

Client EX3-LLC

Example LLC (MTM GAIN)

98-7999998

2/16/11

04:01PM

EX3-LLC

Example LLC.

2010 trader tax status: Number of trades per day 2-3. Average holding period will be less than 10 minutes, so mostly daytrades; rarely overnight. Pattern day trader. Hours per day 10-12, including full market hours. Trading equities, options and futures. Mostly stock options. 100k account size. Intention to run a trading business. Has a home office, has tools and has not decided on platform; will be a direct access platform. Trader Status for 2010 return.

One IB trading account in LLC name, with over 1,400 RT trades and \$3.8 million in proceeds from May to December.

Internally elected MTM on 5/16/10. No 3115 or 481 since first time filer.

Taxpayer wanted to maximize the 401K contribution for 2010, so an Administration fee of \$171,415 was required for this.

Individual 401(k) Contribution Calculation - for a sole proprietorship, partnership or a single member LLC taxed as a sole proprietorship:

Salary Deferral Contribution -

Although the term salary deferral is used, these businesses do not provide a W-2 salary to the business owner. For businesses of this type, the salary deferral contribution is based on net adjusted business profit. Net adjusted business profit is calculated by taking gross self employment income and then subtracting business expenses and then subtracting 1/2 of the self employment tax. In 2010, 100% of net adjusted business profits income up to the maximum of \$16,500 or \$22,000 if age 50 or older can be contributed in salary deferrals into an Individual 401(k).

Profit Sharing Contribution -

A profit sharing contribution can be made up to 20% of net adjusted businesses profits. Net adjusted business profit is calculated by taking gross self employment income and then subtracting business expenses and then subtracting 1/2 of the self employment tax. You will want to ask your tax professional for assistance with this calculation.

For a taxpayer, under the age of 50, who is a successful trader and wants to max out his/her 401(k) plan for 2010 for his/her partnership or multi-member LLC, then an Administration Fee of \$171,415 needs to be paid to him/her from the entity. \$16,500 of salary deferrals (Taxable 1099 MISC Self-Employment earnings (box 7 of 1099 MISC) would be \$171,415) \$16,500 deferral amount + \$32,500 profit sharing contribution = \$49,000 Total 401k contribution. Profit sharing portion is calculated as follow: $\$171,415 - \$8,917$ (1/2 SE tax) = $162,498 \times 20\% = \$32,500$.

Since Member 1 and Member 2 are related individuals, they constructively own 100% of the entity's profits and loss, this is the reason why the Schedule B shows 100% ownership for both members.

Form **1065**Department of the Treasury
Internal Revenue Service**U.S. Return of Partnership Income**
For calendar year 2010, or tax year beginning 5/16, 2010,
ending 12/31, 20 10.
▶ See separate instructions.

OMB No. 1545-0099

2010

A Principal business activity <u>Trading</u>	Print or type.	<u>Example LLC (MTM GAIN)</u> <u>Any Street</u> <u>Houston, TX 77001</u>	D Employer identification number <u>98-7999998</u>
B Principal product or service <u>Sec. & Comm.</u>			E Date business started <u>5/16/2010</u>
C Business code number <u>523110</u>			F Total assets (see instrs) \$ <u>87,538.</u>

G Check applicable boxes: (1) ☒ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return
(6) ☐ Technical termination — also check (1) or (2)

H Check accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☒ Other (specify) ▶ Sec 475 (f) (1)

