

Fajardo & Associates, LLC  
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September 16, 2013

Cosmetic Research Corporation  
P.O. Box 668167  
Miami, FL 33166-3329

Dear Sir,

I have prepared your 2012 Form 1120S based on the information you provided. Please review the enclosed copy for Cosmetic Research Corporation, then sign the IRS e-file Signature Authorization Form 8879-S and return it to me. When I receive the signed authorization, I will e-file your return.

Cosmetic Research Corporation's 2012 federal taxes have been paid in full.

If you have any questions about the return(s) or about Cosmetic Research Corporation's tax situation during the year, please do not hesitate to call me at (305) 260-4600. I appreciate this opportunity to serve you.

Sincerely,

D. Ruben Fajardo Jr.  
Fajardo & Associates, LLC

Form **8879-S**

OMB No. 1545-1863

**2012**Department of the Treasury  
Internal Revenue Service

For calendar year 2012, or tax year beginning

, 2012, ending

, 20

Name of corporation

Cosmetic Research Corporation

65-0686217

(Whole dollars only)

Gross receipts or sales less returns and allowances (Form 1120S, line 1c) . . . . .	8,375,842
Gross profit (Form 1120S, line 3) . . . . .	1,308,292
Ordinary business income (loss) (Form 1120S, line 21) . . . . .	-638,668
Net rental real estate income (loss) (Form 1120S, Schedule K, line 2) . . . . .	0
Income (loss) reconciliation (Form 1120S, Schedule K, line 18) . . . . .	-639,730

Under penalties of perjury, I declare that I am an officer of the above corporation and that I have examined a copy of the corporation's 2012 electronic income tax return and accompanying schedules and statements and to the best of my knowledge and belief, it is true, correct, and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the corporation's electronic income tax return. I consent to allow my electronic return originator (ERO), transmitter, or intermediate service provider to send the corporation's return to the IRS and to receive from the IRS an acknowledgement of receipt or reason for rejection of the transmission, the reason for any delay in processing the return or refund, and the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the corporation's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the corporation's electronic income tax return and, if applicable, the corporation's consent to electronic funds withdrawal.

☐ I authorize Fajardo & Associates, LLC to enter my PIN 86217 as my signature  
on the corporation's 2012 electronically filed income tax return.

☒ As an officer of the corporation, I will enter my PIN as my signature on the corporation's 2012 electronically filed  
income tax return.

Officer's signature ► \_\_\_\_\_ Date ► \_\_\_\_\_ Title ► President

Enter your six-digit EFIN followed by your five-digit self-selected PIN.

65668151824

I certify that the above numeric entry is my PIN, which is my signature on the 2012 electronically filed income tax return for the corporation indicated above. I confirm that I am submitting this return in accordance with the requirements of IRS Application and Participation, and Modernized e-File (MeF) Information for Authorized IRS Providers for Business Returns.

ERO's signature ► \_\_\_\_\_ Date ► 9/16/2013

Form

OMB No. 1545-0130

Department of the Treasury  
Internal Revenue Service**2012**

For calendar year 2012 or tax year beginning , ending

S election effective date <b>1/1/1998</b>	Name <b>Cosmetic Research Corporation</b>	65-0686217
Business activity code number (see instructions) <b>325100</b>	Number, street, and room or suite no. If a P.O. box, see instructions. <b>P.O. Box 668167</b>	Date incorporated <b>3/1/1997</b>
Check if Sch. M-3 attached <input type="checkbox"/>	City or town <b>Miami</b> State <b>FL</b> ZIP code <b>33166-3329</b>	Total assets (see instructions) \$ <b>2,255,102</b>

Is the corporation electing to be an S corporation beginning with this tax year? ☐ Yes ☐ No If "Yes," attach Form 2553 if not already filedCheck if: ☐ Final return ☐ Name change ☐ Address change ☐ Amended return ☐ S election termination or revocation

Enter the number of shareholders who were shareholders during any part of the tax year 2

Include trade or business income and expenses on lines 1a through 21. See the instructions for more information.

