	the partnership? For rules of constructive ownersh				ch Schedule E	3-1, Infoi	rmation		Х	
_	on Partners Owning 50% or More of the Partnership	ο.								
4	At the end of the tax year, did the partnership:		500/							
а	Own directly 20% or more, or own, directly or indistock entitled to vote of any foreign or dome									
	instructions. If "Yes," complete (i) through (iv) below		orporation:				ip, see			
	(i) Name of Corporation		(ii) Employe	r Identification	(iii) Country o	f	(iv) Perce	entage	X	
	(y name of obsportation			er (if any)	Incorporation		Owned in Stoo			
							3100	<i>-</i> /\		
b	Own directly an interest of 20% or more, or own, di	-	•							
	or capital in any foreign or domestic partnership (i									
	interest of a trust? For rules of constructive ownersh	•	i) Employer			. ,		X aximum		
	(i) Name of Entity	lo	dentification	(iii) Type of Entity	(iv) Coun Organiza		Percentag	ge Own	ed in	
		 	imber (if any)				Profit, Los		apital_	
	Mai Tai Investment	6	69-0000099	Partnership	Japa	n	2	25%		
		1								

Form **1065** (2010)

Form 1065 (2010) Page 3

the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under tion 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for electails		x
partnership's total receipts for the tax year were less than \$250,000. partnership's total assets at the end of the tax year were less than \$1 million. edules K-1 are filed with the return and furnished to the partners on or before the due date (including ensions) for the partnership return. partnership is not filing and is not required to file Schedule M-3 'es," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; em L on Schedule K-1. is partnership a publicly traded partnership as defined in section 469(k)(2)?		х
partnership's total receipts for the tax year were less than \$250,000. partnership's total assets at the end of the tax year were less than \$1 million. edules K-1 are filed with the return and furnished to the partners on or before the due date (including ensions) for the partnership return. partnership is not filing and is not required to file Schedule M-3		
edules K-1 are filed with the return and furnished to the partners on or before the due date (including ensions) for the partnership return. partnership is not filing and is not required to file Schedule M-3 (es," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; em L on Schedule K-1. is partnership a publicly traded partnership as defined in section 469(k)(2)?		
partnership is not filing and is not required to file Schedule M-3 'es," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; em L on Schedule K-1. is partnership a publicly traded partnership as defined in section 469(k)(2)? ng the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms lified so as to reduce the principal amount of the debt?		
es," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; em L on Schedule K-1. is partnership a publicly traded partnership as defined in section 469(k)(2)?		
es," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; em L on Schedule K-1. is partnership a publicly traded partnership as defined in section 469(k)(2)?		х
ng the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms lified so as to reduce the principal amount of the debt?		Х
lified so as to reduce the principal amount of the debt?		
this partnership filed or is it required to file Form 8918. Material Advisor Disclosure Statement to provide		х
rmation on any reportable transaction?		х
ny time during calendar year 2010, did the partnership have an interest in or a signature or other authority over nancial account in a foreign country (such as a bank account, securities account, or other financial account)? the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and		
ncial Accounts. If "Yes," enter the name of the foreign country. ▶		х
any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or		
sferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report		Х
	v	
the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," ch a statement showing the computation and allocation of the basis adjustment. See instructions		х
ne partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a stantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		Х
ck this box if, during the current or prior tax year, the partnership distributed any property received in a kind exchange or contributed such property to another entity (other than entities wholly-owned by the nership throughout the tax year)		
any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other ivided interest in partnership property?		х
e partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign egarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
s the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's rmation Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		Х
er the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached		
nis return. ▶ 1		
r a r u s s i t c n st c c k n u i l e e s ri ei i	ry time during calendar year 2010, did the partnership have an interest in or a signature or other authority over ancial account in a foreign country (such as a bank account, securities account, or other financial account)? the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and incial Accounts. If "Yes," enter the name of the foreign country. ▶ The partnership that is a bank and accounts. If "Yes," enter the name of the foreign country. ▶ The partnership that is a bank and accounts. If "Yes," enter the name of the foreign country. ▶ The partnership that is a bank and accounts. If "Yes," the partnership receive a distribution from, or was it the grantor of, or feror to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report sactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions The partnership making, or had it previously made (and not revoked), a section 754 election? The partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," a statement showing the computation and allocation of the basis adjustment. See instructions The partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a stantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 10)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions. The sketch as the partnership of the basis adjustment. See instructions. The partnership throughout the tax year, the partnership distributed any property received in a skind exchange or contributed such property to another entity (other than entities wholly-owned by the tership throughout the tax year, did the partnership distribute to any partner a tenancy-in-common or other vided interest in partnership property? The partnership is required to file Form 8858, Information Return of U.S.	the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and incial Accounts. If "Yes," enter the name of the foreign country. ▶ The instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and incial Accounts. If "Yes," enter the name of the foreign country. ▶ The instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and incial Accounts. If "Yes," enter the name of the foreign country. ▶ The partnership of the tax year, did the partnership may have to file Form 3520, Annual Return To Report sections With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions



Form **1065** (2010)

Form 1065 (2010) Page **4**

Sched	ule K	Partners' Distributive Share Items		Total amount
	1	Ordinary business income (loss) (page 1, line 22)		406,490,888
	2	Net rental real estate income (loss) (attach Form 8825)		100,100,000
	- 3а	Other gross rental income (loss)		
	b	Expenses from other rental activities (attach statement) . 3b		
	C	Other net rental income (loss). Subtract line 3b from line 3a	. Зс	
∞ ∣	4	Guaranteed payments		561,900
SSC	5	Interest income		36,525
Income (Loss)	6	Dividends: a Ordinary dividends		30,023
ഉ		b Qualified dividends 6b	· Ja	
O	7	Royalties	. 7	
ဥ	8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))		
-		. • , , , , , , , , , , , , , , , , , ,		
	9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	. 9a	
	b	Collectibles (28%) gain (loss)		
	C	Unrecaptured section 1250 gain (attach statement) 9c	10	
	10	Net section 1231 gain (loss) (attach Form 4797)		
	11	Other income (loss) (see instructions) Type ▶		40.000
Deductions	12	Section 179 deduction (attach Form 4562)		43,332
유	13a	Contributions		
2	b	Investment interest expense		
o	С	Section 59(e)(2) expenditures: (1) Type ▶ (2) Amour	nt ▶ 13c(2)	
بّ	d	Other deductions (see instructions) Type ▶		
Employ- I	14a	Net earnings (loss) from self-employment		41,210,989
ent	b	Gross farming or fishing income		
ŭέ	С	Gross nonfarm income	. 14c	41,210,989
	15a	Low-income housing credit (section 42(j)(5))	. 15a	
Credits	b	Low-income housing credit (other)	. 15b	
 ਂ ਲੋ	С	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)		
<u>e</u>	d	Other rental real estate credits (see instructions) Type	15d	
0	е	Other rental credits (see instructions) Other credits (see instructions) Type ►	15e	
	f		1 131	
	16a	Name of country or U.S. possession ► _{JA}		
.	b	Gross income from all sources	. 16b	10,229,530
nsactions	С	Gross income sourced at partner level	. 16c	
엹		Foreign gross income sourced at partnership level		
ä	d	Passive category ► 10,229,530 e General category ► f Othe	r ▶ 16f	
	_	Deductions allocated and apportioned at partner level		
<u>2</u>	g	Interest expense ► h Other	▶ 16h	
_	9	Deductions allocated and apportioned at partnership level to foreign source income	1011	
<u>ğ</u>	i	Passive category ► j General category ► k Othe	er ▶ 16k	
Foreign Tra	i	Total foreign taxes (check one): ▶ Paid ■ Accrued □ · · · · · · ·		632,510
ш	m	Reduction in taxes available for credit (attach statement)		302,010
	n	Other foreign tax information (attach statement)		
×	17a	Post-1986 depreciation adjustment		
્રા હ	b	Adjusted gain or loss		
um Ta Items	C	Depletion (other than oil and gas)		
5 5	d	Oil, gas, and geothermal properties—gross income		
Minimum Tax (AMT) Items	-	Oil, gas, and geothermal properties—gross income		
E E	e •			
	100	Other AMT items (attach statement)		
ا ا	18a	Tax-exempt interest income		
ati	b	Other tax-exempt income		,
ξ̈	C	Nondeductible expenses		1,111
ا ق	19a	Distributions of cash and marketable securities		408,202,737
<u>=</u>	b	Distributions of other property		
Other Information	20a	Investment income		36,525
윤	b	Investment expenses	. 20b	
<u> </u>		Other items and amounts (attach statement)		

