

CARMICHAEL CAPITAL, INC.

Balance Sheet
April 30, 2012

CARMICHAEL CAPITAL, INC.

BALANCE SHEET

APRIL 30, 2012

ASSETS

CURRENT ASSETS

| | |
|---------------------|----------|
| Cash | \$65,684 |
| Accounts receivable | 29,618 |

| | |
|----------------------|--------|
| TOTAL CURRENT ASSETS | 95,302 |
|----------------------|--------|

FURNITURE, FIXTURES AND EQUIPMENT - at cost

| | |
|------------------------|--------|
| Office equipment | 5,505 |
| Vehicle | 28,989 |
| Computer equipment | 18,332 |
| Furniture and fixtures | 23,703 |

| | |
|--------------------------------|----------|
| | 76,529 |
| Less: accumulated depreciation | (64,094) |

| | |
|--|--------|
| | 12,435 |
|--|--------|

| | |
|--------------|-----------|
| TOTAL ASSETS | \$107,737 |
|--------------|-----------|

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES

| | |
|------------------|---------|
| Accounts payable | \$7,617 |
|------------------|---------|

STOCKHOLDER'S EQUITY

| | |
|---|---------|
| Common stock - 5,000 shares authorized, \$.01 par value; 1,000 shares issued and outstanding | 10 |
| Retained earnings | 100,110 |

| | |
|----------------------------|---------|
| TOTAL STOCKHOLDER'S EQUITY | 100,120 |
|----------------------------|---------|

| | |
|--|-----------|
| TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY | \$107,737 |
|--|-----------|

LANE AND LANE, CPAs
323 West Third St.
Cookeville, TN 38501
(931) 528-4074

June 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 April 30, 2012. 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

APRIL 30, 2012

(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

APRIL 30, 2012

(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.