

JS 44 (Rev. 12/12)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Fox Rothschild LLP

(b) County of Residence of First Listed Plaintiff Philadelphia, PA
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)
Fox Rothschild LLP
2000 Market Street, 20th Floor
Philadelphia, PA 19103 (215) 299-2000

DEFENDANTS

The United States Virgin Islands, the Virgin Islands Bureau of Internal Revenue, and Does 1-5

County of Residence of First Listed Defendant US Virgin Islands
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff
- 3 Federal Question (U.S. Government Not a Party)
- 2 U.S. Government Defendant
- 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | | | | | |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| | PTF | DEF | | PTF | DEF |
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business In This State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business In Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input checked="" type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutional of State Statutes

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding
- 2 Removed from State Court
- 3 Remanded from Appellate Court
- 4 Reinstated or Reopened
- 5 Transferred from Another District (specify)
- 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
26 U.S.C. § 6103

Brief description of cause:
Plaintiff demands judgment that Plaintiff has no gross receipts tax liability to USVI + unlawful disclosure damages

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ Injunction, plus at least \$1,000 CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions):

JUDGE

DOCKET NUMBER

DATE
08/18/2015

SIGNATURE OF ATTORNEY OF RECORD

[Signature]

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA — DESIGNATION FORM to be used by counsel to indicate the category of the case for the purpose of assignment to appropriate calendar.

Address of Plaintiff: 2000 Market Street, 20th Floor, Philadelphia, PA 19103

Address of Defendant: 6115 Estate Smith Bay Ste 225 St Thomas, VI 00802 (Virgin Islands Bureau of Internal Revenue)

Place of Accident, Incident or Transaction: The work performed giving rise to the improper tax assessment occurred mostly within the Eastern District of Pennsylvania and New York. Plaintiff, a significant portion of its partners, and a substantial portion of Plaintiff's property subject to collection by Defendants are in the Eastern District of Pennsylvania.
(Use Reverse Side For Additional Space)

Does this civil action involve a nongovernmental corporate party with any parent corporation and any publicly held corporation owning 10% or more of its stock?

(Attach two copies of the Disclosure Statement Form in accordance with Fed.R.Civ.P. 7.1(a)) Yes No

Does this case involve multidistrict litigation possibilities? Yes No

RELATED CASE, IF ANY:

Case Number: N/A Judge _____ Date Terminated: _____

Civil cases are deemed related when yes is answered to any of the following questions:

1. Is this case related to property included in an earlier numbered suit pending or within one year previously terminated action in this court? Yes No
2. Does this case involve the same issue of fact or grow out of the same transaction as a prior suit pending or within one year previously terminated action in this court? Yes No
3. Does this case involve the validity or infringement of a patent already in suit or any earlier numbered case pending or within one year previously terminated action in this court? Yes No
4. Is this case a second or successive habeas corpus, social security appeal, or pro se civil rights case filed by the same individual? Yes No

CIVIL: (Place in ONE CATEGORY ONLY)

A. Federal Question Cases:

1. Indemnity Contract, Marine Contract, and All Other Contracts
2. FELA
3. Jones Act-Personal Injury
4. Antitrust
5. Patent
6. Labor-Management Relations
7. Civil Rights
8. Habeas Corpus
9. Securities Act(s) Cases
10. Social Security Review Cases
11. All other Federal Question Cases
(Please specify) Taxation issues under 26 U.S.C. § 6103

B. Diversity Jurisdiction Cases:

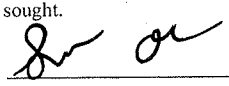
1. Insurance Contract and Other Contracts
2. Airplane Personal Injury
3. Assault, Defamation
4. Marine Personal Injury
5. Motor Vehicle Personal Injury
6. Other Personal Injury (Please specify)
7. Products Liability
8. Products Liability — Asbestos
9. All other Diversity Cases
(Please specify) _____

ARBITRATION CERTIFICATION

(Check Appropriate Category)

I, Scott C. Oberlander, Esquire, counsel of record do hereby certify:
 Pursuant to Local Civil Rule 53.2, Section 3(c)(2), that to the best of my knowledge and belief, the damages recoverable in this civil action case exceed the sum of \$150,000.00 exclusive of interest and costs;
 Relief other than monetary damages is sought.

DATE: August 18, 2015



 Attorney-at-Law

311750

 Attorney I.D.#

NOTE: A trial de novo will be a trial by jury only if there has been compliance with F.R.C.P. 38.

I certify that, to my knowledge, the within case is not related to any case now pending or within one year previously terminated action in this court except as noted above.

DATE: August 18, 2015



 Attorney-at-Law

311750

 Attorney I.D.#

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

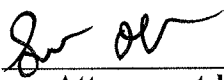
CASE MANAGEMENT TRACK DESIGNATION FORM

Fox Rothschild LLP	:	CIVIL ACTION
	:	
v.	:	
	:	
The United States Virgin Islands, The Virgin Islands Bureau Of Internal Revenue, And Does 1-5	:	NO.

In accordance with the Civil Justice Expense and Delay Reduction Plan of this court, counsel for plaintiff shall complete a Case Management Track Designation Form in all civil cases at the time of filing the complaint and serve a copy on all defendants. (See § 1:03 of the plan set forth on the reverse side of this form.) In the event that a defendant does not agree with the plaintiff regarding said designation, that defendant shall, with its first appearance, submit to the clerk of court and serve on the plaintiff and all other parties, a Case Management Track Designation Form specifying the track to which that defendant believes the case should be assigned.

SELECT ONE OF THE FOLLOWING CASE MANAGEMENT TRACKS:

- (a) Habeas Corpus – Cases brought under 28 U.S.C. § 2241 through § 2255. ()
- (b) Social Security – Cases requesting review of a decision of the Secretary of Health and Human Services denying plaintiff Social Security Benefits. ()
- (c) Arbitration – Cases required to be designated for arbitration under Local Civil Rule 53.2. ()
- (d) Asbestos – Cases involving claims for personal injury or property damage from exposure to asbestos. ()
- (e) Special Management – Cases that do not fall into tracks (a) through (d) that are commonly referred to as complex and that need special or intense management by the court. (See reverse side of this form for a detailed explanation of special management cases.) ()
- (f) Standard Management – Cases that do not fall into any one of the other tracks. (X)

8/18/2015		Plaintiff Fox Rothschild LLP
Date	Attorney-at-law	Attorney for
(215) 299-2890	(215) 299-2150	soberlander@foxrothschild.com
Telephone	FAX Number	E-Mail Address

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

FOX ROTHSCHILD LLP,	:	CIVIL ACTION
	:	
Plaintiff,	:	NO.
	:	
v.	:	
	:	
THE UNITED STATES VIRGIN ISLANDS,	:	
THE VIRGIN ISLANDS BUREAU OF	:	
INTERNAL REVENUE, and DOES 1-5,	:	
	:	
Defendants.	:	
	:	

COMPLAINT – Damages, Declaratory Relief and Request for Injunction

Plaintiff, Fox Rothschild LLP (“Plaintiff”), sues the United States Virgin Islands (the “USVI”), the Virgin Islands Bureau of Internal Revenue (the “BIR”), and five unknown employees of the BIR, identified as Does 1 – 5, for declaratory relief relating to arbitrary determinations of Gross Receipts Tax (“GRT”) against Plaintiff by the BIR, and for damages caused by the unlawful disclosure of taxpayer information.

Parties

1. Plaintiff is a limited liability partnership organized in the Commonwealth of Pennsylvania, with an address of 2000 Market Street, 20th Floor, Philadelphia, PA 19103.
2. The Government of the USVI is an instrumentality organized and existing pursuant to the Revised Organic Act of the Virgin Islands, 68 Stat. 497, 48 U.S.C. § 1541 *et seq.*
3. The BIR is the USVI governmental agency in charge of local taxation and administering the income tax laws for the Territory. 33 V.I.C. §680 *et seq.*
4. Does 1 – 5 are individuals employed by the BIR or the government of the USVI whose identities are currently unknown to the Plaintiff.

Jurisdiction – Federal Question (United States Constitution)

5. The arbitrary assessment of GRT against Plaintiff by the BIR as described in this complaint represents a tax assessment by the BIR in restraint of interstate commerce, and therefore is a violation of the commerce clause of the United States Constitution. This Court has jurisdiction to hear such a claim under Article III of the United States Constitution and 28 U.S.C. § 1331. The Plaintiff has requested declaratory judgment with respect to that claim against Defendants BIR and USVI. This Court has jurisdiction to render such a declaratory judgment pursuant to 28 U.S.C. § 2201.

6. The arbitrary assessment of GRT against Plaintiff by the BIR as described in this complaint represents a tax assessment by the BIR against a taxpayer without a nexus to the USVI, and therefore a violation of the Plaintiff's rights under the Due Process Clause of the Fifth Amendment of the United States Constitution. This Court has jurisdiction to hear such a claim under Article III of the United States Constitution and 28 U.S.C. § 1331. The Plaintiff has requested declaratory judgment with respect to that claim against Defendants BIR and USVI. This Court has jurisdiction to render such a declaratory judgment pursuant to 28 U.S.C. § 2201.

Jurisdiction – Federal Question (Internal Revenue Code)

7. Under 26 U.S.C. § 6103(b)(5)(A)(i), the USVI is a state and the BIR is a state taxing agency.

8. This complaint states a claim for damages pursuant to 26 U.S.C. § 7431(a) against Defendants Does 1-5. That same statute confers jurisdiction on this Court with respect to that claim.

Jurisdiction – Federal Question (Supplemental Jurisdiction)

9. Jurisdiction is proper in this Court pursuant to 28 U.S.C. § 1367(a). The issues involved in this lawsuit are intertwined and form part of the “same case or controversy under Article III of the United States Constitution,” in which case “the district courts shall have supplemental jurisdiction over all other claims that are so related to claims in the action.” *Id.*

Jurisdiction – Diversity

10. Jurisdiction is proper in the Court pursuant to 28 U.S.C. § 1332 for the following particular reasons:

- a. Plaintiff is a limited liability partnership organized in the Commonwealth of Pennsylvania. Plaintiff has no partners who are domiciled in the USVI.
- b. The Plaintiff seeks declaratory relief invalidating a GRT assessment in the amount of \$398,246.13.
- c. Plaintiff’s damages from the unlawful disclosure of taxpayer information exceeds \$75,000.00.
- d. All defendants are domiciled outside the Commonwealth of Pennsylvania.

Venue

11. Venue is proper in the United States District Court for the District of the Eastern District of Pennsylvania pursuant 28 U.S.C. § 1391(b)(2) as a substantial portion of the events giving rise to this claim took place within the Eastern District of Pennsylvania, and Plaintiff has suffered the harm caused by Defendants’ acts in the Eastern District of Pennsylvania.

