

U.S. Return of Partnership Income

For calendar year 2008, or tax year beginning _____, 2008, ending _____, 20____.
 ▶ See separate instructions.

OMB No. 1545-0099

2008

A Principal business activity RESEARCH	Use the IRS label. Otherwise, print or type.	Name of partnership ASIA ECONOMIC INSTITUTE LLC	D Employer identification number
B Principal product or service SERVICE		Number, street, and room or suite no. If a P.O. box, see the instructions STE 260 11766 WILSHIRE BOULEVARD	E Date business started 04-06-2006
C Business code number 519100		City or town, state, and ZIP code LOS ANGELES, CA 90025	F Total assets (see the instructions) \$ 149,221

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
 (6) Technical termination - also check (1) or (2)
- H** Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ▶ _____
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 2
- J** Check if Schedule M-3 attached

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

Income	1 a Gross receipts or sales	1a		
	b Less returns and allowances	1b		1c
	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	
Deductions <small>(see the instructions for limitations)</small>	9 Salaries and wages (other than to partners) (less employment credits)			9
	10 Guaranteed payments to partners			10
	11 Repairs and maintenance			11
	12 Bad debts			12
	13 Rent			13
	14 Taxes and licenses See ATT_PTL			14 1,633
	15 Interest			15
	16 a Depreciation (if required, attach Form 4562)	16a	761	
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c 761
	17 Depletion (Do not deduct oil and gas depletion.)			17
	18 Retirement plans, etc.			18
19 Employee benefit programs			19 1,570	
20 Other deductions (attach statement) STATEMENT # 4			20 9,456	
21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21 13,420	
22 Ordinary business income (loss). Subtract line 21 from line 8			22 (13,420)	

Asia Economic Institute et al v. Xcentric Ventures LLC et al

Doc. 68 Att. 3

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 Slavens Date: 9-14-09

Preparer's signature: [Signature] Date: 09-14-2009 Check if self-employed: Preparer's SSN or PTIN: _____

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

Schedule A Cost of Goods Sold (see the instructions)

Table with 8 rows for inventory and cost of goods sold calculations. Line 8: Cost of goods sold.

- 9a Check all methods used for valuing closing inventory: (i) Cost as described... (ii) Lower of cost or market... (iii) Other... b Check this box if there was a writedown... c Check this box if the LIFO inventory method... d Do the rules of section 263A... e Was there any change in determining quantities, cost, or valuations...

Schedule B Other Information

- 1 What type of entity is filing this return? Check the applicable box: a Domestic general partnership, b Domestic limited partnership, c Domestic limited liability company, d Domestic limited liability partnership, e Foreign partnership, f Other. 2 At any time during the tax year, was any partner in the partnership a disregarded entity... 3 At the end of the tax year: a Did any foreign or domestic corporation, partnership, or trust own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership?

Table with 5 columns: (i) Name of Entity, (ii) Employer Identification Number, (iii) Type of Entity, (iv) Country of Organization, (v) Maximum Percentage Owned in Profit, Loss, or Capital.

- b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

Table with 4 columns: (i) Name of individual or Estate, (ii) Social Security Number or Employer Identification Number, (iii) Country of Citizenship, (iv) Maximum Percentage Owned in Profit, Loss, or Capital. Includes entries for RAYMOND MOBAREZ and ILIANA LLANERAS.

- 4 At the end of the tax year, did the partnership: a Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.

Table with 4 columns: (i) Name of Corporation, (ii) Employer Identification Number, (iii) Country of Incorporation, (iv) Percentage Owned in Voting Stock.

b Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below

Yes	No
	X

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

5	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		X
6	Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.	X	
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		X
9	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
10	At any time during calendar year 2008, did the partnership have an interest in, or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. ▶		X
11	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return to Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		X
12 a	Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		X
b	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
c	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		X
13	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (including a disregarded entity). ▶ <input type="checkbox"/>		
14	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		X
15	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions ▶		
16	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. ▶		X
17	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. ▶ <u>0</u>		

Designation of Tax Matters Partner (see 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 BOULEVARD STE 260 LOS ANGELES, CA 90025		

Schedule K		Partners' Distributive Share Items	Total amount
Income (Loss)	1	Ordinary business income (loss) (page 1, line 22)	(13,420)
	2	Net rental real estate income (loss) (attach Form 8825)	
	3a	Other gross rental income (loss)	
	3b	Expenses from other rental activities (attach statement)	
	3c	Other net rental income (loss). Subtract line 3b from line 3a	
	4	Guaranteed payments	
	5	Interest income	1,052
	6a	Dividends: a Ordinary dividends	
	6b	b Qualified dividends	
	7	Royalties	
	8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	
Deductions	9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	
	9b	Collectibles (28%) gain (loss)	
	9c	Unrecaptured section 1250 gain (attach statement)	
	10	Net section 1231 gain (loss) (attach Form 4797)	
	11	Other income (loss) (see instructions) Type ▶	
Self-Employment	12	Section 179 deduction (attach Form 4562)	
	13a	Contributions	
	13b	Investment interest expense	
	13c(2)	Section 59(e)(2) expenditures: (1) Type ▶ (2) Amount ▶	
Credits	13d	Other deductions (see instructions) Type ▶	
	14a	Net earnings (loss) from self-employment	(13,420)
	14b	Gross farming or fishing income	
	14c	Gross nonfarm income	
	15a	Low-income housing credit (section 42(j)(5))	
	15b	Low-income housing credit (other)	
Foreign Transactions	15c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	
	15d	Other rental real estate credits (see instructions) Type ▶	
	15e	Other rental credits (see instructions) Type ▶	
	15f	Other credits (see instructions) Type ▶	
	16a	Name of country or U.S. possession ▶	
	16b	Gross income from all sources	
	16c	Gross income sourced at partner level	
	16f	Foreign gross income sourced at partnership level d Passive category ▶ e General category ▶ f Other ▶	
	16h	Deductions allocated and apportioned at partner level g Interest expense ▶ h Other ▶	
	16k	Deductions allocated and apportioned at partnership level to foreign source income i Passive category ▶ j General category ▶ k Other ▶	
Alternative Minimum Tax (AMT) Items	16l	Total foreign taxes (check one): ▶ Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	
	16m	Reduction in taxes available for credit (attach statement)	
	16n	Other foreign tax information (attach statement)	
	17a	Post-1986 depreciation adjustment	54
	17b	Adjusted gain or loss	
	17c	Depletion (other than oil and gas)	
Other Information	17d	Oil, gas, and geothermal properties-gross income	
	17e	Oil, gas, and geothermal properties-deductions	
	17f	Other AMT items (attach statement)	
	18a	Tax-exempt interest income	
	18b	Other tax-exempt income	
	18c	Nondeductible expenses	3
	19a	Distributions of cash and marketable securities	
	19b	Distributions of other property	
	20a	Investment income	1,052
	20b	Investment expenses	
		Other items and amounts (attach statement)	

Schedule K-1
(Form 1065)

2008

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax
year beginning _____, 2008
ending _____, 20