<b>Income</b>	Gross receipts or sales . . . . .	8,436,872	
	Returns and allowances . . . . .	61,030	
	Balance. Subtract line 1b from line 1a . . . . .		8,375,842
	Cost of goods sold (attach Form 1125-A) . . . . .		7,067,550
	Gross profit. Subtract line 2 from line 1c . . . . .		1,308,292
	Net gain (loss) from Form 4797, line 17 (attach Form 4797) . . . . .		
	Other income (loss) (see instructions—attach statement) . . . . .		
	Add lines 3 through 5 . . . . .		1,308,292
<b>Deductions</b> (see instructions for limitations)	Compensation of officers . . . . .		260,270
	Salaries and wages (less employment credits) . . . . .		237,640
	Repairs and maintenance . . . . .		62,057
	Bad debts . . . . .		926
	Rents . . . . .		373,270
	Taxes and licenses . . . . .		161,521
	Interest . . . . .		176,629
	Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) . . . . .		143,782
	Depletion . . . . .		
	Advertising . . . . .		
	Pension, profit-sharing, etc., plans . . . . .		
	Employee benefit programs . . . . .		
Other deductions (attach statement) . . . . .		530,865	
	Add lines 7 through 19 . . . . .		1,946,960
	Subtract line 20 from line 6 . . . . .		-638,668
<b>Tax and Payments</b>	Excess net passive income or LIFO recapture tax (see instructions) . . . . .		
	Tax from Schedule D (Form 1120S) . . . . .		
	Add lines 22a and 22b (see instructions for additional taxes) . . . . .		0
	2012 estimated tax payments and 2011 overpayment credited to 2012 . . . . .		
	Tax deposited with Form 7004 . . . . .		
	Credit for federal tax paid on fuels (attach Form 4136) . . . . .		
	Add lines 23a through 23c . . . . .		0
	Estimated tax penalty (see instructions). Check if Form 2220 is attached . . . . . <input type="checkbox"/>		
	If line 23d is smaller than the total of lines 22c and 24, enter amount owed . . . . .		0
If line 23d is larger than the total of lines 22c and 24, enter amount overpaid . . . . .		0	
	Enter amount from line 26 . . . . .		0

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 taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☒ No

Signature of officer

Date

Title

Print/Type preparer's name

Preparer's signature

Date

Check ☒ if self-employed

PTIN

D. Ruben Fajardo Jr.

D. Ruben Fajardo Jr.

9/16/2013

P00738920

Firm's name Fajardo &amp; Associates, LLC

Firm's EIN 20-1851824

Firm's address 8500 SW 8th Street, Suite 254

Phone no. (305) 260-4600

City Miami

State FL

ZIP code 33144

(see instructions)

Check accounting method:

☐

Cash

☒

Accrual

☐

Other (specify) ▶

See the instructions and enter the:

Business activity ▶ Sales

Product or service ▶ Cosmetic

At any time during the tax year, was any shareholder of the corporation a disregarded entity, a trust, an estate, or a nominee or similar person? . . . . .

At the end of the tax year, did the corporation:

Own directly 20% or more, or own, directly or indirectly, 50% or more of the total stock issued and outstanding of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below . . . . .

Name of Corporation	Employer Identification Number (if any)	Country of Incorporation	Percentage of Stock Owned	If Percentage in (iv) is 100%, Enter the Date (if any) a Qualified Subchapter S Subsidiary Election Was Made

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 . . . . .

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

At the end of the tax year, did the corporation have any outstanding shares of restricted stock? . . . . .

If "Yes," complete lines (i) and (ii) below.

Total shares of restricted stock . . . . .

Total shares of non-restricted stock . . . . .

At the end of the tax year, did the corporation have any outstanding stock options, warrants, or similar instruments? . . . . .

If "Yes," complete lines (i) and (ii) below.

Total shares of stock outstanding at the end of the tax year ▶

Total shares of stock outstanding if all instruments were executed ▶

Has this corporation filed, or is it required to file, Material Advisor Disclosure Statement, to provide information on any reportable transaction? . . . . .

Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ ☐

If checked, the corporation may have to file Information Return for Publicly Offered Original Issue Discount Instruments.

If the corporation: was a C corporation before it elected to be an S corporation the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) . . . . . ▶ \$

Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$

Does the corporation satisfy of the following conditions?

The corporation's total receipts (see instructions) for the tax year were less than \$250,000 . . . . .

The corporation's total assets at the end of the tax year were less than \$250,000 . . . . .

If "Yes," the corporation is not required to complete Schedules L and M-1.

