

Form **1065**

Department of the Treasury
Internal Revenue Service

U.S. Return of Partnership Income
For calendar year 2006, or tax year beginning 4/06, 2006,
ending 12/31, 20 06.
▶ See separate instructions.

OMB No. 1545-0099

2006

A Principal business activity RESEARCH	Use the IRS label. Otherwise, print or type.	ASIA ECONOMIC INSTITUTE, LLC 11766 WILSHIRE BLVD, SUITE 260 LOS ANGELES, CA 90025	D Employer identification number
B Principal product or service SERVICE			E Date business started 4/06/2006
C Business code number 519100			F Total assets (see instrs) \$ 22,725.

G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return

H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____ ▶

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

J Check if Schedule M-3 required (attach Schedule M-3).

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	
	7 Other income (loss) (attach statement)	7	
8 Total income (loss). Combine lines 3 through 7	8		
SEE INSTRUCTIONS FOR LIMITATIONS DEDUCTIONS	9 Salaries and wages (other than to partners) (less employment credits)	9	19,947.
	10 Guaranteed payments to partners	10	
	11 Repairs and maintenance	11	
	12 Bad debts	12	
	13 Rent	13	
	14 Taxes and licenses	14	2,957.
	15 Interest	15	
	16 a Depreciation (if required, attach Form 4562)	16 a	594.
	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	160.
	20 Other deductions (attach statement)	20	See Statement 1
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21	33,680.
	22 Ordinary business income (loss). Subtract line 21 from line 8	22	-33,680.
23 Credit for federal telephone excise tax paid (attach Form 8913)	23		

Asia Economic Institute et al, Xcentric Ventures LLC et al

Doc. 68 Att. 1

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: Diana Danvers Date: 6/1/08

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

Paid Preparer's Use Only

Preparer's signature: [Signature] Date: 6/1/08 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP code: _____ EIN: _____ Phone no.: _____

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).
- c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)
- 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

		Yes	No
1	What type of entity is filing this return? Check the applicable box:		
a	<input type="checkbox"/> Domestic general partnership		
b	<input type="checkbox"/> Domestic limited partnership		
c	<input checked="" type="checkbox"/> Domestic limited liability company		
d	<input type="checkbox"/> Domestic limited liability partnership		
e	<input type="checkbox"/> Foreign partnership		
f	<input type="checkbox"/> Other _____		
2	Are any partners in this partnership also partnerships?		X
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.		X
4	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
5	Does this partnership meet all three of the following requirements? 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 \$600,000; and 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. 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 N on Schedule K-1.		X
6	Does this partnership have any foreign partners? If 'Yes,' the partnership may have to file Forms 8804, 8805 and 8813. See the instructions.		X
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	Has this partnership filed, or is it required to file, a return under section 6111 to provide information on any reportable transaction?		X
9	At any time during calendar year 2006, 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. If 'Yes,' enter the name of the foreign country.		X
10	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. See the instructions.		X
11	Was there a distribution of property or a transfer (for example, by sale or death) of a partnership interest during the tax year? If 'Yes,' you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under <i>Elections Made By the Partnership</i> in the instructions.		X
12	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.		0

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 **▶ ILIANA LLANERAS** Identifying number of TMP **▶**

Address of designated TMP **▶ 11766 WILSHIRE BLVD, SUITE 260**

▶ LOS ANGELES, CA 90025

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	-33,680.
	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	1,034.
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends	6b	
	7 Royalties	7	
	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		
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 ▶	11		
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	-33,680.
	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 <i>Foreign gross income sourced at partnership level</i>	16c	
	d Passive ▶ e Listed categories (attach statement) ▶ f General limitation ▶ <i>Deductions allocated and apportioned at partner level</i>	16f	
	g Interest expense ▶ h Other ▶ <i>Deductions allocated and apportioned at partnership level to foreign source income</i>	16h	
	i Passive ▶ j Listed categories (attach statement) ▶ k General limitation ▶	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	119.
	19a Distributions of cash and marketable securities	19a	
	b Distributions of other property	19b	
	20a Investment income	20a	1,034.
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	-32,646.
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		-32,646.					

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				16,296.
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)				
7	Mortgage and real estate loans				
8	Other investments (attach stmt)				
9a	Buildings and other depreciable assets			3,961.	
b	Less accumulated depreciation			594.	3,367.
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)			3,222.	
b	Less accumulated amortization			161.	3,061.
13	Other assets (attach stmt) See St. 2				1.
14	Total assets				22,725.
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				22,725.
22	Total liabilities and capital				22,725.

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	-32,765.	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 \$ 119.		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	-32,646.
5	Add lines 1 through 4	-32,646.			

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year	0.	6	Distributions: a Cash	
2	Capital contributed: a Cash	55,490.	b	Property	
	b Property		7	Other decreases (itemize):	
3	Net income (loss) per books	-32,765.	8	Add lines 6 and 7	
4	Other increases (itemize):		9	Balance at end of year. Subtract line 8 from line 5	22,725.
5	Add lines 1 through 4	22,725.			

Schedule K-1
(Form 1065)

2006

Final K-1

Amended K-1

OMB No. 1545-0099

Department of the Treasury
Internal Revenue Service

For calendar year 2006, or tax

year beginning 4/06, 2006
ending 12/31, 2006

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

▶ See separate instructions.

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

1	Ordinary business income (loss)	15	Credits
	-16,840.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
	517.		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
		A	74.
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	59.
		19	Distributions
12	Section 179 deduction		
13	Other deductions	20	Other information
		A	517.
14	Self-employment earnings (loss)		
	-16,840.		

*See attached statement for additional information.