Carlton Asset Management LP Form 1065 (2010) Page 5

Analy	sis of Net Incom	ne (Loss)									
1	Net income (loss).	Combine Schedule I 12 through 13d, and							1		406,413,471
2	Analysis by partner type:	(i) Corporate	(ii) Indiv		iii) Indivi (passiv		(iv) Partnersh	II (III	Exemp		(vi) Nominee/Other
а	General partners						41,147,057				
	Limited partners				4,058,5	16	361,207,898				
		nce Sheets per Bo	oks	E	Beginning				End	of ta	x year
		Assets		(a	1)		(b)	(c)		(d)
1							5,232,390				6,027,450
2a		ccounts receivable.									
b		r bad debts								-	
3											
4		obligations									
5	Tax-exempt secur	=									
6	•	ets (attach statement)									
7	Mortgage and real										
8		s (attach statement).									
9a		er depreciable assets		1,621	740			1,682	950		
_	_	I depreciation		1,372	•		249,361	1,435		-	247.006
100		•		1,372	2,379		249,301	1,433	, 144	\rightarrow	247,806
10a	•										
b		depletion								\perp	
11		mortization)								-	
12a	•	amortizable only) .									
b	Less accumulated					-				\rightarrow	
13	Other assets (attac	,									
14							5,481,751				6,275,256
		es and Capital									2 2 4 2 2 2
15							1,567,623				3,049,605
16		onds payable in less tha									
17	Other current liabil	lities (attach statemer	nt) .								
18		ans									540,000
19	Mortgages, notes, b	onds payable in 1 year	or more								
20	Other liabilities (att	tach statement)									
21	•	ccounts					3,914,128				2,685,651
22	Total liabilities and	d capital					5,481,751				6,275,256
Sch		econciliation of Indute. Schedule M-3 ma							urn		
1		per books	,,				recorded on book		ot inclu		
2		Schedule K, lines 1, 2, 3c					dule K, lines 1 thro				
2		and 11, not recorded or	′ I		a -	Гах-ех	empt interest \$;			
		ze):					•				
3	Guaranteed pay	ments (other thar	· -		7 [Deduct	ions included o	n Schedul	e K. li	nes	
							ugh 13d, and				
4		d on books this year					book income				
-		Schedule K, lines 1					iation \$				
	through 13d, and										
а	Depreciation \$,			-						
b	Travel and enterta	inment \$			8 7		es 6 and 7 .				
-	mavor and omorta		-				es o and 7 . (loss) (Analys			· nma	
5	Add lines 1 through		-				line 1). Subtract				
5 Sch		ıalysis of Partners	' Canita	ΙΔccoup			,. ວິດວິດ ດິດດ	5 11 511			<u> </u>
		ing of year				Dietrik	utions: a Cash				408,202,737
1	_			3,914,128	0 '	טווווטוע					400,202,737
2	Capital Contributed	d: a Cash			7 (Other o	b F10pe decreases (item	erty		•	
•	Notingers (I = -)	b Property		106 074 000		Julei C	decreases (item	ıı∠ ∪). 			
3		per books		106,974,260							
4	Other increases (it	emize):	-								100.000.75=
_	A 1 1 11 2 2 2				-		es 6 and 7 .				408,202,737
5	Add lines 1 throug	ıh 4	4	110.888.388	∣ 9 F	Ralance	at end of year. Sul	btract line 8	from lin	e 5	2.685.651

Form **4562**

Depreciation and Amortization(Including Information on Listed Property)

► Attach to your tax return.

69-000003 OMB No. 1545-0172

2011

Department of the Treasury
Internal Revenue Service (99)

► See separate instructions. ► Attach to your

Sequence No. 179

Business or activity to which this form relates Identifying number Name(s) shown on return Carlton Asset Management, LP Carlton Asset Management, LP 69-0000003 Part I Election To Expense Certain Property Under Section 179 Note: If you have any listed property, complete Part V before you complete Part I. 1 1 \$250,000 Total cost of section 179 property placed in service (see instructions) 2 43,332 Threshold cost of section 179 property before reduction in limitation (see instructions) . 3 \$800,000 4 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions 5 250,000 6 (a) Description of property (b) Cost (business use only) (c) Elected cost Office Equipment 23,456 23,456 Furniture/Fixtures 19.876 19,876 7 Listed property. Enter the amount from line 29 7 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 8 43,332 Tentative deduction. Enter the **smaller** of line 5 or line 8 9 43,332 **10** Carryover of disallowed deduction from line 13 of your 2010 Form 4562 10 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) 11 250,000 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 12 43.332 13 Carryover of disallowed deduction to 2012. Add lines 9 and 10, less line 12 ▶ Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.) Special depreciation allowance for qualified property (other than listed property) placed in service 14 15 **16** Other depreciation (including ACRS) 16 43,766 Part III MACRS Depreciation (Do not include listed property.) (See instructions.) 17 MACRS deductions for assets placed in service in tax years beginning before 2011 17 18,999 18 If you are electing to group any assets placed in service during the tax year into one or more general Section B-Assets Placed in Service During 2011 Tax Year Using the General Depreciation System (b) Month and year (c) Basis for depreciation (a) Classification of property (f) Method placed in (business/investment use (e) Convention (g) Depreciation deduction period service only-see instructions) 3-year property 5-year property c 7-year property d 10-year property e 15-year property f 20-year property g 25-year property S/L 25 yrs. h Residential rental 27.5 yrs. MM 9/1 property 27.5 yrs. MM S/L i Nonresidential real ММ S/L 39 yrs. property MM S/L Section C-Assets Placed in Service During 2011 Tax Year Using the Alternative Depreciation System 20a Class life S/L 12 yrs. **b** 12-year **c** 40-year 40 yrs. MM S/L Part IV Summary (See instructions.) 21 Listed property. Enter amount from line 28 21 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations—see instructions 22 62,765 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs 23