12. Venue is proper in the United States District Court for the District of the Eastern District of Pennsylvania pursuant to 28 U.S.C. § 1391(e), for the following particular reasons:

- a. The government of the USVI, and any administrative agency thereof, including the BIR, constitutes a single sovereign as to the United States government. Therefore, any employee or contractor of the BIR is a United States employee for the purposes of 28 U.S.C. § 1391(e).
- b. The claim relating to unlawful disclosure of taxpayer information are made against Defendants Does 1 – 5 in their individual capacities.
- c. No real property is involved in this action.
- d. The Plaintiff, and a significant portion of its partners, are residents of the Eastern District of Pennsylvania.
- e. The other claims in this action are required to be joined in this action pursuant to FRCP 18.
- f. The other defendants in this action are required parties pursuant to FRCP 19.
- g. A substantial portion of the acts and omissions described in this complaint occurred in, or were directed towards, the Eastern District of Pennsylvania.
- h. A substantial portion of the personal property of Plaintiff, subject to collection efforts by the USVI and/or the BIR, is located in Philadelphia, Pennsylvania.

Facts

I. Background of the Gross Receipts Tax

13. The USVI is a territory of the United States which was acquired from Denmark in 1917.

14. In 1921, Congress created the so-called “mirror system” of taxation, under which United States income tax laws constitute the tax laws of the USVI, with the only difference being that USVI residents pay tax to the USVI rather than to the United States. Under the mirror code

system the entirety of the Internal Revenue Code and the Department of Treasury regulations thereunder are applicable to the USVI by substituting the words “Virgin Islands” for the words “United States.”

15. Under the mirror code, the USVI is permitted to enact non-discriminatory local taxes.

16. The USVI has enacted the GRT pursuant to this provision of the mirror code.

17. The government of the USVI, and all of the administrative agencies thereof, are created and governed according to the Revised Organic Act (“ROA”), 48 U.S.C. §§ 1541 et. seq.

18. The USVI’s power to levy any tax is not an attribute of sovereignty, rather it is a grant from Congress.

19. The GRT is only levied upon business conducted in the USVI under 33 V.I.C. § 41.

20. A business that conducts no business in the USVI is not subject to the GRT and is not required to file a GRT return.

21. A business that conducts business in multiple jurisdiction, including the USVI, and has sufficient nexus with the USVI, is only subject to the GRT in the USVI to the extent that business’s receipts are fairly apportioned to the USVI.

22. Pursuant to 33 V.I.C. § 44(c), a business that generates under \$225,000 per year in gross receipts from business activities within the USVI reports and pays its GRT yearly to the BIR.

23. Pursuant to 33 V.I.C. § 44(d), a business that generates under \$225,000 per year in gross receipts from business activities within the USVI is entitled to an exemption of \$9,000 per month of gross receipts from the GRT each month.

24. There is no statutory provision for a GRT return to be filed on a quarterly basis, or for the GRT to be paid or assessed on a quarterly basis.

25. If no GRT return is filed, or if the BIR disagrees with the information reported on a GRT return, the BIR is entitled by 33 V.I.C. § 45(a) to make an “arbitrary determination” of the GRT owed by a taxpayer.

26. The BIR is entitled per 33 V.I.C. § 45 to collect any GRT arbitrarily assessed pursuant to 33 V.I.C. § 45(a) by lien and levy.

27. Per 33 V.I.C. § 45(b), the only recourse for a taxpayer who is the subject of an arbitrary assessment is to file a claim asking that the correct amount of tax owed be determined by the court, and that the BIR be stayed from collecting the tax arbitrarily determined by the BIR until the court has determined the correct amount of tax owed.

28. No other pre-deprivation or post-deprivation remedy for an arbitrary GRT assessment exists besides the filing of a claim and injunction in court.

29. The Due Process clause of the Fifth Amendment of the United States Constitution, and the ROA, require that any person against whom the GRT is assessed must be engaged in business that has a sufficient nexus with the USVI for the tax to be asserted.

30. If a person has a sufficient nexus to the USVI such that the GRT may be imposed, the Commerce Clause of the United States Constitution requires that the tax not be imposed in such a fashion that it places an undue burden on interstate commerce.

31. In order for the GRT to not place an undue burden on interstate commerce, it may only be imposed on those receipts that are fairly apportioned to a USVI business activity.

32. The Third Circuit has determined that under the Revised Organic Act, the legislature of the USVI cannot strip a District Court of its authority to hear a challenge to an arbitrary assessment of the GRT.

33. The Third Circuit has determined that because the only pre-deprivation or post-deprivation remedy to an arbitrary assessment of GRT pursuant to 33 V.I.C. § 45(b) is a challenge to that assessment in Court, such a challenge is exempt from the requirements of the USVI's Tax Anti-Injunction Act, 33 V.I.C. § 1691.

34. An unpaid GRT assessment, including an arbitrarily determined assessment under 33 V.I.C. § 45(a), results in a lien arising against all property belonging to the taxpayer ten days after notice and demand for payments under the GRT, pursuant to 33 V.I.C. § 1031.

II. Plaintiff's Background

35. Plaintiff is a limited liability partnership organized in the Commonwealth of Pennsylvania.

36. Plaintiff's only business activity is the practice of law, and all of Plaintiff's business receipts are derived from or related to the practice of law.

37. Plaintiff's primary office is located in Philadelphia, Pennsylvania.

38. One of Plaintiff's practice areas is the area of United States Bankruptcy law.

39. Plaintiff has no office in the USVI.

40. Plaintiff has no employees that reside in the USVI.

41. Plaintiff employs no attorneys licensed to practice in any court in the USVI, except on a pro hac vice basis.

42. Plaintiff has no business license in the USVI.

43. Plaintiff has no telephone number in the USVI.

44. Plaintiff has no physical or mailing address in the USVI.
45. Plaintiff has no property, real or personal, located in the USVI.
46. Plaintiff has no bank accounts in the USVI.

III. The Prosser Bankruptcy

47. The bankruptcy process in the USVI is unique in the following respects:
 - a. Because the District Court of the Virgin Islands is not an Article III District Court, rather it is a creation of the ROA, it has jurisdiction over all bankruptcy matters arising in the USVI, and there is no separate bankruptcy court in the USVI.
 - b. The District Court of the USVI does not have any permanent bankruptcy judges.
 - c. The United States Trustee Program, administered by the United States Department of Justice pursuant to 28 U.S.C. § 586, does not maintain a permanent office in the USVI, although the USVI is part of United States Trustee Region 21, pursuant to 28 U.S.C. § 581.
 - d. Because there are no permanent bankruptcy judges, and no permanent representatives of the United States Trustee's office in the USVI, bankruptcy judges and trustees that participate in USVI bankruptcies often reside in jurisdictions outside the USVI, and do not conduct business within the USVI. This is particularly true for large and complex bankruptcies.

48. On October 31, 2007, James P. Carroll (“Carroll”) was appointed as the Chapter 7 trustee, pursuant to 11 U.S.C. § 704, of a bankruptcy case captioned *In re: Jeffrey J. Prosser VI* Bankr. Case No. 06-30009 (the “Prosser Bankruptcy”).

49. The Prosser Bankruptcy, and a related Chapter 11 bankruptcy proceeding involving several related corporations (the “Innovative Bankruptcy”) represent one of, if not the, largest and most complex bankruptcies in the history of the USVI.

50. Until May 31, 2013, the bankruptcy judge presiding over the Prosser Bankruptcy and the Innovative Bankruptcy was the Honorable Judith K. Fitzgerald (“Judge Fitzgerald”), a bankruptcy judge whose primary chambers were located in the Western District of Pennsylvania. Effective upon Judge Fitzgerald’s retirement from the bench, the Honorable Mary F. Walrath (“Judge Walrath”), a bankruptcy judge whose primary chambers are located in Wilmington, Delaware, has presided over the Prosser Bankruptcy and the Innovative Bankruptcy.

51. Carroll is currently a resident of Florida with offices in Florida and Massachusetts. When he was appointed as Trustee in the Prosser Bankruptcy, Carroll was a resident of Massachusetts. At no time was Carroll a resident of the USVI.

52. On March 18, 2008 Judge Fitzgerald signed an order approving the retention of Plaintiff to represent Carroll in his capacity as the Chapter 7 Trustee for the Prosser Bankruptcy. These services began *nunc pro tunc* effective February 25, 2008.

53. Plaintiff’s only client in relationship to the Prosser Bankruptcy was Carroll, who was not a resident of the USVI.

54. Several attorneys employed by Plaintiff, or partners of Plaintiff (collectively, these attorneys are referred to as “attorneys affiliated with the Plaintiff”), were admitted to the

District Court of the Virgin Islands on a *pro hac vice* basis for the limited purpose of representing Carroll in the Prosser Bankruptcy.

55. Carroll was represented primarily for the proceedings in the District Court of the Virgin Islands by Bernard C. Pattie, an attorney admitted in the District Court of the Virgin Islands, who moved to have the attorneys affiliated with Plaintiff admitted on the *pro hac vice* basis described above.

56. The majority of the legal work conducted by Plaintiff on behalf of Carroll was performed in Plaintiff's Philadelphia and New York offices. Because of the complexity of the Prosser Bankruptcy and the nature of bankruptcy proceedings generally, the overwhelming majority of the legal work required for Plaintiff's representation of Carroll was not in the form of courtroom appearances, but in the nature of work done in Plaintiff's offices. This work largely consisted of forming legal strategies, drafting pleadings, letters, and other legal documents, coordinating with other parties assisting Carroll in various capacities, and telephone calls and other communications.

57. Because Judge Fitzgerald was located in the Western District of Pennsylvania, the majority of courtroom appearances necessary for attorneys affiliated with the Plaintiff to represent Carroll in the Prosser Bankruptcy were physically located in the Western District of Pennsylvania.

58. On limited occasions attorneys affiliated with Plaintiff were required to travel to the USVI to physically appear in the District Court of the Virgin Islands.

- a. During such limited periods, the attorneys affiliated with the Plaintiff would stay at hotels in the USVI.

- b. During such limited periods, the attorneys affiliated with the Plaintiff would be present in the USVI for no longer than necessary to physically appear in the specific hearings and trials related to the Plaintiff's representation of Carroll in the Prosser Bankruptcy, and to accommodate travel to and from the USVI.
- c. Attorneys affiliated with the Plaintiff would be present and working in the USVI when specifically ordered by the Bankruptcy Judge to appear in the USVI.
- d. Plaintiff had no office in the USVI, and nearly all of the Plaintiff's business receipts in conjunction with the time attorneys affiliated with the Plaintiff were physically in the USVI was related to actual court appearances in the USVI and reimbursements for travel expenses to and from the USVI.

59. Plaintiff estimates that between its appointment to represent Carroll on February 25, 2008 and June 30, 2012, under 7% of the attorney, paralegal, and other professional time billed in connection with Plaintiff's representation of Carroll was time expended by attorneys (or others) affiliated with the Plaintiff in work physically conducted in the USVI.

60. Of the 53 months between February of 2008 and June of 2012, inclusive, attorneys affiliated with the Plaintiff were physically present in the USVI in the course of only seven months, which includes any month in which an attorney affiliated with the Plaintiff was in the USVI for any portion of any day in that month.