I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year. 2

J Check if Schedules C and M-3 are attached. ☐

Caution. Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

INCOME	1 a Gross receipts or sales	1 a	
	b Less returns and allowances	1 b	1 c
	2 Cost of goods sold (Schedule A, line 8)	2	
	3 Gross profit. Subtract line 2 from line 1c.	3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)	4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040)).	5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797).	6	<u>259,366.</u>
	7 Other income (loss) (attach statement)	7	
8 Total income (loss). Combine lines 3 through 7	8	<u>259,366.</u>	
DEDUCTIONS FOR LIMITATIONS	9 Salaries and wages (other than to partners) (less employment credits)	9	
	10 Guaranteed payments to partners	10	
	11 Repairs and maintenance	11	
	12 Bad debts	12	
	13 Rent	13	
	14 Taxes and licenses	14	
	15 Interest	15	
	16 a Depreciation (if required, attach Form 4562)	16 a	
	b Less depreciation reported on Schedule A and elsewhere on return	16 b	16 c
	17 Depletion (Do not deduct oil and gas depletion.)	17	
	18 Retirement plans, etc.	18	
	19 Employee benefit programs	19	
20 Other deductions (attach statement) See Statement 1	20	<u>175,746.</u>	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21	<u>175,746.</u>	
22 Ordinary business income (loss). Subtract line 21 from line 8	22	<u>83,620.</u>	

Sign Here	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 manager) is based on all information of which preparer has any knowledge.		
	Signature of general partner or limited liability company member manager _____ Date _____		
Paid Preparer Use Only	Print/Type preparer's name <u>z WebGuideExamples</u>		Preparer's signature <u>z WebGuideExamples</u>
	Firm's name ▶ <u>Green & Company CPAs, LLC</u>		Firm's EIN ▶ <u>20-0751653</u>
	Firm's address ▶ <u>54 Danbury Rd., #351</u> <u>Ridgefield, CT 06877</u>		Phone no. <u>877-662-2014</u>
	Check <input type="checkbox"/> if self-employed PTIN _____		

May the IRS discuss this return with the preparer shown below (see instrs)?
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

BAA For Paperwork Reduction Act Notice, see separate instructions.

PTPA0105L 01/18/11

Form **1065** (2010)

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	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 and 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 Regulations section 1.471-4
- (iii) ☐ Other (specify method used and attach explanation) _____

b Check this box if there was a writedown of 'subnormal' goods as described in Regulations section 1.471-2(c) ☐ Yes ☐ No

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐ Yes ☐ No

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☐ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If 'Yes,' attach explanation.

Schedule B Other Information**1** What type of entity is filing this return? Check the applicable box:

- a** ☐ Domestic general partnership **b** ☐ Domestic limited partnership
- c** ☒ Domestic limited liability company **d** ☐ Domestic limited liability partnership
- e** ☐ Foreign partnership **f** ☐ Other.

Yes	No

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? ☐ Yes ☒ No

3 At the end of the tax year:

a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization 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. ☐ Yes ☒ No

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. ☒ Yes ☐ No

4 At the end of the tax year, did the partnership:

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 ☐ Yes ☒ No

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

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 ☐ Yes ☒ No

(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

	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		X
6 Does this 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.		
c 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	X	
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)?		X
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?		X
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10 At any time during calendar year 2010, 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.. ▶		X
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.		X
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election?		X
See instructions for details regarding 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.		X
c 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		X
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 entities wholly-owned by the partnership throughout the tax year). <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in a partnership property?		X
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. ▶		X
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶		

Designation of Tax Matters Partner (see the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶	Member #1	Identifying number of TMP ▶	888-88-8888
If the TMP is an entity, name of TMP representative ▶		Phone number of TMP ▶	
Address of designated TMP ▶	Any Street Houston, TX 77001		

