

Schedule K-1
(Form 1065)

2012

Department of the Treasury
Internal Revenue Service

For calendar year 2012, or tax
year beginning _____, 2012
ending _____

Final K-1 Amended K-1

651112

OMB No. 1545-0099

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

Part I Information About the Partnership

A Partnership's employer identification number
26-3172589

B Partnership's name, address, city, state, and ZIP code
Level Management, LLC
19401 Old Jetton Road
Cornelius, NC 28031

C IRS Center where partnership filed return
Cincinnati, OH

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

Part II Information About the Partner

E Partner's identifying number
20-3161309

F Partner's name, address, city, state, and ZIP code
Blue Chip Capital, LLC
27 High Tech Blvd.
Thomasville, NC 27360

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

H Domestic partner Foreign partner

I1 What type of entity is this partner? (see instr) Partnership

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc), check here (see instructions)

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

	Beginning	Ending
Profit	25.00000 %	25.00000 %
Loss	25.00000 %	25.00000 %
Capital	25.00000 %	25.00000 %

K Partner's share of liabilities at year end:

Nonrecourse \$ _____

Qualified nonrecourse financing \$ _____

Recourse \$ _____

L Partner's capital account analysis:

Beginning capital account \$ 947.

Capital contributed during the year \$ _____

Current year increase (decrease) \$ -72.

Withdrawals and distributions \$ _____

Ending capital account \$ 875.

Tax basis GAAP Section 704(b) book

Other (explain) _____

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

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

1 Ordinary business income (loss)	15 Credits
-72.	
2 Net rental real estate income (loss)	
3 Other net rental income (loss)	16 Foreign transactions
4 Guaranteed payments	
5 Interest income	
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
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)	
12 Section 179 deduction	19 Distributions
13 Other deductions	20 Other information
14 Self-employment earnings (loss)	
A -72.	

*See attached statement for additional information.