61. Attorneys affiliated with the Plaintiff were physically present in the USVI for approximately 40 days during the entire 1,588 day period between February 25, 2008 and June 30, 2012.

IV. BIR Investigation of Plaintiff

62. On information and belief, the BIR launched an investigation of all entities adverse to Jeffrey Prosser, including creditors, bankruptcy trustees, and various representatives of bankruptcy trustees relating to income taxes and GRT owed to the USVI.

63. On information and belief, this BIR investigation was conducted because of the reports of purported whistleblowers alleging to the BIR that various entities owed income tax and GRT to the BIR.

64. On information and belief, these purported whistleblowers were or are affiliated with Jeffrey Prosser.

65. Ruth Jackson (“Jackson”) is a natural person who performs or performed an investigative function for the BIR based from the USVI.

66. Claudette Watson-Anderson (“Anderson”) is a natural person residing in the USVI who was the director of the BIR at all material times described herein.

67. On information and belief, Jackson was engaged by the BIR to conduct the investigation described in paragraphs 62-64 above.

68. On information and belief, Jackson is not a direct employee of the BIR, but had a contract to perform audits and investigations for the BIR.

69. On information and belief, Jackson was compensated on an hourly basis as an independent contractor to perform the services described in paragraphs 62-64, above.

70. On information and belief, Jackson’s contract with the BIR was terminated on or about December 31, 2014.

71. On information and belief, Jackson was given access to Plaintiff's confidential tax information in the possession of the BIR, Jackson retained Plaintiff's confidential tax information upon her termination, and continues to retain said information.

72. On or about May 19, 2014, Jackson contacted the Plaintiff and requested to meet with the Plaintiff regarding an unidentified tax matter.

73. On or about June 30, 2014, Jackson emailed to Plaintiff an unsigned Information Document Request (the "IDR") stating that documents were requested from Plaintiff regarding the 2008 through 2012 tax years.

74. The IDR called for the information requested to be provided on July 22, 2014, 22 days after the IDR was emailed to Plaintiff.

75. Neither the Plaintiff, nor Plaintiff's counsel, received a signed copy of the IDR at any point.

76. Plaintiff had no responsive documents that were located in the USVI, as Plaintiff had no records kept in the USVI.

77. Jackson traveled to Plaintiff's office to conduct an investigation related to services provided by Plaintiff to Carroll.

78. Upon information and belief, Jackson's investigation of Plaintiff was wholly or primarily conducted from outside the USVI.

79. Jackson stated to Plaintiff that Jackson was investigating Plaintiff.

80. At no time was Plaintiff requested or required to travel to the USVI for the purpose of Jackson and the BIR's investigation of Plaintiff.

81. Jackson's investigation of the Plaintiff was improper for one or more of the following reasons:

- a. Jackson conducted her investigation largely by email, and directed that confidential taxpayer information be sent to Jackson's personal email account on multiple occasions.
- b. In the course of investigating an alleged income tax deficiency of Plaintiff, Jackson failed to advise Plaintiff that if Plaintiff or partners of Plaintiff had filed taxes with the Internal Revenue Service ("IRS") and paid income tax to the United States, Plaintiff, or the partners of Plaintiff, had the option of requesting the assistance of IRS and BIR Competent Authority to properly allocate income taxes between the United States and USVI, according to the procedures laid out in IRS Revenue Procedure 2006-23. Jackson knew or should have known that without the assistance of Competent Authority, Plaintiff, or Plaintiff's partners, would likely be subject to double taxation, and Jackson knew or should have known that she had a duty to advise Plaintiff of these available procedures.
- c. Jackson prepared a proposed Tax Payment Agreement (the "proposed TPA") between the BIR and Plaintiff and requested that the Plaintiff execute the same. The proposed TPA stated that, despite the fact that Plaintiff is a partnership under Subchapter K of the Internal Revenue Code of 1986 (the "Code") with no entity level income tax, the Plaintiff would pay a flat 35% tax rate on all USVI sourced income to the USVI for the 2008, 2009, 2010, 2011 and 2012 income tax years. The proposed TPA is attached to this complaint as Exhibit "A."
- d. Along with the proposed TPA, Jackson prepared proposed Form 1065, Partnership Return for the income tax years ending December 31, 2008, December 31, 2009, December 31, 2010, December 31, 2011, and December 31,

2012 (the “proposed 1065 Returns”). These proposed 1065 Returns are attached to this complaint as Exhibit “B.” Jackson’s proposed 1065 Returns listed Plaintiff’s cumulative USVI sourced income as \$7,060,188.00.

- e. Consequently, Jackson’s proposed TPA and proposed 1065 Returns would require Plaintiff to pay the USVI \$2,471,065.80 in income tax.
- f. Paragraphs 81(c) through 81(e), above, represent improper conduct on behalf of Jackson and the BIR for the following reasons:
 - i. As a partnership taxed under Subchapter K of the Code, the Plaintiff has no income tax liability. Pursuant to Treasury regulation 1.932-1, the BIR is prohibited from treating the Plaintiff as a different type of entity than the IRS, and therefore the BIR had no authority to treat the Plaintiff as an entity that would owe an income tax as an entity.
 - ii. No Code provision exists authorizing the BIR, or Jackson, to complete a tax return on Plaintiff’s behalf and instruct Plaintiff to file said return.
 - iii. No Code provision exists authorizing the proposed TPA.
 - iv. IRS Notice 2007-31 and the Tax Implementation Agreement between the United States and the Virgin Islands dated February 24, 1987 (the “TIA”) provide for robust information sharing between the IRS and the BIR. Jackson prepared her proposed TPA and her proposed 1065 Returns without endeavoring to discover what income tax returns Plaintiff had filed with the IRS.

82. Jackson did not discuss any assessment of GRT against the Plaintiff during any of her meetings with Plaintiff.

83. On September 21, 2014, Plaintiff received a letter from Norman A. Abood (“Abood”), an attorney for Jeffrey Prosser, stating that Plaintiff had not filed tax returns with the BIR and owed tax to the BIR (the “Abood Letter”). This letter is attached to this complaint as Exhibit “C.” The Abood letter further stated that this purported failure by Plaintiff to file returns in the USVI was germane to the Prosser bankruptcy case, and threatened that if Plaintiff did not bring this fact to the Court’s attention directly, Abood would do so.

84. On September 21, 2014, the date of Abood’s Letter, Plaintiff had no knowledge of any tax assessment from the BIR.

85. On or about September 22, 2014, Plaintiff sent an email to Jackson inquiring as to correspondence from Abood (the “Inquiry email”). A copy of the Inquiry email is annexed hereto as Exhibit “D.” Plaintiff received no response to the Inquiry email.

86. On information and belief, Abood was not an employee or agent of the BIR as of September 21, 2014, and had no lawful basis to be in possession of Plaintiff’s confidential taxpayer information.

87. The BIR sent Plaintiff certified mail postmarked September 23, 2014 (two days after the Abood Letter and Plaintiff’s Inquiry email) including assessments of GRT against Plaintiff (the “GRT Assessments”). A copy of this envelope indicating the postmark of September 23, 2014 is attached to this complaint as Exhibit “E”.

88. The BIR’s GRT Assessments were the first notice provided directly by the BIR to Plaintiff of any tax purported to be due and owing by Plaintiff to the USVI or the BIR.

89. The BIR assessed the following GRT for the following tax periods:

Period	Tax	Interest	Penalty	Total
March, 2008	\$7,692.92	\$5,923.55	\$1,923.23	\$15,539.70
June, 2008	\$29,261.00	\$21,653.14	\$7,315.25	\$58,229.39
September, 2008	\$34,735.00	\$24,661.85	\$8,683.75	\$68,080.60

December, 2008	\$30,266.00	\$20,580.88	\$7,566.50	\$58,413.38
March, 2009	\$18,955.00	\$12,320.75	\$4,738.75	\$36,014.50
June, 2009	\$10,055.00	\$6,234.10	\$2,413.75	\$18,802.85
September, 2009	\$5,807.00	\$3,426.13	\$1,451.75	\$10,684.44
December, 2009	\$4,530.00	\$2,536.80	\$1,132.50	\$8,199.30
March, 2010	\$16,390.68	\$8,687.06	\$4,097.67	\$29,175.41
June, 2010	\$8,502.00	\$4,251.00	\$2,125.50	\$14,878.50
September, 2010	\$5,428.00	\$2,555.16	\$1,357.00	\$9,336.16
December, 2010	\$6,830.00	\$3,005.20	\$1,707.50	\$11,542.70
March, 2011	\$12,669.68	\$5,194.57	\$3,167.42	\$21,031.67
June, 2012	\$31,419.75	\$8,169.14	\$7,854.93	\$47,443.82
February, 2014	\$19,621.95	\$1,177.32	\$4,905.00	\$25,704.77
Totals:	\$207,428.98	\$130,376.65	\$60,440.50	\$398,246.13

90. The assessments referenced in paragraph 89 above are dated September 16, 2014, and are attached to this complaint as Exhibit "F."

91. On or about November 13, 2014, counsel for Plaintiff had a telephone conference with Anderson. During this conversation Anderson stated that the allegation of an improper disclosure of taxpayer information contained in Plaintiff's September 22, 2014 Inquiry email to Abood had been investigated. Anderson stated that the investigation had been concluded, and all BIR employees and agents had been cleared of any wrongdoing. Anderson further stated that beyond that conclusion, the results of the investigation were a secret.

92. On December 15, 2014, Plaintiff submitted a detailed protest of the GRT Assessments.

93. To date, the BIR has offered no response to the Plaintiff's December 15, 2014 submission.

94. Counsel for Plaintiff requested an agreement with the BIR, in writing, that the BIR would forbear from enforced collections activity on the GRT Assessments, such as the filing

of a notice of tax lien under 33 V.I.C. § 1033(a), and levy and distraint of Plaintiff's property in satisfaction of the assessment pursuant to 33 V.I.C. § 1051. The BIR denied this request.

95. Pursuant to 33 V.I.C. § 45(c), the Plaintiff is entitled to furnish information relating to a GRT assessment to the BIR prior to a levy for the tax. Nonetheless, the BIR has failed to respond to Plaintiff's submission or agree to forbear from levy.

96. On January 21, 2015, the website *viconsortium.com*, a local news website in the USVI, published an article by Ernice Gilbert stating, *inter alia*, that Plaintiff owed approximately \$8,000,000.00 in unpaid taxes to the USVI. This article claims that this information was gathered from publically available pleadings from the Prosser Bankruptcy and the Innovative Bankruptcy. However, no pleadings, or other publicly available documents, indicating any tax liability of Plaintiff to the BIR exist in either bankruptcy.