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	83,620.
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach stmt)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a.	3c	
	4 Guaranteed payments	4	
	5 Interest income	5	158.
	6 Dividends: a Ordinary dividends	6a	74.
	b Qualified dividends	6b	74.
	7 Royalties	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
Income (Loss)	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b Collectibles (28%) gain (loss)	9b	
	c Unrecaptured section 1250 gain (attach statement)	9c	
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type ▶ See Statement 2	11	3,172.	
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount. ▶	13c (2)	
d Other deductions (see instructions) Type ▶	13d		
Self-Employment	14a Net earnings (loss) from self-employment	14a	
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
	d Other rental real estate credits (see instructions) Type ▶	15d	
	e Other rental credits (see instructions) Type ▶	15e	
	f Other credits (see instructions) Type ▶	15f	
Foreign Transactions	16a Name of country or U.S. possession ... ▶		
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	Foreign gross income sourced at partnership level		
	d Passive category ▶ e General category ▶ f Other. ▶	16f	
	Deductions allocated and apportioned at partner level		
	g Interest expense ▶ h Other. ▶	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
	i Passive category ▶ j General category ▶ k Other. ▶	16k	
l Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l		
m Reduction in taxes available for credit (attach statement)	16m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties — gross income	17d	
	e Oil, gas, and geothermal properties — deductions	17e	
	f Other AMT items (attach stmt)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19a Distributions of cash and marketable securities	19a	83,620.
	b Distributions of other property	19b	
	20a Investment income	20a	232.
b Investment expenses	20b		
c Other items and amounts (attach stmt)			

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l.						1	87,024.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners		87,024.					

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1 Cash					83,364.
2a Trade notes and accounts receivable					
b Less allowance for bad debts					
3 Inventories					
4 U.S. government obligations					
5 Tax-exempt securities					
6 Other current assets (attach stmt) See St. 3					4,174.
7 Mortgage and real estate loans					
8 Other investments (attach stmt)					
9a Buildings and other depreciable assets					
b Less accumulated depreciation					
10a Depletable assets					
b Less accumulated depletion					
11 Land (net of any amortization)					
12a Intangible assets (amortizable only)				1,140.	
b Less accumulated amortization				1,140.	
13 Other assets (attach stmt)					
14 Total assets					87,538.
Liabilities and Capital					
15 Accounts payable					
16 Mortgages, notes, bonds payable in less than 1 year					
17 Other current liabilities (attach stmt)					
18 All nonrecourse loans					
19 Mortgages, notes, bonds payable in 1 year or more					
20 Other liabilities (attach stmt)					
21 Partners' capital accounts					87,538.
22 Total liabilities and capital					87,538.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1 Net income (loss) per books	87,024.	6 Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2 Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed pmts (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a Depreciation \$	
a Depreciation \$		8 Add lines 6 and 7	
b Travel and entertainment \$		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	87,024.
5 Add lines 1 through 4	87,024.		

Schedule M-2 Analysis of Partners' Capital Accounts

1 Balance at beginning of year	0.	6 Distributions: a Cash	83,620.
2 Capital contributed: a Cash	84,134.	b Property	
b Property		7 Other decreases (itemize):	
3 Net income (loss) per books	87,024.	8 Add lines 6 and 7	83,620.
4 Other increases (itemize):		9 Balance at end of year. Subtract line 8 from line 5	87,538.
5 Add lines 1 through 4	171,158.		

**SCHEDULE B-1
(Form 1065)**(December 2009)
Department of the Treasury
Internal Revenue Service**Information on Partners Owning 50% or
More of the Partnership**► **Attach to Form 1065. See instructions.**

OMB No. 1545-0099

Name of partnership

Example LLC (MTM GAIN)

Employer identification number (EIN)

98-7999998

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, or tax-exempt organization 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
Member #1	888-88-8888	United States	100.000
Member #2	777-77-7777	United States	100.000

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

Cat. No. 49842K

Schedule B-1 (Form 1065) (12-2009)

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2010

For calendar year 2010, or tax

year beginning 5/16, 2010
ending 12/31, 2010

Partner's Share of Income, Deductions, Credits, etc.

► See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
98-7999998

B Partnership's name, address, city, state, and ZIP code

Example LLC (MTM GAIN)
Any Street
Houston, TX 77001

C IRS Center where partnership filed return
Ogden, UT

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
888-88-8888

F Partner's name, address, city, state, and ZIP code

Member #1
Any Street
Houston, TX 77001

G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I What type of entity is this partner? Individual

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	%	50 %
Loss	%	50 %
Capital	%	50 %

K Partner's share of liabilities at year end:

Nonrecourse	\$	
Qualified nonrecourse financing	\$	
Recourse	\$	

L Partner's capital account analysis:

Beginning capital account	\$	0.
Capital contributed during the year	\$	42,067.
Current year increase (decrease)	\$	43,512.
Withdrawals and distributions	\$	(41,810.)
Ending capital account	\$	43,769.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

M Did the partner contribute property with a built-in gain or loss?