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

▶ See page 2 of form and 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 BOULEVARD STE 260
LOS ANGELES, CA 90025

C IRS Center where partnership filed return
OGDEN

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

Part II Information About the Partner

E Partner's identifying number _____

F Partner's name, address, city, state, and ZIP code
RAYMOND MOBAREZ
11766 WILSHIRE BOULEVARD STE 260
LOS ANGELES, CA 90025

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

H Domestic partner Foreign partner

I What type of entity is this partner? INDIVIDUAL

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

	Beginning	Ending
Profit	50.000 %	50.000 %
Loss	50.000 %	50.000 %
Capital	50.000 %	50.000 %

K Partner's share of liabilities at year end:

Nonrecourse \$ _____

Qualified nonrecourse financing \$ _____

Recourse \$ _____

L Partner's capital account analysis:

Beginning capital account \$ (66,113)

Capital contributed during the year \$ (185)

Current year increase (decrease) \$ (6,186)

Withdrawals & distributions \$ _____

Ending capital account \$ (72,484)

Tax basis GAAP Section 704(b) book
 Other (explain) _____

Final K-1 Amended K-1 OMB No. 1545-0099

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

1 Ordinary business income (loss) (6,710)	15 Credits
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	16 Foreign transactions
4 Guaranteed payments	
5 Interest income 526	
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 27
9b Collectibles (28%) gain (loss)	
9c Unrecaptured section 1250 gain	
10 Net section 1231 gain (loss)	18 Tax-exempt income and nondeductible expenses C 2
11 Other income (loss)	
12 Section 179 deduction	19 Distributions
13 Other deductions	20 Other information A 526
14 Self-employment earnings (loss) A (6,710)	

*See attached statement for additional information.

FOR IRS USE ONLY

**Schedule K-1
(Form 1065)**

2008

Department of the Treasury
Internal Revenue Service

For calendar year 2008, or tax

year beginning _____, 2008
ending _____, 20

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

▶ See page 2 of form and separate instructions.

Part III		Partner's Share of Current Year Income, Deductions, Credits, and Other Items	
1	Ordinary business income (loss) (6,710)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income 526		
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 27
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)	18	Tax-exempt income and nondeductible expenses C 1
11	Other income (loss)		
12	Section 179 deduction	19	Distributions
13	Other deductions	20	Other information A 526
14	Self-employment earnings (loss) A (6,710)		

*See attached statement for additional information.

FOR 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 BOULEVARD STE 260
LOS ANGELES, CA 90025

C IRS Center where partnership filed return
OGDEN

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

Part II Information About the Partner

E Partner's identifying number _____

F Partner's name, address, city, state, and ZIP code
ILIANA LLANERAS
11766 WILSHIRE BOULEVARD STE 260
LOS ANGELES, CA 90025

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

H Domestic partner Foreign partner

I What type of entity is this partner? INDIVIDUAL

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

	Beginning		Ending	
		%		%
Profit	50.000	%	50.000	%
Loss	50.000	%	50.000	%
Capital	50.000	%	50.000	%

K Partner's share of liabilities at year end:

Nonrecourse \$ _____

Qualified nonrecourse financing \$ _____

Recourse \$ _____

L Partner's capital account analysis:

Beginning capital account \$ (66,113)

Capital contributed during the year \$ (185)

Current year increase (decrease) \$ (6,185)

Withdrawals & distributions \$ ()

Ending capital account \$ (72,483)

Tax basis GAAP Section 704(b) book
 Other (explain): _____

Depreciation and Amortization (Including Information on Listed Property)

2008

Attachment Sequence No. 67

Department of the Treasury Internal Revenue Service (99)

See separate instructions. Attach to your tax return.

Name(s) shown on return ASIA ECONOMIC INSTITUTE LLC Business or activity to which this form relates FORM 1065

Identifying number

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.

Table with 5 main rows and 6 sub-rows (a-c) for description, cost, and elected cost. Includes lines 7-13 for calculations and carryovers.

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.)

Table with 3 rows (14-16) for special depreciation allowance, property subject to election, and other depreciation.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

Table with 2 rows (17-18) for MACRS deductions and group election.

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

Table with 7 columns (a-g) for classification, month/year, basis, recovery period, convention, method, and depreciation deduction. Includes rows 19a-i for various property types.

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

Table with 3 rows (20a-c) for class life, 12-year, and 40-year alternative depreciation.

Part IV Summary (see instructions)

Table with 3 rows (21-23) for listed property, total depreciation, and section 263A costs.

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.)

24a Do you have evidence to support the business/investment use claimed?				Yes	No	24b If "Yes," is the evidence written?				Yes	No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)		(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25	Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25				
26	Property used more than 50% in a qualified business use:											
		%										
		%										
		%										
27	Property used 50% or less in a qualified business use:											
		%					S/L-					
		%					S/L-					
		%					S/L-					
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	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											
34	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35	Was the vehicle available for personal use during off-duty hours?											
36	Was the vehicle used primarily by a more than 5% owner or related person?											
36	Is another vehicle available for personal use?											

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

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

	Yes	No
37		
38		
39		
40		
41		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
42	Amortization of costs that begins during your 2008 tax year (see instructions):					
43	Amortization of costs that began before your 2008 tax year				43	215
44	Total. Add amounts in column (f). See the instructions for where to report				44	215

Name(s) as shown on return

FEIN

ASIA ECONOMIC INSTITUTE LLC

Schedule K Line 18c Nondeductible Expenses

DESCRIPTION

AMOUNT

MEALS AND ENTERTAINMENT

3

TOTAL

3

Client Copy

1065

K-1 Listing

2008

Partnership

ASIA ECONOMIC INSTITUTE LLC

EIN

PARTNER		EIN/SSN	Res State	Type	% Profit	% Loss	% Capital	Ordinary Income (Line 1)	Rental Income (Line 2+3)	Guaranteed Payments (Line 4)
Name										
RAYMOND MOBAREZ	CA		CA		50.000	50.000	50.000	(6,710)		
ILIANA LLANERAS	CA		CA		50.000	50.000	50.000	(6,710)		
Totals					100.000	100.000	100.000	(13,420)		

Figures may be slightly off due to rounding if percentages have more than two decimal places.