Form	4562 (2011)																Page 2
Pai		d Propert					ertain of	ther v	ehicles	s, c	erta	in con	nputer	s, and	prope	erty us	ed for
		ainment, r <i>For any ve</i>		•		,	ne standa	ord mile	eane ra	te o	r ded	ductino	lease i	evnense	comi	olete on	lv 24a
		olumns (a) i											10030	эхропас	, сопц	note on	iy 24a,
	Section A	-Depreci	ation an	d Other In	format	ion (C	aution:	See th	e instru	ıctio	ns fo	or limits	for pas	ssenger	autom	obiles.)	
24 a	Do you have ev	idence to su	pport the b	ousiness/inve	stment u	se clair	med?	Yes	No	24	b If	"Yes," is	the evic	lence wri	tten?	☐ Yes	☐ No
_	(a)	(b)	(c) Business	,	(d)	Bas	(e) sis for depre	eciation	(f)			(g)		(h)		(i)	
	e of property (list vehicles first)	Date placed in service	investment of percentag	use Cost or d	other bas	is (bu	siness/inve use only	stment)	Recove	ŀ	Conv	thod/ /ention		reciation duction	Ele	ected sect cost	ion 179
25	Special dep the tax year											25					
26	Property use	ed more tha			d busir	ness u	se:										
				%													
				%													
		1.500/		%													
21	Property use	ed 50% or i			usiness	use:				0	3/L -						
				%							3/L -				-		
				%							3/L -				-		
28	Add amount	s in columr			ah 27. F	 -nter h	nere and	on line	21. pa			28			-		
	Add amount				_				-	-				. 1	29		
			(//				ormation										
	plete this secti																ehicles
to yo	our employees,	first answe	r the ques	stions in Se	ction C	to see	if you me	et an e	xceptio	n to	com	oleting 1	this sec	tion for t	hose ve	hicles.	
30	Total business			ū		(a) nicle 1		b) icle 2	Ve	(c) hicle	3		d) cle 4	(€ Vehi	e) cle 5	(f Vehic	
	the year (do n		-														
	Total commuting miles driven during the year Total other personal (noncommuting) miles driven																
33	Total miles di	riven during	the year														
34	Was the veh	icle availab	le for pe	rsonal use	Yes	No	Yes	No	Yes	1	No	Yes	No	Yes	No	Yes	No
35	Was the veh than 5% own	icle used p	rimarily b	by a more													
36	Is another vel					+											
	is another ver			estions for	r Emplo	overs	Who Pro	⊥ vide V	 ehicles	s for	r Use	bv Th	eir Em	plovees	 S		
	wer these que e than 5% ow	stions to d	etermine	if you mee	et an ex	ceptic						-				who ar	e not
	Do you mair	ntain a writ					its all pe	rsonal	use of	veh	icles	, includ	ling co	mmuting	g, by	Yes	No
38	Do you main employees?	ntain a writ													your		
39	Do you treat					-											
	Do you provuse of the ve	ride more t	han five	vehicles to	your e	emplo	yees, ob	tain inf	ormatio	on fr	rom y	your er	nployee	es abou	t the		
41	Do you mee	t the requir	ements o	concerning	qualifie	ed aut	omobile							s.) .			
Pa	rt VI Amor		, -,		,												
	(a	a) on of costs		(b) Date amortiz begins		Am	(c) nortizable a	mount			(d) section	on	(e) Amortiza period percent	or	Amortiza	(f) tion for th	is year
42	Amortization	of costs the	at begins	during you	r 2011 +	ax vea	r (see ins	truction	 ns):				Portocini	~9~			
	, 11101 112011011	J. 00010 1110	L Dogins	Garring your	. 20111	an you	. (555 1115	401101	.5,.								

43

44

43 Amortization of costs that began before your 2011 tax year . .

44 Total. Add amounts in column (f). See the instructions for where to report .

Carlton Asset Management LP

Return of U.S. Persons With Respect to Certain Foreign Partnerships

OMB No. 1545-1668

Attachment

69-0000003

Department of the Treasury Internal Revenue Service

▶ Attach to your tax return. See separate instructions. Information furnished for the foreign partnership's tax year

Sequence No. 118 beginning , 2011 and ending , 20 Name of person filing this return Filer's identifying number Carlton Asset Management, LP 69-0000003 Filer's address (if you are not filing this form with your tax return) A Category of filer (see Categories of Filers in the instructions and check applicable box(es)): 3 🔽 4 1678 S. Hoover Blvd , 20 11 , and ending San Francisco, CA 94101 01/01 **B** Filer's tax year beginning С Filer's share of liabilities: Nonrecourse \$ Qualified nonrecourse financing \$ 4.800.000 Other \$ D If filer is a member of a consolidated group but not the parent, enter the following information about the parent: Name Address Ε Information about certain other partners (see instructions) (4) Check applicable box(es) (1) Name (2) Address (3) Identifying number Category 2 Constructive owner Category 1 Name and address of foreign partnership 2(a) EIN (if any) 69-0000099 Mai Tai Investment 1-2-3 Ginsu, Chuo-ku 2(b) Reference ID number (see instr.) Tokyo, 190-2182 3 Country under whose laws organized Japan Date of Principal place 6 Principal business Principal business 8a Functional currency Exchange rate organization of business activity code number activity (see instr.) 09/13/1992 523110 **Security Dealing** .8739 Japan Yen G Provide the following information for the foreign partnership's tax year: Name, address, and identifying number of agent (if any) in the 2 Check if the foreign partnership must file: United States Form 1042 Form 8804 Form 1065 or 1065-B Service Center where Form 1065 or 1065-B is filed: Name and address of foreign partnership's agent in country of Name and address of person(s) with custody of the books and organization, if any records of the foreign partnership, and the location of such books and records, if different ☐ Yes V No Enter the number of Forms 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, How is this partnership classified under the law of the country in which it is organized? . Did the partnership own any separate units within the meaning of Regulations section 1.1503-2(c)(3), (4), or Does this partnership meet **both** of the following requirements? • The partnership's total receipts for the tax year were less than \$250,000 and • The value of the partnership's total assets at the end of the tax year was less than \$1 million. If "Yes," do not complete Schedules L, M-1, and M-2. Sign Here Only If You 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 general partner or limited liability company member) is based on all Are Filing information of which preparer has any knowledge. This Form Separately and Not With Your Tax Signature of general partner or limited liability company member Date Return. Print/Type preparer's name Preparer's signature Date Paid Check John Smith 03/14/2012 P00000010 self-employed Preparer Firm's name **Electronic Tax Filers Inc** 69-0000098 Firm's EIN ▶

123 Any Street, Anytown, NY 11717

Firm's address

Use Only

Phone no.

