

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

**U.S. Return of Partnership Income**

OMB No. 1545-0123

For calendar year 2016, or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

**2016**

**u** Information about Form 1065 and its separate instructions is at [www.irs.gov/form1065](http://www.irs.gov/form1065).

<b>A</b> Principal business activity	<b>Type or Print</b>	Name of partnership <b>PAYROLL4FREE.COM LLC</b>	<b>D</b> Employer identification number <b>46-1032027</b>
<b>SERVICES</b>		Number, street, and room or suite no. If a P.O. box, see the instructions. <b>23297 COMMERCE PARK ROAD</b>	<b>E</b> Date business started <b>05/23/2012</b>
<b>B</b> Principal product or service <b>PAYROLL PROC</b>		City or town, state or province, country, and ZIP or foreign postal code <b>BEACHWOOD OH 44122</b>	<b>F</b> Total assets (see the instructions) \$ <b>144,817</b>
<b>C</b> Business code number <b>541214</b>			

**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) **u** \_\_\_\_\_

**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year **u** **2**

**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.

<b>Income</b>	1a Gross receipts or sales	<b>1a</b>	<b>71,802</b>		
	b Returns and allowances	<b>1b</b>	<b>4,128</b>		
	c Balance. Subtract line 1b from line 1a			<b>1c</b>	<b>67,674</b>
	2 Cost of goods sold (attach Form 1125-A)			<b>2</b>	
	3 Gross profit. Subtract line 2 from line 1c			<b>3</b>	<b>67,674</b>
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			<b>4</b>	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			<b>5</b>	
	6 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			<b>6</b>	
7 Other income (loss) (attach statement)			<b>7</b>		
8 <b>Total income (loss).</b> Combine lines 3 through 7			<b>8</b>	<b>67,674</b>	
<b>Deductions</b> <small>(see the instructions for limitations)</small>	9 Salaries and wages (other than to partners) (less employment credits)			<b>9</b>	
	10 Guaranteed payments to partners			<b>10</b>	
	11 Repairs and maintenance			<b>11</b>	<b>277</b>
	12 Bad debts			<b>12</b>	
	13 Rent			<b>13</b>	<b>5,542</b>
	14 Taxes and licenses			<b>14</b>	
	15 Interest			<b>15</b>	
	16a Depreciation (if required, attach Form 4562)	<b>16a</b>			
	b Less depreciation reported on Form 1125-A and elsewhere on return	<b>16b</b>		<b>16c</b>	
	17 Depletion ( <b>Do not deduct oil and gas depletion.</b> )			<b>17</b>	
	18 Retirement plans, etc.			<b>18</b>	
19 Employee benefit programs			<b>19</b>		
20 Other deductions (attach statement) <b>SEE STATEMENT 1</b>			<b>20</b>	<b>234,433</b>	
21 <b>Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20			<b>21</b>	<b>240,252</b>	
22 <b>Ordinary business income (loss).</b> Subtract line 21 from line 8			<b>22</b>	<b>-172,578</b>	

**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

<b>Paid</b>	Print/Type preparer's name <b>WILLIAM E JOSEPH, CPA</b>	Preparer's signature <b>WILLIAM E JOSEPH, CPA</b>	Date <b>03/01/17</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00140703</b>
<b>Preparer Use Only</b>	Firm's name <b>u</b> <b>JOSEPH ROSENBAUM ROGEN &amp; YOUNG CPAS, LLC</b>			Firm's EIN <b>u</b> <b>20-8918086</b>	
	Firm's address <b>u</b> <b>3690 ORANGE PLACE SUITE #420 BEACHWOOD, OH 44122</b>			Phone no. <b>216-595-2322</b>	

For Paperwork Reduction Act Notice, see separate instructions.

