

U.S. Corporation Income Tax Return
For calendar year 2015 or tax year beginning 4/01, 2015, ending 3/31, 2016
► Information about Form 1120 and its separate instructions is at www.irs.gov/form1120.

OMB No. 1545-0123
2015

A Check if: 1 <input type="checkbox"/> a Consolidated return (attach Form 851). 2 <input type="checkbox"/> b Life/nonlife consolidated return. 3 <input type="checkbox"/> Personal holding co. (attach Sch. PH). 4 <input type="checkbox"/> Personal service corp. (see instrs). 5 <input type="checkbox"/> Schedule M-3 attached.	TYPE OR PRINT	GLOBECHAT, INC. 29200 PASEO CARMONA SAN JUAN CAPITRANO, CA 92675	B Employer identification number 47-3763791 C Date incorporated 3/18/2015 D Total assets (see instructions) \$ 876,499.
E Check if: (1) <input checked="" type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change			

I N C O M E	1 a Gross receipts or sales	1 a		
	1 b Returns and allowances	1 b		
	1 c Balance. Subtract line 1b from line 1a.			1 c
	2 Cost of goods sold (attach Form 1125-A).			2
	3 Gross profit. Subtract line 2 from line 1c.			3
	4 Dividends (Schedule C, line 19).			4
	5 Interest.			5
	6 Gross rents.			6
	7 Gross royalties.			7
	8 Capital gain net income (attach Schedule D (Form 1120)).			8
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797).			9
10 Other income (see instructions — attach statement).			10	
11 Total income. Add lines 3 through 10.			11 0.	
D E D U C T I O N S F O R L I M I T A T I O N S S E E I N S T R U C T I O N S	12 Compensation of officers (see instructions — attach Form 1125-E).			12
	13 Salaries and wages (less employment credits).			13
	14 Repairs and maintenance.			14
	15 Bad debts.			15
	16 Rents.			16
	17 Taxes and licenses.			17
	18 Interest.			18
	19 Charitable contributions.			19
	20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562).			20
	21 Depletion.			21
	22 Advertising.			22
	23 Pension, profit-sharing, etc., plans.			23
	24 Employee benefit programs.			24
	25 Domestic production activities deduction (attach Form 8903).			25
	26 Other deductions (attach statement).			26
	27 Total deductions. Add lines 12 through 26.			27 0.
	28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.			28 0.
29 a Net operating loss deduction (see instructions).	29 a			
29 b Special deductions (Schedule C, line 20).	29 b			
29 c Add lines 29a and 29b.			29 c	
T X C R S A N D R E F U N D A B L E	30 Taxable income. Subtract line 29c from line 28 (see instructions).			30 0.
	31 Total tax (Schedule J, Part I, line 11).			31 0.
	32 Total payments and refundable credits (Schedule J, Part II, line 21).			32 0.
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached.			33
	34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed.			34 0.
	35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid.			35
	36 Enter amount from line 35 you want: Credited to 2016 estimated tax.		Refunded	36

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 taxpayer) is based on all information of which preparer has any knowledge.				May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	Signature of officer		Date			PRESIDENT & CEO Title
	ROBERT SCHAEFER CPA		ROBERT SCHAEFER CPA			
	Print/Type preparer's name		Preparer's signature			
Paid Preparer Use Only	Firm's name		Firm's EIN		PTIN P00069164	
	Firm's address		Phone no.			
	LAGUNA HILLS, CA 92653-1554		9498551255			

Schedule C Dividends and Special Deductions (see instructions)		(a) Dividends received	(b) Percentage	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)		70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs		80	
8	Dividends from wholly owned foreign subsidiaries		100	
9	Total. Add lines 1 through 8. See instructions for limitation			
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11	Dividends from affiliated group members		100	
12	Dividends from certain FSCs		100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3			
17	Other dividends			
18	Deduction for dividends paid on certain preferred stock of public utilities			
19	Total dividends. Add lines 1 through 17. Enter here and on page 1, line 4			
20	Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b			