555-631-1212

Sch	edule	box b , enter the name, ac interest you constructively			ring number (if any) of th	ne person	
		a	Address	b	Owns a constructive Identifying number (if		cst Check if foreign	Check if direct
			447011		(0.000000		person	partner
Carit	on Ass	set Management, LP	1678 Hoover Blvd		69-000003			
			San Francisco, CA 94101					
Sche	edule	A-1 Certain Partners of Fore	ign Partnership (see instruct	ions)				
		Name	Address		Identifying num	nber (if a	any)	Check if foreign person
Does	the n	artnership have any other foreign per	son as a direct partner?				/es	□ No
	edule		all partnerships (foreign or d					ip owns a
		Name	Address		EIN (if any)	1	l ordinary me or loss	Check if foreign partnership
Colo		D. Income Obstances Tree	la au Danimana la anno					
	edule	Income Statement—Trac		2 holos	v. Soo the instructions	for mo	ro informat	ion
Cauti	OII. IIIC	clude of business income ar	d expenses on lines 1a through 22	Delo		ior inc	ne imormat	1011.
	1a	Gross receipts or sales		1a	50,000,000			
	b	Less returns and allowances		1b		1c		•
	2	Cost of goods sold				2	5,00	0,000
Je	3	Gross profit. Subtract line 2 from lin				3	45,00	0,000
come	4	Ordinary income (loss) from other p		attach	statement)	4		
<u>nc</u>	5	Net farm profit (loss) (attach Schedu				5		
_	6	Net gain (loss) from Form 4797, Par	* **			6		
	7	Other income (loss) (attach stateme				7		
		Tatal in a super (lana). Camabina linea	O Hamarrala 7				45.00	0.000
	8 9	Total income (loss). Combine lines Salaries and wages (other than to p	arthers) (less ampleyment credit			8	45,00	0,000
	10	Guaranteed payments to partners				10	2,00	0,000
(suc	11	Repairs and maintenance				11		
tatic	12	Bad debts				12		
<u>=</u>	13	Rent				13	2.00	1,900
for	14	Taxes and licenses				14	2,00	1,700
ions	15	Interest				15		
truct	16a	Depreciation (if required, attach For				13		
insi	b	Less depreciation reported elsewhe				16c		
ees)	17	Depletion (Do not deduct oil and ga				17		
SL	18	Retirement plans, etc				18		
Ö	19	Employee benefit programs				19		
<u>luct</u>	20	Other deductions (attach statement				20		
Deductions (see instructions for limitations)	21	Total deductions. Add the amount	s shown in the far right column f	or line	es 9 through 20	21	4,08	1,900
	22	Ordinary business income (loss) fr		Subtra	ct line 21 from line 8	22		8,100
			Page 224				Form	8865 (2011)

Carlton Asset Management LP Form 8865 (2011)

Sche	edule D Capital Gains and	Losses (Use Sche	dule D-1 (Form 10	65) to list additio	nal transact	ions 1	for lines 1 and 7)
Par	Short-Term Capital Gair	ns and Losses—A	ssets Held One	Year or Less			
	(a) Description of property (Example: 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or othe (see instructi		(f) Gain or (loss) Subtract (e) from (d)
1							
2	Enter short-term gain or (loss), if a	any, from Schedule [D-1 (Form 1065), line	e 2		2	
3	Short-term capital gain from insta	allment sales from Fo	orm 6252, line 26 or	37		3	
4	Short-term capital gain (loss) from	n like-kind exchange	s from Form 8824			4	
5	Partnership's share of net shor capital gains (losses), from other	5					
6	Net short-term capital gain or Form 8865, Schedule K, line 8 or					6	
Part	Long-Term Capital Gain	s and Losses—A	ssets Held More	Than One Year			
	(a) Description of property (Example: 100 shares of "Z" Co.)	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Sales price (see instructions)	(e) Cost or othe (see instructi		(f) Gain or (loss) Subtract (e) from (d)
7							
8	Enter long-term gain or (loss), if a	ny, from Schedule D	9-1 (Form 1065), line	8		8	
9	Long-term capital gain from insta	llment sales from Fo	rm 6252, line 26 or 3	37		9	
10	Long-term capital gain (loss) from	ı like-kind exchange:	s from Form 8824			10	
11	Partnership's share of net long-tegains (losses), from other partners					11	
12	Capital gain distributions					12	
13	Net long-term capital gain or (es 7 through 12 in c	* *	nere and on	13	

Page 4

chedu	,	Partners' Distributive Share Items	Т	otal amount
	1	Ordinary business income (loss) (page 2, line 22)	1	40,918,100
	2	Net rental real estate income (loss) (attach Form 8825)	2	
	3 a	Other gross rental income (loss)	_	
	b	Expenses from other rental activities (attach statement) 3b		
	c	Other net rental income (loss). Subtract line 3b from line 3a	3c	
∞	4	Guaranteed payments	4	
SSC	5	Interest income	5	
Ĭ	6	Dividends: a Ordinary dividends	6a	
<u>ə</u>	U	b Qualified dividends	Va	
o	7		7	
Income (Loss)	7	Royalties	8	
_	8	Net short-term capital gain (loss)	F -	
	9a	Net long-term capital gain (loss)	9a	
	b	Collectibles (28%) gain (loss)	-	
	С	Unrecaptured section 1250 gain (attach statement)		
	10	Net section 1231 gain (loss) (attach Form 4797)	10	
	11	Other income (loss) (see instructions) Type ▶	11	
Su	12	Section 179 deduction (attach Form 4562)	12	
엹	13 a	Contributions	13a	
Deductions	b	Investment interest expense	13b	
ed	С	Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	13c(2)	
	d	Other deductions (see instructions) Type ►	13d	
Employ- ment	14 a	Net earnings (loss) from self-employment	14a	
ge	b	Gross farming or fishing income	14b	
ᄪ	С	Gross nonfarm income	14c	
	15 a	Low-income housing credit (section 42(j)(5))	15a	
S	b	Low-income housing credit (other)	15b	
<u> </u>	С	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
Credits	d	Other rental real estate credits (see instructions) Type ▶	15d	
ပ	е	Other rental credits (see instructions) Type ▶	15e	
	f	Other credits (see instructions) Type ▶	15f	
	16a	Name of country or U.S. possession ▶		
	b	Gross income from all sources	16b	40,918,100
SU	С	Gross income sourced at partner level	16c	
유		Foreign gross income sourced at partnership level		
Foreign Transactions	d	Passive category • General category • f Other (attach statement) •	16f	
ns	_	Deductions allocated and apportioned at partner level	10.	
<u>.</u> 6	g	Interest expense ► h Other	16h	
_	9	Deductions allocated and apportioned at partnership level to foreign source income	1011	
<u>.</u>	i	Passive category ► j General category ► k Other (attach statement) ►	16k	
) re	•			2 520 040
й	I	Total foreign taxes (check one): ► ☐ Paid ☐ Accrued	16l	2,530,040
	m	Reduction in taxes available for credit (attach statement)	16m	
	n	Other foreign tax information (attach statement)	4-	
ax	17a	Post-1986 depreciation adjustment	17a	
Minimum Tax (AMT) Items	b	Adjusted gain or loss	17b	
	C	Depletion (other than oil and gas)	17c	
Ainimum Tay (AMT) Items	d	Oil, gas, and geothermal properties—gross income	17d	
ੂ ੋ ∣	е	Oil, gas, and geothermal properties—deductions	17e	
_	f	Other AMT items (attach statement)	17f	
ے ا	18 a	Tax-exempt interest income	18a	
달	b	Other tax-exempt income	18b	
ا ا	С	Nondeductible expenses	18c	
_ '	19 a	Distributions of cash and marketable securities	19a	
			19b	
Inform	b	Distributions of other property	135	
er Inforn	b 20 a	Distributions of other property	20a	
Other Information		Investment expenses		