(Keep for your records)

PARTNERSHIP NAME

EIN

ASIA ECONOMIC INSTITUTE LLC

Description	Lines 1-13	Schedule K	K-1 Totals	Difference
1	Ordinary business income (loss)	(13,420)	(13,420)	
2	Net rental real estate income (loss)			
3	Other net rental income (loss)			
4	Guaranteed payments			
5	Interest income	1,052	1,052	
6 a	Ordinary dividends			
b	Qualified dividends			
7	Royalties			
8	Net short-term capital gain (loss)			
9 a	Net long-term capital gain (loss)			
b	Collectibles (28%) gain (loss)			
c	Unrecaptured section 1250 gain			
10	Net section 1231 gain (loss)			
11 A	Other portfolio income (loss)			
B	Involuntary conversions			
C	Sec. 1256 contracts & straddles			
D	Mining exploration costs recapture			
E	Cancellation of debt			
F	Other income (loss)			
12	Section 179 deduction			
13 A	Cash contributions (50%)			
B	Cash contributions (30)			
C	Noncash contributions (50%)			
D	Noncash contributions (30%)			
E	Capital gain property to a 50% organization (30%)			
F	Capital gain property (20%)			
G	Contributions (100%)			
H	Investment interest expense			
I	Deductions - royalty income			
J	Section 59(e)(2) expenditures			
K	Deductions - portfolio (2% floor)			
L	Deductions - portfolio (other)			
M	Amounts paid for medical insurance			
N	Educational assistance benefits			
O	Dependent care benefits			
P	Preproductive period expenses			
Q	Commercial revitalization ded. from rental real estate activities			
R	Pensions and IRAs			
S	Reforestation expense deduction			
T	Domestic production activities information			
U	Qualified production activities income			
V	Employer's W-2 wages			
W	Other deductions			

(Keep for your records)

PARTNERSHIP NAME

EIN

ASIA ECONOMIC INSTITUTE LLC

Description Lines 14 - 16	Schedule K	K-1 Totals	Difference
14 A Net earnings (loss) from self-employment	(13,420)	(13,420)	
B Gross farming or fishing income			
C Gross non-farm income			
15 A Low-income housing credit (section 42(j)(5)) - Pre 2008			
B Low-income housing credit other - Pre 2008			
C Low-income housing credit (section 42(j)(5)) - Post 2007			
D Low-income housing credit other - Post 2007			
E Qualified rehabilitation expenditures (rental real estate)			
F Other rental real estate credits			
G Other rental credits			
H Undistributed capital gains credit			
I Credit for alcohol used as fuel			
J Work opportunity credit			
K Disabled access credit			
L Empowerment zone & rental comm. employment credit			
M Credit for increasing research activities			
N Credit for employer social security and Medicare taxes			
O Backup withholding			
P Other credits			
16 B Gross income from all sources			
C Gross income sourced at partner level			
D Passive			
E General			
F Other			
G Interest expense			
H Other			
I Passive			
J General			
K Other			
L Total foreign taxes paid			
M Total foreign taxes accrued			
N Reduction in taxes available for credit			
O Foreign trading gross receipts			
P Extraterritorial income exclusion			
Q Other foreign transactions			

(Keep for your records)

PARTNERSHIP NAME

EIN

ASIA ECONOMIC INSTITUTE LLC

Description Lines 17 - 20	Schedule K	K-1 Totals	Difference
17 A Post - 1986 depreciation adjustment	54	54	
B Adjusted gain (loss)			
C Depletion (other than oil & gas)			
D Oil, gas & geothermal-gross income			
E Oil, gas & geothermal-deductions			
F Other AMT items			
18 A Tax-exempt interest income			
B Other tax-exempt income			
C Nondeductible expenses	3	3	
19 A Dist. of cash and marketable securities			
B Dist. of other property			
C Dist. subject to sec 737			
20 A Investment income	1,052	1,052	
B Investment expenses			
C Fuel tax credit information			
D Qualified rehabilitation expenditures			
E Basis of energy property			
F Recapture of low-income housing credit (sec. 42(j)(5))			
G Recapture of low-income housing credit (other)			
H Recapture of investment credit			
I Recapture of other credits			
J Look-back interest-completed long-term contracts			
K Look-back interest-income forecast method			
L Dispositions of property with section 179 deductions			
M Recapture of section 179 deduction			
N Interest expense for corporate partners			
O Section 453 (1)(3) information			
P Section 453A(c) information			
Q Section 1260(b) information			
R Interest allocable to production expenditures			
S CCF nonqualified withdrawals			
T Information needed to figure depletion-oil and gas			
U Amortization of reforestation costs			
V Unrelated business taxable income			
W Precontribution gain(loss)			
X Other information			
Schedule M-2			
1 Partner's Beginning Capital	(132,226)	(132,226)	
2 Capital Contributions	(370)	(370)	
3 Net income or loss	(12,371)	(12,371)	
4 Distributions			
5 Partner's Ending Capital	(144,967)	(144,967)	

Depreciation Detail Listing

FORM 1065

For your records only

2008

PAGE 1

* Item was disposed of during current year.

Name(s) as shown on return

Social security number/EIN

ASIA ECONOMIC INSTITUTE LLC

No.	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr.	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current		
1	COMPUTER EQUIPMENT	20060406	3,962		100.00		3,962	5	200 DB HY	19.2	761	2,107			707		
2	TRADEMARK REGISTRATIO	20060406	3,222		100.00		3,222	15	195	6.6667	215	1,240			215		
Totals													976	3,347			922

Land Amount
Net Depreciable Cost

7,184

SI ADJ:

1065 TAX RETURN COMPARISON
2006 / 2007 / 2008

2008

Name(s) as shown on return
ASIA ECONOMIC INSTITUTE LLC

Identifying number

	2006 FEDERAL	2007 FEDERAL	2008 FEDERAL	DIFFERENCE BETWEEN 2007 & 2008
Income				
Net receipts				
Cost of goods sold				
Gross profit				
Ordinary income (loss) from other partnerships, estates, trusts				
Net farm profit (loss)				
Net gain/loss from 4797				
Other income				
Total income				
Deductions				
Salaries and wages				
Guaranteed payments to partners				
Repairs and maintenance				
Bad debts				
Rents				
Taxes and licenses			1,633	1,633
Interest				
Depreciation from Form 4562 Depreciation claimed elsewhere			761	761
Net depreciation			761	761
Depletion				
Pension, profit-sharing				
Employee benefits			1,570	1,570
Other deductions			9,456	9,456
Total deductions			13,420	13,420
Ordinary business income(loss)			(13,420)	(13,420)
SCHEDULE K - Partner's Share Items				
Income				
Ordinary business income (loss)			(13,420)	(13,420)
Net rental real estate income (loss)				
Other net rental income (loss)				
Guaranteed Payments				
Interest income			1,052	1,052
Ordinary dividends				
Qualified dividends				
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)				
Deductions				
Section 179 deduction				
Contributions				
Investment interest expense				
Section 59(e)(2) expenditures				
Other deductions				

2006

2007

2008

DIFFERENCE

1065 TAX RETURN COMPARISON
2006/ 2007 / 2008

2008

Page 2

Name(s) as shown on return
ASIA ECONOMIC INSTITUTE LLC

Identifying number

	2006 FEDERAL	2007 FEDERAL	2008 FEDERAL	DIFFERENCE BETWEEN 2007 & 2008
Self-Employment				
Net earnings (loss) from self-employment			(13,420)	(13,420)
Gross farming or fishing income				
Gross nonfarm income				
Credits				
Low-income housing credit (section 42(j)(5))				
Low-income housing credit (other)				
Qualified rehabilitation expenditures (rental real estate)				
Other rental real estate credits				
Other rental credits				
Other credits				
Foreign Transactions				
Gross income from all sources				
Gross income sourced at partner level				
Foreign gross income sourced at partnership				
Passive				
General categories				
Other limitation				
Deductions allocated and apportioned at partner level				
Interest expense				
Other				
Ded allocated / apportioned at ptr level to foreign source inc.				
Passive				
General categories				
Other limitation				
Total foreign taxes paid or accrued				
Reduction in taxes available for credit				
Alternative Minimum Tax (AMT) items				
Post-1986 depreciation adjustment			54	54
Adjusted gain or loss				
Depletion				
Oil, gas, and geothermal properties - gross income				
Oil, gas, and geothermal properties - deductions				
Other AMT items				
Other information				
Tax-exempt interest income				
Other tax-exempt income				
Nondeductible expenses			3	3
Distribution of cash and marketable securities				
Distributions of other property				
Investment income			1,052	1,052
Investment expenses				