FOR IRS USE ONLY

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

Schedule K-1 (Form 1065) 2012

PTPA0312 01/02/13

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SDNY_GM_00032832

EFTA_00143445

EFTA01280150

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

Code	Report on	Code	Report on	
1 Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows.		J Work opportunity credit	See the Partner's Instructions	
Passive loss	See the Partner's Instructions	K Disabled access credit		
Passive income	Schedule E, line 28, column (g)	L Empowerment zone and renewal community employment credit		
Nonpassive loss	Schedule E, line 28, column (h)	M Credit for increasing research activities		
Nonpassive income	Schedule E, line 28, column (i)	N Credit for employer social security and Medicare taxes	See the Partner's Instructions	
2 Net rental real estate income (loss)	See the Partner's Instructions	O Backup withholding		
3 Other net rental income (loss)		P Other credits	Form 1116, Part I	
Net income	Schedule E, line 28, column (g)	16 Foreign transactions		
Net loss	See the Partner's Instructions	A Name of county or U.S. possession		
4 Guaranteed payments	Schedule E, line 28, column (j)	B Gross income from all sources		
5 Interest income	Form 1040, line 8a	C Gross income sourced at partner level		
6a Ordinary dividends	Form 1040, line 9a	<i>Foreign gross income sourced at partnership level</i>		
6b Qualified dividends	Form 1040, line 9b	D Passive category		Form 1116, Part I
7 Royalties	Schedule E, line 4	E General category		
8 Net short-term capital gain (loss)	Schedule D, line 5	F Other		Form 1116, Part I
9a Net long-term capital gain (loss)	Schedule D, line 12	<i>Deductions allocated and apportioned at partner level</i>		
9b Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)	G Interest expense	Form 1116, Part I	
9c Unrecaptured section 1250 gain	See the Partner's Instructions	H Other	Form 1116, Part I	
10 Net section 1231 gain (loss)	See the Partner's Instructions	<i>Deductions allocated and apportioned at partnership level to foreign source income</i>		
11 Other income (loss)		I Passive category	Form 1116, Part I	
Code		J General category		
A Other portfolio income (loss)	See the Partner's Instructions	K Other		
B Involuntary conversions	See the Partner's Instructions	<i>Other information</i>		
C Section 1256 contracts and straddles	Form 6781, line 1	L Total foreign taxes paid	Form 1116, Part II	
D Mining exploration costs recapture	See Pub 535	M Total foreign taxes accrued	Form 1116, Part II	
E Cancellation of debt	Form 1040, line 21 or Form 982	N Reduction in taxes available for credit	Form 1116, line 12	
F Other income (loss)	See the Partner's Instructions	O Foreign trading gross receipts	Form 8873	
12 Section 179 deduction	See the Partner's Instructions	P Extraterritorial income exclusion	Form 8873	
13 Other deductions		Q Other foreign transactions	See the Partner's Instructions	
A Cash contributions (50%)	See the Partner's Instructions	17 Alternative minimum tax (AMT) items		
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	Form 4952, line 1	A Post-1985 depreciation adjustment	See the Partner's Instructions and the instructions for Form 6251	
I Deductions — royalty income	Schedule E, line 19	B Adjusted gain or loss		
J Section 59(e)(2) expenditures	See the Partner's Instructions	C Depletion (other than oil & gas)		
K Deductions — portfolio (2% floor)	Schedule A, line 23	D Oil, gas, & geothermal — gross income		
L Deductions — portfolio (other)	Schedule A, line 28	E Oil, gas, & geothermal — deductions		
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29	F Other AMT items		
N Educational assistance benefits	See the Partner's Instructions	18 Tax-exempt income and nondeductible expenses		
O Dependent care benefits	Form 2441, line 12	A Tax-exempt interest income	Form 1040, line 8b	
P Preproductive period expenses	See the Partner's Instructions	B Other tax-exempt income	See the Partner's Instructions	
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions	C Nondeductible expenses	See the Partner's Instructions	
R Pensions and IRAs	See the Partner's Instructions	19 Distributions		
S Reforestation expense deduction	See the Partner's Instructions	A Cash and marketable securities	See the Partner's Instructions	
T Domestic production activities information	See Form 8903 Instructions	B Distribution subject to section 737		
U Qualified production activities income	Form 8903, line 7b	C Other property		
V Employer's Form W-2 wages	Form 8903, line 17	20 Other information		
W Other deductions	See the Partner's Instructions	A Investment income	Form 4952, line 4a	
14 Self-employment earnings (loss)		B Investment expenses	Form 4952, line 5	
Note. If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		C Fuel tax credit information	Form 4136	
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	D Qualified rehabilitation expenditures (other than rental real estate)	See the Partner's Instructions	
B Gross farming or fishing income	See the Partner's Instructions	E Basis of energy property	See the Partner's Instructions	
C Gross non-farm income	See the Partner's Instructions	F Recapture of low-income housing credit (section 42(j)(5))	Form 8611, line 8	
15 Credits		G Recapture of low-income housing credit (other)	Form 8611, line 8	
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions	H Recapture of investment credit	See Form 4255	
B Low-income housing credit (other) from pre-2008 buildings				
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings				
D Low-income housing credit (other) from post-2007 buildings				
E Qualified rehabilitation expenditures (rental real estate)				
F Other rental real estate credits				
G Other rental credits				
H Undistributed capital gains credit		Form 1040, line 71; check box a		
I Alcohol and cellulosic biofuel fuels credit		See the Partner's Instructions		
		J Recapture of other credits	See the Partner's Instructions	
		K Look-back interest — completed long-term contracts	See Form 8697	
		L Look-back interest — income forecast method	See Form 8866	
		M Dispositions of property with section 179 deductions	See the Partner's Instructions	
		N Recapture of section 179 deduction		
		O Interest expense for corporate partners		
		P Section 483(f)(3) information		
		Q Section 453A(c) information		
		R Section 1259(b) information		
		S Interest allocable to production expenditures		
		T COF nonqualified withdrawals		
		U Depletion information — oil and gas		
		V Amortization of reforestation costs		
		W Unrelated business taxable income		
		X Precontribution gain (loss)		
		Y Section 108(f) information		
		Z Other information		

NC K-1 (50)
(D-403)
10-11-12

**2012 Partner's Share of
N.C. Income, Adjustments, and Credits**
North Carolina Department of Revenue

For calendar year **2012** or fiscal year beginning _____ and ending _____

Partner's Identifying Number
203161309

Federal Employer ID Number
263172589

Partner's Name, Address, and Zip Code
**BLUE CHIP CAPITAL LLC
27 HIGH TECH BLVD.
THOMASVILLE NC 27360**

Partnership's Name, Address, and Zip Code
**LEVEL MANAGEMENT LLC
19401 OLD JETTON ROAD
CORNELIUS NC 28031**

Partnership's Pro Rata Share Items	Amount	Individuals Filing Form D-400 Enter Amount on:
All Partners		
1 Share of partnership income (loss)	-72	
2 Additions to income (loss)		
a Addition for bonus depreciation		Page 2, Line 35
b Other additions to income (loss) SEE SUPP INFO	51	Page 2, Line 36
3 Deductions from income (loss)		
a Deduction for bonus depreciation	0	Page 2, Line 44e
b Other deductions from income (loss)		Page 2, Line 49
4 Share of tax credits	0	Form D-400TC
5 Share of tax withheld from nonwage compensation paid for personal services performed in N.C.	0	Page 2, Line 23
Nonresidents Only		
6 Nonresident's share of N.C. taxable income (loss)	0	Page 2, Line 51
7 Nonresident's share of net tax paid by the manager of the partnership	0	Page 2, Line 24c

SEE SUPPLEMENTAL INFORMATION

NCPA0201 01/10/13

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EFTA01280152

Level Management, LLC

26-3172589

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FORM D-403, SCHEDULE NC K-1 (BLUE CHIP CAPITAL LLC)

SUPPLEMENTAL INFORMATION

LINE 2 - OTHER ADDITIONS TO FEDERAL INCOME:	
STATE TAXES DEDUCTED ON US RETURN	51
TOTAL	51

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EFTA_00143448

EFTA01280153