Count I
(As to Defendants BIR and USVI)
Declaratory and Injunctive Relief – Gross Receipts Tax

97. Plaintiff re-alleges paragraphs 1-96, above.

98. The GRT Assessments against Plaintiff are improper for one or more of the following reasons:

- a. Plaintiff has no business activity in the USVI that rises to the level of a nexus with the USVI, and therefore any GRT Assessments against Plaintiff is prohibited by the Due Process clause of the Fifth Amendment of the United States Constitution, the Due Process clause of the Revised Organic Act, or 33 V.I.C. § 41; or
- b. In the alternative, the GRT Assessments are improper in one or more of the following particulars:

- i. The USVI has assessed a GRT against the Plaintiff that does not properly apportion the business receipts of the Plaintiff and therefore the assessments violate the commerce clause of the United State Constitution, or 33 V.I.C. § 41;
- ii. The BIR has assessed the GRT against Plaintiff as a quarterly tax when it is either a monthly or yearly tax; and/or
- iii. The BIR has assessed the GRT against Plaintiff in a fashion that does not allow Plaintiff the monthly GRT exemption described in 33 V.I.C. § 43(f), insofar as Plaintiff's business receipts sourced to the USVI for purposes of 33 V.I.C. § 41 are under \$225,000 per year for each year the BIR assessed a GRT after 2012 and are under \$150,000 per year for each year the BIR assessed a GRT prior to 2012.

99. Plaintiff was not required to file monthly, quarterly, or yearly GRT returns, or pay any GRT, in relationship to any services Plaintiff provided to Carroll.

100. Neither Jackson, nor any other agent or employee of the BIR reviewed any information relating to the location of the services Plaintiff provided to Carroll in assessing a GRT against Plaintiff.

101. On information and belief, Jackson and the BIR assessed the GRT against Plaintiff based solely on the quarterly reports submitted by the Plaintiff to the Bankruptcy Court relating to services provided to Carroll in the Prosser Bankruptcy (the "quarterly reports").

102. The GRT assessment based on the quarterly reports mistakenly assumes that 100% of the services of Plaintiff to Carroll are related to business activity in the USVI and that

reimbursement for expenses directly charged to Carroll are business receipts. Both of these assumptions are inaccurate.

103. The GRT Assessments against Plaintiff were done without any review of Plaintiff's own records

104. The GRT Assessments lack any factual support and are baseless.

105. The BIR is authorized to issue administrative regulations relating to the assessment and collections of GRT, but the BIR has never issued any such administrative regulations.

106. Plaintiff has attempted in good faith to challenge the assessment of GRT by the BIR by issuing a letter, with supporting documentation, challenging the assessment of GRT.

107. The BIR has never conducted an administrative hearing of any type with respect to its assessment of GRT against the Plaintiff, and Plaintiff's challenge to that assessment.

108. The BIR has never offered any written response whatsoever to Plaintiff's challenge to the BIR's assessment of GRT against the Plaintiff.

109. To the extent that any administrative remedies to the assessment of GRT against Plaintiff exist, Plaintiff has exhausted those remedies.

110. Plaintiff's only remedy against an arbitrary assessment of tax per 33 V.I.C. § 45(b) is to file a claim in a court of competent jurisdiction seeking a redetermination of that tax. The Third Circuit in *Excavation Constr. Inc. v. Quinn*, 674 F.2d 78 (3d. Cir. 1982) has determined that a District Court of the United States is such a Court.

111. A lien for the GRT assessment arose no later than October 3, 2014 pursuant to 33 V.I.C. § 1031, and this lien operates as a cloud upon the title of Plaintiff's property located in the

Eastern District of Pennsylvania. As the GRT assessment is improper under the United States Constitution, this Court may enter declaratory judgment relating to that lien.

112. Plaintiff is entitled to an injunction prohibiting the collection of this tax during pendency of this action pursuant to 33 V.IC. § 45(b).

113. To the extent that this Court determines that Plaintiff owes any GRT, all penalties relating to the failure to pay that GRT should be waived as the failure to pay was due to reasonable cause and not due to willful neglect.

Count II
(As to Defendants USVI and Does 1 -5)
Damages – 26 U.S.C. § 7431

114. Plaintiff re-alleges paragraphs 1 through 113 above.

115. The USVI and the BIR are bound by 26 U.S.C. § 6103 in each of the following respects:

- a. Under the mirror code, the provisions of 26 U.S.C. § 6103 apply to the BIR as if the BIR were the IRS (the “mirrored application of § 6103”).
- b. Under the Code, not mirrored, the USVI is considered a state, and the BIR is considered a state taxing authority (the “state application of § 6103”).
- c. Under the TIA, the USVI has agreed to follow the terms of 26 U.S.C. § 6103 and to not disclose any taxpayer information (the “treaty application of § 6103”).

116. The existence of a tax debt is taxpayer information covered by 26 U.S.C. § 6103.

117. Information relating to whether a taxpayer filed a tax return is taxpayer information covered by 26 U.S.C. § 6103.

118. As evidenced by the Abood Letter, Abood knew of the existence of a tax assessment in the USVI prior to the BIR's mailing of the GRT Assessments to the Plaintiff, and prior to the Plaintiff's own knowledge of such assessment.

119. The Abood Letter to the Plaintiff came in the sole week between the BIR's assessment of GRT against the Plaintiff, and the BIR's mailing of GRT Assessments.

120. The Abood Letter specifically references a tax assessment.

121. During the period of time between September 16 and September 23, 2014, the BIR, and the agents and employees of the BIR were the sole individuals who had access to the information that a tax had been assessed against the Plaintiff.

122. Therefore, without Does 1 – 5 disclosing directly to Abood, to Jeffrey Prosser, or to an agent or employee of Jeffrey Prosser or Abood, Abood could not have had the information he stated in the Abood Letter.

123. Therefore the USVI, the BIR, or Does 1 – 5 negligently disclosed confidential taxpayer information relating to the Plaintiff.

124. Upon information and belief, the purpose of the disclosure of taxpayer information to Jeffrey Prosser, Abood, or an agent of either Jeffrey Prosser or Abood, was to materially impact the attorney-client relationship between Carroll and Plaintiff.

125. The Abood Letter to Plaintiff, dated September 21, 2014, states that he will tell the Bankruptcy Court that the Plaintiff owes taxes to the USVI.

126. The value of Plaintiff's agreement to represent Carroll is worth several million dollars to Plaintiff.

127. Plaintiff is further entitled to statutory damages of \$1,000 per violation of 26 U.S.C. § 6103.

128. The Ernice Gilbert article of January 21, 2015 represents an additional disclosure of taxpayer information by the USVI, the BIR, or Does 1 – 5, as the representation in that article, that the existence of a tax liability of the Plaintiff was learned from reviewing public records, is demonstrably false.

129. To the extent that Does 1 – 5 are not officers or employees of the BIR, they are persons under 26 U.S.C. § 7431(a)(2) and are agents of a state government, and therefore liable to Plaintiff under the state or treaty application of § 6103.

130. The Plaintiff did not, and has never, instructed that the USVI, the BIR, Anderson, Jackson, or Does 1 – 5 disclose any of Plaintiff's taxpayer information.

131. The USVI, the BIR, and Does 1 – 5 were not acting in good faith when making the disclosures of Plaintiff's taxpayer information.

132. The BIR has not issued regulations relating to the administrative procedure for claiming damages for an unlawful disclosure of taxpayer information.

133. No mirrored regulations relating to administrative procedures for addressing a claim for damages relating to an unlawful disclosure of taxpayer information by the BIR, or its agents or employees exist.

134. The Plaintiff has exhausted all administrative remedies in respect of this disclosure, by doing one or more of the following:

- a. Submitting a detailed written protest outlining the facts of illegal disclosure of taxpayer information;
- b. Requesting an informal hearing with respect to the disclosure of taxpayer information by the BIR; and

- c. Conducting an informal telephonic hearing with Plaintiff's counsel and Anderson with respect to the disclosure of taxpayer information by the BIR. The BIR concluded during this hearing that no such disclosure occurred.

WHEREFORE, Plaintiff respectfully requests that this Honorable Court issue a judgment as follows:

A. For Count I

1. An injunction enjoining the BIR from enforced collections of the arbitrary determination of GRT of Plaintiff;
2. A judgment stating that arbitrary assessment issued by the BIR regarding the GRT liabilities of the Plaintiff is incorrect and that the Plaintiff has no GRT liability, or in the alternative a judgment stating the correct liability of the Plaintiff for each period, including a waiver of penalties for those periods;
3. Plaintiff's reasonable costs and attorney fees; and
4. Any other relief that this Court deems just and proper.

B. For Count II

1. Damages proven at trial relating to the unlawful disclosure of taxpayer information not to exceed \$100,000.00 and in any event, no less than \$1,000 per unlawful disclosure;
2. Plaintiff's reasonable costs and attorney fees; and
3. Any other relief that this Court deems just and proper.

FOX ROTHSCHILD LLP

By: 
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*Attorneys for Plaintiff,
Fox Rothschild*

Dated: August 18, 2015

Exhibit A

2008 - 2012 TAX PAYMENT AGREEMENT

Fox Rothschild, LLP, EIN __23-140473_, and the Virgin Islands Bureau of Internal Revenue (the "Bureau" or "BIR") enter into the following agreement (the "Tax Payment Agreement") for payment of tax by Fox Rothschild, LLP on its income derived from U.S. Virgin Islands sources or connected with a U.S. Virgin Islands trade or business, in lieu of having its partners file individual income tax returns with the Bureau as otherwise required under Section 932 and Section 937 of the Internal Revenue Code of 1986, as amended (the "Code"). The parties hereby agree as follows:

1. For the tax years 2008 - 2012, Fox Rothschild, LLP will file its partnership return – Form 1065 – on a timely basis, including extensions.
2. Fox Rothschild, LLP will remit to the Bureau the sum of thirty five percent (35%) of its U.S. Virgin Islands taxable income as reported on Form 1065 for the tax years 20-08 through 2012. Further, Fox Rothschild, LLP will remit to the Bureau interest at the applicable corporate interest tax rate published by the Internal Revenue Service and applicable in the Virgin Islands, for underpayments from the due date for the Form 1065 until the date that payment is sent.
4. Any partners of Fox Rothschild, LLP who have U.S. Virgin Islands income separate from Fox Rothschild, LLP U.S. Virgin Islands income must file Form 1040 with the Bureau together with Form 8689 and report all their U.S. Virgin Islands income to the Internal Revenue Service and to the Bureau, including all partnership income, in accordance with Code Section 932 and IRS Publication 570. The U.S. Virgin Islands taxable income as reported on Form 1065 filed by Fox Rothschild, LLP will be reduced by each such partner's share of U.S. Virgin Islands taxable income.
5. Fox Rothschild, LLP will provide the Bureau with a list of all its partners covered by this Tax Payment Agreement, together with their social security numbers or employer identification numbers.

The parties to the Tax Payment Agreement, having agreed to its terms in their entirety, do hereby sign as follows to indicate their agreement.

Fox Rothschild, LLP

By: _____
(insert Tax Matters Partner's name)
Partner in Charge, Partnership Tax Matters

Date signed: _____

Virgin Islands Bureau of Internal Revenue

By: _____
Claudette Watson-Anderson, CPA, Director

Date signed: _____

Exhibit B

Form **1065**
 Department of the Treasury
 Internal Revenue Service

U.S. Return of Partnership Income

OMB No. 1545-0099

For calendar year 2008, or tax year beginning _____, 2008, ending _____, 20_____.
See separate instructions.