Schedule J Tax Computation and Payment (see instructions)**Part I – Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	0.
3	Alternative minimum tax (attach Form 4626)		
4	Add lines 2 and 3		0.
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credit from Form 8834 (see instructions)	5b	
c	General business credit (attach Form 3800)	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e	6	
7	Subtract line 6 from line 4	7	
8	Personal holding company tax (attach Schedule PH (Form 1120))	8	
9a	Recapture of investment credit (attach Form 4255)	9a	
b	Recapture of low-income housing credit (attach Form 8611)	9b	
c	Interest due under the look-back method – completed long-term contracts (attach Form 8697)	9c	
d	Interest due under the look-back method – income forecast method (attach Form 8866)	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
f	Other (see instructions – attach statement)	9f	
10	Total. Add lines 9a through 9f	10	
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31	11	0.

Part II – Payments and Refundable Credits

12	2014 overpayment credited to 2015	12	
13	2015 estimated tax payments	13	
14	2015 refund applied for on Form 4466	14	
15	Combine lines 12, 13, and 14	15	0.
16	Tax deposited with Form 7004	16	
17	Withholding (see instructions)	17	
18	Total payments. Add lines 15, 16 and 17	18	0.
19	Refundable credits from:		
a	Form 2439	19a	
b	Form 4136	19b	
c	Form 8827, line 8c	19c	
d	Other (attach statement – see instructions)	19d	
20	Total credits. Add lines 19a through 19d	20	
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32	21	0.

Schedule K Other Information (see instructions)

1	Check accounting method: a <input checked="" type="checkbox"/> Cash b <input type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) _____	Yes	No
2	See the instructions and enter the:		
a	Business activity code no. <input type="checkbox"/> 519100		
b	Business activity <input type="checkbox"/> INTERNET PHONE		
c	Product or service <input type="checkbox"/> SERVICE		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? If 'Yes,' enter name and EIN of the parent corporation _____		X
4	At the end of the tax year:		
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If 'Yes,' complete Part I of Schedule G (Form 1120) (attach Schedule G)		X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If 'Yes,' complete Part II of Schedule G (Form 1120) (attach Schedule G)		X

Schedule K Other Information *continued* (see instructions)

5 At the end of the tax year, did the corporation:				Yes	No
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 not included on Form 851 , Affiliations Schedule? For rules of constructive ownership, see instructions. If 'Yes,' complete (i) through (iv) below.					X
(i) Name of Corporation	(ii) Employer Identification Number (if any)	(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 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 (iv) below.					X
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) If 'Yes,' file Form 5452 , Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary					X
7 At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? For rules of attribution, see section 318. If 'Yes,' enter: (i) Percentage owned ▶ _____ and (ii) Owner's country ▶ _____ (c) The corporation may have to file Form 5472 , Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____					X
8 Check this box if the corporation issued publicly offered debt instruments with original issue discount. ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.					
9 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____ NONE					
10 Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____					
11 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here. ▶ <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.					
12 Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ _____ NONE					
13 Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) for the tax year and its total assets at the end of the tax year less than \$250,000? If 'Yes,' the corporation is not required to complete Schedules L, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year ▶ \$ _____					X
14 Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? If 'Yes,' complete and attach Schedule UTP.					X
15 a Did the corporation make any payments in 2015 that would require it to file Form(s) 1099?					X
b If 'Yes,' did or will the corporation file required Forms 1099?					
16 During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock?					X
17 During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction?					X
18 Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million?					X