RESIDENT STATE		CA	
Taxable income		1,052	1,052
Total tax		800	800
Overpayment			
Balance due		880	880

2006 2007 2008 DIFFERENCE

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	(12,368)
2	Analysis by partner type:						
	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a	General partners (12,368)						
b	Limited partners						

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		27,592		50,329
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 statement)	STATEMENT # 27	95,955		95,055
7	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets	3,962		3,962	
b	Less accumulated depreciation		3,962	2,107	1,855
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)	3,222		3,222	
b	Less accumulated amortization		3,222	1,240	1,982
13	Other assets (attach statement)				
14	Total assets		130,731		149,221
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)	STATEMENT # 31	262,957		294,188
18	All nonrecourse loans				
19	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts		(132,226)		(144,967)
22	Total liabilities and capital		130,731		149,221

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	(12,371)	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 payments (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 \$				
b	Travel and entertainment \$ 3		8	Add lines 6 and 7	
5	Add lines 1 through 4	(12,368)	9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	(12,368)

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year	(132,226)	6	Distributions: a Cash	
2	Capital contributed: a Cash		b	Property	
	b Property	(370)	7	Other decreases (itemize):	
3	Net income (loss) per books	(12,371)			
4	Other increases (itemize):		8	Add lines 6 and 7	
5	Add lines 1 through 4	(144,967)	9	Balance at end of year. Subtract line 8 from line 5	(144,967)

2008

Limited Liability Company Return of Income

568

For calendar year 2008 or fiscal year beginning month day year and ending month day year
Limited liability company name (type or print) ASIA ECONOMIC INSTITUTE LLC
A Secretary of State (SOS) file number 020070591088
B FEIN
C Principal business activity name (same as federal) RESEARCH
D Principal product or service (same as federal) SERVICE
E Check accounting method (1) Cash (2) Accrual (3) Other
F Date business started in CA 2006-04-06
G Enter total assets at end of year. \$ 149,221
H Check the applicable box (1) initial return (2) FINAL RETURN (3) Amended return
I Principal business activity code (same as federal) 519100

Table with 16 rows and 2 columns. Column 1: Line numbers and descriptions (Total income, fees, taxes, payments, etc.). Column 2: Amounts in whole dollars (e.g., 1,052.00, 800.00, 0.00, 80.00, 880.00).

Single Member LLC Information and Consent - Complete only if the LLC is disregarded.
Sole Owner's name (as shown on owner's return)
Federal TIN/SSN
FEIN/CA Corp no./SOS File no.

Street Address, City, State, and ZIP Code
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.
Return filed with the FTB by Owner (1) Form 540 (2) Form 100 (3) Form 565 (4) Other (5) Form 541 (6) Form 100S (7) Form 568

Signature Date Title
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.
Sign Here Signature of officer Date Telephone
Paid Preparer's Use Only Paid preparer's signature Date Check if self-employed Paid preparer's SSN/PTIN
Firm's name (or yours, if self-employed) and address
FEIN
May the FTB discuss this return with you (or someone you name)? Yes No

G. Accounting Method Additional Information

Accounting Method {7} cash Allowable values = Cash, Accrual, Hybrid

J. K-1s Filed

Filed by Mag Media 0

K1 Mag Media Count _____

Client Copy

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

2

	Yes	No
K Is this LLC an investment partnership? See General Information 0		X
L (1) Is this LLC apportioning income to California using Schedule R?		X
(2) If "No," was this LLC registered in California without earning any income sourced in this state during the taxable year?		X
M Was there a distribution of property or a transfer (for example, by sale or death) of an LLC interest during the taxable year?		X
O (1) For this taxable year, was there a change in control or majority ownership for this limited liability company (or any legal entity in which it holds a controlling or majority interest) that owned or leased real property in California?		X
(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?		X
(3) If this limited liability company (or any legal entity in which it holds a controlling or majority interest) owned or leased real property in California, has more than 50% of the LLC ownership interest cumulatively transferred in one or more transactions since March 1, 1975, which was not reported on a previous year's tax return?		X
(Penalties May Apply - See Instructions).		
P (1) Does the LLC have any foreign (non-U.S.) nonresident members?		X
(2) Does the LLC have any domestic (non-foreign) nonresident members?		X
(3) Were Form 592, Form 592-A, Form 592-B, and Form 592-F filed for these members?		X
Q Are any members in this LLC also LLCs or partnerships?		X
R Is this LLC under audit by the IRS or has it been audited in a prior year?		X
S Is this LLC a member or partner in another LLC or partnership?		X
T Is this LLC a publicly traded partnership as defined in IRC Section 469(k)(2)?		X
U (1) Is this LLC a business entity disregarded for tax purposes?		X
(2) If "Yes," see instructions and complete Side 1, Side 2, Schedule B, and Side 4, if applicable. Are there credits or credit carryovers attributable to the disregarded entity?		X
V Has the LLC included a Reportable Transaction, or Listed Transaction within this return? (See instructions for definitions). If "Yes," complete and attach federal Form 8886 for each transaction		X
W Did this LLC file the Federal Schedule M-3 (federal Form 1065)?		X
X Is this LLC a direct owner of an entity that filed a federal Schedule M-3?		X
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.		X
Z Does this LLC own an interest in a business entity disregarded for tax purposes? Attach schedule of disregarded entity names and identification numbers.		X
AA Is any member of the LLC related (as defined in IRC section 267(c)(4)) to any other member of the LLC?		X
AB Is any member of the LLC a trust for the benefit of any person related (as defined in IRC section 267(c)(4)) to any other member?		X
AC During the year did this LLC defer any gains from the disposition of assets?		X

Schedule A Cost of Goods Sold

1	Inventory at beginning of year	1	00
2	Purchases less cost of items withdrawn for personal use	2	00
3	Cost of labor	3	00
4	Additional IRC Section 263A costs. Attach schedule	4	00
5	Other costs. Attach schedule	5	00
6	Total. Add line 1 through line 5	6	00
7	Inventory at end of year	7	00
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Schedule B, line 2	8	00

