

Schedule K-1
(Form 1065)

2012

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

Department of the Treasury
Internal Revenue Service

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

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

Part I Information About the Partnership

A Partnership's employer identification number
[REDACTED]

B Partnership's name, address, city, state, and ZIP code
AL PARTNERS, LLC
86 HIDDEN RIDGE DRIVE
SYOSSET, NY 11791

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 identification number
[REDACTED]

F Partner's name, address, city, state, and ZIP code
BLUE CHIP CAPITAL LLC
329 SEABREEZE AVENUE
PALM BEACH, FL 33480

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? **PARTNERSHIP**

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

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

	Beginning	Ending
Profit	0.0000000%	0.0000000%
Loss	0.0000000%	0.0000000%
Capital	0.0000000%	0.0000000%

K Partner's share of liabilities at year end:

Nonrecourse \$ _____

Qualified nonrecourse financing \$ _____

Recourse \$ 0.

L Partner's capital account analysis:

Beginning capital account	\$ _____
Capital contributed during the year	\$ 100,000.
Current year increase (decrease)	\$ <100,000.
Withdrawals & distributions	\$ _____
Ending capital account	\$ 0.

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) <100,000.>	15 Credits
2 Not rental real estate income (loss)	16 Foreign transactions
3 Other net rental income (loss)	17 Alternative min tax (AMT) items
4 Guaranteed payments	18 Tax-exempt income and nondeductible expenses
5 Interest income	19 Distributions
6a Ordinary dividends	20 Other information
6b Qualified dividends	
7 Royalties	
8 Net short-term capital gain (loss)	
9a Net long-term capital gain (loss)	
9b Collectibles (28%) gain (loss)	
9c Unrecaptured sec 1250 gain	
10 Net section 1231 gain (loss)	
11 Other income (loss)	
12 Section 179 deduction	
13 Other deductions	
14 Self-employment earnings (loss) A 0.	

*See attached statement for additional information.

For IRS Use Only

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SCHEDULE K-1 CURRENT YEAR INCREASES (DECREASES)

DESCRIPTION	AMOUNT	TOTALS
ORDINARY INCOME (LOSS)	-100,000.	
SCHEDULE K-1 INCOME SUBTOTAL		-100,000.
NET INCOME (LOSS) PER SCHEDULE K-1		-100,000.
TOTAL TO SCHEDULE K-1, ITEM L		-100,000.

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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.