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash.....				55.
2a	Trade notes and accounts receivable.....				
b	Less allowance for bad debts.....				
3	Inventories.....				
4	U.S. government obligations.....				
5	Tax-exempt securities (see instructions)....				
6	Other current assets (attach statement).....				
7	Loans to shareholders.....				
8	Mortgage and real estate loans.....				
9	Other investments (attach statement).....				
10a	Buildings and other depreciable assets.....				
b	Less accumulated depreciation.....				
11a	Depletable assets.....				
b	Less accumulated depletion.....				
12	Land (net of any amortization).....				
13a	Intangible assets (amortizable only).....			876,444.	
b	Less accumulated amortization.....				876,444.
14	Other assets (attach statement).....				
15	Total assets.....		0.		876,499.
Liabilities and Shareholders' Equity					
16	Accounts payable.....				
17	Mortgages, notes, bonds payable in less than 1 year....				
18	Other current liabilities (attach stmt).....				
19	Loans from shareholders.....				
20	Mortgages, notes, bonds payable in 1 year or more....				
21	Other liabilities (attach statement).....				
22	Capital stock: a Preferred stock.....				
	b Common stock.....			876,499.	876,499.
23	Additional paid-in capital.....				
24	Retained earnings — Approp (att stmt).....				
25	Retained earnings — Unappropriated.....				
26	Adjmt to shareholders' equity (att stmt).....				
27	Less cost of treasury stock.....				
28	Total liabilities and shareholders' equity.....		0.		876,499.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3 (see instructions).

1	Net income (loss) per books.....	0.	7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$	
2	Federal income tax per books.....				
3	Excess of capital losses over capital gains ..				
4	Income subject to tax not recorded on books this year (itemize):				
5	Expenses recorded on books this year not deducted on this return (itemize): a Depreciation..... \$		8	Deductions on this return not charged against book income this year (itemize): a Depreciation.. \$	
	b Charitable contributions.. \$			b Charitable contribns \$	
	c Travel & entertainment .. \$				
				
6	Add lines 1 through 5.....	0.	9	Add lines 7 and 8.....	0.
			10	Income (page 1, line 28) — line 6 less line 9.....	0.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year.....		5	Distributions..... a Cash....	
2	Net income (loss) per books.....			b Stock..... c Property ..	
3	Other increases (itemize):		6	Other decreases (itemize):	
				
		7	Add lines 5 and 6.....	
4	Add lines 1, 2, and 3.....	0.	8	Balance at end of year (line 4 less line 7).....	0.

3/31/17

2016 FEDERAL DEPRECIATION SCHEDULE

PAGE 1

CLIENT GLOBECHA

GLOBECHAT, INC.

47-3763791

12/12/16

12:53PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 1120																
AMORTIZATION																
1	STARTUP EXPENSES	4/01/16		655,694							655,694		S/L			0
	TOTAL AMORTIZATION			655,694		0	0	0	0	0	655,694	0				0
	TOTAL DEPRECIATION			0		0	0	0	0	0	0	0				0
	GRAND TOTAL AMORTIZATION			655,694		0	0	0	0	0	655,694	0				0
	GRAND TOTAL DEPRECIATION			0		0	0	0	0	0	0	0				0

3/31/17

2016 BOOK DEPRECIATION SCHEDULE

PAGE 1

CLIENT GLOBECHA

GLOBECHAT, INC.

47-3763791

12/12/16

12:53PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 1120																
AMORTIZATION																
1	STARTUP EXPENSES	4/01/16		655,694							655,694		S/L			0
	TOTAL AMORTIZATION			655,694		0	0	0	0	0	655,694	0				0
	TOTAL DEPRECIATION			0		0	0	0	0	0	0	0				0
	GRAND TOTAL AMORTIZATION			655,694		0	0	0	0	0	655,694	0				0
	GRAND TOTAL DEPRECIATION			0		0	0	0	0	0	0	0				0

TAXABLE YEAR
2015

California Corporation
Franchise or Income Tax Return

FORM
100

RP

3768859 GLOB 47-3763791 000000000000 15
TYB 04-01-2015 TYE 03-31-2016
GLOBECHAT INC

29200 PASEO CARMONA
SAN JUAN CAPITRANO CA 92675

Schedule Q Questions (continued on Side 2)