☐ Yes ☒ No

If 'Yes', attach statement (see instructions)

☐ Final K-1

☐ Amended K-1

651110
OMB No. 1545-0099

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	41,810.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
	79.		
6a	Ordinary dividends		
	37.		
6b	Qualified dividends		
	37.		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
	1,586.		
12	Section 179 deduction	19	Distributions
		A	41,810.
13	Other deductions		
		20	Other information
		A	116.
14	Self-employment earnings (loss)		

*See attached statement for additional information.

FOR
IRS
USE
ONLY

Schedule K-1
(Form 1065)

Department of the Treasury
Internal Revenue Service

2010

For calendar year 2010, or tax

year beginning 5/16, 2010
ending 12/31, 2010

Partner's Share of Income, Deductions,
Credits, etc.

See separate instructions.

Part I Information About the Partnership

- A Partnership's employer identification number
98-7999998
- B Partnership's name, address, city, state, and ZIP code
Example LLC (MTM GAIN)
Any Street
Houston, TX 77001
- C IRS Center where partnership filed return
Ogden, UT
- D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

- E Partner's identifying number
777-77-7777
- F Partner's name, address, city, state, and ZIP code
Member #2
Any Street
Houston, TX 77001
- G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member
- H ☒ Domestic partner ☐ Foreign partner
- I What type of entity is this partner? Individual
- J Partner's share of profit, loss, and capital (see instructions):
- | | Beginning | Ending |
|---------|-----------|--------|
| Profit | % | 50 % |
| Loss | % | 50 % |
| Capital | % | 50 % |
- K Partner's share of liabilities at year end:
- | | | |
|---------------------------------|----|--|
| Nonrecourse | \$ | |
| Qualified nonrecourse financing | \$ | |
| Recourse | \$ | |

- L Partner's capital account analysis:
- | | | |
|-------------------------------------|----|------------|
| Beginning capital account | \$ | 0. |
| Capital contributed during the year | \$ | 42,067. |
| Current year increase (decrease) | \$ | 43,512. |
| Withdrawals and distributions | \$ | (41,810.) |
| Ending capital account | \$ | 43,769. |

- ☒ Tax basis ☐ GAAP ☐ Section 704(b) book
☐ Other (explain)

- M Did the partner contribute property with a built-in gain or loss?
☐ Yes ☒ No
If 'Yes', attach statement (see instructions)

Final K-1

Amended K-1

651110
OMB No. 1545-0099

Part III Partner's Share of Current Year Income,
Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
	41,810.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
	79.		
6a	Ordinary dividends		
	37.		
6b	Qualified dividends		
	37.		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses
11	Other income (loss)		
C	1,586.		
12	Section 179 deduction	19	Distributions
		A	41,810.
13	Other deductions	20	Other information
		A	116.
14	Self-employment earnings (loss)		

*See attached statement for additional information.

FOR
IRS
USE
ONLY

Form **4562**Department of the Treasury
Internal Revenue Service (99)**Depreciation and Amortization**
(Including Information on Listed Property)

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

OMB No. 1545-0172

2010Attachment
Sequence No. **67**

Name(s) shown on return

Example LLC (MTM GAIN)

Identifying number

98-7999998

Business or activity to which this form relates

Form 1065

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	Maximum amount (see instructions)	1	
2	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)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
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	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2009 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs) ..	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 2011. Add lines 9 and 10, less line 12	13	

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 during the tax year (see instructions)	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.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2010	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B — Assets Placed in Service During 2010 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	

Section C — Assets Placed in Service During 2010 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
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	
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	

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ0812L 10/29/10

Form **4562** (2010)

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.)