During the tax year, did the corporation have any non-shareholder debt that was canceled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?

If "Yes," enter the amount of principal reduction \$

During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions . . . . .

Did the corporation make any payments in 2012 that would require it to file Form(s) 1099? . . . . .

If "Yes," did the corporation file or will it file required Forms 1099? . . . . .

<b>Income (Loss)</b>	Ordinary business income (loss) (page 1, line 21) . . . . .		-638,668		
	Net rental real estate income (loss) (attach Form 8825) . . . . .				
	Other gross rental income (loss) . . . . .				
	Expenses from other rental activities (attach statement) . . . . .				
	Other net rental income (loss). Subtract line 3b from line 3a . . . . .			0	
	Interest income . . . . .				
	Dividends: Ordinary dividends . . . . .				
	Qualified dividends . . . . .				
	Royalties . . . . .				
	Net short-term capital gain (loss) (attach Schedule D (Form 1120S)) . . . . .				
	Net long-term capital gain (loss) (attach Schedule D (Form 1120S)) . . . . .				
	Collectibles (28%) gain (loss) . . . . .				
	Unrecaptured section 1250 gain (attach statement) . . . . .				
	Net section 1231 gain (loss) (attach Form 4797) . . . . .				
Other income (loss) (see instructions) . . . . . Type ▶					
<b>Deductions</b>	Section 179 deduction (attach Form 4562) . . . . .				
	Charitable contributions . . . . .			1,062	
	Investment interest expense . . . . .				
	Section 59(e)(2) expenditures . . . . . Type ▶			(2)	
Other deductions (see instructions) . . . . . Type ▶					
<b>Credits</b>	Low-income housing credit (section 42(j)(5)) . . . . .				
	Low-income housing credit (other) . . . . .				
	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468) . . . . .				
	Other rental real estate credits (see instructions) . . . . . Type ▶				
	Other rental credits (see instructions) . . . . . Type ▶				
	Alcohol and cellulosic biofuel fuels credit (attach Form 6478) . . . . .				
Other credits (see instructions) . . . . . Type ▶					
<b>Foreign Transactions</b>	Name of country or U.S. possession ▶				
	Gross income from all sources . . . . .				
	Gross income sourced at shareholder level . . . . .				
	Foreign gross income sourced at corporate level . . . . .				
	Passive category . . . . .				
	General category . . . . .				
	Other (attach statement) . . . . .				
	Deductions allocated and apportioned at shareholder level . . . . .				
	Interest expense . . . . .				
	Other . . . . .				
	Deductions allocated and apportioned at corporate level to foreign source income . . . . .				
	Passive category . . . . .				
	General category . . . . .				
	Other (attach statement) . . . . .				
	Other information . . . . .				
Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued . . . . .					
Reduction in taxes available for credit (attach statement) . . . . .					
Other foreign tax information (attach statement) . . . . .					
<b>Alternative Minimum Tax (AMT) Items</b>	Post-1986 depreciation adjustment . . . . .			-42,711	
	Adjusted gain or loss . . . . .				
	Depletion (other than oil and gas) . . . . .				
	Oil, gas, and geothermal properties—gross income . . . . .				
	Oil, gas, and geothermal properties—deductions . . . . .				
	Other AMT items (attach statement) . . . . .				
<b>Items Affecting Shareholder Basis</b>	Tax-exempt interest income . . . . .				
	Other tax-exempt income . . . . .				
	Nondeductible expenses . . . . .			3,524	
	Distributions (attach statement if required) (see instructions) . . . . .			177,173	
	Repayment of loans from shareholders . . . . .				

		(continued)			
Other Information	Investment income . . . . .				
	Investment expenses . . . . .				
	Dividend distributions paid from accumulated earnings and profits . . . . .				
	Other items and amounts (attach statement)				
Reconciliation	Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l . .				-639,730

