

CARMICHAEL CAPITAL, INC.

Balance Sheet
December 31, 2011

CARMICHAEL CAPITAL, INC.

BALANCE SHEET

DECEMBER 31, 2011

ASSETS

CURRENT
ASSETS

Cash	\$ 235
Accounts receivable	93,357

TOTAL CURRENT ASSETS	93,592
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FURNITURE, FIXTURES AND EQUIPMENT - at cost

Office equipment	5,505
Vehicle	28,989
Computer equipment	16,653
Furniture and fixtures	22,828
	73,975

Less: accumulated depreciation	(62,904)
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	11,071
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TOTAL ASSETS	\$ 104,663
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LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 190
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STOCKHOLDER'S EQUITY

Common stock - 5,000 shares authorized, \$.01 par value; 1,000 shares issued and outstanding	10
Retained earnings	104,463

TOTAL STOCKHOLDER'S EQUITY	104,473
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TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 104,663
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**LANE AND LANE
CERTIFIED PUBLIC ACCOUNTANTS
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March 14, 2012

Board of Directors
Carmichael Capital, Inc.
Franklin, Tennessee

We have compiled the accompanying balance sheet of Carmichael Capital, Inc, (an S-Corporation) as of December 31, 2011. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Lane and Lane, CPAs

CARMICHAEL CAPITAL, INC.

NOTES TO FINANCIAL STATEMENT

DECEMBER 31, 2011

(SEE ACCOUNTANTS' REPORT)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Carmichael Capital, Inc. (the "Company") provides consulting services as an investment adviser to individuals, corporations, trusts, and estates. The Company is incorporated in the State of Tennessee.

Basis of Accounting

The Company's policy is to prepare its balance sheet on the accrual basis of accounting in conformity with generally accepted accounting principles. Revenues are recognized when earned and expenses are recognized when incurred.

Accounts Receivable

Accounts receivable are reported at gross sales price less any applicable customer payments or adjustments. An allowance for doubtful accounts is not provided because of past experience with collections and estimated collectibility of current receivables. Accounts are charged to operations in the period they are determined to be uncollectible. In management's opinion, an allowance, if provided, would not materially affect the financial statement.

Furniture, Fixtures, and Equipment

Furniture, fixtures and equipment are reported at cost. Depreciation on these assets is calculated principally on the straight-line method to allocate the cost over the estimated useful life of 3 to 5 years for equipment and 5 years for furniture and fixtures.

Income Taxes

The Company is classified as an S corporation under the Internal Revenue Code. For federal income tax purposes, earnings of the Company are taxable to the stockholders individually, and the Company does not incur federal income tax obligations. Such classification has no effect on the Company's state income tax liability.

CARMICHAEL CAPITAL, INC.

NOTES TO FINANCIAL STATEMENT

DECEMBER 31, 2011

(SEE ACCOUNTANTS' REPORT)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.