- A FINAL RETURN?** • ☐ Dissolved ☐ Surrendered (withdrawn) ☐ Merged/Reorganized ☐ IRC Section 338 sale ☐ QSub election
Enter date (mm/dd/yyyy) •
- B 1** Is income included in a combined report of a unitary group? • ☐ Yes ☒ No
2 If 'Yes,' indicate: ☐ wholly within CA (R&TC 25101.15)
☐ within and outside of CA
- 3** Is there a change in the members listed in Schedule R-7 from the prior year? • ☐ Yes ☐ No
- 4** Enter the number of members (including parent or key corporation) listed in the Schedule R-7, Part I, Section A, subject to income or franchise tax •
- 5** Is form FTB 3544 **and/or** 3544A attached to the return? • ☐ Yes ☒ No
- C 1** During this taxable year, did another person or legal entity acquire control or majority ownership (more than a 50% interest) of this corporation or any of its subsidiaries that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term? • ☐ Yes ☒ No
2 During this taxable year, did this corporation or any of its subsidiaries acquire control or majority ownership (more than a 50% interest) in another legal entity that owned California real property (i.e., land, buildings), leased such property for a term of 35 years or more, or leased such property from a government agency for any term? • ☐ Yes ☒ No
3 During this taxable year, has more than 50% of the voting stock of this corporation cumulatively transferred in one or more transactions after an interest in California real property (i.e., land, buildings) was transferred to it that was excluded from property tax reassessment under R&TC Section 62(a)(2) and it was not reported on a previous year's tax return? • ☐ Yes ☒ No
(Yes requires filing of statement, penalties may apply – see instructions.)

STATE ADJUSTMENTS	1	Net income (loss) before state adjustments. See instructions.....	•	1	0.
	2	Amount deducted for foreign or domestic tax based on income or profits from Schedule A.....	•	2	
	3	Amount deducted for tax under the provisions of the Corporation Tax Law from Schedule A.....	•	3	
	4	Interest on government obligations.....	•	4	
	5	Net California capital gain from Side 6, Schedule D, line 11.....	•	5	
	6	Depreciation and amortization in excess of amount allowed under California law. Attach form FTB 3885.....	•	6	
	7	Net income from corporations not included in federal consolidated return. See instructions.....	•	7	
	8	Other additions. Attach schedule(s).....	•	8	
	9	Total. Add line 1 through line 8.....	•	9	

ADJUSTMENTS STATE	10	Intercompany dividend deduction. Attach Schedule H (100).	10			
	11	Dividends received deduction. Attach Schedule H (100).	11			
	12	Additional depreciation allowed under CA law. Attach form FTB 3885.	12			
	13	Capital gain from federal Form 1120, line 8.	13			
	14	Contributions.	14			
	15	Other deductions. Attach schedule(s).	15			
	16	Total. Add line 10 through line 15.	16			
INCOME	17	Net income (loss) after state adjustments. Subtract line 16 from Side 1, line 9.	17		0.	
	18	Net income (loss) for state purposes. Complete Schedule R if apportioning or allocating income. See instructions.	18		0.	
	19	Net operating loss (NOL) deduction. See instructions.	19			
	20	Pierce's disease, EZ, LARZ, TTA, or LAMBRA NOL carryover deduction. See instructions.	20			
	21	Disaster loss deduction. See instructions.	21			
TAXES	22	Net income for tax purposes. Combine line 19 through line 21. Then, subtract from line 18.	22		0.	
	23	Tax. <u>8.84</u> % x line 22 (at least minimum franchise tax, if applicable). See instructions.	23		0.	
	24	New employment credit, amount generated.				
	25	New employment credit, amount claimed.	25			
	26a	Credit name _____ code _____ amount _____	26a			
	26b	Credit name _____ code _____ amount _____	26b			
	27	To claim more than two credits, see instructions.	27			
	28	Add line 25 through line 27.	28			
	29	Balance. Subtract line 28 from line 23 (at least minimum franchise tax, if applicable).	29		0.	
	30	Alternative minimum tax. Attach Schedule P (100). See instructions.	30			
PAYMENTS	31	Total tax. Add line 29 and line 30.	31		0.	
	32	Overpayment from prior year allowed as a credit.	32			
	33	2015 Estimated tax payments. See instructions.	33			
	34	2015 Withholding (Form 592-B and/or 593). See instructions.	34			
	35	Amount paid with extension of time to file tax return.	35			
AMOUNT REFUND OR DUE	36	Total payments. Add line 32 through line 35.	36			
	37	Use tax. This is not a total line. See instructions.	37			
	38	Payments balance. If line 36 is more than line 37, subtract line 37 from line 36.	38			
	39	Use tax balance. If line 37 is more than line 36, subtract line 36 from line 37.	39			
	40	Franchise or income tax due. If line 31 is more than line 38, subtract line 38 from line 31.	40		0.	
	41	Overpayment. If line 38 is more than line 31, subtract line 31 from line 38.	41			
	42	Amount of line 41 to be credited to 2016 estimated tax.	42			
	43	Refund. Subtract line 42 from line 41. See instructions to have the refund directly deposited.	43			
	43a	Routing number _____	43b	Type <input type="checkbox"/> Checking <input type="checkbox"/> Savings	43c	Account number _____
	44a	Penalties and interest.	44a			
44b	<input type="checkbox"/> Check if estimate penalty computed using Exception B or C. See instructions.					
45	Total amount due. Add line 39, line 40, line 42, and line 44a. Then, subtract line 41 from the result.	45		0.		