2008

A Principal business activity	Use the IRS label. Otherwise, print or type.	Name of partnership FOX ROTSCHILDS, LLC	D Employer identification number 23 : 1404723
B Principal product or service		Number, street, and room or suite no. If a P.O. box, see the instructions. 100 Park Avenue, Suite	E Date business started
C Business code number		City or town, state, and ZIP code New York, New York 10017	F Total assets (see the instructions) \$

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
 (6) Technical termination - also check (1) or (2)
- H** Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____
- J** Check if Schedule M-3 attached

Caution. Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a		1c	
	b Less returns and allowances	1b			
	2 Cost of goods sold (Schedule A, line 8)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	
	7 Other income (loss) (attach statement)			7	2,340,970
8 Total income (loss). Combine lines 3 through 7			8	2,340,970	
Deductions <small>(see the instructions for limitations)</small>	9 Salaries and wages (other than to partners) (less employment credits)			9	
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	
	12 Bad debts			12	
	13 Rent			13	
	14 Taxes and licenses			14	
	15 Interest			15	
	16a Depreciation (if required, attach Form 4562)	16a			
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c	
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
	19 Employee benefit programs			19	
	20 Other deductions (attach statement)			20	
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	000
22 Ordinary business income (loss). Subtract line 21 from line 8			22	2,340,970	

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 general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member manager _____

Date _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer's Use Only

Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
Firm's name (or yours if self-employed) address, and ZIP code	EIN	Phone no. ()	

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2008)

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year		
2	Purchases less cost of items withdrawn for personal use		
3	Cost of labor		
4	Additional section 263A costs (attach statement)		
5	Other costs (attach statement)		
6	Total. Add lines 1 through 5		
7	Inventory at end of year		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2		

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (specify method used and attach explanation)

- b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c)
 - c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)
 - d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No
 - e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
- If "Yes," attach explanation.

Schedule B Other Information

- 1 What type of entity is filing this return? Check the applicable box:
- | | | | |
|---|---|-----|----|
| a <input type="checkbox"/> Domestic general partnership | b <input type="checkbox"/> Domestic limited partnership | Yes | No |
| c <input type="checkbox"/> Domestic limited liability company | d <input type="checkbox"/> Domestic limited liability partnership | | |
| e <input type="checkbox"/> Foreign partnership | f <input type="checkbox"/> Other | | |
- 2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?
- 3 At the end of the tax year:
- a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), or trust own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (v) below

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below

(i) Name of Individual or Estate	(ii) Social Security Number or Employer Identification Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital

4 At the end of the tax year, did the partnership:

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? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below

(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 the profit, loss, or capital 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 (v) below

					Yes	No
(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital		

5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details

6 Does the partnership satisfy **all four** of the following conditions?
a The partnership's total receipts for the tax year were less than \$250,000.
b The partnership's total assets at the end of the tax year were less than \$1 million.
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.
d The partnership is not filing and is not required to file Schedule M-3
 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.

7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?

8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?

9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?

10 At any time during calendar year 2008, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country.

11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions

12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.

b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions

c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions

13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (including a disregarded entity)

14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?

15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions

16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership.

17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP

Identifying number of TMP

Address of designated TMP

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss) 3a		
	b Expenses from other rental activities (attach statement) 3b		
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	
	5 Interest income	5	
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends 6b		
	7 Royalties	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a		
b Collectibles (28%) gain (loss) 9b			
c Unrecaptured section 1250 gain (attach statement) 9c			
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type (2) Amount	13c(2)	
d Other deductions (see instructions) Type	13d		
Self-Employment	14a Net earnings (loss) from self-employment	14a	
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
	d Other rental real estate credits (see instructions) Type	15d	
	e Other rental credits (see instructions) Type	15e	
	f Other credits (see instructions) Type	15f	
Foreign Transactions	16a Name of country or U.S. possession		
	b Gross income from all sources	16b	
	c Gross income sourced at partner level	16c	
	Foreign gross income sourced at partnership level		
	d Passive category e General category f Other	16f	
	Deductions allocated and apportioned at partner level		
	g Interest expense h Other	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
i Passive category j General category k Other	16k		
l Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l		
m Reduction in taxes available for credit (attach statement)	16m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties—gross income	17d	
	e Oil, gas, and geothermal properties—deductions	17e	
	f Other AMT items (attach statement)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19a Distributions of cash and marketable securities	19a	
	b Distributions of other property	19b	
	20a Investment income	20a	
b Investment expenses	20b		
c Other items and amounts (attach statement)			

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l						1
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners						
b Limited partners						

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
13	Other assets (attach statement)				
14	Total assets				
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)				
18	All nonrecourse loans				
19	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts				
22	Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1	Net income (loss) per books		6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a	Depreciation \$	
a	Depreciation \$				
b	Travel and entertainment \$		8	Add lines 6 and 7	
5	Add lines 1 through 4		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year		6	Distributions: a Cash	
2	Capital contributed: a Cash		b	Property	
	b Property		7	Other decreases (itemize):	
3	Net income (loss) per books				
4	Other increases (itemize):		8	Add lines 6 and 7	
5	Add lines 1 through 4		9	Balance at end of year. Subtract line 8 from line 5	

Form **1065**
Department of the Treasury
Internal Revenue Service

U.S. Return of Partnership Income

For calendar year 2009, or tax year beginning _____, 2009, ending _____, 20_____
See separate instructions.

OMB No. 1545-0099

2009

A Principal business activity	Use the IRS label. Otherwise, print or type.	Name of partnership FOX ROTHSCHILDS, LLP	D Employer identification number 23-1404723
B Principal product or service		Number, street, and room or suite no. If a P.O. box, see the instructions. 100 Park Avenue, 15th Floor	E Date business started
C Business code number		City or town, state, and ZIP code New York, New York 10017	F Total assets (see the instructions) \$ _____

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
(6) Technical termination - also check (1) or (2)
- H** Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____
- J** Check if Schedules C and M-3 are attached

Caution. Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a		1c	
	b Less returns and allowances	1b			
	2 Cost of goods sold (Schedule A, line 8)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	
	7 Other income (loss) (attach statement)			7	915,689
8 Total income (loss). Combine lines 3 through 7			8	916,689	
Deductions (see the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9	
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	
	12 Bad debts			12	
	13 Rent			13	
	14 Taxes and licenses			14	
	15 Interest			15	
	16a Depreciation (if required, attach Form 4562)	16a			
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c	
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
	19 Employee benefit programs			19	
	20 Other deductions (attach statement)			20	
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20.			21	000
22 Ordinary business income (loss). Subtract line 21 from line 8			22	916,689	

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 general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Signature of general partner or limited liability company member manager

Date

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed

Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no.

For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2009)

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1		
2	Purchases less cost of items withdrawn for personal use	2		
3	Cost of labor	3		
4	Additional section 263A costs (attach statement)	4		
5	Other costs (attach statement)	5		
6	Total. Add lines 1 through 5	6		
7	Inventory at end of year	7		
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8		

- 9a Check all methods used for valuing closing inventory:
- (i) Cost as described in Regulations section 1.471-3
 - (ii) Lower of cost or market as described in Regulations section 1.471-4
 - (iii) Other (specify method used and attach explanation) _____
- b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c)
- c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)
- d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No
- e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box:		
a	<input type="checkbox"/> Domestic general partnership		
b	<input type="checkbox"/> Domestic limited partnership		
c	<input type="checkbox"/> Domestic limited liability company		
d	<input type="checkbox"/> Domestic limited liability partnership		
e	<input type="checkbox"/> Foreign partnership		
f	<input type="checkbox"/> Other _____		
2	At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?		
3	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 or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		
b	Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		
4	At the end of the tax year, did the partnership:		
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? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below		

(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 the profit, loss, or capital 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 (v) below

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

		Yes	No
5	Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		
6	Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		
8	During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		
9	Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		
10	At any time during calendar year 2009, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country.		
11	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		
12a	Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		
b	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		
c	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		
13	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than entities wholly-owned by the partnership throughout the tax year) <input type="checkbox"/>		
14	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		
15	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions		
16	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership.		
17	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return.		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP	Identifying number of TMP
If the TMP is an entity, name of TMP representative	Phone number of TMP
Address of designated TMP	

Schedule K		Partners' Distributive Share Items		Total amount	
Income (Loss)	1	Ordinary business income (loss) (page 1, line 22)		1	
	2	Net rental real estate income (loss) (attach Form 8825)		2	
	3a	Other gross rental income (loss)	3a		
	b	Expenses from other rental activities (attach statement)	3b		
	c	Other net rental income (loss). Subtract line 3b from line 3a		3c	
	4	Guaranteed payments		4	
	5	Interest income		5	
	6	Dividends:		6a	
		a Ordinary dividends			
		b Qualified dividends	6b		
	7	Royalties		7	
8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))		8		
9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))		9a		
b	Collectibles (28%) gain (loss)	9b			
c	Unrecaptured section 1250 gain (attach statement)	9c			
10	Net section 1231 gain (loss) (attach Form 4797)		10		
11	Other income (loss) (see instructions) Type		11		
Deductions	12	Section 179 deduction (attach Form 4562)		12	
	13a	Contributions		13a	
	b	Investment interest expense		13b	
	c	Section 59(e)(2) expenditures: (1) Type (2) Amount		13c(2)	
d	Other deductions (see instructions) Type		13d		
Self-Employment	14a	Net earnings (loss) from self-employment		14a	
	b	Gross farming or fishing income		14b	
	c	Gross nonfarm income		14c	
Credits	15a	Low-income housing credit (section 42(j)(5))		15a	
	b	Low-income housing credit (other)		15b	
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)		15c	
	d	Other rental real estate credits (see instructions) Type		15d	
	e	Other rental credits (see instructions) Type		15e	
	f	Other credits (see instructions) Type		15f	
Foreign Transactions	16a	Name of country or U.S. possession			
	b	Gross income from all sources		16b	
	c	Gross income sourced at partner level		16c	
	d	Foreign gross income sourced at partnership level			
	e	Passive category	e	General category	f
	f	Other			
	g	Deductions allocated and apportioned at partner level			
	h	Interest expense		16h	
	i	Deductions allocated and apportioned at partnership level to foreign source income			
	j	Passive category	j	General category	k
k	Other				
l	Total foreign taxes (check one): Paid <input type="checkbox"/> Accrued <input type="checkbox"/>		16l		
m	Reduction in taxes available for credit (attach statement)		16m		
n	Other foreign tax information (attach statement)				
Alternative Minimum Tax (AMT) Items	17a	Post-1986 depreciation adjustment		17a	
	b	Adjusted gain or loss		17b	
	c	Depletion (other than oil and gas)		17c	
	d	Oil, gas, and geothermal properties—gross income		17d	
	e	Oil, gas, and geothermal properties—deductions		17e	
	f	Other AMT items (attach statement)		17f	
Other Information	18a	Tax-exempt interest income		18a	
	b	Other tax-exempt income		18b	
	c	Nondeductible expenses		18c	
	19a	Distributions of cash and marketable securities		19a	
	b	Distributions of other property		19b	
	20a	Investment income		20a	
b	Investment expenses		20b		
c	Other items and amounts (attach statement)				

Analysis of Net Income (Loss)

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l					1	
2	Analysis by partner type:						
	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a	General partners						
b	Limited partners						

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
13	Other assets (attach statement)				
14	Total assets				
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)				
18	All nonrecourse loans				
19	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts				
22	Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1	Net income (loss) per books		6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a	Depreciation \$	
a	Depreciation \$		8	Add lines 6 and 7	
b	Travel and entertainment \$		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	
5	Add lines 1 through 4				

Schedule M-2 Analysis of Partners' Capital Accounts			
1	Balance at beginning of year	6	Distributions: a Cash
2	Capital contributed: a Cash		b Property
	b Property	7	Other decreases (itemize):
3	Net income (loss) per books		
4	Other increases (itemize):	8	Add lines 6 and 7
		9	Balance at end of year. Subtract line 8 from line 5
5	Add lines 1 through 4		

Form **1065**
 Department of the Treasury
 Internal Revenue Service

U.S. Return of Partnership Income
 For calendar year 2010, or tax year beginning _____, 2010, ending _____, 20_____
 See separate instructions.