FOR IRS USE ONLY

Part I Information About the Partnership

A Partnership's employer identification number _____

B Partnership's name, address, city, state, and ZIP code
ASIA ECONOMIC INSTITUTE, LLC
11766 WILSHIRE BLVD, SUITE 260
LOS ANGELES, CA 90025

C IRS Center where partnership filed return
Ogden, UT

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

E Tax shelter registration number, if any _____

F Check if Form 8271 is attached

Part II Information About the Partner

G Partner's identifying number _____

H Partner's name, address, city, state, and ZIP code
RAYMOND MOBAREZ
11766 WILSHIRE BLVD, SUITE 260
LOS ANGELES, CA 90025

I General partner or LLC member-manager Limited partner or other LLC member

J Domestic partner Foreign partner

K What type of entity is this partner? Individual

L Partner's share of profit, loss, and capital:

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

M Partner's share of liabilities at year end:

Nonrecourse..... \$ _____

Qualified nonrecourse financing..... \$ _____

Recourse..... \$ _____

N Partner's capital account analysis:

Beginning capital account..... \$ _____ 0.

Capital contributed during the year..... \$ _____ 27,745.

Current year increase (decrease)..... \$ _____ -16,382.

Withdrawals and distributions..... \$ _____

Ending capital account..... \$ _____ 11,363.

Tax basis GAAP Section 704(b) book

Other (explain) _____

Schedule K-1
(Form 1065)

2006

Final K-1

Amended K-1

OMB No. 1545-0099

For calendar year 2006, or tax

year beginning 4/06, 2006

ending 12/31, 2006

Department of the Treasury
Internal Revenue Service

Partner's Share of Income, Deductions, Credits, etc.
▶ See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number _____

B Partnership's name, address, city, state, and ZIP code
ASIA ECONOMIC INSTITUTE, LLC
11766 WILSHIRE BLVD, SUITE 260
LOS ANGELES, CA 90025

C IRS Center where partnership filed return
Ogden, UT

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

E Tax shelter registration number, if any _____

F Check if Form 8271 is attached

Part II Information About the Partner

G Partner's identifying number _____

H Partner's name, address, city, state, and ZIP code
ILIANA LLANERAS
11766 WILSHIRE BLVD, SUITE 260
LOS ANGELES, CA 90025

I General partner or LLC member-manager Limited partner or other LLC member

J Domestic partner Foreign partner

K What type of entity is this partner? Individual

L Partner's share of profit, loss, and capital:

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

M Partner's share of liabilities at year end:

Nonrecourse \$ _____

Qualified nonrecourse financing \$ _____

Recourse \$ _____

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items			
1	Ordinary business income (loss)	15	Credits
	-16,840.		
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
	517.		
6a	Ordinary dividends		
6b	Qualified dividends		
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	17	Alternative minimum tax (AMT) items
		A	74.
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	60.
		19	Distributions
12	Section 179 deduction		
13	Other deductions		
		20	Other information
		A	517.
14	Self-employment earnings (loss)		
	-16,840.	A	
*See attached statement for additional information.			

N Partner's capital account analysis:

Beginning capital account \$ _____ 0.

Capital contributed during the year \$ 27,745.

Current year increase (decrease) \$ -16,383.

Withdrawals and distributions \$ _____

Ending capital account \$ 11,362.

Tax basis GAAP Section 704(b) book

Other (explain) _____

FOR IRS USE ONLY

**Depreciation and Amortization
(Including Information on Listed Property)**

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

Name(s) shown on return

ASIA ECONOMIC INSTITUTE, LLC

Identifying number

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 the instructions for a higher limit for certain businesses.	1	\$108,000.
2	Total cost of section 179 property placed in service (see instructions).	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$430,000.
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 2005 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 2007. 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 allowance for qualified New York Liberty or Gulf Opportunity Zone 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 2006	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 2006 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
19 a 3-year property						
b 5-year property		3,962.	5	HY	200DB	594.
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 2006 Tax Year Using the Alternative Depreciation System

20 a 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	594.
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	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, 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 evidence to support the business/investment use claimed?									Yes	No	24 b If "Yes," is the evidence written?		Yes	No
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)						
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						
25 Special allowance for qualified New York Liberty or Gulf Opportunity Zone 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)		(b)		(c)		(d)		(e)		(f)	
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	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).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	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

(a)	(b)	(c)	(d)	(e)	(f)
Description of costs	Date amortization begins	Amortizable amount	Code section	Amortization period or percentage	Amortization for this year
42 Amortization of costs that begins during your 2006 tax year (see instructions):					
TRADEMARK REGISTRATION	4/06/06	3,222.	197	15	161.
43 Amortization of costs that began before your 2006 tax year				43	
44 Total. Add amounts in column (f). See instructions for where to report				44	161.

Client 1113

ASIA ECONOMIC INSTITUTE, LLC

6/05/08

08:35AM

Statement 1
Form 1065, Line 20
Other Deductions

Advertising	\$	1,158.
Amortization		161.
Auto and Truck Expense		201.
Bank Charges		104.
DOMAIN REGISTRATION		579.
Legal and Professional		1,009.
Meals and Entertainment		119.
Office Expense		2,706.
ORGANIZATION COSTS		649.
Outside Services		2,355.
Telephone		981.
	Total \$	<u>10,022.</u>

Statement 2
Form 1065, Schedule L, Line 13
Other Assets

		<u>Beginning</u>	<u>Ending</u>
Rounding	\$	0.	\$ 1.
	Total \$	<u>0.</u>	<u>\$ 1.</u>

Client 1113

ASIA ECONOMIC INSTITUTE, LLC

6/05/08

08:35AM

Election to Expense Start-Up Costs

Pursuant to IRC Section 195(b), the Taxpayer hereby elects to expense start-up costs in the current year for the amount stated below.