	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 (j)	N Credit for employer social security and Medicare taxes		
2. Net rental real estate income (loss)	See the Partner's Instructions	O Backup withholding		
3. Other net rental income (loss)	See the Partner's Instructions	P Other credits		
Net income	Schedule E, line 28, column (g)	16. Foreign transactions		Form 1116, Part I
Net loss	See the Partner's Instructions	A Name of country 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	Foreign gross income sourced at partnership level		
6b. Qualified dividends	Form 1040, line 9b	D Passive category		
7. Royalties	Schedule E, line 4	E General category		
8. Net short-term capital gain (loss)	Schedule D, line 5	F Other		
9a. Net long-term capital gain (loss)	Schedule D, line 12	Deductions allocated and apportioned at partner level	Form 1116, Part I	
9b. Collectibles (28%) gain (loss)	28% Rate Gain Worksheet, line 4 (Schedule D Instructions)	G Interest expense		
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	Deductions allocated and apportioned at partnership level to foreign source income	Form 1116, Part I	
11. Other income (loss)	See the Partner's Instructions	I Passive category		
Code		J General category		
A Other portfolio income (loss)	See the Partner's Instructions	K Other		
B Involuntary conversions	See the Partner's Instructions	Other information	Form 1116, Part II	
C Sec. 1256 contracts & straddles	Form 6781, line 1	L Total foreign taxes paid		
D Mining exploration costs recapture	See Pub. 535	M Total foreign taxes accrued		
E Cancellation of debt	Form 1040, line 21 or Form 982	N Reduction in taxes available for credit		
F Other income (loss)	See the Partner's Instructions	O Foreign trading gross receipts		
12. Section 179 deduction	See the Partner's Instructions	P Extraterritorial income exclusion		
13. Other deductions	See the Partner's Instructions	Q Other foreign transactions		
A Cash contributions (50%)	See the Partner's Instructions	17. Alternative minimum tax (AMT) items		See the Partner's Instructions and the instructions for Form 6251
B Cash contributions (30%)		A Post-1986 depreciation adjustment		
C Noncash contributions (50%)		B Adjusted gain or loss		
D Noncash contributions (30%)		C Depletion (other than oil & gas)		
E Capital gain property to a 50% organization (30%)		D Oil, gas, & geothermal - gross income		
F Capital gain property (20%)		E Oil, gas, & geothermal - deductions		
G Contributions (100%)		F Other AMT items	See the Partner's Instructions	
H Investment interest expense		Form 4952, line 1		18. Tax-exempt income and nondeductible expenses
I Deductions - royalty income		Schedule E, line 19		A Tax-exempt interest income
J Section 59(e)(2) expenditures		See the Partner's Instructions	B Other tax-exempt income	Form 1040, line 8b
K Deductions - portfolio (2% floor)	Schedule A, line 23	C Nondeductible expenses	See the Partner's Instructions	
L Deductions - portfolio (other)	Schedule A, line 28	19. Distributions	See the Partner's Instructions	
M Amounts paid for medical insurance	Schedule A, line 1 or Form 1040, line 29	A Cash and marketable securities		
N Educational assistance benefits	See the Partner's Instructions	B Distribution subject to section 737		
O Dependent care benefits	Form 2441, line 12	C Other property		
P Preproductive period expenses	See the Partner's Instructions	20. Other information	See the Partner's Instructions	
Q Commercial revitalization deduction from rental real estate activities	See Form 8582 Instructions	A Investment income		
R Pensions and IRAs	See the Partner's Instructions	B Investment expenses		
S Reforestation expense deduction	See the Partner's Instructions	C Fuel tax credit information		
T Domestic production activities information	See Form 8903 Instructions	D Qualified rehabilitation expenditures (other than rental real estate)		
U Qualified production activities income	Form 8903, line 7b	E Basis of energy property		
V Employer's Form W-2 wages	Form 8903, line 17	F Recapture of low-income housing credit (section 42(j)(5))		
W Other deductions	See the Partner's Instructions	G Recapture of low-income housing credit (other)		
14. Self-employment earnings (loss)		H Recapture of investment credit		
Note: If you have a section 179 deduction or any partner-level deductions, see the Partner's Instructions before completing Schedule SE.		I Recapture of other credits		
A Net earnings (loss) from self-employment	Schedule SE, Section A or B	J Look-back interest - completed long-term contracts		
B Gross farming or fishing income	See the Partner's Instructions	K Look-back interest - income forecast method		
C Gross non-farm income	See the Partner's Instructions	L Dispositions of property with section 179 deductions		
15. Credits		M Recapture of section 179 deduction		See the Partner's Instructions
A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings	See the Partner's Instructions	N Interest expense for corporate partners		
B Low-income housing credit (other) from pre-2008 buildings		O Section 453(i)(3) information		
C Low-income housing credit (section 42(j)(5)) from post-2007 buildings		P Section 453A(c) information		
D Low-income housing credit (other) from post-2007 buildings		Q Section 1260(b) information		
E Qualified rehabilitation expenditures (rental real estate)		R Interest allocable to production expenditures		
F Other rental real estate credits		S CCF nonqualified withdrawals		
G Other rental credits		T Depletion information - oil and gas		
H Undistributed capital gains credit		U Amortization of reforestation costs		
I Alcohol and cellulosic biofuel fuels credit		V Unrelated business taxable income		
		W Precontribution gain (loss)		
	X Section 108(j) information			
	Y Other information			

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ELLIOT L. KAPLAN, CPA
56 BRYANT AVENUE
EDISON, NJ 08820



AUGUST 14, 2013

BLUE CHIP CAPITAL LLC
329 SEABREEZE AVENUE
PALM BEACH, FL 33480

RE: AL PARTNERS, LLC

DEAR MEMBER:

ATTACHED IS YOUR COPY OF THE 2012 PARTNERSHIP FORM 1065 SCHEDULE K-1. THIS SCHEDULE SUMMARIZES YOUR INFORMATION FROM THE PARTNERSHIP. THIS INFORMATION HAS BEEN PROVIDED TO THE INTERNAL REVENUE SERVICE WITH THE U.S. PARTNERSHIP RETURN OF INCOME, FORM 1065.