Form 8865 (2011) Page **5**

Schedule L Balance Sheets per Books. (Not required if Item G9, page 1, is answered "Yes.") Beginning of tax year End of tax year (c) (a) (b) (d) Assets 1,750 2,250 1 Cash 27,000,000 2a Trade notes and accounts receivable . . . Less allowance for bad debts 27,000,000 14,000,000 3 Inventories 4 U.S. government obligations 5 Tax-exempt securities 6 Other current assets (attach statement) . . Loans to partners Mortgage and real estate loans 8 Other investments (attach statement) . . . 115,000,000 9a Buildings and other depreciable assets . . Less accumulated depreciation 11,000,000 104,000,000 183.918.100 10a Depletable assets **b** Less accumulated depletion 11 Land (net of any amortization) **12a** Intangible assets (amortizable only) . . Less accumulated amortization 13 Other assets (attach statement) . . 14 **Total** assets 131,001,750 197,920,350 **Liabilities and Capital** 15 1,000,000 1,500,000 Accounts payable 16 Mortgages, notes, bonds payable in less than 1 year 17 Other current liabilities (attach statement) . 18 All nonrecourse loans 19 Mortgages, notes, bonds payable in 1 year or more 20 Other liabilities (attach statement) 130,001,750 196,420,350 21 Partners' capital accounts 22 Total liabilities and capital 131,001,750 197,920,350 Carlton Asset Management LP Form 8865 (2011) Page 6

					. 490
Sche	dule M Balance Sheets for	Interest Allocation			
				(a) Beginning of tax year	(b) End of tax year
1	Total U.S. assets				
2	Total foreign assets:				
а	Passive category				
	General category				
С	Other (attach statement)				
	edule M-1 Reconciliation of Inco	me (Loss) per Books	With Inco	me (Loss) per Return. (Not requ	uired if Item G9, page
	1, is answered "Yes.")				
			6 Inc	come recorded on books this	
1	Net income (loss) per books	40,968,100	1 -	ar not included on Schedule K,	
2	Income included on Schedule K,			es 1 through 11 (itemize):	
	lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10,		a Ta	x-exempt interest \$	
	and 11 not recorded on books				
	this year (itemize):		7 De	ductions included on Schedule	
3	Guaranteed payments (other			lines 1 through 13d, and 16l not	
	than health insurance)			arged against book income this	
4	Expenses recorded on books			ar (itemize):	
-	this year not included on		a De	preciation \$	
	Schedule K, lines 1 through				
	13d, and 16l (itemize):				
а	Depreciation \$				50,000,000
b	Travel and entertainment \$		8 Ac	ld lines 6 and 7	
			9 Inc	come (loss). Subtract line 8	
5	Add lines 1 through 4		fro	m line 5	40,918,100
Sche	edule M-2 Analysis of Partners	s' Capital Accounts	s. (Not req	uired if Item G9, page 1, is ar	swered "Yes.")
1	Balance at beginning of year	130,001,750	6 Dis	stributions: a Cash	
2	Capital contributed:			b Property	
	a Cash	9,450,500	7 Ot	her decreases (itemize):	
	b Property	16,000,000			
3	Net income (loss) per books .	3,968,100			
4	Other increases (itemize):				
			8 Ac	ld lines 6 and 7	
			9 Ba	lance at end of year. Subtract	
5	Add lines 1 through 4	196.420.350	1	e 8 from line 5	196.420.350

Form **8865** (2011)

Page 7

Form 8865 (2011)

Schedule N Transactions Between Controlled Foreign Partnership and Partners or Other Related Entities

Important: Complete a separate Form 8865 and Schedule N for each controlled foreign partnership. Enter the totals for each type of transaction that occurred between the foreign partnership and the persons listed in columns (a) through (d).

	Transactions of foreign partnership	(a) U.S. person filing this return	(b) Any domestic corporation or partnership controlling or controlled by the U.S. person filing this return	(c) Any other foreign corporation or partnership controlling or controlled by the U.S. person filing this return	(d) Any U.S. person with a 10% or more direct interest in the controlled foreign partnership (other than the U.S. person filing this return)
1 2	Sales of inventory Sales of property rights (patents, trademarks, etc.)				
3	Compensation received for technical, managerial, engineering, construction, or like services				
5	Rents, royalties, and license fees received				
6 7	Distributions received Interest received				
8	Other				
9	Add lines 1 through 8				
10	Purchases of inventory .				
11	Purchases of tangible property other than inventory				
12	Purchases of property rights (patents, trademarks, etc.)				
13	Compensation paid for technical, managerial, engineering, construction, or like services				
14	Commissions paid				
15	Rents, royalties, and license fees paid				
16	Distributions paid				
17	Interest paid				
18	Other				
19	Add lines 10 through 18 .				
20	Amounts borrowed (enter the maximum loan balance during the year). See instructions				
21	Amounts loaned (enter the maximum loan balance during the year). See instructions				5 9965 (994)

Form **8865** (2011)

Carlton Asset Management LP SCHEDULE B-1

(Form 1065) (Rev. December 2011)

Department of the Treasury

Information on Partners Owning 50% or More of the Partnership

▶ Attach to Form 1065. See instructions on back.

69-0000003

OMB No. 1545-0099

Internal Revenue Service Employer identification number (EIN) Name of partnership Carlton Asset Management, LP 69-0000010

Entities Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital
ABC Investments	69-3000002	Parntership	United States	89%

Part II Individuals or Estates Owning 50% or More of the Partnership (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49842K

Schedule B-1 (Form 1065) (Rev. 12-2011)

69-0000003

SCHEDULE C (Form 1065)

(Rev. December 2011) Department of the Treasury Internal Revenue Service

Additional Information for Schedule M-3 Filers

OMB No. 1545-0099

▶ Attach to Form 1065. See separate instructions.