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
 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 and allowances \$ _____	c Balance •	1c	00	
	2	Cost of goods sold (Schedule A, line 8)				2	00
	3	GROSS PROFIT. Subtract line 2 from line 1c				3	00
	4	Total ordinary income from other LLCs, partnerships, and fiduciaries. Attach schedule				4	00
	5	Total ordinary loss from other LLCs, partnerships, and fiduciaries. Attach schedule				5	00
	6	Total farm profit. Attach federal Schedule F (Form 1040)				6	00
	7	Total farm loss. Attach federal Schedule F (Form 1040)				7	00
	8	Total gains included on Schedule D-1, Part II, line 17 (gain only)				8	00
	9	Total losses included on Schedule D-1, Part II, line 17 (loss only)				9	00
	10	Other income. Attach schedule				10	00
	11	Other loss. Attach schedule				11	00
	12	Total income (loss). Combine line 3 through line 11				12	00
Deductions	13	Salaries and wages (other than to members)				13	00
	14	Guaranteed payments to members				14	00
	15	Bad debts				15	00
	16	Deductible interest expense not claimed elsewhere on return				16	00
	17	a Depreciation and amortization. Attach form FTB 3885L \$ 976	b Less depreciation reported on Schedule A and elsewhere on return \$ _____	c Balance •	17c	976 00	
	18	Depletion. Do not deduct oil and gas depletion				18	00
	19	Retirement plans, etc				19	00
	20	Employee benefit programs				20	1,570 00
	21	Other deductions. Attach schedule . . STATEMENT. #. 9C.				21	10,874 00
	22	Total deductions. Add line 13 through line 21				22	13,420 00
	23	Ordinary income (loss) from trade or business activities. Subtract line 22 from line 12				23	(13,420) 00

Schedule T Nonconsenting Nonresident Members' Tax Liability

(a) Member's name	(b) SSN, ITIN, or FEIN	(c) Distributive share of income	(d) Tax rate	(e) Member's total tax due (see instructions)	(f) Amount withheld by this LLC on this member - reported on Form 592-B	(g) 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	• (13,420)	1,214	(12,206)			
	2	Net income (loss) from rental real estate activities. Attach federal Form 8825						
	3 a	Gross income (loss) from other rental activities						
		b	Less expenses. Attach schedule					
	3 c	Net income (loss) from other rental activities. Subtract line 3b from line 3a			•			
		4	Guaranteed payments to members			•		
	5	Interest income	1,052	0	• 1,052			
	6	Dividends			•			
	7	Royalties			•			
	8	Net short-term capital gain (loss). Attach Schedule D (568)			•			
	9	Net long-term capital gain (loss). Attach Schedule D (568)			•			
10 a	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)			•			
	11 a	Other portfolio income (loss). Attach schedule						
11 b	Total other income. Attach schedule							
	11 c	Total other loss. Attach schedule						
	Deductions	12	Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6, and 17268). Attach schedule					
13 a		Charitable contributions. See instructions. Attach schedule						
		b	Investment interest expense			•		
13 c		1 Total expenditures to which IRC Section 59(e) election may apply. Attach schedule						
		2	Type of expenditures					
13 d		Deductions related to portfolio income						
13 e	Other deductions. Attach schedule							
Credits	15 a	Withholding on LLC allocated to all members						
		b	Low-income housing credit					
		c	Credits other than the credit shown on line 15b related to rental real estate activities. Attach schedule					
		d	Credits related to other rental activities. Attach schedule					
		e	Nonconsenting nonresident members' tax paid by LLC					
		f	Other credits. Attach schedule			•		
Alternative Minimum Tax (AMT) Items	17 a	Depreciation adjustment on property placed in service after 1986	54	0	54			
		b	Adjusted gain or loss					
		c	Depletion (other than oil and gas)					
		d	Gross income from oil, gas, and geothermal properties					
		e	Deductions allocable to oil, gas, and geothermal properties					
		f	Other alternative minimum tax items. Attach schedule					
Other Information	18 a	Tax-exempt interest income						
		b	Other tax-exempt income			•		
		c	Nondeductible expenses	3	0	3		
	19 a	Distributions of money (cash and marketable securities)						
		b	Distribution of property other than money					
	20 a	Investment income	1,052	0	1,052			
b		Investment expenses						
c		Other information. See instructions						
Analysis	21 a	Total distributive income/payment items. Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e	(12,368)	1,214	• (11,154)			
		b	Analysis of members:					
		(a) Corporate	(b) Individual	(c) Partnership	(d) Exempt Organization	(e) Nominee/Other	(f) LLC	
			i. Active	ii. Passive				
	Members	0	(12,368)	0	0	0	0	0

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		27,592		50,329
2 a 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 schedule		95,955		95,055
7 Mortgage and real estate loans				
8 Other investments. Attach schedule				
9 a Buildings and other depreciable assets	3,962		3,962	
b Less accumulated depreciation	()	3,962	(2,107)	1,855
10 a Depletable assets				
b Less accumulated depletion	()		()	
11 Land (net of any amortization)				
12 a Intangible assets (amortizable only)	3,222		3,222	
b Less accumulated amortization	()	3,222	(1,240)	1,982
13 Other assets. Attach schedule				
14 Total assets		130,731		149,221
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities. Attach schedule		262,957		294,188
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities. Attach schedule				
21 Members' capital accounts		(132,226)		(144,967)
22 Total liabilities and capital		130,731		149,221

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	(12,371)	6 Income recorded on books this year not included on Schedule K, line 1 through line 11c. Itemize:	
2 Income included on Schedule K, line 1 through line 11c, not recorded on books this year. Itemize		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		b Other \$	
4 Expenses recorded on books this year not included on Sch K, line 1 through line 13e. Itemize:		c Total. Add line 6a and line 6b.	
a Depreciation \$		7 Deductions included on Sch K, line 1 through line 13e, not charged against book income this year. Itemize:	
b Travel and entertainment \$ 3		a Depreciation \$	
c Annual LLC tax \$ 1,214		b Other \$	
d Other \$		c Total. Add line 7a and line 7b.	
e Total. Add line 4a through 4d.	1,217	8 Total. Add line 6c and line 7c	
5 Total of line 1 through line 4e	(11,154)	9 Income (loss) (Schedule K, line 21a). Subtract line 8 from line 5	(11,154)

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

1 Balance at beginning of year	(132,226)	5 Total of line 1 through line 4	(144,967)
2 Capital contributed during year:		6 Distributions:	
a Cash		a Cash	
b Property	(370)	b Property	
3 Net income (loss) per books	(12,371)	7 Other decreases. Itemize	
4 Other increases. Itemize		8 Total of line 6 and line 7.	
		9 Balance at end of year. Subtract line 8 from line 5	(144,967)

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

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 identification number(s) FEIN _____ SSN or ITIN _____ Corporation _____ SOS _____

Amount of liquidation gains recognized to capitalize the LLC

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

2008

K-1 (568)

For calendar year 2008 or fiscal year beginning month _____ day _____ year _____, and ending month _____ day _____ year _____

Member's identifying number _____

LLC's FEIN _____

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

Secretary of State file number **020070591088**

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

RAYMOND MOBAREZ
11766 WILSHIRE BOULEVARD STE 260
LOS ANGELES, CA 90025

ASIA ECONOMIC INSTITUTE LLC
11766 WILSHIRE BOULEVARD
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
 - (10) Exempt Organization
 - (11) Disregarded Entity