THE INFORMATION PROVIDED ON THIS SCHEDULE SHOULD BE ENTERED ON YOUR TAX RETURN, IN ACCORDANCE WITH THE INSTRUCTIONS IN SCHEDULE K-1, PAGE 2. IF YOUR RETURN WILL BE PREPARED BY YOUR ACCOUNTANT OR ATTORNEY, YOU SHOULD PROVIDE A COPY OF THIS SCHEDULE TO THE PREPARER WITH YOUR OTHER TAX INFORMATION.

WE THANK YOU FOR THE OPPORTUNITY TO SERVE YOU.

VERY TRULY YOURS,

ELLIOT L. KAPLAN

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Final K-1
 Amended K-1

For calendar year 2012 or tax year beginning and ending

Partners: Before completing your income tax return, see Form IT-204-IP-I, Partner's Instructions for Form IT-204-IP (available at www.tax.ny.gov).

Partnership's information (see instructions)

Partnership's name (as shown on Form IT-204)

AL PARTNERS, LLC

Partnership's EIN

A Mark an in the box if either applies to your entity Publicly traded partnership Portfolio investment partnership

B Tax shelter registration number, if any

C Business allocation percentage %

Partner's information (see instructions)

Partner's name

BLUE CHIP CAPITAL LLC

Partner's identifying number

Partner's address

329 SEABREEZE AVENUE

City

State

ZIP code

PALM BEACH

FL

33480

D The partner is a (mark an in the appropriate box) General partner or LLC member-manager Limited partner or other LLC member

E What is the tax filing status of the partner? (mark an in the appropriate box, if known.) Individual Estate/trust Partnership

F If the partner is a disregarded entity or grantor trust, enter the tax ID of the entity or individual reporting the income, if known

G Did the partner sell its entire interest during the tax year? Yes No

H Partner's share of profit, loss, and capital

		Beginning		Ending	
1) Profit	H1	0.0000	%	0.0000	%
2) Loss	H2	0.0000	%	0.0000	%
3) Capital	H3	0.0000	%	0.0000	%

I Partner's share of liabilities at the end of the year

1) Nonrecourse	I1
2) Qualified nonrecourse financing	I2
3) Recourse	I3

J Partner's capital account analysis

1) Beginning capital account	J1	
2) Capital contributed during the year - cash	J2	100,000.
3) Capital contributed during the year - property	J3	
4) Current year increase (decrease)	J4	-100,000.
5) Withdrawals and distributions - cash	J5	
6) Withdrawals and distributions - property	J6	
7) Ending capital account	J7	

8) Method of accounting (mark an in the appropriate box)
 Tax basis GAAP Book Other (submit explanation)

K Resident status (mark an in all boxes that apply)

NYS full-year resident Yonkers full-year resident NYC full-year resident
 NYS part-year resident Yonkers part-year resident NYC part-year resident
 NYS nonresident Yonkers nonresident

L If the partner was included in a group return, enter the special NYS identification number, if known

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M 1) Was Form IT-2658-E filed with the partnership? **M1** Yes No

2) Was Form MTA-405-E filed with the partnership? **M2** Yes No

N NYS estimated tax paid on behalf of partner (from Form IT-2658) **Date** **Amount**

1) First installment **N1**

2) Second installment **N2**

3) Third installment **N3**

4) Fourth installment **N4**

Total NYS estimated tax paid on behalf of partner (add lines N1 through N4) **N**

O Estimated MCTMT paid on behalf of partner (from Form MTA-405) **Date** **Amount**

1) First installment **O1**

2) Second installment **O2**

3) Third installment **O3**

4) Fourth installment **O4**

Total estimated MCTMT paid on behalf of partner (add lines O1 through O4) **O**

Partner's share of income, deductions, etc.