Schedule Q Questions (continued from Side 1)

- D** If the corporation filed on a water's-edge basis pursuant to R&TC Sections 25110 and 25113 in previous years, enter the date the water's-edge election ended. (mm/dd/yyyy) • _____
- E** Was the corporation's income included in a consolidated federal return? • ☐ Yes ☒ No
- F** Principal business activity code. (Do not leave blank): • 519100
- Business activity INTERNET PHONE
- Product or service SERVICE

Schedule Q Questions (continued on Side 3)

Schedule Q Questions (continued from Side 2)

G Date incorporated (mm/dd/yyyy): 3/18/2015 Where: • State CA Country _____

H Date business began in California or date income was first derived from California sources: (mm/dd/yyyy) • 3/18/2015

I First return? • ☒ Yes ☐ No If 'Yes' and this corporation is a successor to a previously existing business, check the appropriate box.

• (1) ☐ sole proprietorship (2) ☐ partnership (3) ☐ joint venture (4) ☐ corporation (5) ☐ other
(Attach statement showing name, address, and FEIN/SSN/ITIN of previous business.)

J 'Doing business as' name: See instructions: . . .
• _____

K At any time during the taxable year, was more than 50% of the voting stock:

1 Of the corporation owned by any single interest? • ☐ Yes ☒ No

2 Of another corporation owned by this corporation? • ☐ Yes ☒ No

3 Of this and one or more other corporations owned or controlled, directly or indirectly, by the same interests? • ☐ Yes ☒ No
If 1 or 3 is 'Yes,' enter the country of the ultimate parent
• _____

If 1, 2, or 3 is 'Yes,' furnish a statement of ownership indicating pertinent names, addresses, and percentages of stock owned. If the owner(s) is an individual, provide the SSN/ITIN.

L Has the corporation included a reportable transaction or listed transaction within this return? (See instructions for definitions) • ☐ Yes ☒ No
If 'Yes,' complete and attach federal Form 8886 for each transaction.

M Is this corporation apportioning or allocating income to California using Schedule R? • ☐ Yes ☒ No

N How many affiliates in the combined report are claiming immunity from taxation in California under Public Law 86-272? • _____

O Corporation headquarters are: . . . • (1) ☒ Within California (2) ☐ Outside of California, within the U.S. (3) ☐ Outside of the U.S.