24a Do you have evidence to support the business/investment use claimed?								<input type="checkbox"/> Yes	<input type="checkbox"/> No	24b If 'Yes,' is the evidence written?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost					
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:													
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1								28					
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29					

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.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
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 driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 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).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by 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

(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 2010 tax year (see instructions):					
Start up cost	5/16/10		195		
43 Amortization of costs that began before your 2010 tax year					43
44 Total. Add amounts in column (f). See the instructions for where to report					44

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.****2010**Attachment
Sequence No. **27**

Name(s) shown on return

Example LLC (MTM GAIN)

Identifying number

98-7999998

- 1** Enter the gross proceeds from sales or exchanges reported to you for 2010 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) **1** 3,985,956.

Part I 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)

2	(a) Description of property	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3 Gain, if any, from Form 4684, line 42 **3**

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 **4**

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 **5**

6 Gain, if any, from line 32, from other than casualty or theft **6**

7 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.

8 Nonrecaptured net section 1231 losses from prior years (see instructions) **8**

9 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 capital gain on the Schedule D filed with your return (see instructions) **9**

Part II Ordinary Gains and Losses (see instructions)

- 10**
- Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

IB - Trading account (See Attached)						
	Various	Various	3,985,956.		3,726,590.	259,366.

11 Loss, if any, from line 7 **11**

12 Gain, if any, from line 7 or amount from line 8, if applicable **12**

13 Gain, if any, from line 31 **13**

14 Net gain or (loss) from Form 4684, lines 34 and 41a **14**

15 Ordinary gain from installment sales from Form 6252, line 25 or 36 **15**

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 **16**

17 Combine lines 10 through 16 **17** 259,366.

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 38, 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**

BAA For Paperwork Reduction Act Notice, see separate instructions.Form **4797** (2010)

Form **6781**Department of the Treasury
Internal Revenue Service**Gains and Losses From Section 1256
Contracts and Straddles**

► Attach to your tax return.

OMB No. 1545-0644

2010Attachment
Sequence No. **82**

Name(s) shown on tax return

Identifying number

Example LLC (MTM GAIN)98-7999998

Check all applicable boxes (see instructions).

A

Mixed straddle election

C

Mixed straddle account election

B

Straddle-by-straddle identification election

D

Net section 1256 contracts loss election

Part I Section 1256 Contracts Marked to Market

1	(a) Identification of account	(b) (Loss)	(c) Gain
IB - Trading account - Futures			3,172.
2	Add the amounts on line 1 in columns (b) and (c).....	2	3,172.
3	Net gain or (loss). Combine line 2, columns (b) and (c).....	3	3,172.
4	Form 1099-B adjustments. See instructions and attach schedule.....	4	
5	Combine lines 3 and 4.....	5	3,172.
Note: If line 5 shows a net gain, skip line 6 and enter the gain on line 7. Partnerships and S corporations, see instructions.			
6	If you have a net section 1256 contracts loss and checked box D above, enter the amount of loss to be carried back. Enter the loss as a positive number.....	6	
7	Combine lines 5 and 6.....	7	
8	Short-term capital gain or (loss). Multiply line 7 by 40% (.40). Enter here and include on the appropriate line of Schedule D (see instructions).....	8	
9	Long-term capital gain or (loss). Multiply line 7 by 60% (.60). Enter here and include on the appropriate line of Schedule D (see instructions).....	9	

Part II Gains and Losses From Straddles. Attach a separate schedule listing each straddle and its components.**Section A – Losses From Straddles**

(a) Description of property	(b) Date entered into or acquired	(c) Date closed out or sold	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Loss. If column (e) is more than (d), enter difference. Otherwise, enter -0-	(g) Unrecognized gain on offsetting positions	(h) Recognized loss. If column (f) is more than (g), enter difference. Otherwise, enter -0-
10							
11a Enter the short-term portion of losses from line 10, column (h), here and include on the appropriate line of Schedule D (see instructions).....							11a
b Enter the long-term portion of losses from line 10, column (h), here and include on the appropriate line of Schedule D (see instructions).....							11b