		Beginning of tax year		End of tax year	
Cash . . . . .		81,888		( 161,295)	
Trade notes and accounts receivable . . . . .	1,009,223		912,307		
Less allowance for bad debts . . . . .		1,009,223		912,307	
Inventories . . . . .		1,666,108		924,627	
U.S. government obligations . . . . .					
Tax-exempt securities (see instructions) . . . . .					
Other current assets (attach statement) . . . . .		106,383		7,753	
Loans to shareholders . . . . .		35,000			
Mortgage and real estate loans . . . . .					
Other investments (attach statement) . . . . .					
Buildings and other depreciable assets . . . . .	1,189,979		1,374,496		
Less accumulated depreciation . . . . .	837,024	352,955	980,806	393,690	
Depletable assets . . . . .					
Less accumulated depletion . . . . .		0		0	
Land (net of any amortization) . . . . .					
Intangible assets (amortizable only) . . . . .					
Less accumulated amortization . . . . .		0		0	
Other assets (attach statement) . . . . .		262,768		178,020	
Total assets . . . . .		3,514,325		2,255,102	
Accounts payable . . . . .		670,282		473,943	
Mortgages, notes, bonds payable in less than 1 year . . . . .					
Other current liabilities (attach statement) . . . . .		119,461		54,746	
Loans from shareholders . . . . .					
Mortgages, notes, bonds payable in 1 year or more . . . . .		2,137,227		1,959,485	
Other liabilities (attach statement) . . . . .					
Capital stock . . . . .		67		67	
Additional paid-in capital . . . . .					
Retained earnings . . . . .		587,288		( 233,139)	
Adjustments to shareholders' equity (attach statement) . . . . .					
Less cost of treasury stock . . . . .					
Total liabilities and shareholders' equity . . . . .		3,514,325		2,255,102	

Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more—see instructions

Net income (loss) per books . . . . .	-643,254	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		Tax-exempt interest \$ . . . . .	0
Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14I (itemize):		Deductions included on Schedule K, lines 1 through 12 and 14I, not charged against book income this year (itemize):	
Depreciation \$ . . . . .		Depreciation \$ . . . . .	0
Travel and entertainment \$ . . . . . 3,524		Add lines 5 and 6 . . . . .	0
	3,524	Income (loss) (Schedule K, line 18). Line 4 less line 7 . . . . .	-639,730
Add lines 1 through 3 . . . . .	-639,730		

(see instructions)

	Accumulated adjustments account	Other adjustments account	Shareholders' undistributed taxable income previously taxed
Balance at beginning of tax year . . . . .	587,288		
Ordinary income from page 1, line 21 . . . . .			
Other additions . . . . .			
Loss from page 1, line 21 . . . . .	-638,668		
Other reductions . . . . .	4,586		
Combine lines 1 through 5 . . . . .	-55,966	0	0
Distributions other than dividend distributions . . . . .	177,173		
Balance at end of tax year. Subtract line 7 from line 6 . . . . .	-233,139	0	0

Department of the Treasury  
Internal Revenue Service

For calendar year 2012, or tax  
year beginning \_\_\_\_\_, 2012  
ending \_\_\_\_\_, 20\_\_\_\_

2012

☐ Final K-1

☐ Amended K-1

671112  
OMB No. 1545-0130

<b>Corporation Information</b>			
Corporation's employer identification number 65-0686217			
Corporation's name, address, city, state, and ZIP code Cosmetic Research Corporation P.O. Box 668167 Miami FL 33166-3329			
IRS Center where corporation filed return Cincinnati, OH 45999-0013			
<b>Shareholder Information</b>			
Shareholder's identifying number Shareholder: 1 593-03-9935			
Shareholder's name, address, city, state, and ZIP code Edward Lusky 10140 E Broadview Drive Miami Beach, FL 33154			
Shareholder's percentage of stock ownership for tax year . . . . . 50.000000%			
For IRS Use Only	Ordinary business income (loss)	-319,334	Credits
	Net rental real estate income (loss)		
	Other net rental income (loss)		
	Interest income		
	Ordinary dividends		
	Qualified dividends		Foreign transactions
	Royalties		
	Net short-term capital gain (loss)		
	Net long-term capital gain (loss)		
	Collectibles (28%) gain (loss)		
	Unrecaptured section 1250 gain		
	Net section 1231 gain (loss)		
	Other income (loss)	A	Alternative minimum tax (AMT) items -21,355
	Section 179 deduction	C	Items affecting shareholder basis 1,762
	Other deductions	A 531 D	88,586
			Other information
* See attached statement for additional information.			