P Location of principal accounting records 29200 PASEO CARMONA SAN JUAN CAPISTRANO, CA 92675

Q Accounting method: • (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other

R Does this corporation or any of its subsidiaries have a Deferred Intercompany Stock Account (DISA)? • ☐ Yes ☒ No
If 'Yes' enter the total balance of all DISAs • \$ _____

S Is this corporation or any of its subsidiaries a RIC? • ☐ Yes ☒ No

T Is this corporation treated as a REMIC for California purposes? • ☐ Yes ☒ No

U Is this corporation a REIT for California purposes? • ☐ Yes ☒ No

V Is this corporation an LLC or limited partnership electing to be taxed as a corporation for federal purposes? • ☐ Yes ☒ No
If 'Yes,' enter the effective date of the election (mm/dd/yyyy): _____

W Is this corporation to be treated as a credit union? • ☐ Yes ☒ No



X Is the corporation under audit by the IRS or has it been audited by the IRS in a prior year? • ☐ Yes ☒ No

Y Have all required information returns (e.g. federal Forms 1099, 5471, 5472, 8300, 8865, etc.) been filed with the Franchise Tax Board? ☒ N/A ☐ Yes ☐ No

Z Does the taxpayer (or any corporation of the taxpayer's combined group, if applicable) own 80% or more of the stock of an insurance company? ☐ Yes ☒ No

AA Did the corporation file the federal Schedule UTP (Form 1120)? • ☐ Yes ☒ No

BB Does any member of the combined report own an SMLLC or generate/claim credits that are attributable to an SMLLC? • ☐ Yes ☒ No

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 taxpayer) is based on all information of which preparer has any knowledge.			• Telephone
	Signature of officer 	Title PRESIDENT & CEO	Date	
Paid Preparer's Use Only	Officer's email address (optional)			949-285-2000
	Preparer's signature 	ROBERT SCHAEFER CPA	Date 6/14/16	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours, if self-employed) and address ROBERT SCHAEFER ACCOUNTANCY CORP 23421 SOUTH POINTE DRIVE STE 115 LAGUNA HILLS, CA 92653-1554			• PTIN P00069164
				• FEIN 95-3553713
				• Telephone 9498551255
May the FTB discuss this return with the preparer shown above? See instructions • <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				

CACA0112L 12/21/15

Schedule A Taxes Deducted. Use additional sheet(s) if necessary.

(a) Nature of tax	(b) Taxing authority	(c) Total amount	(d) Nondeductible amount
Total. Enter total of column (c) on Schedule F, line 17, and total of column (d) on Side 1, line 2 or line 3. If the corporation uses California computation method to compute the net income, see instructions			

Schedule F Computation of Net Income. See instructions.

INCOME	1 a Gross receipts or gross sales.					
	b Less returns and allowance.		c Balance.	●	1 c	
	2 Cost of goods sold. Attach federal Form 1125-A (California Schedule V).			●	2	
	3 Gross profit. Subtract line 2 from line 1c.			●	3	
	4 Total dividends. Attach federal Schedule C, (California Schedule H (100))			●	4	
	5 a Interest on obligations of the United States and U.S. instrumentalities.			●	5 a	
	b Other interest. Attach schedule.			●	5 b	
	6 Gross rents			●	6	
	7 Gross royalties			●	7	
	8 Capital gain net income. Attach federal Schedule D (California Schedule D)			●	8	
	9 Ordinary gain (loss). Attach federal Form 4797 (California Schedule D-1).			●	9	
10 Other income (loss). Attach schedule			●	10		
11 Total income. Add line 3 through line 10.			●	11	0.	
DEDUCTIONS	12 Compensation of officers. Attach federal Form 1125-E or equivalent schedule.		●	12		
	13 Salaries and wages (not deducted elsewhere)		●	13		
	14 Repairs.		●	14		
	15 Bad debts.		●	15		
	16 Rents.		●	16		
	17 Taxes (California Schedule A). See instructions		●	17		
	18 Interest. Attach schedule.		●	18		
	19 Contributions. Attach schedule.		●	19		
	20 Depreciation. Attach federal Form 4562 and FTB 3885	●	20			
	21 Less depreciation claimed elsewhere on return	●	21 a		21 b	
	22 Depletion. Attach schedule.		●	22		
	23 Advertising.		●	23		
	24 Pension, profit-sharing plans, etc.		●	24		
	25 Employee benefit plans.		●	25		
	26 a Total travel and entertainment.					
	b Deductible amounts.		●	26 b		
	27 Other deductions. Attach schedule.		●	27		
	28 Specific deduction for organizations under R&TC Section 23701r or 23701t. See instructions.		●	28		
	29 Total deductions. Add line 12 through line 28.		●	29	0.	
30 Net income before state adjustments. Subtract line 29 from line 11. Enter here and on Side 1, line 1.		●	30	0.		