B Is this member a foreign member? Yes No

C Enter member's percentage (without regard to special allocations) of:

	(i) Before decrease or termination	(ii) End of year
Profit sharing	50.0000 %	50.0000 %
Loss sharing	50.0000 %	50.0000 %
Ownership of capital . .	50.0000 %	50.0000 %

D Member's share of liabilities:

Nonrecourse	• \$	0
Qualified nonrecourse financing	• \$	0
Other	• \$	0

E Reportable transaction or tax shelter registration number(s) _____

- F** (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
- (2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)

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 • (1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain) _____

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Member's share of line 3, line 4, & line 7 Form 568, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year, combine col. (a) through col. (d)
• (66,113)	• (185)	• (6,186)	• ()	• (72,484)

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 col. (b) and col. (c) where applicable	(e) California source amounts and credits
Income (Loss)	1 Ordinary income (loss) from trade or business activities	(6,710)	607	(6,103)	(6,103)
	2 Net income (loss) from rental real estate activities				
	3 Net income (loss) from other rental activities				
	4 Guaranteed payments to members				
	5 Interest income	526	0	526	526
	6 Dividends				
	7 Royalties				
	8 Net short-term capital gain (loss)				
	9 Net long-term capital gain (loss)				
	10 a 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)				
11 a Other portfolio income (loss). Attach schedule					
b Total other income. Attach schedule					
c Total other loss. Attach schedule					

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	California source amounts and credits
Deduct- ions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply. 2 Type of expenditures				
	d Deductions related to portfolio income Attach schedule				
	e Other deductions. Attach schedule				
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year LLC)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities. Attach schedule				
	d Credits related to other rental activities. Attach schedule				
	e Nonconsenting nonresident member's tax paid by LLC				
	f Other credits - Attach required schedules or statements				
Alterna- tive Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986	27	0	27	27
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items. Attach schedule				
Tax- exempt Income & Nonde- ductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses	2	0	2	2
Distri- butions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money . .				
Other Infor- mation	20 a Investment income	526	0	526	526
	b Investment expenses				
	c Other information. See instructions				

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

2008

K-1 (568)

For calendar year 2008 or fiscal year beginning month day year, and ending month day year

Member's identifying number

LLC's FEIN

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

Secretary of State file number 020070591088

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

ILIANA LLANERAS
11766 WILSHIRE BOULEVARD STE 260
LOS ANGELES, CA 90025

ASIA ECONOMIC INSTITUTE LLC
11766 WILSHIRE BOULEVARD
LOS ANGELES, CA 90025

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

- D Member's share of liabilities:
Nonrecourse \$ 0
Qualified nonrecourse financing \$ 0
Other \$ 0

B Is this member a foreign member? Yes No

E Reportable transaction or tax shelter registration number(s)

C Enter member's percentage (without regard to special allocations) of:
(i) Before decrease or termination (ii) End of year
Profit sharing 50.0000% 50.0000%
Loss sharing 50.0000% 50.0000%
Ownership of capital 50.0000% 50.0000%

- F (1) Check here if this is a publicly traded partnership as defined in IRC Section 469(k)(2)
(2) Check here if this is an investment partnership (R&TC Sections 17955 and 23040.1)

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
(1) Tax Basis (2) GAAP (3) Section 704(b) Book (4) Other (explain)
Capital account at beginning of year (66,113)
Capital contributed during year (185)
Member's share of line 3, line 4, & line 7 Form 568 Schedule M-2 (6,185)
Withdrawals and distributions
Capital account at end of year, combine col. (a) through col. (d) (72,483)

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

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 Ordinary income, Net income from rental activities, Interest income, Dividends, etc.

	(a) Distributive share items	(b) Amounts from federal Schedule K-1 (1065)	(c) California adjustments	(d) Total amounts using California law. Combine col. (b) and col. (c)	(e) California source amounts and credits
Deduct- ions	12 Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6 and 17268)				
	13 a Charitable contributions				
	b Investment interest expense				
	c 1 Total expenditures to which an IRC Section 59(e) election may apply. 2 Type of expenditures				
	d Deductions related to portfolio income Attach schedule				
	e Other deductions. Attach schedule				
Credits	15 a Total withholding (equals amount on Form 592-B if calendar year LLC)				
	b Low-income housing credit				
	c Credits other than line 15b related to rental real estate activities. Attach schedule				
	d Credits related to other rental activities. Attach schedule				
	e Nonconsenting nonresident member's tax paid by LLC				
	f Other credits - Attach required schedules or statements				
Alterna- tive Minimum Tax (AMT) Items	17 a Depreciation adjustment on property placed in service after 1986	27	0	27	27
	b Adjusted gain or loss				
	c Depletion (other than oil & gas)				
	d Gross income from oil, gas, and geothermal properties				
	e Deductions allocable to oil, gas, and geothermal properties				
	f Other alternative minimum tax items. Attach schedule				
Tax- exempt Income & Nonde- ductible Expenses	18 a Tax-exempt interest income				
	b Other tax-exempt income				
	c Nondeductible expenses	1	0	1	1
Distri- butions	19 a Distributions of money (cash and marketable securities)				
	b Distributions of property other than money				
Other Infor- mation	20 a Investment income	526	0	526	526
	b Investment expenses				
	c Other information. See instructions				

Other Member Information

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 \$ _____
Sec.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	\$ _____	\$ _____

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Other Member Information

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 \$ _____
 Sec. 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	\$ _____	\$ _____

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2008

Capital Gain or Loss

D (568)

Name as shown on return Secretary of State (SOS) file no.

FEIN

Table with 6 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) Gain (loss) (d) minus (e)

- 1 Enter line 1, column (f) totals here
2 Capital gain from installment sales, from form FTB 3805E, line 26 or line 37
3 LLC's share of net capital gain (loss), including gains (losses) from LLCs, partnerships, fiduciaries, and S corporations
4 Capital gain distributions
5 Net capital gain (loss). Add line 1, line 2, line 3, and line 4. Enter total here and on Schedule K, line 8 and line 9, separately, as applicable.

2008

Depreciation and Amortization

3885L

Name as shown on return 1065 ASIA ECONOMIC INSTITUTE LLC Secretary of State (SOS) file no. 020070591088

FEIN

Assets placed in service after 12/31/07 (depreciation): Intangibles placed in service after 12/31/07 (amortization):

Table with 9 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, (g) Code section, (h) Period or percentage, (i) Amortization to this year

1 Enter line 1, column (f) and column (i) totals here

- Depreciation
Be sure to make adjustments for any basis differences when calculating Depreciation.
2 California depreciation for assets placed in service before January 1, 2008
3 Total California depreciation. Add line 1(f) and line 2

- Amortization
Be sure to make adjustments for any basis differences when calculating Amortization.
4 California amortization for intangibles placed in service before January 1, 2008
5 Total California amortization. Add line 1(i) and line 4
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
7 IRC Section 179 expense deduction from worksheet, in the instructions, line 12
8 Carryover of disallowed deduction to 2009. From worksheet, in the instructions, line 13

Voucher at bottom of page.