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Code A - Cash contributions (50%) . . . . .	<u>531</u>
Code A - Post-1986 depreciation adjustment . . . . .	<u>-21,355</u>
Code C - Nondeductible expenses . . . . .	<u>1,762</u>
Code D - Distributions . . . . .	<u>88,586</u>

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Department of the Treasury  
Internal Revenue Service

For calendar year 2012, or tax  
year beginning \_\_\_\_\_, 2012  
ending \_\_\_\_\_, 20\_\_\_\_

2012

☐ Final K-1

☐ Amended K-1

671112  
OMB No. 1545-0130

<b>Corporation's information</b>			
Corporation's employer identification number 65-0686217			
Corporation's name, address, city, state, and ZIP code Cosmetic Research Corporation P.O. Box 668167 Miami FL 33166-3329			
IRS Center where corporation filed return Cincinnati, OH 45999-0013			
<b>Shareholder's information</b>			
Shareholder's identifying number Shareholder: 2 264-91-3299			
Shareholder's name, address, city, state, and ZIP code Marvin Lusky 2342 NE 212 Terrace Miami, FL 33180			
Shareholder's percentage of stock ownership for tax year . . . . . 50.000000%			
For IRS Use Only	Ordinary business income (loss)	-319,334	Credits
	Net rental real estate income (loss)		
	Other net rental income (loss)		
	Interest income		
	Ordinary dividends		
	Qualified dividends		Foreign transactions
	Royalties		
	Net short-term capital gain (loss)		
	Net long-term capital gain (loss)		
	Collectibles (28%) gain (loss)		
	Unrecaptured section 1250 gain		
	Net section 1231 gain (loss)		
	Other income (loss)	A	Alternative minimum tax (AMT) items -21,356
	Section 179 deduction	C	Items affecting shareholder basis 1,762
	Other deductions	A 531 D	88,587
			Other information
* See attached statement for additional information.			

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Code A - Cash contributions (50%) . . . . .	<u>531</u>
Code A - Post-1986 depreciation adjustment . . . . .	<u>-21,356</u>
Code C - Nondeductible expenses . . . . .	<u>1,762</u>
Code D - Distributions . . . . .	<u>88,587</u>

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Name  
Cosmetic Research Corporation 65-0686217

Inventory at beginning of year . . . . .	1,666,108
Purchases . . . . .	3,828,610
Cost of labor . . . . .	1,166,726
Additional section 263A costs (attach schedule) . . . . .	
Other costs (attach schedule) . . . . .	1,330,733
Add lines 1 through 5 . . . . .	7,992,177
Inventory at end of year . . . . .	924,627
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) . . . . .	7,067,550

Check all methods used for valuing closing inventory:

- ☒ Cost  
☐ Lower of cost or market  
☐ Other (Specify method used and attach explanation.) ▶

Check if there was a writedown of subnormal goods . . . . . ▶ ☐

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 under LIFO . . . . .

If property is produced or acquired for resale, do the rules of section 263A apply to the entity (see instructions)? . . . ☐ Yes ☐ No

Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If

"Yes," attach explanation . . . . . ☐ Yes ☐ No

Form

Department of the Treasury  
Internal Revenue Service

(99)

OMB No. 1545-0172

**2012**Attachment  
Sequence No.Name(s) shown on return  
Cosmetic Research CorporationBusiness or activity to which this form relates  
1120S - Sales

65-0686217

Maximum amount (see instructions) . . . . .	500,000
Total cost of section 179 property placed in service (see instructions) . . . . .	175,395
Threshold cost of section 179 property before reduction in limitation (see instructions) . . . . .	2,000,000
Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- . . . . .	0
Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions . . . . .	500,000

Description of property	Cost (business use only)	Elected cost
Listed property. Enter the amount from line 29 . . . . .		0
Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 . . . . .		0
Tentative deduction. Enter the . . . . . of line 5 or line 8 . . . . .		0
Carryover of disallowed deduction from line 13 of your 2011 Form 4562. . . . .		
Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) . . . . .		
Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 . . . . .		0
Carryover of disallowed deduction to 2013. Add lines 9 and 10, less line 12 . . . . .		0

include listed property. (See instructions.)

Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) . . . . .	87,531
Property subject to section 168(f)(1) election . . . . .	
Other depreciation (including ACRS) . . . . .	

include listed property. (See instructions.)