A - Partner's distributive share items	B - Federal K-1 amount	C - New York State amount
1 Ordinary business income (loss)	-100,000.	-100,000.
2 Net rental real estate income (loss)		
3 Other net rental income (loss)		
4 Guaranteed payments		
5 Interest income		
6 Ordinary dividends		
7 Royalties		
8 Net short-term capital gain (loss)		
9 Net long-term capital gain (loss)		
10 Net section 1231 gain (loss)		
11 Other income (loss) <i>Identify:</i>		
12 Section 179 deduction		
13 Other deductions <i>Identify:</i>		
14 Tax preference items for minimum tax		
<i>Identify:</i>		
15 Net earnings (loss) from self-employment		
16 Tax-exempt income and nondeductible expenses		
17 Distributions - cash and marketable securities		
18 Distributions - other property		
19 Other items not included above that are required to be reported separately to partners		
<i>Identify:</i>		

Partner's share of New York modifications (see instructions)

20 New York State additions	A - Total amount	B - New York State allocated amount
Number		
20a EA-		
20b EA-		
20c EA-		
20d EA-		
20e EA-		
20f EA-		
21 Total addition modifications (total of column A, lines 20a through 20f)		21



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Partner's share of New York modifications *(continued)*

22	New York State subtractions	Number	A - Total amount	B - New York State allocated amount	
22a	ES-				
22b	ES-				
22c	ES-				
22d	ES-				
22e	ES-				
22f	ES-				
23	Total subtraction modifications <i>(total of column A, lines 22a through 22f)</i>				23

24	Additions to federal itemized deductions	Letter	Amount	
24a				
24b				
24c				
24d				
24e				
24f				
25	Total additions to federal itemized deductions <i>(add lines 24a through 24f)</i>			25

26	Subtractions from federal itemized deductions	Letter	Amount	
26a				
26b				
26c				
26d				
26e				
26f				
27	Total subtractions from federal itemized deductions <i>(add lines 26a through 26f)</i>			27
28	New York adjustments to tax preference items			28

Partner's other information

29a	Partner's share of New York source gross income	29a	
29b	MCTD allocation percentage <i>(see instructions)</i>	29b	%

Partner's credit information

Part 1 - Flow-through credit bases and factors

Brownfield redevelopment tax credit *(Form IT-611 or IT-611.1)*

	A - Form IT-611	B - Form IT-611.1
30 Site preparation credit component	30	30
31 Tangible property credit component	31	31
32 On-site groundwater remediation credit component	32	32



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Partner's credit information (continued)

EZ capital tax credit (Form IT-602)

33	Contributions of money to EZ community development projects	33
34	Recapture of credit for investments in certified EZ businesses	34
35	Recapture of credit for contributions of money to EZ community development projects	35

QEZE tax reduction credit (Form IT-604)

36	QEZE employment increase factor	36
37	QEZE zone allocation factor	37
38	QEZE benefit period factor	38

Excelsior jobs program tax credit (Form IT-607)

39	Excelsior jobs tax credit component	39
40	Excelsior investment tax credit component	40
41	Excelsior research and development tax credit component	41
42	Excelsior real property tax credit component	42

Farmers' school tax credit (Form IT-217)

43	Acres of qualified agricultural property	43
44	Acres of qualified conservation property	44
45	Eligible school district property taxes paid	45
46	Acres of qualified agricultural property converted to nonqualified use	46

Other flow-through credit bases and factors

Credit bases

Code	Amount	Code	Amount
47a		47d	
47b		47e	
47c		47f	

Credit factors

Code	Factor	Code	Factor	Code	Factor
47g		47i		47k	
47h		47j		47l	

Part 2 - Flow-through credits, addbacks and recaptures

48	Long-term care insurance credit (Form IT-249)	48
49	Investment credit (including employment incentive credit and historic barn rehabilitation credit; Form IT-212)	49
50	Research and development - investment credit (Form IT-212)	50
51	Other flow-through credits	

Code	Amount	Code	Amount
51a		51e	
51b		51f	
51c		51g	
51d		51h	

52 Addbacks of credits and recaptures

Code	Amount	Code	Amount
52a		52d	
52b		52e	
52c		52f	

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