Name of partnership

Carlton Asset Management, LP

Employer identification number
69-000003

		Yes	No				
1	At any time during the tax year, were there any transfers between the partnership and its partners subject to the disclosure requirements of Regulations section 1.707-8?		V				
2	Do the amounts reported on Schedule M-3, Part II, lines 7 or 8, column (d), reflect allocations to this partnership from another partnership of income, gain, loss, deduction, or credit that are disproportionate to this partnership's						
	share of capital in such partnership or its ratio for sharing other items of such partnership?						
3	At any time during the tax year, did the partnership sell, exchange, or transfer any interest in an intangible asset to						
	a related person as defined in sections 267(b) and 707(b)(1)?		~				
4	At any time during the tay year did the neutrovahin acquire any interest in an intensible coast from a valeted						
4	At any time during the tax year, did the partnership acquire any interest in an intangible asset from a related						
	person as defined in sections 267(b) and 707(b)(1)?		~				
5	At any time during the tax year, did the partnership make any change in accounting principle for financial						
3	accounting purposes? See instructions for a definition of change in accounting principle		_				
	and the second s		•				
6	At any time during the tax year, did the partnership make any change in a method of accounting for U.S. income						
	tax purposes?		~				

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Cat. No. 49945S

Schedule C (Form 1065) (Rev. 12-2011)

Carlton Asset Management LP

SCHEDULE M-3 (Form 1065)

Name of partnership

for Certain Partnerships

Attach to Form 1065 or Form 1065-B.

Net Income (Loss) Reconciliation

69-0000003 OMB No. 1545-0099

2011

Department of the Treasury Internal Revenue Service

➤ See separate instructions.

Employer identification number

Carlto	n Asset Management, LP					69-00	000003			
This S	chedule M-3 is being filed beca	ause (check all that apply):			,					
Α		ip's total assets at the end of the	tax v	ear is equal to \$10 mill	ion or more	e.				
В	·	ip's adjusted total assets for the	•	·			B is checked			
		total assets for the tax year	-	177,993			= 1.0 01.100.10u,			
С	The amount of total receipts for the tax year is equal to \$35 million or more. If box C is checked, enter the total receipts for the tax year 410,686,302 .									
D	An entity that is a reportable entity partner with respect to the partnership owns or is deemed to own an interest of 50 percent or more in the partnership's capital, profit, or loss, on any day during the tax year of the partnership.									
	Name of Reportable I			entifying Number	Maximum	Percen	tage Owned or			
					D	eemed	Owned			
E	☐ Voluntary Filer.									
Part		and Net Income (Loss) Rec								
1a	Did the partnership file SEC For		•	_	-	ar?				
		d complete lines 2 through 11 w								
		ctions if multiple non-tax-basis ir								
b		ertified audited non-tax-basis ince		-	d?					
		ete lines 2 through 11 with respe	ct to t	hat income statement.						
	No. Go to line 1c.									
С	Did the partnership prepare a no									
	·	gh 11 with respect to that income								
	No. Skip lines 2 through 3b	and enter the partnership's net in	come	(loss) per its books an	d records o	on line 4	a.			
2	Enter the income statement peri	od: Beginning 01 / 01	/ 2	<u>2011</u> Ending <u>12</u>	/ 31	/ 2011	_			
3a	Has the partnership's income st	atement been restated for the inc	come	statement period on lir	ne 2?					
	☐ Yes. (If "Yes," attach an exp	lanation and the amount of each	item ı	restated.)						
	✓ No.									
b	Has the partnership's income sta	tement been restated for any of th	e five	income statement perio	ds precedir	ng the pe	eriod on line 2?			
	☐ Yes. (If "Yes," attach an exp	lanation and the amount of each	item ı	restated.)						
	✓ No.									
4a	Worldwide consolidated net inco	ome (loss) from income statemen	nt sou	ce identified in Part I, I	ine 1	4a	406,974,260			
b	Indicate accounting standard us	sed for line 4a (see instructions):								
	1	IFRS 3 □	704(b)						
	4 ☐ Tax-basis 5 ☐	Other: (Specify) ►								
5a	Net income from nonincludible f	oreign entities (attach schedule)			 -	5a ()			
b	Net loss from nonincludible fore	ign entities (attach schedule and	enter	as a positive amount)		5b				
6a	Net income from nonincludible l	J.S. entities (attach schedule)				6a ()			
b	Net loss from nonincludible U.S.	. entities (attach schedule and en	ter as	a positive amount) .		6b				
7a	Net income (loss) of other foreig	n disregarded entities (attach sch	nedule	e)		7a				
b	Net income (loss) of other U.S. of	disregarded entities (attach sched	dule)			7b				
8	Adjustment to eliminations of	transactions between includible	e ent	ties and nonincludible	e entities					
	(attach schedule)					8				
9		statement period to tax year (atta				9				
10		to amount on line 11 (attach sche		•		10				
11		statement of the partnership.				11	406,974,260			
		I the amount on Part II, line 26, c		•			<u> </u>			
12		partnership's share) of the assets ar			ed or remov	ed on th	e following lines:			
	,	Total Assets		Total Liabili			Ü			
а	Included on Part I, line 4		5,256		3,589,	605				
b	Removed on Part I, line 5	,								
C	Removed on Part I, line 6									
d	Included on Part I, line 7	6,27	5,256		3,589,	605				

Part II

Page 2

Name of partnership

Sam Starling, LLP

69-000003

Reconciliation of Net Income (Loss) per Income Statement of Partnership with Income (Loss) per Return

	neturii				
	Income (Loss) Items	(a) Income (Loss) per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Income (Loss) per Tax Return
	(Attach schedules for lines 1 through 9)				
1	Income (loss) from equity method foreign corporations				
2	Gross foreign dividends not previously taxed				
3	Subpart F, QEF, and similar income inclusions				
4	Gross foreign distributions previously taxed				
5	Income (loss) from equity method U.S. corporations				
6	U.S. dividends				
7	Income (loss) from U.S. partnerships				
8	Income (loss) from foreign partnerships	10,229,525			10,229,525
9	Income (loss) from other pass-through entities	., ., ., .			
10	Items relating to reportable transactions (attach details)				
11	Interest income (attach Form 8916-A)				
12	Total accrual to cash adjustment				
13	Hedging transactions				
14	Mark-to-market income (loss)				
15	Cost of goods sold (attach Form 8916-A)	/		(1
16	Sale versus lease (for sellers and/or lessors)	,		(
	Section 481(a) adjustments				
17					
18	Unearned/deferred revenue				
19	Income recognition from long-term contracts				
20	Original issue discount and other imputed interest .				
21a	Income statement gain/loss on sale, exchange, abandonment, worthlessness, or other disposition of assets other than inventory and pass-through entities .				
b	Gross capital gains from Schedule D, excluding amounts from pass-through entities				
С	Gross capital losses from Schedule D, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses				
d	Net gain/loss reported on Form 4797, line 17, excluding amounts from pass-through entities, abandonment losses, and worthless stock losses .				
е	Abandonment losses				
f	Worthless stock losses (attach details)				
g	Other gain/loss on disposition of assets other than inventory				
22	Other income (loss) items with differences (attach schedule)				
23	Total income (loss) items. Combine lines 1 through 22	10,229,525			10,229,525
24	Total expense/deduction items. (from Part III, line 31) (see instructions)	(2,222)		(560,789)	(563,011)
25	Other items with no differences	396,746,957			396,746,957
26	Reconciliation totals. Combine lines 23 through 25	406,974,260		(560,789)	406,413,471
		,,		(2.2.7, 2.7)	

Note. Line 26, column (a), must equal the amount on Part I, line 11, and column (d) must equal Form 1065, Analysis of Net Income (Loss), line 1.