Date Business Began: 4/06/06
Description of Cost: ORGANIZATION COSTS
Date Paid or Incurred: Various
Amount to be Expensed: \$649.

2006

Limited Liability Company Return of Income

568

For calendar year 2006 or fiscal year beginning month 04 day 06 year 2006, and ending month 12 day 31 year 2006.

Form sections A, B, C, D, E, F, G, H. Includes fields for Principal business activity name (RESEARCH), Principal product or service (SERVICE), Principal business activity code (519100), DBA (ASIA ECONOMIC INSTITUTE, LLC), and address (11766 WILSHIRE BLVD, SUITE 260, LOS ANGELES, CA 90025).

Table with 16 rows for tax calculations. Line 1: Total income from Limited Liability Company Income Worksheet. Line 10: Tax and fee due. Line 16: Total amount due. Total amount due is 1,075.

Single Member LLC Information and Consent - Complete only if the LLC is disregarded. Fields for Federal TIN/SSN and SOS File No.

Member's Consent Statement: I consent to the jurisdiction of the State of California to tax my LLC income and agree to file returns and pay tax as may be required by the Franchise Tax Board. Includes Signature, Date, and Title fields.

Signature and Preparer sections. Includes 'Please Sign Here' with signature of Juana Adams, 'Paid Preparer's Use Only' with signature of Abster, and 'Return filed with the FTB by the Owner' options.

<p>J Enter the maximum number of members in the LLC at any time during the year. Attach a California Schedule K-1 (568) for each of these members.</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="text-align: center;">2</td> </tr> </table>	2	
2			
<p>K Is this LLC an investment partnership? See General Information O.</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>L Is this LLC apportioning income to California using Schedule R?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>M Was there a distribution of property or a transfer (for example, by sale or death) of an LLC interest during the taxable year?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>O(1) If this LLC (or any legal entity in which it holds a controlling or majority interest) owned or leased real property in California, was there a change in control or majority ownership of any one of them this year?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>(2) For this taxable year, did this LLC (or any legal entity in which it holds a controlling or majority interest) acquire control or majority ownership of any other legal entity that owned or leased real property in California?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>(3) If this LLC (or any legal entity in which it holds a controlling or majority interest) owned or leased real property in California, has more than 50 percent of the LLC ownership interest cumulatively transferred in one or more transactions since March 1, 1975?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>(Penalties May Apply – See Instructions)</p>			
<p>P(1) Does the LLC have any foreign nonresident members?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>(2) Does the LLC have any nonresident members?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>(3) Were Form 592, Form 592-A, and Form 592-B filed for these members?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>Q Are any members in this LLC also LLCs or partnerships?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>S Is this LLC a member or partner in another LLC or partnership?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>T Is this LLC a publicly traded partnership as defined in IRC Section 469(k)(2)?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>U(1) Is this LLC a business entity disregarded for tax purposes?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>(2) If 'Yes', see instructions and complete Side 1 and Side 4. Are there credits or credit carryovers attributable to the disregarded entity?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>V Has the LLC included a Reportable Transaction, Listed Transaction, or Registered Tax Shelter within this return? (See instructions for definitions). If 'Yes,' complete and attach federal Form 8886 and/or 8271 for each transaction.</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>W Did this LLC file the Federal Schedule M-3 (federal Form 1065)?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>X Is this LLC a direct owner of an entity that filed a federal Schedule M-3?</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		
<p>Y Does the LLC have a beneficial interest in a trust or is it a grantor of a Trust? Attach schedule of trusts and federal identification numbers.</p>	<table border="1" style="width: 100px; height: 30px;"> <tr> <td style="width: 50px;">Yes</td> <td style="width: 50px;">No <input checked="" type="checkbox"/></td> </tr> </table>	Yes	No <input checked="" type="checkbox"/>
Yes	No <input checked="" type="checkbox"/>		

Schedule A Cost of Goods Sold

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 IRC Section 263A costs. Attach schedule	4	
5	Other costs. Attach schedule	5	
6	Total. Add line 1 through line 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Schedule B, line 2	8	

9 a Check all methods used for valuing closing inventory:
 (1) Cost (2) Lower of cost or market as described in Treas. Reg. Section 1.471-4 (3) Write down of 'subnormal' goods as described in Treas. Reg. Section 1.471-2(c) (4) Other. Specify method used and attach explanation _____
 b Check this box if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970. Yes No
 c Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the LLC? Yes No
 d Was there any change (other than for IRC Section 263A purposes) in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation Yes No

Schedule B Income and Deductions

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

Income	1 a	Gross receipts or sales \$ _____	b Less returns & allowances \$ _____	c Balance	1 c			
	2	Cost of goods sold (Schedule A, line 8)					2	
	3	GROSS PROFIT Subtract line 2 from line 1c					3	
	4	Total ordinary income from other LLCs, partnerships, and fiduciaries. Attach schedule					4	
	5	Total ordinary loss from other LLCs, partnerships, and fiduciaries. Attach schedule					5	
	6	Total farm profit. Attach federal Schedule F (Form 1040)					6	
	7	Total farm loss. Attach federal Schedule F (Form 1040)					7	
	8	Total gains included on Schedule D-1, Part II, line 17 (gain only)					8	
	9	Total losses included on Schedule D-1, Part II, line 17 (loss only)					9	
	10	Other income. Attach schedule					10	
	11	Other loss. Attach schedule					11	
	12	Total income (loss). Combine line 3 through line 11					12	
Deductions	13	Salaries and wages (other than to members)					13	19,947.
	14	Guaranteed payments to members					14	
	15	Bad debts					15	
	16	Deductible interest expense not claimed elsewhere on return					16	
	17 a	Depreciation and amortization. Attach form FTB 3885L \$ 755.					17 c	755.
	17 b	Less depreciation reported on Schedule A and elsewhere on return \$ _____					c Balance	
	18	Depletion. Do not deduct oil and gas depletion					18	
	19	Retirement plans, etc.					19	
	20	Employee benefit programs					20	160.
	21	Other deductions. Attach schedule. See Statement 1					21	12,818.
	22	Total deductions. Add line 13 through line 21					22	33,680.
23	Ordinary income (loss) from trade or business activities. Subtract line 22 from line 12					23	-33,680.	