Section B – Gains From Straddles

(a) Description of property	(b) Date entered into or acquired	(c) Date closed out or sold	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Gain. If column (d) is more than (e), enter difference. Otherwise, enter -0-
12					
13a Enter the short-term portion of gains from line 12, column (f), here and include on the appropriate line of Schedule D (see instructions).....					13a
b Enter the long-term portion of gains from line 12, column (f), here and include on the appropriate line of Schedule D (see instructions).....					13b

Part III Unrecognized Gains From Positions Held on Last Day of Tax Year. Memo Entry Only (see instructions)

(a) Description of property	(b) Date acquired	(c) Fair market value on last business day of tax year	(d) Cost or other basis as adjusted	(e) Unrecognized gain. If column (c) is more than (d), enter difference. Otherwise, enter -0-
14				

BAA For Paperwork Reduction Act Notice, see separate instructions.

FDIZ1601L 06/02/10

Form **6781** (2010)

2010

Federal Statements

Page 1

Client EX3-LLC

Example LLC (MTM GAIN)

98-7999998

2/16/11

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Statement 1
Form 1065, Line 20
Other Deductions

Administration Fee.....	\$	171,415.
Domain name registration fee.....		103.
Start-up Costs.....		1,140.
Trader tax and accounting.....		1,250.
Trading bank charges.....		148.
Trading communication.....		312.
Trading fees.....		3.
Trading internet & cable services.....		412.
Trading market information services.....		444.
Trading postage.....		1.
Trading reference books.....		106.
Trading repairs and maintenance.....		50.
Trading subscriptions.....		349.
Trading supplies.....		13.
Total	\$	<u>175,746.</u>

Statement 2
Form 1065, Schedule K, Line 11
Other Income (Loss)

Form 6781, Part I.....	\$	3,172.
Total	\$	<u>3,172.</u>

Statement 3
Form 1065, Schedule L, Line 6
Other Current Assets

	<u>Beginning</u>	<u>Ending</u>
.....	\$ 0.	\$ 4,174.
Total	<u>\$ 0.</u>	<u>\$ 4,174.</u>

Client EX3-LLC

Example LLC (MTM GAIN)

98-7999998

2/16/11

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Note to Form 1065, Form 4797-Part II and Form 6781 in connection with taxpayer's business activity: "trader in securities and commodities"

This limited liability company (LLC) is in the business of trading securities and commodities, as defined below. For tax purposes the LLC is being treated as a partnership. The members report their respective Schedule K-1s on their individual income tax returns.

Taxpayer operated a trading business, in accordance with the definition below, from May 16, 2010 to December 31, 2010. Considerable time spent every trading day, consistent and frequent number of trades, and trading proceeds all support taxpayer's rising to the level of conducting this activity as a business.

Taxpayer's business activities are described in IRS Publication 550, Chapter 4 - Special Rules for Traders. We excerpt these rules below (and add some notes in parenthesis). This is a trading limited liability company but the business activity is explained in IRS Publication 550 written for individuals and therefore mentions Form 1040.

Special Rules for Traders in Securities.

IRS Publication 550 - Chapter 4, "Special Rules for Traders," applies to individuals and trading companies. We excerpt these rules below (and add some notes in parenthesis).

"Special rules apply if you are a trader in securities in the business of buying and selling securities for your own account. To be engaged in business as a trader in securities, you must meet all the following conditions. (Taxpayer met all the following conditions for tax year 2010).

..You must seek to profit from daily market movements in the prices of securities and not from dividends, interest, or capital appreciation.

..Your activity must be substantial.

..You must carry on the activity with continuity and regularity.

The following facts and circumstances should be considered in determining if your activity is a securities trading business.