MACRS deductions for assets placed in service in tax years beginning before 2012 . . . . .	45,135
If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here . . . . . <input type="checkbox"/>	

Classification of property	Month and year placed in service	Basis for depreciation (business/investment use only—see instructions)	Recovery period	Convention	Method	(g) Depreciation deduction
3-year property						
5-year property						
7-year property		82,966	7	MQ	200DB	5,951
10-year property						
15-year property		4,560	15	MQ	S/L	197
20-year property						
25-year property			25 yrs.		S/L	
Residential rental property			27.5 yrs.	MM	S/L	
Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	
Class life					S/L	
12-year			12 yrs.		S/L	
40-year			40 yrs.	MM	S/L	

(See instructions.)

Listed property. Enter amount from line 28 . . . . .	4,968
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 . . . . .	143,782
For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .	

Form 4562 (2012)

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

Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> <input type="checkbox"/>					If "Yes," is the evidence written? <input type="checkbox"/> <input type="checkbox"/>			
Type of property (list vehicles first)	Date placed in service	Business/ investment use percentage	Cost or other basis	Basis for depreciation (business/ investment use only)	Recovery period	Method/ Convention	Depreciation deduction	Elected section 179 cost
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) . . . . .							4,732	
Property used more than 50% in a qualified business use:								
		%						
		%						
See statement		%					236	
Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 . . . . .							4,968	
Add amounts in column (i), line 26. Enter here and on line 7, page 1 . . . . .								0

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.

	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6
Total business/investment miles driven during the year (include commuting miles) . . . . .						
Total commuting miles driven during the year . . . . .						
Total other personal (noncommuting) miles driven . . . . .						
Total miles driven during the year. . . . .						
Add lines 30 through 32 . . . . .						
Was the vehicle available for personal use during off-duty hours? . . . . .						
Was the vehicle used primarily by a more than 5% owner or related person? . . . . .						
Is another vehicle available for personal use? . . . . .						

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who more than 5% owners or related persons (see instructions).

Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .		
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 . . . . .		
Do you treat all use of vehicles by employees as personal use? . . . . .		
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? . . . . .		
Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.) . . . . .		

Description of costs	Date amortization begins	Amortizable amount	Code section	Amortization period or percentage	Amortization for this year
Amortization of costs that begins during your 2012 tax year (see instructions):					
Amortization of costs that began before your 2012 tax year . . . . .					
Add amounts in column (f). See the instructions for where to report . . . . .					0

Travel, Meals and Entertainment		
Travel . . . . .		6,409
Meals and entertainment, subject to 50% limit . . . . .	7,047	
Meals and entertainment, subject to 80% limit (DOT) . . . . .		
Less disallowed . . . . .	3,524	
Subtract line d from lines b and c . . . . .		3,523
Automobile and Truck Expense		17,017
Bank Charges		3,908
Parts		25,123
Professional Fees		18,777
Credit Card /Collection Fees		10,077
Promotion Expense		250
Dues and Subscriptions		495
Equipment Rent		23,049
Insurance Liability/Worker's Comp		90,889
Computer & Software		21,078
Lab and Testing		3,821
Marketing-Art & Design		3,156
Miscellaneous		1,350
Office Supplies		12,526
Postage		889
Security		4,202
Small Tools and Equipment		34
Telephone		12,790
Utilities		99,770
Commissions		27,788
Trade Show Expense		383
Local Cartage		14,739
Warehouse Expense		90,538
Non-Operating Expenses		23,692
Trash Removal		8,588
Fees - Other		6,004
Total other deductions . . . . .		530,865

Code A - Cash contributions (50%) . . . . .	1,062
Total contributions . . . . .	1,062

	Beginning	End
Qualified Dividend Receivable	106,383	0
Intercompany Exchange	0	7,753
Total other current assets . . . . .	106,383	7,753

	Beginning	End
Deposit	6,919	7,997
Norm - Note Receivable	255,594	165,000
Prepaid Expense	255	5,023
Total other assets . . . . .	262,768	178,020

	Beginning	End
Wages Payable	49,367	0
SUTA	919	0
Export Management Fees	69,175	0
Accrued Expenses	0	54,746
Total other current liabilities . . . . .	119,461	54,746

Freight-in	57,643
Freight-out	94,039
Inventory write off	114,457
Inventory correction	1,064,594
Total other costs . . . . .	1,330,733
Total other costs less expenses for offsetting credits . . . . .	1,330,733