Form **1065** (2016)

**Schedule B Other Information**

<b>1</b> What type of entity is filing this return? Check the applicable box:	<b>Yes</b>	<b>No</b>
<b>a</b> <input type="checkbox"/> Domestic general partnership		
<b>b</b> <input type="checkbox"/> Domestic limited partnership		
<b>c</b> <input checked="" type="checkbox"/> Domestic limited liability company		
<b>d</b> <input type="checkbox"/> Domestic limited liability partnership		
<b>e</b> <input type="checkbox"/> Foreign partnership		
<b>f</b> <input type="checkbox"/> Other <b>u</b>		

<b>2</b> 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?		<b>X</b>
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<b>3</b> At the end of the tax year:		
<b>a</b> 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>X</b>
<b>b</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	<b>X</b>	

<b>4</b> At the end of the tax year, did the partnership:		
<b>a</b> 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		<b>X</b>

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock

<b>b</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		<b>X</b>
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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

<b>5</b> 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		<b>X</b>
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<b>6</b> Does the partnership satisfy <b>all four</b> of the following conditions?		
<b>a</b> The partnership's total receipts for the tax year were less than \$250,000.		
<b>b</b> The partnership's total assets at the end of the tax year were less than \$1 million.		
<b>c</b> 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.		
<b>d</b> The partnership is not filing and is not required to file Schedule M-3	<b>X</b>	
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.		

<b>7</b> Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		<b>X</b>
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<b>8</b> 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?		<b>X</b>
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<b>9</b> Has this partnership filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide information on any reportable transaction?		<b>X</b>
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<b>10</b> At any time during calendar year 2016, 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 FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country. <b>u</b>		<b>X</b>
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**Schedule B Other Information** (continued)

	Yes	No
<b>11</b> 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		<b>X</b>
<b>12a</b> 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>X</b>
<b>b</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		<b>X</b>
<b>c</b> 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		<b>X</b>
<b>13</b> 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) <span style="float: right;">▶ <input type="checkbox"/></span>		
<b>14</b> 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?		<b>X</b>
<b>15</b> 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 <b>u</b>		
<b>16</b> 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. <b>u</b>		<b>X</b>
<b>17</b> Enter the number of Forms 8865, Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return. <b>u</b>		
<b>18a</b> Did you make any payments in 2016 that would require you to file Form(s) 1099? See instructions		<b>X</b>
<b>b</b> If "Yes," did you or will you file required Form(s) 1099?		
<b>19</b> Enter the number of Form(s) 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations, attached to this return. <b>u</b> <b>0</b>		
<b>20</b> Enter the number of partners that are foreign governments under section 892. <b>u</b> <b>0</b>		
<b>21</b> During the partnership's tax year, did the partnership make any payments that would require it to file Form 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474)?		<b>X</b>
<b>22</b> Was the partnership a specified domestic entity required to file Form 8938 for the tax year (See the Instructions for Form 8938)?		<b>X</b>

**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 **▶ CAROL N. ROSENBERG** Identifying number of TMP **▶ 299-46-5780**

If the TMP is an entity, name of TMP representative **▶** Phone number of TMP **▶ 877-888-4599**