Schedule T Nonconsenting Nonresident Members' Tax Liability

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Member's name	SSN, ITIN, or FEIN	Distributive share of income	Tax rate	Member's total tax due (see instructions)	Amount withheld by this LLC on this member - reported on Form 592-B	Member's net tax due

Total the amount of tax due. Enter the total here and on Side 1, line 4 _____
 Attach additional sheets if necessary.

Schedule K Members' Shares of Income, Deductions, Credits, Etc.

		(a) Distributive share items	(b) Amounts from federal K (1065)	(c) California adjustments	(d) Total amounts using California law
INCOME LOSS	1	Ordinary income (loss) from trade or business activities (Side 3, line 23)	1	-33,680.	-33,680.
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825	2		
	3a	Gross income from other rental activities	3a		
	b	Less expenses Alt sch	3b		
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c		
	4	Portfolio income (loss). See instructions:			
	a	Interest income	4a	1,034.	1,034.
	b	Dividend income	4b		
	c	Royalty income	4c		
	d	Net capital gain (loss) (Schedule D (568))	4d		
	e	Other portfolio income (loss). Attach schedule	4e		
	5	Guaranteed payments to members	5		
	6a	Total Gain under IRC Section 1231 (other than due to casualty or theft)	6a		
	b	Total Loss under IRC Section 1231 (other than due to casualty or theft)	6b		
7a	Total other income. Attach schedule	7a			
b	Total other loss. Attach schedule	7b			
DEDUCTIONS	8	Charitable contributions. See instructions. Attach schedule	8		
	9	Expense deduction for recovery property (R&TC Sections 17267.2, 17268, and IRC Section 179). Attach schedule or worksheet for 179 deductions	9		
	10	Deductions related to portfolio income	10		
	11	Other deductions. Attach schedule	11		
INVESTMENT	12a	Interest expense on investment debts	12a		
	b (1)	Investment income included on lines 4a, 4b, 4c, and line 4e above	12b (1)	1,034.	1,034.
	(2)	Investment expenses included on line 10 above	12b (2)		
CREDITS	13a	Withholding on LLC allocated to all members	13a		
	b	Low-income housing credit	13b		
	c	Credit(s) other than credits shown on in 13b related to rental real estate activities. Attach sch	13c		
	d	Credit(s) related to other rental activities. Attach Schedule	13d		
	14	Other credits. See instructions. Attach schedule	14		
a	Total credits received. Add line 13b through line 14	14a			
ADJUSTMENTS AND PREFERENCE ITEMS	15a	Depreciation adjustment on property placed in service after 1986	15a	148.	148.
	b	Adjusted gain or loss	15b		
	c	Depletion (other than oil and gas)	15c		
	d (1)	Gross income from oil, gas, and geothermal properties	15d (1)		
	(2)	Deductions allocable to oil, gas, and geothermal properties	15d (2)		
e	Other adjustments and tax preference items. Attach schedule	15e			
OTHER	16a	Total expenditures to which IRC Section 59(e) election may apply. Attach schedule	16a		
	b	Type of expenditures	16b		
	17	Tax-exempt interest income	17		
	18	Other tax-exempt inc	18		
	19	Nondeductible expenses	19	119.	119.
	20	Distributions of money (cash and marketable securities)	20		
	21	Distribution of property other than money	21		
22	Other items and amounts reported separately to members. See instructions. Attach schedule. See Statement 2	22			
AS ANALYSIS	23a	Total distributive income/payment items. Combine line 1 through line 7 above. From the result, subtract the sum of line 8 through line 12a and line 16a	23	-32,646.	-32,646.

b Analysis of members:

	(a) Corporate	(b) individual		(c) Partnership	(d) Exempt Organization	(e) Nominee/Other	(f) LLC
		i Active	ii Passive				
Members		-32,646.					

Schedule L Balance Sheets. See the instructions for Schedule L, before completing Schedules L, M-1, and M-2.

Assets	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
1 Cash				
2 a Trade notes and accounts receivable				16,296.
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				•
5 Tax-exempt securities				
6 Other current assets. Attach schedule.				•
7 Mortgage and real estate loans				•
8 Other investments. Attach schedule.				•
9 a Buildings and other depreciable assets			3,961.	
b Less accumulated depreciation			594.	3,367.
10 a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				•
12 a Intangible assets (amortizable only)			3,222.	
b Less accumulated amortization			161.	3,061.
13 Other assets. Attach schedule. See Statement 3				• 1.
14 Total assets				22,725.
Liabilities and Capital				
15 Accounts payable				•
16 Mortgages, notes, bonds payable in less than 1 year				•
17 Other current liabilities. Attach schedule.				•
18 All nonrecourse loans				•
19 Mortgages, notes, bonds payable in 1 year or more				•
20 Other liabilities. Attach schedule.				•
21 Members' capital accounts				• 22,725.
22 Total liabilities and capital				22,725.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return. Use total amount under California law.

If the partnership completed federal Schedule M-3 (federal Form 1065), see instructions.