OMB No. 1545-0099

2010

A Principal business activity	Print or type.	Name of partnership FOX ROTHSCHILDS, LLP	D Employer identification number 23-1404723
B Principal product or service		Number, street, and room or suite no. If a P.O. box, see the instructions. 100 Park Avenue, 15th Floor	E Date business started
C Business code number		City or town, state, and ZIP code New York, New York 10017	F Total assets (see the instructions) \$

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
 (6) Technical termination - also check (1) or (2)
- H** Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____
- J** Check if Schedules C and M-3 are attached

Caution. Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a		1c	
	b Less returns and allowances	1b			
	2 Cost of goods sold (Schedule A, line 8)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	
	7 Other income (loss) (attach statement)			7	889,650
8 Total income (loss). Combine lines 3 through 7			8	889,650	
Deductions <small>(see the instructions for limitations)</small>	9 Salaries and wages (other than to partners) (less employment credits)			9	
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	
	12 Bad debts			12	
	13 Rent			13	
	14 Taxes and licenses			14	
	15 Interest			15	
	16a Depreciation (if required, attach Form 4562)	16a			
	b Less depreciation reported on Schedule A and elsewhere on return	16b		16c	
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
	19 Employee benefit programs			19	
	20 Other deductions (attach statement)			20	
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	000
22 Ordinary business income (loss). Subtract line 21 from line 8			22	889,650	

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 general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member manager _____ Date _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name <input type="checkbox"/>				Firm's EIN ³
	Firm's address ¹				Phone no.

Schedule A Cost of Goods Sold (see the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9a Check all methods used for valuing closing inventory:

- (i) Cost as described in Regulations section 1.471-3
- (ii) Lower of cost or market as described in Regulations section 1.471-4
- (iii) Other (specify method used and attach explanation) _____

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c)

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? Yes No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

Schedule B Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box:		
a	<input type="checkbox"/> Domestic general partnership		
b	<input type="checkbox"/> Domestic limited partnership		
c	<input type="checkbox"/> Domestic limited liability company		
d	<input type="checkbox"/> Domestic limited liability partnership		
e	<input type="checkbox"/> Foreign partnership		
f	<input type="checkbox"/> Other _____		
2	At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?		
3	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 or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		
b	Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership		
4	At the end of the tax year, did the partnership:		
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? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below		

(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 the profit, loss, or capital 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 (v) below

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		
6 Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		
10 At any time during calendar year 2010, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. <input type="checkbox"/>		
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election. b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than entities wholly-owned by the partnership throughout the tax year) <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions <input type="checkbox"/>		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. <input type="checkbox"/>		
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. <input type="checkbox"/>		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP <input type="text"/>	Identifying number of TMP <input type="text"/>
If the TMP is an entity, name of TMP representative <input type="text"/>	Phone number of TMP <input type="text"/>
Address of designated TMP <input type="text"/>	

Schedule K		Partners' Distributive Share Items	Total amount
Income (Loss)	1	Ordinary business income (loss) (page 1, line 22)	1
	2	Net rental real estate income (loss) (attach Form 8825)	2
	3a	Other gross rental income (loss)	3a
	b	Expenses from other rental activities (attach statement)	3b
	c	Other net rental income (loss). Subtract line 3b from line 3a	3c
	4	Guaranteed payments	4
	5	Interest income	5
	6	Dividends: a Ordinary dividends	6a
	b	Qualified dividends	6b
	7	Royalties	7
	8	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8
Income (Loss)	9a	Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a
	b	Collectibles (28%) gain (loss)	9b
	c	Unrecaptured section 1250 gain (attach statement)	9c
10	Net section 1231 gain (loss) (attach Form 4797)	10	
11	Other income (loss) (see instructions) Type <input type="checkbox"/>	11	
Deductions	12	Section 179 deduction (attach Form 4562)	12
	13a	Contributions	13a
	b	Investment interest expense	13b
	c	Section 59(e)(2) expenditures: (1) Type <input type="checkbox"/> (2) Amount <input type="checkbox"/>	13c(2)
d	Other deductions (see instructions) Type <input type="checkbox"/>	13d	
Self-Employment	14a	Net earnings (loss) from self-employment	14a
	b	Gross farming or fishing income	14b
	c	Gross nonfarm income	14c
Credits	15a	Low-income housing credit (section 42(j)(5))	15a
	b	Low-income housing credit (other)	15b
	c	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c
	d	Other rental real estate credits (see instructions) Type <input type="checkbox"/>	15d
	e	Other rental credits (see instructions) Type <input type="checkbox"/>	15e
	f	Other credits (see instructions) Type <input type="checkbox"/>	15f
Foreign Transactions	16a	Name of country or U.S. possession	16a
	b	Gross income from all sources	16b
	c	Gross income sourced at partner level	16c
	d	Foreign gross income sourced at partnership level	
	e	Passive category <input type="checkbox"/> e General category <input type="checkbox"/> f Other <input type="checkbox"/>	16f
	g	Deductions allocated and apportioned at partner level	
	h	Interest expense <input type="checkbox"/> h Other <input type="checkbox"/>	16h
	i	Deductions allocated and apportioned at partnership level to foreign source income	
	j	Passive category <input type="checkbox"/> j General category <input type="checkbox"/> k Other <input type="checkbox"/>	16k
l	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l	
m	Reduction in taxes available for credit (attach statement)	16m	
n	Other foreign tax information (attach statement)		
Alternative Minimum Tax (AMT) Items	17a	Post-1986 depreciation adjustment	17a
	b	Adjusted gain or loss	17b
	c	Depletion (other than oil and gas)	17c
	d	Oil, gas, and geothermal properties—gross income	17d
	e	Oil, gas, and geothermal properties—deductions	17e
	f	Other AMT items (attach statement)	17f
Other Information	18a	Tax-exempt interest income	18a
	b	Other tax-exempt income	18b
	c	Nondeductible expenses	18c
	19a	Distributions of cash and marketable securities	19a
	b	Distributions of other property	19b
	20a	Investment income	20a
b	Investment expenses	20b	
c	Other items and amounts (attach statement)		

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l						1
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners						
b Limited partners						

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
13	Other assets (attach statement)				
14	Total assets				
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)				
18	All nonrecourse loans				
19	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts				
22	Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1	Net income (loss) per books		6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a	Depreciation \$	
a	Depreciation \$				
b	Travel and entertainment \$		8	Add lines 6 and 7	
5	Add lines 1 through 4		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year		6	Distributions: a Cash	
2	Capital contributed: a Cash		b	Property	
	b Property		7	Other decreases (itemize):	
3	Net income (loss) per books				
4	Other increases (itemize):		8	Add lines 6 and 7	
5	Add lines 1 through 4		9	Balance at end of year. Subtract line 8 from line 5	

Form **1065**
 Department of the Treasury
 Internal Revenue Service

U.S. Return of Partnership Income

For calendar year 2011, or tax year beginning _____, 2011, ending _____, 20_____.
 See separate instructions.

OMB No. 1545-0099

2011

A Principal business activity	Print or type.	Name of partnership FOX ROTHSCHILDS, LLP	D Employer identification number 23-1404723
		Number, street, and room or suite no. If a P.O. box, see the instructions. 100 Park Avenue, 15th Floor	E Date business started
		City or town, state, and ZIP code New York, New York 10017	F Total assets (see the instructions) \$

- G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
 (6) Technical termination - also check (1) or (2)
- H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____
- I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____
- J Check if Schedules C and M-3 are attached

Caution. Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Merchant card and third-party payments (including amounts reported on Form(s) 1099-K). For 2011, enter -0-	1a		
	b Gross receipts or sales not reported on line 1a (see instructions)	1b		
	c Total. Add lines 1a and 1b	1c		
	d Returns and allowances plus any other adjustments to line 1a (see instructions)	1d		
	e Subtract line 1d from line 1c	1e		
	2 Cost of goods sold (attach Form 1125-A)	2		
	3 Gross profit. Subtract line 2 from line 1e	3		
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)	4		
5 Net farm profit (loss) (attach Schedule F (Form 1040))	5			
6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)	6			
7 Other income (loss) (attach statement)	7		1,508,360	
8 Total income (loss). Combine lines 3 through 7	8		1,508,360	
Deductions <small>(see the instructions for limitations)</small>	9 Salaries and wages (other than to partners) (less employment credits)	9		
	10 Guaranteed payments to partners	10		
	11 Repairs and maintenance	11		
	12 Bad debts	12		
	13 Rent	13		
	14 Taxes and licenses	14		
	15 Interest	15		
	16a Depreciation (if required, attach Form 4562)	16a		
	b Less depreciation reported on Form 1125-A and elsewhere on return	16b		16c
	17 Depletion (Do not deduct oil and gas depletion.)	17		
	18 Retirement plans, etc.	18		
	19 Employee benefit programs	19		
	20 Other deductions (attach statement)	20		
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20	21		000
22 Ordinary business income (loss). Subtract line 21 from line 8	22		1,508,360	

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 general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member manager _____ Date _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name	Firm's EIN		Phone no.	
Firm's address				

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 11390Z

Form **1065** (2011)

Schedule B Other Information

1 What type of entity is filing this return? Check the applicable box:

<p>a <input type="checkbox"/> Domestic general partnership</p> <p>c <input type="checkbox"/> Domestic limited liability company</p> <p>e <input type="checkbox"/> Foreign partnership</p>	<p>b <input type="checkbox"/> Domestic limited partnership</p> <p>d <input type="checkbox"/> Domestic limited liability partnership</p> <p>f <input type="checkbox"/> Other ^(1,2) _____</p>
--	---

2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?