DO NOT SEND A PAPER COPY OF THE LLC TAX RETURN WITH THE PAYMENT VOUCHER.
If the amount of payment is zero, do not mail this form.

WHERE TO FILE: Make check or money order payable to the "Franchise Tax Board."
Write the SOS file number or FEIN and "2008 FTB 3588"
on the check or money order. Detach voucher below. Enclose,
but do **not** staple, payment with voucher and mail to:

**FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0531**

Make all checks or money orders payable in U.S. dollars and drawn against a
U.S. financial institution.

WHEN TO FILE: Fiscal Year - File and Pay by the 15th day of the 4th month
following the close of the taxable year.

Calendar Year - File and Pay by April 15, 2009.

When the due date falls on a weekend or holiday, the deadline to file and pay without
penalty is extended to the next business day.

----- DETACH HERE -----

IF NO PAYMENT IS DUE, DO NOT MAIL THIS FORM

----- DETACH HERE -----

TAXABLE YEAR

2008

**Payment Voucher for
LLC e-filed Returns**

CALIFORNIA FORM

3588 (e-file)

020070591088 ASIA
TYB 01-01-08 TYE 12-31-08
ASIA ECONOMIC INSTITUTE LLC

08

FORM 0

11766 WILSHIRE BOULEVARD STE 260
LOS ANGELES CA 90025

TOTAL PAYMENT AMT

880.

Date Accepted _____

043

TAXABLE YEAR

2008

California e-file Return Authorization for Limited Liability Companies

FORM

8453-LLC

Name of Limited Liability Company ASIA ECONOMIC INSTITUTE LLC	Identifying number
---	--------------------

Part I Tax Return Information (whole dollars only)

1 Total income (Form 568, Schedule B, line 12)	1	
2 Ordinary income (Form 568, Schedule B, line 23)	2	(13,420)
3 Tax and fee due (Form 568, line 10)	3	800
4 Overpayment (Form 568, line 11)	4	
5 Total amount due (Form 568, line 16)	5	880

Part II Settle Your Account Electronically for Taxable Year 2008. (Due 04/15/09)

6 Electronic Funds Withdrawal 6a Amount _____ 6b Withdrawal Date (MM/DD/YYYY) _____

Part III Make Annual Tax or Estimated Fee Payment for Taxable Year 2009 This is NOT an installment payment for the current amount you owe.

	Annual Tax Payment	Estimated Fee Payment
7 Amount		
8 Withdrawal Date		

Part IV Banking Information (Have you verified your banking information?)

9 Routing number _____
 10 Account number _____ 11 Type of account: Checking Savings

Part V Declaration of Officer

I authorize the limited liability company account be settled as designated in Parts II, III, and IV. If I check Box 6, I authorize an electronic funds withdrawal for the amount listed on line 6a and for the 2009 annual tax or estimated fee payment amount listed on line 7 from the account specified in Part IV.

Under penalties of perjury, I declare that I am an officer of the above limited liability company and that the information I provided to my Electronic Return Originator (ERO), Transmitter, or Intermediate Service Provider and the amounts in Part I above agree with the amounts on the corresponding lines of the limited liability company's 2008 California income tax return. To the best of my knowledge and belief, the limited liability company's return is true, correct, and complete. If the limited liability company is filing a balance due return, I understand that if the Franchise Tax Board (FTB) does not receive full and timely payment of the limited liability company's tax liability, the limited liability company will remain liable for the tax liability and all applicable interest and penalties. I authorize the limited liability company return and accompanying schedules and statements be transmitted to the FTB by my ERO, Transmitter, or Intermediate Service Provider. If the processing of the limited liability company's return or refund is delayed, I authorize the FTB to disclose to my ERO, Intermediate Service Provider, and/or Transmitter the reason(s) for the delay or the date when the refund was sent.

Sign Here

Signature of Officer: _____ Date: 09-15-2009 Title: MANAGING MEMBER
 For Privacy Notice, get form FTB 1131.

Part VI Declaration of Electronic Return Originator (ERO) and Paid Preparer. See instructions.

I declare that I have reviewed the above limited liability company's return and that the entries on form FTB 8453-LLC are complete and correct to the best of my knowledge. (If I am only an Intermediate Service Provider, I understand that I am not responsible for reviewing the limited liability company's return. I declare, however, that form FTB 8453-LLC accurately reflects the data on the return.) I have obtained the signature from the limited liability company officer on form FTB 8453-LLC before transmitting this return to the FTB; I have provided the limited liability company officer with a copy of all forms and information that I will file with the FTB, and I have followed all other requirements described in FTB Pub. 1345B, 2008 e-file Handbook for Authorized e-file Providers of California Business Returns, and in FTB Pub. 1345, 2008 e-file Handbook for Authorized e-file Providers. I will keep form FTB 8453-LLC on file for four years from the due date of the return or four years from the date the limited liability company return is filed, whichever is later, and I will make a copy available to the FTB upon request. If I am also the paid preparer, under penalties of perjury, I declare that I have examined the above limited liability company's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

ERO Must Sign
 ERO's signature: _____ Date: 2009-09-14 Check if also paid preparer: Check if self-employed: ERO's SSN/PTIN: _____
 Firm's name (or yours if self-employed) and address: _____ FEIN: _____ ZIP Code: _____

Under penalties of perjury, I declare that I have examined the above limited liability company's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I make this declaration based on all information of which I have knowledge.

Paid Preparer Must Sign
 Paid preparer's signature: _____ Date: _____ Check if self-employed: Paid preparer's SSN/PTIN: _____
 Firm's name (or yours if self-employed) and address: _____ FEIN: _____ ZIP Code: _____

CA 565/568 Other Deductions

2008
STM 9C
PG01

Line 21 Other Deductions

Name(s) shown on return

ASIA ECONOMIC INSTITUTE LLC

Identifying Number

(a)
Type of Deduction

(b)
Total amount

ACCOUNTING	750
BANK CHARGES	10
DUES AND SUBSCRIPTIONS	180
INTERNET	131
MEALS AND ENTERTAINMENT 50% LIMIT	4
MISCELLANEOUS	66
OUTSIDE SERVICES/IND CONTRACTORS	7,100
SUPPLIES	550
TRAVEL	450
OTHER - (REPAIRS, RENT, TAXES, ETC...)	1,633

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Limited Liability Company Income Worksheet – Attach to the LLC’s return

Enter your California income amounts on the worksheet. All amounts entered must be assigned for California law differences. If your business is both within and outside of California, see the LLC Income Worksheet Instructions to assign the correct amounts to California. If the LLC is wholly within California, the total income amount is assigned to California and is entered beginning with line 1a. If the SMLLC does not meet the 3 million criteria for filing Schedule B (568) and Schedule K (568), the SMLLC is still required to complete the LLC Income Worksheet. Disregarded entities that do not meet the filing requirements to complete Schedule B or Schedule K should prepare the LLC Income Worksheet by entering the California amounts attributable to the disregarded entity from the Member’s Federal Schedule B, C, E, F, or additional schedules associated with other activities. See instructions for more information on how to complete the LLC income Worksheet.