1 Net income (loss) per books	-32,765.	6 Income recorded on books this year not included on Schedule K, line 1 through line 7. Itemize:	
2 Income included on Schedule K, line 1 through line 7, not recorded on books this year. Itemize:		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, line 1 through line 12a and line 16a, not charged against book income this year. Itemize:	
4 Expenses recorded on books this year not included on Schedule K, line 1 through line 12a and line 16a. Itemize:		a Depreciation \$	
a Depreciation \$		8 Total of line 6 and line 7	
b Travel & entertainment \$ 119.		9 Income (loss) (Schedule K, line 23a). Subtract line 8 from line 5	
c Annual LLC tax \$			
5 Total of line 1 through line 4	-32,646.		-32,646.

Schedule M-2 Analysis of Members' Capital Accounts. Use California amounts.

1 Balance at beginning of year	0.	6 Distributions:	
2 Capital contributed during year	55,490.	a Cash	•
3 Net income (loss) per books	-32,765.	b Property	•
4 Other increases. Itemize:		7 Other decreases. Itemize:	
5 Total of line 1 through line 4	22,725.	8 Total of line 6 and line 7	0.
		9 Balance at end of year. Subtract line 8 from line 5	22,725.

Schedule O Amounts from Liquidation used to Capitalize a Limited Liability Company. (Complete only if initial return box is checked on Side 1, Question I.)

Name of entity liquidated (if more than one, attach a schedule)

Type of entity: (1) C Corporation (2) S Corporation (3) Partnership (4) Limited Partnership (5) Sole Proprietor (6) Farmer

Entity ID number(s): FEIN SSN or ITIN Corp SOS

Amount of liquidation gains recognized to capitalize the LLC

Name as shown on return

Employer Identification No

ASIA ECONOMIC INSTITUTE, LLC

1	a	Total income from Form 568, Schedule B, line 12.....	1a	_____	
	b	Enter as a negative number, any allocations, distributions, or gains from another LLC that was already subject to the LLC fee.....	1b	_____	
2		Gross income of the disregarded entity not included in lines 9 through 18.....	2	_____	
3		LLC's distributive share of gross ordinary income from pass-through entities.....	3	_____	
4		Add gross farm income from federal Schedule F (Form 1040). Use California amounts.....	4	_____	
5		Total the amounts from Schedule B, line 4 through line 11. If the amount is positive, enter as a negative. If the amount is negative, enter as a positive.....	5	_____	
6		Enter the total of other income (not loss) from Form 568, Schedule B, line 10.....	6	_____	
7		Enter the ordinary gains (not losses) and the recapture income from Schedule D-1, Part II, line 17.....	7	_____	
8		Add line 1a through line 7	8	_____	0.
9		Rental real estate			
	a	Enter the gross rents from federal Form 8825, line 17.....	9a	_____	
	b	Enter the gross rents from rental real estate of the disregarded entity.....	9b	_____	
	c	Enter the LLC's distributive share of gross rents from rental real estate.....	9c	_____	
	d	Add line 9a through line 9c	9d	_____	0.
10		Other rentals			
	a	Enter the gross income from other rental activities (do not include any losses from the sale or involuntary conversion of an asset if included in Schedule K, line 3a).....	10a	_____	
	b	Enter the gross income from other rentals of the disregarded entity.....	10b	_____	
	c	Enter the LLC's distributive share of gross income from other rentals from pass-through entities.....	10c	_____	
	d	Add line 10a through line 10c	10d	_____	0.
11		Interest			
	a	Enter the total interest of the disregarded entity.....	11a	_____	
	b	Enter interest from Schedule K, line 4a.....	11b	1,034.	
	c	Add line 11a through line 11b	11c	_____	1,034.
12		Dividends			
	a	Enter the total dividends of the disregarded entity.....	12a	_____	
	b	Enter dividends from Schedule K, line 4b.....	12b	_____	
	c	Add line 12a through line 12b	12c	_____	0.
13		Royalty income			
	a	Enter the gross royalty income of the disregarded entity.....	13a	_____	
	b	Enter the LLC's distributive share of gross royalty income from pass-through entities.....	13b	_____	
	c	Enter the LLC's gross royalty income included in Schedule K, line 4c.....	13c	_____	
	d	Add line 13a through line 13c	13d	_____	0.
14		Capital gains			
	a	Enter capital gains (not losses) of the disregarded entity.....	14a	_____	
	b	Enter the LLC's distributive share of capital gains (not losses) from pass-through entities.....	14b	_____	
	c	Enter capital gains (not losses) from Schedule D (Form 568).....	14c	_____	
	d	Add line 14a through line 14c	14d	_____	0.
15		Other portfolio income			
	a	Enter other portfolio income (not loss) of the disregarded entity.....	15a	_____	
	b	Enter the LLC's distributive share of other portfolio income (not loss) from pass-through entities.....	15b	_____	
	c	Enter the LLC's other portfolio income (not loss) included in Schedule K, line 4e.....	15c	_____	
	d	Add line 15a through line 15c	15d	_____	0.
16		1231 gains			
	a	Enter the 1231 gains (not losses) of the disregarded entity.....	16a	_____	
	b	Enter the LLC's distributive share of 1231 gains (not losses) from pass-through entities.....	16b	_____	
	c	Enter the LLC's 1231 gains (not losses) included in Schedule D-1.....	16c	_____	
	d	Add line 16a through line 16c	16d	_____	0.
17		Other income (not loss) not included in line 6			
	a	Enter other income (not loss) of the disregarded entity.....	17a	_____	
	b	Enter the LLC's distributive share of other income (not loss) from pass-through entities.....	17b	_____	
	c	Enter the LLC's other income (not loss) included in Schedule K, line 7.....	17c	_____	
	d	Enter the LLC's gain (not loss) on property subject to IRC Section 179 provisions.....	17d	_____	
	e	Add line 17a through line 17d	17e	_____	0.
18		Cost of goods sold			
	a	Enter the cost of goods sold of the disregarded entity.....	18a	_____	
	b	Enter the cost of goods sold from Form 568, Schedule B, line 2.....	18b	_____	
	c	Enter the cost of goods sold from federal Schedule F (1040) (plus California adjustments).....	18c	_____	
	d	Enter the LLC's distributive share of cost of goods sold from other pass-through entities.....	18d	_____	
	e	Add line 18a through line 18d	18e	_____	0.
19		Total income. Add lines 8, 9d, 10d, 11c, 12c, 13d, 14d, 15d, 16d, 17e and 18e. Enter here and on Form 568, Side 1, line 1.....	19	_____	1,034.