..Typical holding periods for securities bought and sold. (Taxpayer had very short holding periods).

..The frequency and dollar amount of your trades during the year. (Taxpayer traded frequently with lower dollar amounts, and thus had a high turnover).

..The extent to which you pursue the activity to produce income for a livelihood. (Taxpayer's intention is to earn a living from this trading business activity).

..The amount of time you devote to the activity. (Taxpayer spends a good part of every day on this activity).

Note.

You may be a trader in some securities and have other securities you hold for investment. The special rules discussed here do not apply to the securities held for investment. You must keep detailed records to distinguish the securities. The securities held for investment must be identified as such in your records on the day you got them (for example, by holding them in a separate brokerage account). If taxpayer has investment securities they are clearly "segregated" from trading securities in accordance with current IRS regulations.

How To Report.

Transactions from trading activities result in capital gains and losses and must be reported on Schedule D (Form 1040). Losses from these transactions are subject to the limit on capital losses explained earlier in this chapter.

Mark-to-market election made. (This new taxpayer internally elected mark-to-market accounting for 2010 for securities only, not commodities).

If you made the mark-to-market election, you should report all gains and losses from trading as ordinary gains and losses in Part II of Form 4797, instead of as capital gains and losses on Schedule D. In that case, securities held at the end of the year in your business as a trader are marked to market by treating them as if they were sold (and reacquired) for fair market value on the last business day of the year. But do not mark to market any securities you held for investment. Report sales from those securities on Schedule D, not Form 4797.

Expenses.

Interest expense and other investment expenses that an investor would deduct on Schedule A (Form 1040) are deducted by a trader on Form 1065, Profit or Loss From Business, if the expenses are from the trading business. Commissions and other costs of acquiring or disposing of securities are not deductible but must be used to figure gain or loss. The limit on investment interest expense, which applies to investors, does not apply to interest paid or incurred in a trading business. (Taxpayer duly reported the trading business expenses on Form 1065: trader in securities and commodities).

Self-employment tax.

Gains and losses from selling securities as part of a trading business are not subject to self-employment tax. This is true whether the election is made or not.

How To Make the Mark-to-Market Election for New Taxpayers.

If you are not required to file a 2010 income tax return, you make the election by placing the above statement in your books and records no later than March 15, 2011. Attach a copy of the statement to your 2011 return.

Revenue Procedure 99-17, 1999-1 C.B. 503, 2/09/1999, IRC Sec 475(f) Mark-to-market election rules for dealers in securities-election for traders and dealers.

Section 5.03(2)

New taxpayers.

A new taxpayer is a taxpayer for which no federal income tax return was required to be filed for the taxable year immediately preceding the election year. A new taxpayer makes the election by placing in its books and records no later than 2 months and 15 days after the first day of the election year a statement that satisfies the requirements in section 5.04 of this revenue procedure. To notify the Service that the election was made, the new taxpayer must attach a copy of the statement to its original federal income tax return for the election year. (This is the first tax year for the trading LLC. The LLC elected mark-to-market accounting under section 475(f) for securities and commodities for tax year 2010 internally within 2 months and 15 days of forming the entity. A copy of that election is included at the bottom of this footnote, which is being attached to the initial return).

Once you make the election, it will apply to 2010 and all later tax years, unless you get permission from IRS to revoke it. The effect of making the election is described under mark-to-market election made, earlier.

Client EX3-LLC

Example LLC (MTM GAIN)

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For more information on this election, see Revenue Procedure 99-17, 1999-1 C.B. and sections 475(f).

TAXPAYER ALSO QUALIFIES AS A "TRADER IN COMMODITIES"

IRC Code Section: § 475 "Mark to market accounting method for dealers in securities", has Section 475(f) - "Election of mark to market for traders in securities or commodities": 475(f)(1) is for "trades in securities"; and Section 475(f)(2) is for "traders in commodities."