Schedule J Add-On Taxes and Recapture of Tax Credits. See instructions.

1 LIFO recapture due to S corporation election, IRC Sec. 1363(d) deferral: \$	●	1	
2 Interest computed under the look-back method for completed long-term contracts (Attach form FTB 3834)	●	2	
3 Interest on tax attributable to installment: a Sales of certain timeshares and residential lots.	●	3 a	
b Method for nondealer installment obligations	●	3 b	
4 IRC Section 197(f)(9)(B)(ii) election.	●	4	
5 Credit recapture name:	●	5	
6 Combine line 1 through line 5, revise Side 2, line 40 or line 41, whichever applies, by this amount. Write 'Schedule J' to the left of line 40 or line 41.	●	6	

Schedule V Cost of Goods Sold

1	Inventory at beginning of year	<input checked="" type="radio"/>	1
2	Purchases	<input checked="" type="radio"/>	2
3	Cost of labor	<input type="radio"/>	3
4a	Additional IRC Section 263A costs. Attach schedule	<input type="radio"/>	4a
4b	Other costs. Attach schedule	<input type="radio"/>	4b
5	Total. Add line 1 through line 4b	<input type="radio"/>	5
6	Inventory at end of year	<input checked="" type="radio"/>	6
7	Cost of goods sold. Subtract line 6 from line 5. Enter here and on Side 4, Schedule F, line 2.	<input type="radio"/>	7

Method of inventory valuation ▶

Was there any change in determining quantities, costs of valuations between opening and closing inventory? ☐ Yes ☐ No

If 'Yes,' attach an explanation.

Enter California seller's permit number, if any. ▶

Check if the LIFO inventory method was adopted this taxable year for any goods. If checked, attach federal Form 970. ☐

If the LIFO inventory method was used for this taxable year, enter the amount of closing inventory under LIFO.

Do the rules of IRC Section 263A (with respect to property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No**The corporation may not be required to complete Schedules L, M-1, and M-2. See Schedule M-1 instructions for reporting requirements.****Schedule L Balance Sheet**