YEAR
2006

**Member's Share of Income,
Deductions, Credits, etc.**

CALIFORNIA SCHEDULE
K-1 (568)

For calendar year 2006 or fiscal year beginning month 04 day 06 year 2006, and ending month 12 day 31 year 2006

Member's identifying number <small>Member's name, address, state, and ZIP Code</small> RAYMOND MOBAREZ 11766 WILSHIRE BLVD, SUITE 260 LOS ANGELES, CA 90025	LLC's FEIN Secretary of State file number 200705910088 <small>LLC's name, address, state, and ZIP Code</small> ASIA ECONOMIC INSTITUTE, LLC 11766 WILSHIRE BLVD, SUITE 260 LOS ANGELES, CA 90025
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<p>A What type of entity is this member? ●</p> <table style="width:100%;"> <tr> <td>(1) <input checked="" type="checkbox"/> Individual</td> <td>(5) <input type="checkbox"/> General Partnership</td> <td>(9) <input type="checkbox"/> IRA/Keogh/SEP</td> </tr> <tr> <td>(2) <input type="checkbox"/> S Corporation</td> <td>(6) <input type="checkbox"/> Limited Partnership</td> <td>(10) <input type="checkbox"/> Exempt Organization</td> </tr> <tr> <td>(3) <input type="checkbox"/> Estate/Trust</td> <td>(7) <input type="checkbox"/> LLP</td> <td>(11) <input type="checkbox"/> Disregarded Entity</td> </tr> <tr> <td>(4) <input type="checkbox"/> C Corporation</td> <td>(8) <input type="checkbox"/> LLC</td> <td></td> </tr> </table> <p>B Is this member a foreign member? ● <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>C Enter member's percentage (without regard to special allocations) of:</p> <table style="width:100%;"> <tr> <td>Profit sharing</td> <td>●</td> <td>50.0000 %</td> </tr> <tr> <td>Loss sharing</td> <td>●</td> <td>50.0000 %</td> </tr> <tr> <td>Ownership of capital</td> <td>●</td> <td>50.0000 %</td> </tr> </table>	(1) <input checked="" type="checkbox"/> Individual	(5) <input type="checkbox"/> General Partnership	(9) <input type="checkbox"/> IRA/Keogh/SEP	(2) <input type="checkbox"/> S Corporation	(6) <input type="checkbox"/> Limited Partnership	(10) <input type="checkbox"/> Exempt Organization	(3) <input type="checkbox"/> Estate/Trust	(7) <input type="checkbox"/> LLP	(11) <input type="checkbox"/> Disregarded Entity	(4) <input type="checkbox"/> C Corporation	(8) <input type="checkbox"/> LLC		Profit sharing	●	50.0000 %	Loss sharing	●	50.0000 %	Ownership of capital	●	50.0000 %	<p>D Member's share of liabilities:</p> <table style="width:100%;"> <tr> <td>Nonrecourse</td> <td>●</td> <td>\$</td> </tr> <tr> <td>Qualified nonrecourse financing</td> <td>●</td> <td>\$</td> </tr> <tr> <td>Other</td> <td>●</td> <td>\$</td> </tr> </table> <p>E Tax shelter registration number</p> <p>F (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2) <input type="checkbox"/></p> <p>(2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1) <input type="checkbox"/></p> <p>G Check here if this is: ●</p> <p>(1) <input type="checkbox"/> A final Schedule K-1 (568) (2) <input type="checkbox"/> An amended Schedule K-1 (568)</p> <p>H Is this member a nonresident of California?.. <input type="checkbox"/> Yes ● <input checked="" type="checkbox"/> No</p>	Nonrecourse	●	\$	Qualified nonrecourse financing	●	\$	Other	●	\$
(1) <input checked="" type="checkbox"/> Individual	(5) <input type="checkbox"/> General Partnership	(9) <input type="checkbox"/> IRA/Keogh/SEP																													
(2) <input type="checkbox"/> S Corporation	(6) <input type="checkbox"/> Limited Partnership	(10) <input type="checkbox"/> Exempt Organization																													
(3) <input type="checkbox"/> Estate/Trust	(7) <input type="checkbox"/> LLP	(11) <input type="checkbox"/> Disregarded Entity																													
(4) <input type="checkbox"/> C Corporation	(8) <input type="checkbox"/> LLC																														
Profit sharing	●	50.0000 %																													
Loss sharing	●	50.0000 %																													
Ownership of capital	●	50.0000 %																													
Nonrecourse	●	\$																													
Qualified nonrecourse financing	●	\$																													
Other	●	\$																													

I Analysis of member's capital account: Check the box ● (1) <input checked="" type="checkbox"/> Tax Basis (2) <input type="checkbox"/> GAAP (3) <input type="checkbox"/> Sec 704(b) Bk (4) <input type="checkbox"/> Other (explain)				
(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Member's share of line 3, line 4, and line 7 Form 568, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year, combine column (a) through column (d)
0.	27,745.	-16,382.		11,363.