IRS Revenue Procedure 99-17 - "Mark to market accounting method for dealers in securities - election for traders and dealers", applies to both traders in securities and/or commodities. Rev.Proc. 99-17 reads as follows: "Headnote - IRS has provided exclusive procedure for dealers in commodities and traders in commodities and securities to elect to use mark-to-market accounting method."

Taxpayer elected mark-to-market (MTM) accounting for securities trading only (not commodities).

Copy of partnership's internal election for mark-to-market accounting.

The new taxpayer made the election by placing the below statement in the company's books and records within 2 months and 15 days of forming the entity.

"Pursuant to IRC Section 475(f)(1), the Taxpayer hereby elects to adopt the mark-to-market method of accounting for the tax year ended Dec. 31, 2010 and subsequent tax years. The election applies to the following trade or business: Trader in Securities as a Limited Liability Company."

2010

Schedule K-1 Allocation Summary

Page 1

Client EX3-LLC

Example LLC (MTM GAIN)

98-7999998

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Ptr# Name

1 Member #1
2 Member #2

Line	Item	Total on Schedule K	Partner 1	Partner 2
----	-----	-----	-----	-----
L	Profit Sharing Alloc. Percentage		50.000000	50.000000
L	Loss Sharing Alloc. Percentage		50.000000	50.000000
1	Ordinary business income (loss)	83,620.	41,810.	41,810.
5	Interest income	158.	79.	79.
6a	Ordinary dividends	74.	37.	37.
6b	Qualified dividends	74.	37.	37.
11	Other income (loss)	3,172.	1,586.	1,586.
19	Distributions of cash & market. sec.	83,620.	41,810.	41,810.
20	Investment income	232.	116.	116.

12/31/10

2010 Federal Summary Depreciation Schedule

Page 1

Client EX3-LLC

Example LLC (MTM GAIN)

98-7999998

2/16/11

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No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
Form 1065										
Amortization										
1	Start up cost	5/16/10		1,140				S/L		0
	Total Amortization			1,140		0	0			0
	Total Depreciation			0		0	0			0
	Grand Total Amortization			1,140		0	0			0
	Grand Total Depreciation			0		0	0			0

Demo

2010

Federal Income Tax Summary

Page 1

Client EX3-LLC

Example LLC (MTM GAIN)

98-7999998

2/16/11

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	2010	2009	Diff
TRADE OR BUSINESS INCOME			
Net gain (loss) from Form 4797.....	259,366	259,366	0
Total income (loss).....	259,366	259,366	0
TRADE OR BUSINESS DEDUCTIONS			
Other deductions.....	175,746	175,746	0
Total deductions.....	175,746	175,746	0
SCHEDULE K - INCOME			
Ordinary business income (loss)	83,620	83,620	0
Interest income.....	158	158	0
Ordinary dividends.....	74	74	0
Other income (loss).....	3,172	3,172	0
SCHEDULE K - OTHER			
Distributions of cash & marketable sec...	83,620	83,620	0
Investment income.....	232	232	0
SCHEDULE L - BALANCE SHEET			
Beginning Assets.....	0	0	0
Beginning Liabilities and Capital.....	0	0	0
Ending Assets.....	87,538	87,538	0
Ending Liabilities and Capital.....	87,538	87,538	0

2010**Federal Balance Sheet Summary****Page 1****Client EX3-LLC****Example LLC (MTM GAIN)****98-7999998**

2/16/11

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ENDING ASSETS

Cash		83,364
Other current assets		4,174
Intangible assets	1,140	
Less accumulated amortization	(1,140)	
Total Assets		87,538

ENDING LIABILITIES & CAPITAL

Partners' capital accounts		87,538
Total Liabilities and Capital		87,538

Demo

2010

General Information

Page 1

Client EX3-LLC

Example LLC (MTM GAIN)

98-7999998

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Forms needed for this return

Federal: 1065, Sch B-1, Sch K-1, 4562, 4797, 6781

Carryovers to 2011

None

Demo