Address of designated TMP **▶ 3720 SEVERN ROAD CLEVELAND HEIGHTS OH 44118**

<b>Schedule K Partners' Distributive Share Items</b>		<b>Total amount</b>	
<b>Income (Loss)</b>	<b>1</b> Ordinary business income (loss) (page 1, line 22)	<b>1</b>	<b>-172,578</b>
	<b>2</b> Net rental real estate income (loss) (attach Form 8825)	<b>2</b>	
	<b>3a</b> Other gross rental income (loss)	<b>3a</b>	
	<b>b</b> Expenses from other rental activities (attach statement)	<b>3b</b>	
	<b>c</b> Other net rental income (loss). Subtract line 3b from line 3a	<b>3c</b>	
	<b>4</b> Guaranteed payments	<b>4</b>	
	<b>5</b> Interest income	<b>5</b>	
	<b>6</b> Dividends: <b>a</b> Ordinary dividends	<b>6a</b>	
	<b>b</b> Qualified dividends	<b>6b</b>	
	<b>7</b> Royalties	<b>7</b>	
	<b>8</b> Net short-term capital gain (loss) (attach Schedule D (Form 1065))	<b>8</b>	
<b>9a</b> Net long-term capital gain (loss) (attach Schedule D (Form 1065))	<b>b</b> Collectibles (28%) gain (loss)	<b>9b</b>	
	<b>c</b> Unrecaptured section 1250 gain (attach statement)	<b>9c</b>	
	<b>10</b> Net section 1231 gain (loss) (attach Form 4797)	<b>10</b>	
<b>11</b> Other income (loss) (see instructions) Type <b>u</b>	<b>11</b>		
<b>Deductions</b>	<b>12</b> Section 179 deduction (attach Form 4562)	<b>12</b>	
	<b>13a</b> Contributions	<b>13a</b>	
	<b>b</b> Investment interest expense	<b>13b</b>	
	<b>c</b> Section 59(e)(2) expenditures: <b>(1)</b> Type <b>u</b> <b>(2)</b> Amount <b>u</b>	<b>13c(2)</b>	
<b>d</b> Other deductions (see instructions) Type <b>u</b>	<b>13d</b>		
<b>Self-Employment</b>	<b>14a</b> Net earnings (loss) from self-employment	<b>14a</b>	<b>-172,578</b>
	<b>b</b> Gross farming or fishing income	<b>14b</b>	
	<b>c</b> Gross nonfarm income	<b>14c</b>	<b>67,674</b>
<b>Credits</b>	<b>15a</b> Low-income housing credit (section 42(j)(5))	<b>15a</b>	
	<b>b</b> Low-income housing credit (other)	<b>15b</b>	
	<b>c</b> Qualified rehabilitation expenditures (rental real estate) (attach Form 3468, if applicable)	<b>15c</b>	
	<b>d</b> Other rental real estate credits (see instructions) Type <b>u</b>	<b>15d</b>	
	<b>e</b> Other rental credits (see instructions) Type <b>u</b>	<b>15e</b>	
	<b>f</b> Other credits (see instructions) Type <b>u</b>	<b>15f</b>	
<b>Foreign Transactions</b>	<b>16a</b> Name of country or U.S. possession <b>u</b>		
	<b>b</b> Gross income from all sources	<b>16b</b>	
	<b>c</b> Gross income sourced at partner level Foreign gross income sourced at partnership level	<b>16c</b>	
	<b>d</b> Passive category <b>u</b> <b>e</b> General category <b>u</b> <b>f</b> Other <b>u</b>	<b>16f</b>	
	Deductions allocated and apportioned at partner level		
	<b>g</b> Interest expense <b>u</b> <b>h</b> Other <b>u</b>	<b>16h</b>	
	Deductions allocated and apportioned at partnership level to foreign source income		
	<b>i</b> Passive category <b>u</b> <b>j</b> General category <b>u</b> <b>k</b> Other <b>u</b>	<b>16k</b>	
	<b>l</b> Total foreign taxes (check one): <b>u</b> Paid <input type="checkbox"/> Accrued <input type="checkbox"/>	<b>16l</b>	
<b>m</b> Reduction in taxes available for credit (attach statement)	<b>16m</b>		
<b>n</b> Other foreign tax information (attach statement)			
<b>Alternative Minimum Tax (AMT) Items</b>	<b>17a</b> Post-1986 depreciation adjustment	<b>17a</b>	
	<b>b</b> Adjusted gain or loss	<b>17b</b>	
	<b>c</b> Depletion (other than oil and gas)	<b>17c</b>	
	<b>d</b> Oil, gas, and geothermal properties – gross income	<b>17d</b>	
	<b>e</b> Oil, gas, and geothermal properties – deductions	<b>17e</b>	
	<b>f</b> Other AMT items (attach statement)	<b>17f</b>	
<b>Other Information</b>	<b>18a</b> Tax-exempt interest income	<b>18a</b>	
	<b>b</b> Other tax-exempt income	<b>18b</b>	
	<b>c</b> Nondeductible expenses	<b>18c</b>	
	<b>19a</b> Distributions of cash and marketable securities	<b>19a</b>	
	<b>b</b> Distributions of other property	<b>19b</b>	
	<b>20a</b> Investment income	<b>20a</b>	
<b>b</b> Investment expenses	<b>20b</b>		
<b>c</b> 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	<b>-172,578</b>
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			<b>-172,578</b>			