Caution: Refer to Member's Instructions for Schedule K-1 (568) before entering information from this schedule on your California return.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine column (b) and column (c)	(e) California source amounts and credits
Income (Loss)	1 Ordinary income (loss) from trade or business activities	-16,840.		-16,840.	▶
	2 Net income (loss) from rental real estate activities				▶
	3 Net income (loss) from other rental activities				▶
	4 Portfolio income (loss):				▶
	a Interest	517.		517.	▶
	b Dividends				▶
	c Royalties				▶
	d Net capital gain (loss)				▶
	e Other portfolio income (loss)				▶
	5 Guaranteed payments to members				▶
Deductions	6a Total Gain under IRC Section 1231 (other than due to casualty or theft)				▶
	b Total Loss under IRC Section 1231 (other than due to casualty or theft)				▶
	7a Total other income. Attach schedule				▶
	b Total other loss. Attach schedule				▶
	8 Charitable contributions				▶
	9 Expense deduction for recovery property (R&TC Sections 17267.2, 17267.6, 17268, and IRC Section 179). Attach schedule				▶
10 Deductions related to portfolio income. Attach schedule				▶	
11 Other deductions. Attach schedule				▶	

Member 1

ASIA ECONOMIC INSTITUTE, LLC

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine column (b) and column (c)	(e) California source amounts and credits
Investment Interest	12a Interest expense on investment debts.....				
	b (1) Investment income included on lines 4a, 4b, 4c, and 4e.....	517.		517.	
	(2) Investment expenses included on line 10.....				
Credits	13a Total withholding (equals amt on Form 592-B if cal year LLC).....				
	b Low-income housing credit.....				
	c Credits other than line 13b related to rental real estate activities. Attach schedule.....				
	d Credits related to other rental activities. See instructions.....				
	e Nonconsenting nonresident member's tax paid by LLC.....				
Adjustments and Tax Preference Items	14 Other credits. Attach required schedules or statements.....				
	15a Depreciation adjustment on property placed in service after 1986.....	74.		74.	
	b Adjusted gain or loss.....				
	c Depletion (other than oil and gas).....				
	d (1) Gross income from oil, gas, and geothermal properties.....				
	(2) Deductions allocable to oil, gas, and geothermal properties.....				
Other	e Other adjustments and tax preference items. Attach schedule.....				
	16a Total expenditures to which an IRC Section 59(e) election may apply.....				
	b Type of expenditures.....				
	17 Tax-exempt interest income.....				
	18 Other tax-exempt income.....				
	19 Nondeductible expenses.....	59.		59.	
	20 Distributions of money (cash and marketable securities).....				
21 Distributions of property other than money.....					
	22 Supplemental info required to be reported separately to each member. Attach additional schedules. See instrs.....				\$ 517.

Table 1 — Member's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the member):

Interest.....	\$ _____	Sec 1231 Gains/Losses... \$ _____	Capital Gains/Losses... \$ _____
Dividends... \$ _____	Royalties..... \$ _____	Other..... \$ _____	

FOR USE BY APPORTIONING UNITARY MEMBERS ONLY — See instructions.

Table 2 — Member's share of distributive items.

- A Member's share of the LLC's business income. See instructions..... \$ _____
- B Member's share of nonbusiness income from real and tangible personal property sourced or allocable to California.
- | | | | |
|--------------------------------|----------|----------------------|----------|
| Capital Gains/Losses..... | \$ _____ | Rents/Royalties..... | \$ _____ |
| Section 1231 Gains/Losses..... | \$ _____ | Other..... | \$ _____ |
- C Member's distributive share of the LLC's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning.....	\$ _____	\$ _____
Ending.....	\$ _____	\$ _____
Annual Rent Expense.....	\$ _____	\$ _____
Payroll.....	\$ _____	\$ _____
Sales.....	\$ _____	\$ _____

Member 1

**Line 22, column (d)
Other Reportable Items**

Proportionate Int. of Aggregate Gross Receipts.....	\$	<u>517.</u>
	Total \$	<u><u>517.</u></u>

YEAR

2006

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

CALIFORNIA SCHEDULE

K-1 (568)

For calendar year 2006 or fiscal year beginning month 04 day 06 year 2006, and ending month 12 day 31 year 2006

Member's identifying number

Member's name, address, state, and ZIP Code

LLC's FEIN

Secretary of State file number

200705910088

LLC's name, address, state, and ZIP Code

ELIANA LLANERAS
11766 WILSHIRE BLVD, SUITE 260
LOS ANGELES, CA 90025

ASIA ECONOMIC INSTITUTE, LLC
11766 WILSHIRE BLVD, SUITE 260
LOS ANGELES, CA 90025

- A What type of entity is this member?
(1) Individual
(2) S Corporation
(3) Estate/Trust
(4) C Corporation
(5) General Partnership
(6) Limited Partnership
(7) LLP
(8) LLC
(9) IRA/Keogh/SEP Exempt Organization
(10) Disregarded Entity
(11) Other

D Member's share of liabilities:

- Nonrecourse
Qualified nonrecourse financing
Other

B Is this member a foreign member? Yes No

- C Enter member's percentage (without regard to special allocations) of:
Profit sharing
Loss sharing
Ownership of capital

- E Tax shelter registration number
F (1) Check here if this is a publicly traded partnership
(2) Check here if this is an investment partnership

- G Check here if this is:
(1) A final Schedule K-1 (568)
(2) An amended Schedule K-1 (568)

H Is this member a nonresident of California? Yes No

I Analysis of member's capital account: Check the box

Table with 5 columns: (a) Capital account at beginning of year, (b) Capital contributed during year, (c) Member's share of line 3, line 4, and line 7 Form 568, Schedule M-2, (d) Withdrawals and distributions, (e) Capital account at end of year, combine column (a) through column (d)

Caution: Refer to Member's Instructions for Schedule K-1 (568) before entering information from this schedule on your California return.