1	a	Total California income from Form 568, Schedule B, line 3. See instructions	1a	_____
	b	Enter the California Cost of Goods sold from Form 568, Schedule B, line 2 and from federal Schedule F (1040) (plus California adjustments) associated with the receipts assigned to California on line 1a.	1b	_____
2	a	Gross California income of disregarded entities not included in lines 1 and 8 through 16	2a	_____
	b	Enter the Cost of Goods sold of entities associated with the receipts assigned to California on line 2a.	2b	_____
3	a	LLC’s distributive share of ordinary income from pass-through entities	3a	_____
	b	Enter the LLC’s distributive share of Cost of Goods sold from other pass-through entities associated with the receipt assigned to California on line 3a	3b	_____
	c	Enter the LLC’s distributive share of deductions from other pass-through entities associated with the receipt assigned to California on line 3a	3c	_____
	d	Enter as a negative number, any allocations, distributions, or gains from another LLC that was already subject to the LLC fee	3d	_____
4		Add gross farm income from federal Schedule F (Form 1040). Use California amounts	4	_____
5		Enter the total of other income (not loss) from Form 568, Schedule B, Line 10	5	_____
6		Enter the ordinary gains (not losses) and the recapture income from Schedule D-1, Part II, line 17.	6	_____
7		Add line 1a through line 6	7	_____
8		California Rental real estate		
	a	Enter the total gross rents from federal Form 8825, line 17	8a	_____
	b	Enter net income or loss from federal Form 8825, line 20a	8b	_____
	c	Enter the total rental expenses deducted from the amount on federal Form 8825, line 20a	8c	_____
	d	Add line 8a through line 8c.	8d	_____
9		Other California rentals. Enter the amount from Form 568, Schedule K, line 3a	9	_____
10		California interest. Enter the amount from Form 568, Schedule K, line 5	10	1,052
11		California dividends. Enter the amount from Form 568, Schedule K, line 6	11	_____
12		California royalties. Enter the amount from Form 568, Schedule K, line 7	12	_____
13		California capital gains. Enter the capital gains (not losses) included in Schedule D (568)	13	_____
14		California 1231 gains. Enter the amount of total gains (not losses) from Schedule K, line 10a	14	_____
15		Other California portfolio income (not loss). Enter the amount from Form 568, Schedule K, line 11a.	15	_____
16		Other California income (not loss) not included in line 6. Enter the amount from Form 568, Schedule K, line 11b.	16	_____
17		Total California income. Add lines 7, 8d, 9, 10, 11, 12, 13, 14, 15, and 16. Line 17 may not be a negative number. If less than zero enter zero. Enter here and on Form 568, Side 1, Line 1	17	1,052

Client

Schedule K - Line 21A Calculation Summary

Items to Add	(a) Distributive share items	(b) Amounts from federal K (1065)*	(c) California adjustments	(d) Total amounts using California law	
1	Ordinary income (loss) from trade or business activities	1	(13,420)	1,214	(12,206)
2	Net income (loss) from rental real estate activities	2			
3	c Net income (loss) from other rental activities	3c			
4	Guaranteed payments	4			
5	Interest income	5	1,052	0	1,052
6	Dividends	6			
7	Royalties	7			
8	a Total short-term capital gains	8			
9	a Total long-term capital gains	9			
10	a Total Gain under IRC Section 1231	10a			
	b Total Loss under IRC Section 1231 (Reminder subtract when adding)	10b			
11	a Other Portfolio Income	11a			
	b Total other income	11b			
	c Total other loss. (Reminder subtract when adding)	11c			
Subtotal of Addition Items:			(12,368)	1,214	(11,154)
Items to Subtract					
12	Expense deduction for recovery property (IRC Section 179 and R&TC Sections 17267.2, 17267.6, and 17268)	12			
13	a Charitable contributions. See instructions	13a			
	b Investment interest expense	13b			
	c Total expenditures to which IRC Section 59(e) election may apply	13c			
	d Deductions related to portfolio income	13d			
	e Other deductions	13e			
Subtotal of Subtraction Items:					
Total					
21	Combine lines 1, 2, and 3c through 11c. From the result, subtract the sum of lines 12 through 13e	21	(12,368)	1,214	(11,154)

(Keep for your records)

Name(s) as shown on return

California ID Number

ASIA ECONOMIC INSTITUTE LLC

Tangible Property Expense Worksheet

1065

1	Maximum dollar limitation.	1	25,000
2	Total cost of IRC Section 179 property placed in service during the taxable year	2	
3	Threshold cost of IRC Section 179 property placed in service during the taxable year	3	200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for taxable year. Subtract line 4 from line 1. If zero or less, enter -0-	5	25,000

	(a) Description of property	(b) Cost	(c) Elected cost
6			

7	Listed property. Use federal Form 4562, Part V, line 29. Make any adjustments for CA law & basis differences	7	
8	Total elected cost of IRC Section 179 property. Add amounts in column (c), line 6 and line 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 2007. See instructions for line 10 through line 13 on federal Form 4562	10	
11	Income limitation. Enter the smaller of line 5 or the aggregate of the partnership's items of income & expense described in IRC Sec 702(a) from any business actively conducted by the partnership, other than credits, tax exempt IRC Section 179 expense deduction, and guaranteed payments under IRC Section 707(c)	11	
12	IRC Section 179 expense deduction. Add line 9 and line 10, but do not enter more than line 11. Enter on Schedule K (565), line 12 and on form FTB 3885P, line 7	12	
13	Carryover of disallowed deduction to 2009. Add line 9 and line 10 and subtract line 12. Enter here and on line 8 of form FTB 3885P	13	

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Federal Supporting Statements

2008 PG01

Name(s) as shown on return

FEIN

ASIA ECONOMIC INSTITUTE LLC

Form 1065 Line 20 - Other Deductions

STATEMENT # 4

<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACCOUNTING	750
AMORTIZATION	215
BANK CHARGES	10
DUES AND SUBSCRIPTIONS	180
INTERNET	131
MEALS AND ENTERTAINMENT @ 50% LIMITATION	4
MISCELLANEOUS	66
OUTSIDE SERVICES	7,100
SUPPLIES	550
TRAVEL	450
	<hr/>
TOTAL	9,456
	<hr/> <hr/>

FORM 1065, SCHEDULE L, LINE 6

PG01
STATEMENT # 27

<u>DESCRIPTION</u>	<u>BEG OF YEAR</u>	<u>END OF YEAR</u>
LOAN REC - WORLDECON	15,890	15,890
OFFICER LOAN	80,065	79,165
	<hr/>	<hr/>
TOTAL	95,955	95,055
	<hr/> <hr/>	<hr/> <hr/>

FORM 1065, SCHEDULE L, LINE 17

PG01
STATEMENT # 31

<u>DESCRIPTION</u>	<u>BEG OF YEAR</u>	<u>END OF YEAR</u>
LOAN PAY - WESTERN	262,957	294,188
	<hr/>	<hr/>
TOTAL	262,957	294,188
	<hr/> <hr/>	<hr/> <hr/>