Schedule M-3 (Form 1065) 2011

Page 3

Name of partnership

Carlton Asset Management, LP

69-000003

Part III Reconciliation of Net Income (Loss) per Income Statement of Partnership With Income (Loss) per Return – Expense/Deduction Items

	Return – Expense/Deduction Items				
	Expense/Deduction Items	(a) Expense per Income Statement	(b) Temporary Difference	(c) Permanent Difference	(d) Deduction per Tax Return
1	State and local current income tax expense				
2	State and local deferred income tax expense				
3	Foreign current income tax expense (other than				
3	foreign withholding taxes)				
4	Foreign deferred income tax expense				
5	Equity-based compensation				
6	Meals and entertainment	2,222		(1,111)	1,111
7	Fines and penalties	2,222		(1,111)	1,111
8	·				
	Judgments, damages, awards, and similar costs			F/1 000	F/1 000
9	Guaranteed payments			561,900	561,900
10	Pension and profit-sharing				
11	Other post-retirement benefits				
12	Deferred compensation				
13	property				
4.4					
14	Charitable contribution of intangible property				
15	Organizational expenses as per Regulations section 1.709-2(a)				
16	Syndication expenses as per Regulations section 1.709-2(b)				
17	Current year acquisition/reorganization investment banking fees				
18	Current year acquisition/reorganization legal and accounting fees				
19	Amortization/impairment of goodwill				
20	Amortization of acquisition, reorganization, and				
	start-up costs				
21	Other amortization or impairment write-offs				
22	Section 198 environmental remediation costs				
23a	Depletion—Oil & Gas				
b	Depletion—Other than Oil & Gas				
24	Intangible drilling & development costs				
25	Depreciation				
26	Bad debt expense				
27	Interest expense (attach Form 8916-A)				
28	Purchase versus lease (for purchasers and/				
	or lessees)				
29	Research and development costs (attach schedule) .				
30	Other expense/deduction items with differences (attach schedule)				
31	Total expense/deduction items. Combine lines 1				
	through 30. Enter here and on Part II, line 24,				
	reporting positive amounts as negative and negative				
	amounts as positive	2,222		560,789	563,011

Schedule M-3 (Form 1065) 2011

SCHEDULE O (Form 8865)

Transfer of Property to a Foreign Partnership (under section 6038B)

69-000003 OMB No. 1545-1668

2011

Department of the Treasury Internal Revenue Service

▶ Attach to Form 8865. See Instructions for Form 8865.

Name of transferor

Carlton Asset Management, LP

Name of foreign partnership

Mai Tai Investments

Type of property	(a) Date of transfer	(b) Number of items transferred	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Section 704(c) allocation method	(f) Gain recognized on transfer	(g) Percentage interest in partnership after transfer
Cash							
Marketable securities							
Inventory							
Tangible property used in trade or business	08/08/2011	4	12,345,000	16,000,000			25
Intangible property							
Other property							
Supplemental Info	ormation Requir	ed To Be Rep	oorted (see instru	ctions):			
Part II Dispo	esitions Reporta	ole Under Sec	ction 6038B				
(a) Type of property	(b) Date of original transfer	(c) Date of disposition	(d) Manner of disposition	(e) Gain recognized by partnership	(f) Depreciation recapture recognized by partnership	(g) Gain allocated to partner	(h) Depreciation recapture allocated to partner
Part III Is an							

For Paperwork Reduction Act Notice, see the Instructions for Form 8865.

section 904(f)(5)(F)? .

Cat. No. 25909U

Schedule O (Form 8865) 2011

✓ No

☐ Yes

Carlton Asset Mana	gement LP						69-000d - 0 5 l. l. l .
Cabadula I/ 1				Final			OMB No. 1545-009
Schedule K-1 (Form 1065)		2011		art III	Deductions, Cred		rent Year Income, and Other Items
Department of the Treasury	For calen	dar year 2011, or tax	1	Ordina	ry business income (loss)	15	Credits
Internal Revenue Service	year begi	nning, 2011	2	Not ror	4,064,909	9	
Doubou's Chara of I		ng, 20	. *	iver iei	ital real estate income (loss)		
Partner's Share of In Credits, etc.	•	CLIONS, m and separate instructions	3	Other	net rental income (loss)	16	Foreign transactions
	About the Par	tnership	4	Guara	nteed payments		7 Tames
A Partnership's employer ide	ntification number		_	Interes	t income		A Japan
B Partnership's name, address	ss city state and 7IF	code	5	interes	t income 365	5	в 102,29
Carlton Asset Managemer	-	COUC	6a	Ordina	ry dividends		D 102,29
1676 S Hoover Blvd	· · · · ·		6b	Qualifi	ed dividends		2 202,25
San Francisco, CA 94101			00	Qualiii	ed dividends		L 6,23
			7	Royalt	ies		
C IRS Center where partners Ogden	nip filed return		8	Not sh	ort-term capital gain (loss)		
D Check if this is a public	cly traded partnership	(PTP)	\dashv $$	INCL SIT	ort-term capital gain (1033)		
	Al I II D.	•	9a	Net lor	ng-term capital gain (loss)	17	Alternative minimum tax (AMT) iten
Part II Information E Partner's identifying number	About the Par	tner	9b	Collec	tibles (28%) gain (loss)		
990-00-0001	51				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
F Partner's name, address, c	ity, state, and ZIP cod	le	9с	Unreca	aptured section 1250 gain		
Taxpayer B1				Net se	ction 1231 gain (loss)	18	Tax-exempt income and
888 NW Peach Street San Francisco, CA 94101						nondeductible expenses	
			11	Other	ncome (loss)		
G General partner or LLC	; X Limit	ed partner or other LLC					C 1
member-manager	mem						
H X Domestic partner	☐ Fore	gn partner				19	Distributions
What type of entity is this p	artner? Individual		12	Sectio	n 179 deduction		
J Partner's share of profit, los	, ,	,	10	Othor	433 deductions	3	A 4,082,02
Beginning Profit	1 %	Ending 1 %	13	Other	deductions	20	Other information
Loss	1 %	1 %					
Capital	1 %	1 %					
K Partner's share of liabilities	at vear end:						A 36
Nonrecourse		5,400	14	Self-er	mployment earnings (loss)		
Qualified nonrecourse finar							
Recourse	\$						
L Partner's capital account a	nalysis:		*Se	ee atta	ched statement for ad	dition	al information.
Beginning capital account	-	39,141					
Capital contributed during to Current year increase (decr		4,069,743					
Withdrawals & distributions		4,069,743 4,082,027)	· _>				
Ending capital account .	\$	26,857	. g				
		•	Use				
	GAAP X Se	ction 704(b) book	For IRS Use Only				
Other (explain)			o.				