Item No.	Description of Property	Date Placed In Service	Asset Code	Bus. Use %	Cost or Other Basis	Sec. 179 Deduction	Credit	Special Allowance	Salvage Value	Recovery Basis	Recovery Period	Method	Con-vention Code	Prior Accum. Deprec., 179, Bonus	2012 Deprec.	2012 Accum. Deprec.
3	Equipment	1/1/2005	F-11	100.00%	202,596	0	0	0	0	202,596	7	200DB	HY	38,351	9,036	47,387
2	Equipment	1/1/2009	F-11	100.00%	273,941	0	0	0	0	273,941	7	200DB	HY	89,003	34,215	123,218
4	Machinery	1/1/2009	F-11	100.00%	15,083	0	0	0	0	15,083	7	200DB	HY	11,311	1,884	13,195
Total MACRS deductions for prior years (Line 17)					491,620	0	0	0	0	491,620				138,665	45,135	183,800
19	Pouch Machine	1/1/2012	F-10	100.00%	21,207	0	0	10,604	0	10,603	7	200DB	MQ1	0	2,651	13,255
18	Large Liquid Filler Piston	1/31/2012	F-10	100.00%	550	0	0	275	0	275	7	200DB	MQ1	0	69	344
10	New Pallet, Racket	7/27/2012	F-11	100.00%	12,000	0	0	6,000	0	6,000	7	200DB	MQ3	0	643	6,643
11	Double River Shelving	7/27/2012	F-11	100.00%	1,600	0	0	800	0	800	7	200DB	MQ3	0	86	886
12	New Pallet & Rack	8/31/2012	F-11	100.00%	4,800	0	0	2,400	0	2,400	7	200DB	MQ3	0	257	2,657
17	Telephone Equipment	12/1/2012	F-12	100.00%	3,166	0	0	1,583	0	1,583	7	200DB	MQ4	0	57	1,640
	Equipment Lease	12/21/2012	F-11	100.00%	83,995	0	0	41,998	0	41,997	7	200DB	MQ4	0	1,499	43,497
25	Upgrade	12/31/2012	F-10	100.00%	1,300	0	0	650	0	650	7	200DB	MQ4	0	23	673
	Equipment Lease	12/31/2012	F-11	100.00%	37,317	0	0	18,659	0	18,658	7	200DB	MQ4	0	666	19,325
Total GDS 7-year property (Line 19c)					165,935	0	0	82,969	0	82,966				0	5,951	88,920
21	Installation Air Handle AH	2/13/2012	R-7	100.00%	5,243	0	0	2,622	0	2,621	15	SL/GDS	MQ1	0	153	2,775
20	Roof Work	6/19/2012	R-7	100.00%	700	0	0	350	0	350	15	SL/GDS	MQ2	0	15	365
22	storage warehouse	9/20/2012	R-7	100.00%	1,954	0	0	977	0	977	15	SL/GDS	MQ3	0	24	1,001
23	Color w/p IR cam	12/21/2012	R-7	100.00%	1,225	0	0	613	0	612	15	SL/GDS	MQ4	0	5	618
Total GDS 15-year property (Line 19e)					9,122	0	0	4,562	0	4,560				0	197	4,759
					666,677	0	0	87,531	0	579,146				138,665	51,283	277,479
13	Computer	12/5/2012	F-4	100.00%	1,619	0	0	810	0	809	5	200DB	MQ4	0	40	850
15	LAN Rack	11/12/2012	F-4	100.00%	669	0	0	335	0	334	5	200DB	MQ4	0	17	352
24	Mac Computer	12/24/2012	F-4	100.00%	2,997	0	0	1,499	0	1,498	5	200DB	MQ4	0	75	1,574
14	Netgear Route, RT N66U	11/30/2012	F-4	100.00%	1,198	0	0	599	0	599	5	200DB	MQ4	0	30	629
16	Telephone line installatio	11/15/2012	F-4	100.00%	2,977	0	0	1,489	0	1,488	5	200DB	MQ4	0	74	1,563
Total listed prop with > 50% business use					9,460	0	0	4,732	0	4,728				0	236	4,968
					9,460	0	0	4,732	0	4,728				0	236	4,968
					676,137	0	0	92,263	0	583,874				138,665	51,519	282,447