3 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, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership

b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership

4 At the end of the tax year, did the partnership:

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? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below

	Yes	No

(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 the profit, loss, or capital 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 (v) below

	Yes	No

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital

	Yes	No
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details		
6 Does the partnership satisfy all four of the following conditions? a The partnership's total receipts for the tax year were less than \$250,000. b The partnership's total assets at the end of the tax year were less than \$1 million. c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return. d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.		
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?		
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		
10 At any time during calendar year 2011, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country. <input type="checkbox"/>		
11 At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		
12a Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election. b Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions c Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		
13 Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year) <input type="checkbox"/>		
14 At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		
15 If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions <input type="checkbox"/>		
16 Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. <input type="checkbox"/>		
17 Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. <input type="checkbox"/>		
18a Did you make any payments in 2011 that would require you to file Form(s) 1099? See instructions b If "Yes," did you or will you file all required Form(s) 1099?		
19 Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. <input type="checkbox"/>		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP <input type="text"/>	Identifying number of TMP <input type="text"/>
If the TMP is an entity, name of TMP representative <input type="text"/>	Phone number of TMP <input type="text"/>
Address of designated TMP <input type="text"/>	

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	
	5 Interest income	5	
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends	6b	
	7 Royalties	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
Deductions	9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a	
	b Collectibles (28%) gain (loss)	9b	
	c Unrecaptured section 1250 gain (attach statement)	9c	
	10 Net section 1231 gain (loss) (attach Form 4797)	10	
	11 Other income (loss) (see instructions) Type <input type="checkbox"/>	11	
	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type <input type="checkbox"/> (2) Amount <input type="checkbox"/>	13c(2)	
	d Other deductions (see instructions) Type <input type="checkbox"/>	13d	
	Self-Employment	14a Net earnings (loss) from self-employment	14a
b Gross farming or fishing income		14b	
c Gross nonfarm income		14c	
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
	d Other rental real estate credits (see instructions) Type <input type="checkbox"/>	15d	
	e Other rental credits (see instructions) Type <input type="checkbox"/>	15e	
	f Other credits (see instructions) Type <input type="checkbox"/>	15f	
Foreign Transactions	16a Name of country or U.S. possession	16b	
	b Gross income from all sources	16c	
	c Gross income sourced at partner level		
	Foreign gross income sourced at partnership level		
	d Passive category <input type="checkbox"/> e General category <input type="checkbox"/> f Other <input type="checkbox"/>	16f	
	Deductions allocated and apportioned at partner level		
	g Interest expense <input type="checkbox"/> h Other <input type="checkbox"/>	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
	i Passive category <input type="checkbox"/> j General category <input type="checkbox"/> k Other <input type="checkbox"/>	16k	
	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	16l	
m Reduction in taxes available for credit (attach statement)	16m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties—gross income	17d	
	e Oil, gas, and geothermal properties—deductions	17e	
	f Other AMT items (attach statement)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19a Distributions of cash and marketable securities	19a	
	b Distributions of other property	19b	
	20a Investment income	20a	
	b Investment expenses	20b	
c Other items and amounts (attach statement)			

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l						1
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners						
b Limited partners						

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7a	Loans to partners (or persons related to partners)				
b	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
13	Other assets (attach statement)				
14	Total assets				
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)				
18	All nonrecourse loans				
19a	Loans from partners (or persons related to partners)				
b	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts				
22	Total liabilities and capital				

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

Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1	Net income (loss) per books		6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a	Depreciation \$	
a	Depreciation \$		8	Add lines 6 and 7	
b	Travel and entertainment \$		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5	
5	Add lines 1 through 4				

Schedule M-2 Analysis of Partners' Capital Accounts

1	Balance at beginning of year		6	Distributions: a Cash	
2	Capital contributed: a Cash		b	Property	
	b Property		7	Other decreases (itemize):	
3	Net income (loss) per books		8	Add lines 6 and 7	
4	Other increases (itemize):		9	Balance at end of year. Subtract line 8 from line 5	
5	Add lines 1 through 4				

Form **1065**
Department of the Treasury
Internal Revenue Service

U.S. Return of Partnership Income

OMB No. 1545-0099

2012

For calendar year 2012, or tax year beginning _____, 2012, ending _____, 20_____
 Information about Form 1065 and its separate instructions is at www.irs.gov/form1065.

A Principal business activity	Print or type.	Name of partnership FOX ROTHSCHILDS, LLP	D Employer identification number 23-1404723
		Number, street, and room or suite no. If a P.O. box, see the instructions. 100 Park avenue, 15th Floor	E Date business started
B Principal product or service		City or town, state, and ZIP code New York, New York 10017	F Total assets (see the instructions) \$
C Business code number			

- G Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
(6) Technical termination - also check (1) or (2)
- H Check accounting method: (1) Cash (2) Accrual (3) Other (specify) _____
- I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year _____
- J Check if Schedules C and M-3 are attached

Caution. Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a Gross receipts or sales	1a			
	b Returns and allowances	1b			
	c Balance. Subtract line 1b from line 1a			1c	
	2 Cost of goods sold (attach Form 1125-A)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6	
7 Other income (loss) (attach statement)			7	1,405,519	
8 Total income (loss). Combine lines 3 through 7			8	1,405,519	
Deductions <small>(see the instructions for limitations)</small>	9 Salaries and wages (other than to partners) (less employment credits)			9	
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	
	12 Bad debts			12	
	13 Rent			13	
	14 Taxes and licenses			14	
	15 Interest			15	
	16a Depreciation (if required, attach Form 4562)	16a			
	b Less depreciation reported on Form 1125-A and elsewhere on return	16b			
	16c			16c	
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
	19 Employee benefit programs			19	
	20 Other deductions (attach statement)			20	
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21	000
22 Ordinary business income (loss). Subtract line 21 from line 8			22	1,405,519	

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 general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member manager _____ Date _____

May the IRS discuss this return with the preparer shown below (see instructions)? Yes No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name	Firm's EIN			
	Firm's address	Phone no.			

Schedule B Other Information			Yes	No																										
1 What type of entity is filing this return? Check the applicable box: <table style="width:100%; border: none;"> <tr> <td style="width: 50%; border: none;">a <input type="checkbox"/> Domestic general partnership</td> <td style="width: 50%; border: none;">b <input type="checkbox"/> Domestic limited partnership</td> </tr> <tr> <td style="border: none;">c <input type="checkbox"/> Domestic limited liability company</td> <td style="border: none;">d <input type="checkbox"/> Domestic limited liability partnership</td> </tr> <tr> <td style="border: none;">e <input type="checkbox"/> Foreign partnership</td> <td style="border: none;">f <input type="checkbox"/> Other</td> </tr> </table>		a <input type="checkbox"/> Domestic general partnership	b <input type="checkbox"/> Domestic limited partnership	c <input type="checkbox"/> Domestic limited liability company	d <input type="checkbox"/> Domestic limited liability partnership	e <input type="checkbox"/> Foreign partnership	f <input type="checkbox"/> Other																							
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c <input type="checkbox"/> Domestic limited liability company	d <input type="checkbox"/> Domestic limited liability partnership																													
e <input type="checkbox"/> Foreign partnership	f <input type="checkbox"/> Other																													
2 At any time during the tax year, was any partner in the partnership a disregarded entity, a partnership (including an entity treated as a partnership), a trust, an S corporation, an estate (other than an estate of a deceased partner), or a nominee or similar person?																														
3 At the end of the tax year: <table style="width:100%; border: none;"> <tr> <td style="width: 50%; border: none;">a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership</td> <td style="width: 50%; border: none;">b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership</td> </tr> </table>		a Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization, or any foreign government own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership	b Did any individual or estate own, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership? For rules of constructive ownership, see instructions. If "Yes," attach Schedule B-1, Information on Partners Owning 50% or More of the Partnership																											
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4 At the end of the tax year, did the partnership: <table style="width:100%; border: none;"> <tr> <td style="width: 50%; border: none;">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? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below</td> <td style="width: 50%; border: none;"></td> </tr> </table> <table border="1" style="width:100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="width: 45%;">(i) Name of Corporation</th> <th style="width: 15%;">(ii) Employer Identification Number (if any)</th> <th style="width: 15%;">(iii) Country of Incorporation</th> <th style="width: 25%;">(iv) Percentage Owned in Voting Stock</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>		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? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below		(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock																							
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(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Type of Entity	(iv) Country of Organization	(v) Maximum Percentage Owned in Profit, Loss, or Capital																										
5 Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details																														
6 Does the partnership satisfy all four of the following conditions? <table style="width:100%; border: none;"> <tr> <td style="width: 50%; border: none;">a The partnership's total receipts for the tax year were less than \$250,000.</td> <td style="width: 50%; border: none;"></td> </tr> <tr> <td style="border: none;">b The partnership's total assets at the end of the tax year were less than \$1 million.</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.</td> <td style="border: none;"></td> </tr> </table>		a The partnership's total receipts for the tax year were less than \$250,000.		b The partnership's total assets at the end of the tax year were less than \$1 million.		c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		d The partnership is not filing and is not required to file Schedule M-3 If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item L on Schedule K-1.																						
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7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?																														
8 During the tax year, did the partnership have any debt that was cancelled, was forgiven, or had the terms modified so as to reduce the principal amount of the debt?																														
9 Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?																														
10 At any time during calendar year 2012, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If "Yes," enter the name of the foreign country.																														