Cat. No. 11394R

If "Yes," attach statement (see instructions)

Did the partner contribute property with a built-in gain or loss? X No

Yes

Carlton Asset Manage	ement LP		Г	Final K	-1	Amended	K-1	69-0000 5 1 1 1 OMB No. 1545-009
Schedule K-1		2011	Pa					rent Year Income,
Form 1065)					Deductio	ns, Credi	ts, a	nd Other Items
Department of the Treasury Internal Revenue Service		r year 2011, or tax	1	Ordinary	business inco	` '	15	Credits
iternal nevertue Service	year beginn	ing, 2011				2,032,455		
	ending	, 20	2	Net renta	al real estate i	ncome (loss)		
Partner's Share of Inc	come, Deduc	tions,		0.11				
Credits, etc.	► See back of form	and separate instructions.	3	Otner ne	et rental incom	e (Ioss)	16	Foreign transactions
Part I Information A	About the Partr	nership	4	Guarant	eed payments			7 7
A Partnership's employer identi	ification number							A Japai
69-000003			5	Interest	income			В 51,14
B Partnership's name, address,	, city, state, and ZIP c	ode				183		<i>D</i> 31,11
Carlton Asset Management,	LP		6a	Ordinary	dividends			D 51,14
1678 S Hoover Blvd								
San Francisco, CA 94101			6b	Qualified	d dividends			L 3,163
		-	7	Royalties	•			
• 1000 1 1 1 1	C1 1 1		'	noyaities	5			
C IRS Center where partnership Ogden	o filed return	+	8	Net shor	t-term capital	gain (loss)		
D Check if this is a publicly	r traded partnership (F	TP)				J. (111)		
		,	9a	Net long	-term capital	gain (loss)	17	Alternative minimum tax (AMT) iten
Part II Information A	Nout the Partr	ner						
E Partner's identifying number			9b	Collectib	oles (28%) gai	n (loss)		
69-3000002								
F Partner's name, address, city	, state, and ZIP code		9с	Unrecap	tured section	1250 gain		
ABC Investments			-10		. 1001 .	4 \	-10	-
93 Oaks Drive			10	Net sect	ion 1231 gain	(IOSS)	18	Tax-exempt income and nondeductible expenses
Los Angeles, CA 90052		-	11	Other in	come (loss)			·
			••	Other in	001110 (1033)			
G General partner or LLC	X Limited	partner or other LLC						C
member-manager	membe	·						
H	Foreign	partner						
·	_						19	Distributions
What type of entity is this par	tner? Partnership		12	Section	179 deduction	1		
J Partner's share of profit, loss,	, and capital (see instr	′				217		A 2.041,01
Beginning	_ 1	Ending	13	Other de	eductions			
Profit	.5 %	.5 %					20	Other information
Loss	.5 %	.5 %						
Capital	.5 %	.5 %						
✓ Dartner's chara of liabilities = -*	t year and							A 18
K Partner's share of liabilities at Nonrecourse	=	2,700	14	Self-em	oloyment earn	ings (loss)		
Qualified nonrecourse financi				<u>'</u>	•	- '		
Recourse	. ——							
L Partner's capital account ana	alysis:		*Se	e attach	ned statem	ent for add	itiona	al information.
Beginning capital account .	\$	19,571						<u> </u>

Capital contributed during the year

Current year increase (decrease) .

Withdrawals & distributions . . .

Ending capital account

Tax basis

Other (explain)

Cat. No. 11394R

For IRS Use Only

2,034,872

X Section 704(b) book

2,041,014)

13,429

GAAP

Carlton Asset Manage	ment LP		Final			69-0000 505 1 1 1 0 OMB No. 1545-00
Schedule K-1 (Form 1065)	2011	P	art III	Partner's Share of Deductions, Credi		rent Year Income,
Department of the Treasury Internal Revenue Service	For calendar year 2011, or tax	1	Ordina	ry business income (loss) 2,032,455	15	Credits
	year beginning, 20 ending, 20		Net rer	ntal real estate income (loss)		
Partner's Share of Inc						
<u> </u>	► See back of form and separate instruction	ons. 3	Other	net rental income (loss)	16	Foreign transactions
Part I Information A	bout the Partnership	4	Guarar	nteed payments		A Japa:
A Partnership's employer identif	iication number			561,900		A Japa.
69-000003 B Partnership's name, address,	city state and ZIP code	5	Interes	t income 183		В 51,14
Carlton Asset Management,	•	6a	Ordina	ry dividends		D 51,14
1678 S Hoover Blvd		- Ch	01161	- d db (d) - d		D 31,11
San Francisco, CA 94101		6b	Qualific	ed dividends		L 3,16
		7	Royalt	es		
C IRS Center where partnership	filed return		N			
Ogden Check if this is a publicly	traded nartnershin (PTP)	8	Net sn	ort-term capital gain (loss)		
Officer if this is a publicity	traded partitership (FTT)	9a	Net lor	ng-term capital gain (loss)	17	Alternative minimum tax (AMT) iter
Part II Information A	bout the Partner		0.11	(2004)		
E Partner's identifying number 69-3000001		9b	Collect	tibles (28%) gain (loss)		
F Partner's name, address, city,	, state, and ZIP code	9с	Unreca	aptured section 1250 gain		
XYZ Management		10	Not so	ction 1231 gain (loss)	18	Tax-exempt income and
7272 W Truman Ave		"	Net 36	ction 1231 gain (ioss)	"	nondeductible expenses
Sacramento, CA 95813		11	Other i	ncome (loss)		
G X General partner or LLC	Limited partner or other LLC					С
member-manager	member					
H X Domestic partner	Foreign partner					
What type of entity is this part	ner? Partnershin	12	Section	n 179 deduction	19	Distributions
J Partner's share of profit, loss,		- -		217		A 2 044 04
Beginning	Ending	13	Other	deductions		A 2,041,01
Profit	.5 % .5 «				20	Other information
Loss Capital	.5 % .5 .5	<u>%</u> %				
	'					A 18
K Partner's share of liabilities at Nonrecourse	•	0 14	Self-er	nployment earnings (loss)		
Qualified nonrecourse financir			OCH CI	inprovincin curnings (1033)		
Recourse						
		*0	oo atta	ched statement for add	lition	al information
L Partner's capital account anal Beginning capital account.	·		ee alla	ched statement for add	IIIIOII	ai iiioiiiatioii.
Capital contributed during the	vear \$	_				
Current year increase (decrease	se) . \$ 2.034.87	2				
Withdrawals & distributions	\$ (2,041,014	<u>1)</u> 출				
Ending capital account	\$13,42	9 0				
	_	l %				
1 = -	AAP Section 704(b) book	6 († For IRS Use Only				
Other (explain)		= io				
1		ΙĽ				

If "Yes," attach statement (see instructions)

Did the partner contribute property with a built-in gain or loss? X No

Yes

Cat. No. 11394R