Main table with 5 columns: (a) Distributive share items, (b) Amounts from federal Schedule K-1 (1065), (c) California adjustments, (d) Total amounts using California law, (e) California source amounts and credits. Rows include Income (Loss) and Deductions.

Member 2

ASIA ECONOMIC INSTITUTE, LLC

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine column (b) and column (c)	(e) California source amounts and credits
Investment Interest	12a Interest expense on investment debts				
	b (1) Investment income included on lines 4a, 4b, 4c, and 4e	517.		517.	
	(2) Investment expenses included on line 10				
Credits	13a Total withholding (equals amt on Form 592-B if cal year LLC)				
	b Low-income housing credit				
	c Credits other than line 13b related to rental real estate activities. Attach schedule.				
	d Credits related to other rental activities. See instructions.				
	e Nonconsenting nonresident member's tax paid by LLC				
	14 Other credits. Attach required schedules or statements.				
Adjustments and Tax Preference Items	15a Depreciation adjustment on property placed in service after 1986	74.		74.	
	b Adjusted gain or loss				
	c Depletion (other than oil and gas)				
	d (1) Gross income from oil, gas, and geothermal properties				
	(2) Deductions allocable to oil, gas, and geothermal properties				
	e Other adjustments and tax preference items. Attach schedule				
Other	16a Total expenditures to which an IRC Section 59(e) election may apply				
	b Type of expenditures				
	17 Tax-exempt interest income				
	18 Other tax-exempt income				
	19 Nondeductible expenses	60.		60.	
	20 Distributions of money (cash and marketable securities)				
	21 Distributions of property other than money				
	22 Supplemental info required to be reported separately to each member. Attach additional schedules. See instrs				\$ 517.

Table 1 - Member's share of nonbusiness income from intangibles (source of income is dependent on residence or commercial domicile of the member):

Interest	\$ _____	Sec 1231 Gains/Losses	\$ _____	Capital Gains/Losses	\$ _____
Dividends	\$ _____	Royalties	\$ _____	Other	\$ _____

FOR USE BY APPORTIONING UNITARY MEMBERS ONLY - See instructions.

Table 2 - Member's share of distributive items.

- A Member's share of the LLC's business income. See instructions \$ _____
- B Member's share of nonbusiness income from real and tangible personal property sourced or allocable to California.
 - Capital Gains/Losses \$ _____ Rents/Royalties \$ _____
 - Section 1231 Gains/Losses \$ _____ Other \$ _____
- C Member's distributive share of the LLC's property, payroll, and sales:

Factors	Total within and outside California	Total within California
Property: Beginning	\$ _____	\$ _____
Ending	\$ _____	\$ _____
Annual Rent Expense	\$ _____	\$ _____
Payroll	\$ _____	\$ _____
Sales	\$ _____	\$ _____

Member 2

**Line 22, column (d)
Other Reportable Items**

Proportionate Int. of Aggregate Gross Receipts.....	\$	517.
Total	\$	<u>517.</u>

2006 Depreciation and Amortization

3885L

Name as shown on return

ASIA ECONOMIC INSTITUTE, LLC

Secretary of State File Number

200705910088

FEIN

Depreciation of Assets Assets placed in service after 12/31/05 (depreciation):

Table with 6 columns: (a) Description of property, (b) Date placed in service, (c) Cost or other basis, (d) Method of figuring depreciation, (e) Life or rate, (f) Depreciation for this year. Rows include COMPUTER EQUIPMENT with values like 4/06/06, 683., 200DB, 5.00, 102.

1 Enter line 1, column (f) totals here 1(f) 594.

Amortization of Property Intangibles placed in service after 12/31/05 (amortization):

Table with 6 columns: (a) Description of property, (b) Date placed in service, (c) Cost or other basis, (g) Code section, (h) Period or percentage, (i) Amortization to this year. Row includes TRADEMARK REGISTRATION with values like 4/06/06, 3,222., 197, 15.00, 161.

1 Enter line 1, column (i) totals here 1(i) 161.

Depreciation

2 California depreciation for assets placed in service before January 1, 2006. 2

Note: Be sure to make adjustments for any basis differences.

3 Total California depreciation. Add line 1(f) and line 2 3 594.

Amortization

4 California amortization for intangibles placed in service before January 1, 2006. 4

Note: Be sure to make adjustments for any basis differences.

5 Total California amortization. Add line 1(i) and line 4 5 161.

6 Total depreciation and amortization. Add line 3 and line 5. Enter the total here and on Form 568, Schedule B, line 17a, if from a trade or business, or on federal Form 8825, line 14, if from rental real estate activities ... 6 755.

7 IRC Section 179 expense deduction from worksheet, line 12. 7

8 Carryover of disallowed deduction to 2007. From worksheet, line 13. 8

Client 1113

ASIA ECONOMIC INSTITUTE, LLC

6/05/08

08.35AM

Statement 1
Form 568, Schedule B, Line 21
Other Deductions

Advertising	\$	1,158.
Auto and Truck Expense		201.
Bank Charges		104.
DOMAIN REGISTRATION		579.
Legal and Professional		1,009.
Meals and Entertainment		119.
Office Expense		2,706.
ORGANIZATION COSTS		649.
Outside Services		2,355.
Taxes: Licenses and Permits		575.
Taxes: Payroll Taxes		2,382.
Telephone		981.
Total	\$	<u>12,818.</u>

Statement 2
Form 568, Schedule K, Line 22
Other Reportable Items

Proportionate Int. of Aggregate Gross Receipts	\$	1,034.
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Statement 3
Form 568, Schedule L, Line 13
Other Assets

	<u>Beginning</u>	<u>Ending</u>
Rounding	\$ 0.	\$ 1.
Total	<u>\$ 0.</u>	<u>\$ 1.</u>