		Beginning of taxable year		End of taxable year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash	<input checked="" type="radio"/>			55.
2a	Trade notes and accounts receivable	<input type="radio"/>			
b	Less allowance for bad debts	<input checked="" type="radio"/>			
3	Inventories	<input checked="" type="radio"/>			
4	Federal and state government obligations	<input checked="" type="radio"/>			
5	Other current assets. Attach schedule(s)	<input type="radio"/>			
6	Loans to stockholders/officers. Attach sch.	<input checked="" type="radio"/>			
7	Mortgage and real estate loans	<input checked="" type="radio"/>			
8	Other investments. Attach schedule(s)	<input checked="" type="radio"/>			
9a	Buildings and other fixed depreciable assets	<input type="radio"/>			
b	Less accumulated depreciation	<input checked="" type="radio"/>			
10a	Depletable assets	<input type="radio"/>			
b	Less accumulated depletion	<input checked="" type="radio"/>			
11	Land (net of any amortization)	<input checked="" type="radio"/>			
12a	Intangible assets (amortizable only)	<input checked="" type="radio"/>		876,444.	
b	Less accumulated amortization	<input checked="" type="radio"/>			876,444.
13	Other assets. Attach schedule(s)	<input type="radio"/>			
14	Total assets	<input checked="" type="radio"/>			876,499.
Liabilities and Stockholders' Equity					
15	Accounts payable	<input checked="" type="radio"/>			
16	Mortgages, notes, bonds payable in less than 1 year	<input checked="" type="radio"/>			
17	Other current liabilities. Attach schedule(s)	<input checked="" type="radio"/>			
18	Loans from stockholders. Attach schedule(s)	<input checked="" type="radio"/>			
19	Mortgages, notes, bonds payable in 1 year or more	<input checked="" type="radio"/>			
20	Other liabilities. Attach schedule(s)	<input checked="" type="radio"/>			
21	Capital stock: a Preferred stock	<input checked="" type="radio"/>			
	b Common stock	<input checked="" type="radio"/>		876,499.	876,499.
22	Paid-in or capital surplus. Att reconciliation	<input checked="" type="radio"/>			
23	Retained earnings — Appropriated. Attach schedule	<input type="radio"/>			
24	Retained earnings — Unappropriated	<input type="radio"/>			
25	Adjustments to shareholders' equity. Att sch.	<input type="radio"/>			
26	Less cost of treasury stock	<input type="radio"/>			
27	Total liabilities and stockholders' equity	<input type="radio"/>			876,499.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return.
If the corporation completed federal Schedule M-3 (Form 1120/1120-F), see instructions.

1 Net income per books.	0.	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax.		a Tax-exempt interest \$	
3 Excess of capital losses over capital gains.		b Other. \$	
4 Taxable income not recorded on books this year (itemize)		c Total. Add line 7a and line 7b.	
5 Expenses recorded on books this year not deducted in this return (itemize)		8 Deductions in this return not charged against book income this year (itemize)	
a Depreciation. \$		a Depreciation. \$	
b State taxes. \$		b State tax refunds. \$	
c Travel and entertainment. \$		c Other. \$	
d Other. \$		d Total. Add line 8a through line 8c.	
e Total. Add line 5a through line 5d.		9 Total. Add line 7c and line 8d.	0.
6 Total. Add line 1 through line 5e.	0.	10 Net income per return. Subtract line 9 from line 6.	0.

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Side 5, Schedule L, line 24)

1 Balance at beginning of year.		5 Distributions: a Cash.	
2 Net income per books.		b Stock.	
3 Other increases (itemize).		c Property.	
		6 Other decreases (itemize)	
		7 Total. Add line 5 and line 6.	
4 Total. Add line 1 through line 3.	0.	8 Balance at end of year. Subtract line 7 from line 4.	0.

Schedule D California Capital Gains and Losses**Part I Short-Term Capital Gains and Losses — Assets Held One Year or Less.** Use additional sheet(s) if necessary.

(a) Kind of property and description (Example, 100 shares of Z Company)	(b) Date acquired (mm/dd/yyyy)	(c) Date sold (mm/dd/yyyy)	(d) Gross sales price	(e) Cost or other basis plus expense of sale	(f) Gain (loss) (d) less (e)
1					
2 Short-term capital gain from installment sales from form FTB 3805E, line 26 or line 37.					2
3 Unused capital loss carryover from 2014.					3
4 Net short-term capital gain (loss). Combine line 1 through line 3.					4

Part II Long-Term Capital Gains and Losses — Assets Held More Than One Year. Use additional sheet(s) if necessary.

5					
6 Enter gain from Schedule D-1, line 9 and/or any capital gain distributions.					6
7 Long-term capital gain from installment sales from form FTB 3805E, line 26 or line 37.					7
8 Net long-term capital gain (loss). Combine line 5 through line 7.					8
9 Enter excess of net short-term capital gain (line 4) over net long-term capital loss (line 8).					9
10 Net capital gain. Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4).					10
11 Total lines 9 and 10. Enter here and on Form 100, Side 1, line 5. If losses exceed gains, carry forward losses to 2016.					11