Schedule B Other Information (continued)		Yes	No
11	At any time during the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520, Annual Return To Report Transactions With Foreign Trusts and Receipt of Certain Foreign Gifts. See instructions		
12a	Is the partnership making, or had it previously made (and not revoked), a section 754 election? See instructions for details regarding a section 754 election.		
b	Did the partnership make for this tax year an optional basis adjustment under section 743(b) or 734(b)? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions		
c	Is the partnership required to adjust the basis of partnership assets under section 743(b) or 734(b) because of a substantial built-in loss (as defined under section 743(d)) or substantial basis reduction (as defined under section 734(d))? If "Yes," attach a statement showing the computation and allocation of the basis adjustment. See instructions.		
13	Check this box if, during the current or prior tax year, the partnership distributed any property received in a like-kind exchange or contributed such property to another entity (other than disregarded entities wholly-owned by the partnership throughout the tax year) <input type="checkbox"/> <input type="checkbox"/>		
14	At any time during the tax year, did the partnership distribute to any partner a tenancy-in-common or other undivided interest in partnership property?		
15	If the partnership is required to file Form 8858, Information Return of U.S. Persons With Respect To Foreign Disregarded Entities, enter the number of Forms 8858 attached. See instructions <input type="checkbox"/>		
16	Does the partnership have any foreign partners? If "Yes," enter the number of Forms 8805, Foreign Partner's Information Statement of Section 1446 Withholding Tax, filed for this partnership. <input type="checkbox"/>		
17	Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. <input type="checkbox"/>		
18a	Did you make any payments in 2012 that would require you to file Form(s) 1099? See instructions		
b	If "Yes," did you or will you file required Form(s) 1099?		
19	Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. <input type="checkbox"/>		
20	Enter the number of partners that are foreign governments under section 892. <input type="checkbox"/>		

Designation of Tax Matters Partner (see instructions)

Enter below the general partner or member-manager designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP <input type="text"/>	Identifying number of TMP <input type="text"/>
If the TMP is an entity, name of TMP representative <input type="text"/>	Phone number of TMP <input type="text"/>
Address of designated TMP <input type="text"/>	

Schedule K Partners' Distributive Share Items		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 22)	1	
	2 Net rental real estate income (loss) (attach Form 8825)	2	
	3a Other gross rental income (loss)	3a	
	b Expenses from other rental activities (attach statement)	3b	
	c Other net rental income (loss). Subtract line 3b from line 3a	3c	
	4 Guaranteed payments	4	
	5 Interest income	5	
	6 Dividends: a Ordinary dividends	6a	
	b Qualified dividends	6b	
	7 Royalties	7	
	8 Net short-term capital gain (loss) (attach Schedule D (Form 1065))	8	
9a Net long-term capital gain (loss) (attach Schedule D (Form 1065))	9a		
b Collectibles (28%) gain (loss)	9b		
c Unrecaptured section 1250 gain (attach statement)	9c		
10 Net section 1231 gain (loss) (attach Form 4797)	10		
11 Other income (loss) (see instructions) Type <input type="checkbox"/>	11		
Deductions	12 Section 179 deduction (attach Form 4562)	12	
	13a Contributions	13a	
	b Investment interest expense	13b	
	c Section 59(e)(2) expenditures: (1) Type <input type="checkbox"/> (2) Amount <input type="checkbox"/>	13c(2)	
d Other deductions (see instructions) Type <input type="checkbox"/>	13d		
Self-Employment	14a Net earnings (loss) from self-employment	14a	
	b Gross farming or fishing income	14b	
	c Gross nonfarm income	14c	
Credits	15a Low-income housing credit (section 42(j)(5))	15a	
	b Low-income housing credit (other)	15b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	15c	
	d Other rental real estate credits (see instructions) Type <input type="checkbox"/>	15d	
	e Other rental credits (see instructions) Type <input type="checkbox"/>	15e	
	f Other credits (see instructions) Type <input type="checkbox"/>	15f	
Foreign Transactions	16a Name of country or U.S. possession	16b	
	b Gross income from all sources	16c	
	c Gross income sourced at partner level		
	Foreign gross income sourced at partnership level		
	d Passive category <input type="checkbox"/> e General category <input type="checkbox"/> f Other <input type="checkbox"/>	16f	
	Deductions allocated and apportioned at partner level		
	g Interest expense <input type="checkbox"/> h Other <input type="checkbox"/>	16h	
	Deductions allocated and apportioned at partnership level to foreign source income		
	i Passive category <input type="checkbox"/> j General category <input type="checkbox"/> k Other <input type="checkbox"/>	16k	
	l Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued <input type="checkbox"/> 16l		
m Reduction in taxes available for credit (attach statement)	16m		
n Other foreign tax information (attach statement)			
Alternative Minimum Tax (AMT) Items	17a Post-1986 depreciation adjustment	17a	
	b Adjusted gain or loss	17b	
	c Depletion (other than oil and gas)	17c	
	d Oil, gas, and geothermal properties—gross income	17d	
	e Oil, gas, and geothermal properties—deductions	17e	
	f Other AMT items (attach statement)	17f	
Other Information	18a Tax-exempt interest income	18a	
	b Other tax-exempt income	18b	
	c Nondeductible expenses	18c	
	19a Distributions of cash and marketable securities	19a	
	b Distributions of other property	19b	
	20a Investment income	20a	
	b Investment expenses	20b	
c Other items and amounts (attach statement)			

Analysis of Net Income (Loss)

1	Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13d, and 16l					1
2	Analysis by partner type:					
	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a	General partners					
b	Limited partners					

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts				
3	Inventories				
4	U.S. government obligations				
5	Tax-exempt securities				
6	Other current assets (attach statement)				
7a	Loans to partners (or persons related to partners)				
b	Mortgage and real estate loans				
8	Other investments (attach statement)				
9a	Buildings and other depreciable assets				
b	Less accumulated depreciation				
10a	Depletable assets				
b	Less accumulated depletion				
11	Land (net of any amortization)				
12a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
13	Other assets (attach statement)				
14	Total assets				
Liabilities and Capital					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement)				
18	All nonrecourse loans				
19a	Loans from partners (or persons related to partners)				
b	Mortgages, notes, bonds payable in 1 year or more				
20	Other liabilities (attach statement)				
21	Partners' capital accounts				
22	Total liabilities and capital				

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return
 Note. Schedule M-3 may be required instead of Schedule M-1 (see instructions).

1	Net income (loss) per books		6	Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):
2	Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize):		a	Tax-exempt interest \$
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 13d, and 16l, not charged against book income this year (itemize):
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 13d, and 16l (itemize):		a	Depreciation \$
a	Depreciation \$		8	Add lines 6 and 7
b	Travel and entertainment \$		9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5
5	Add lines 1 through 4			

Schedule M-2 Analysis of Partners' Capital Accounts	
1	Balance at beginning of year
2	Capital contributed: a Cash
	b Property
3	Net income (loss) per books
4	Other increases (itemize):
5	Add lines 1 through 4
6	Distributions: a Cash
	b Property
7	Other decreases (itemize):
8	Add lines 6 and 7
9	Balance at end of year. Subtract line 8 from line 5

Exhibit C

LAW OFFICE OF NORMAN A. ABOOD

Attorney & Counselor at Law

TELEPHONE 419.724.3700
FACSIMILE 419.724.3701
NORMAN@NABOOD.COM
Licensed in Ohio

*203 Fort Industry Square
152 North Summit Street
Toledo, Ohio 43604-2304*

September 21, 2014

Mr. Yann Geron, Esq.
Fox Rothschild, LLP
100 Park Avenue, 15th Floor
New York, NY 10017

*Re.: In Re Prosser
In Re Innovative Communication Company, LLC
In Re Innovative Communication Corporation*

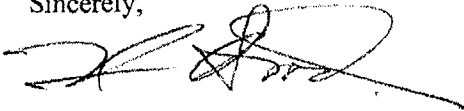
Dear Mr. Geron:

We write on behalf of our client, Jeffrey Prosser, because we have reason to believe that the Virgin Islands Internal Revenue Bureau has recently served Trustee Carroll and Fox Rothschild, LLP, amongst others, with significant tax assessments. It is our further understanding that these tax assessments arise from Trustee Carroll's and your law firm's failure to file tax returns and pay tax on income earned from your employment as professionals in the above-referenced matters. We consider these to be material events that must be disclosed to the United States Bankruptcy Court by both Mr. Carroll, individually, and by your firm as counsel for Mr. Carroll.

Rather than initiate a flurry of legal proceedings without first affording both Mr. Carroll and Fox Rothschild an opportunity to bring these matters to the Court on their own, we write to ask you, on behalf of both Mr. Carroll and Fox Rothschild, to make the requisite disclosures so that the Court may then decide what action, if any, it deems appropriate.

Your prompt response is appreciated.

Sincerely,



Norman A. Abood
Counsel for Jeffrey J. Prosser

Cc: Jeffrey J. Prosser
Robert F. Craig, Esq.
Lawrence H. Schoenbach, Esq.

Exhibit D

Geron, Yann

From: Geron, Yann <YGeron@foxrothschild.com>
Sent: Monday, September 22, 2014 3:53 PM
To: Ruth Jackson (rj.irb.vi@gmail.com); Ruth Jackson (rjackson@irb.gov.vi)
Cc: James P. Carroll (jim.carroll@carrollservicesllc.com); Stassen, William; Israel, Samuel; cwatson@irb.org; tsmalls@irb.gov.vi
Subject: Estate of Jeffrey J. Prosser, Debtor--Response requested
Attachments: NAA YG 092114.pdf

Importance: High

Ms. Jackson,

This is an important email requiring your prompt attention and detailed written response. I have copied Ms. Claudette Watson-Anderson, Director, and Ms. Tamarah Parson-Smalls, Chief Counsel, of the U.S. Virgin Islands Internal Revenue Bureau.

You will recall that my firm represents James P. Carroll, as Chapter 7 trustee of the estate of Jeffrey J. Prosser, debtor. Since approximately May 2014, we have been meeting with you, and providing information to you, concerning your evaluation of whether any of the debtor's bankruptcy estate or its activities are arguably taxable in the U.S. Virgin Islands. You have repeatedly and unconditionally assured us that our discussions and exchange of information were entirely confidential. Indeed, it is my understanding that the IRB (like the IRS) is precluded by law from sharing or discussing any tax-payer information with any third parties absent a duly -executed power of attorney from the tax payer. As you know, neither my firm nor Mr. Carroll have signed any power of attorney to authorize you or anyone at the IRB to discuss our purported tax-payer information with any third parties.

To date, we have provided you with detailed and comprehensive information, and we have responded to each your inquiries. You have informed us that you would send us a report of your findings once they are made, and give us an opportunity to respond substantively to that report. To date, we have not received any report or analysis from you or anyone at the IRB. Thus, to our knowledge, the IRB has not communicated to us regarding any steps taken in connection with your analysis.

However, yesterday, September 21, 2014, we received the enclosed letter from Norman Abood, Esq., one of the Debtor's counsel. In it, your will note that Mr. Abood makes very specific reference to the IRB's purported service of assessments of taxes on my firm, Mr. Carroll, and possibly other estate professionals. This letter from Mr. Abood comes as quite a surprise to us. First, to our knowledge, the allegations in the letter are false, since you have not even issued your report to us yet, let alone received our substantive response, on the issues we have been discussing, and the IRB has taken no formal action against the bankruptcy estate or its professionals. Second, any communication between your office and Mr. Carroll or his professionals in connection with this analysis is strictly confidential, and thus, the purported dissemination of any information relating to this to Mr. Prosser and his counsel would amount to a violation of the various tax-payers' privacy rights. Third, if what Mr. Abood is saying is in any way correct, it would appear that Mr. Abood is referring to conclusions in a report by you which we have not even seen yet, which would indicate a level of intimacy between the Debtor and the IRB which is problematic, to say the very least.

Please explain to us promptly how it apparently came to be that Mr. Prosser and his lawyers believe they have information relating to your analysis and conclusions, information we do not yet have. We need to know who is providing information to Mr. Prosser and his professionals, and under what statutory rights or procedures. If you are unable to guide us as to who may have provided any information to the Prossers, please guide us to the persons who can, so we can direct our inquiries or subpoenas, should they become necessary.

Thank you.

Yann Geron
Partner
Fox Rothschild LLP
100 Park Avenue, 15th Floor
New York, NY 10017
(212) 878-7901 - direct
(914) 582-6965 – cell
Email: YGeron@foxrothschild.com
Bio: <http://www.foxrothschild.com/attorneys/yann-geron.html>

Exhibit E