<b>Schedule L Balance Sheets per Books</b>		Beginning of tax year		End of tax year	
<b>Assets</b>		(a)	(b)	(c)	(d)
1	Cash				<b>144,160</b>
2a	Trade notes and accounts receivable			<b>657</b>	
b	Less allowance for bad debts				<b>657</b>
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	<b>Total assets</b>				<b>144,817</b>
<b>Liabilities and Capital</b>					
15	Accounts payable				
16	Mortgages, notes, bonds payable in less than 1 year				
17	Other current liabilities (attach statement) <b>SEE STMT 2</b>				<b>144,806</b>
18	All nonrecourse loans				
19a	Loans from partners (or persons related to partners)				
b	Mortgages, notes, bonds payable in 1 year or more				<b>1,722,253</b>
20	Other liabilities (attach statement)				
21	Partners' capital accounts				<b>-1,722,242</b>
22	<b>Total liabilities and capital</b>				<b>144,817</b>

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

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

1	Net income (loss) per books	<b>-172,578</b>	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	<b>-172,578</b>
5	Add lines 1 through 4	<b>-172,578</b>			

**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	<b>-172,578</b>	8	Add lines 6 and 7	
4	Other increases (itemize): <b>SEE STMT 3</b>	<b>-1,549,664</b>	9	Balance at end of year. Subtract line 8 from line 5	<b>-1,722,242</b>
5	Add lines 1 through 4	<b>-1,722,242</b>			

**SCHEDULE B-1  
(Form 1065)**

(Rev. December 2011)  
Department of the Treasury  
Internal Revenue Service

**Information on Partners Owning 50% or  
More of the Partnership**

u Attach to Form 1065. See instructions on back.

OMB No. 1545-0099

Name of partnership

**PAYROLL4FREE.COM LLC**

Employer identification number (EIN)

**46-1032027**

**Part I Entities Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3a)

Complete columns (i) through (v) below for any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, tax-exempt organization, or any foreign government that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(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

**Part II Individuals or Estates Owning 50% or More of the Partnership** (Form 1065, Schedule B, Question 3b)

Complete columns (i) through (iv) below for any individual or estate that owns, directly or indirectly, an interest of 50% or more in the profit, loss, or capital of the partnership (see instructions).

(i) Name of Individual or Estate	(ii) Identifying Number (if any)	(iii) Country of Citizenship (see instructions)	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
<b>CAROL N. ROSENBERG</b>	<b>299-46-5780</b>	<b>UNITED STATES</b>	<b>99.000000</b>

For Paperwork Reduction Act Notice, see the Instructions for Form 1065.

Schedule B-1 (Form 1065) (Rev. 12-2011)

PARTNER# 1

Schedule K-1 (Form 1065)

2016

Department of the Treasury Internal Revenue Service

For calendar year 2016, or tax year beginning ending

Final K-1 Amended K-1

651113 OMB No. 1545-0123

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Row number, Description, Amount, and Other information. Rows include Ordinary business income (loss), Net rental real estate income (loss), Other net rental income (loss), Guaranteed payments, Interest income, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss), Other income (loss), Section 179 deduction, Other deductions, Self-employment earnings (loss), and Other information.

Part I Information About the Partnership

Table for Part I information: A Partnership's employer identification number (46-1032027), B Partnership's name, address, city, state, and ZIP code (PAYROLL4FREE.COM LLC, 23297 COMMERCE PARK ROAD, BEACHWOOD OH 44122), C IRS Center where partnership filed return (E-FILE), D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

Table for Part II information: E Partner's identifying number (299-46-5780), F Partner's name, address, city, state, and ZIP code (CAROL N. ROSENBERG, 3720 SEVERN ROAD, CLEVELAND HEIGHTS OH 44118), G General partner or LLC member-manager (checked), Limited partner or other LLC member, H Domestic partner (checked), Foreign partner, I1 What type of entity is this partner? (INDIVIDUAL), I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here, J Partner's share of profit, loss, and capital (see instructions): Table showing Beginning and Ending values for Profit, Loss, and Capital, K Partner's share of liabilities at year end: Table showing Nonrecourse, Qualified nonrecourse financing, and Recourse amounts, L Partner's capital account analysis: Table showing Beginning capital account, Capital contributed during the year, Current year increase (decrease), Withdrawals & distributions, and Ending capital account, M Did the partner contribute property with a built-in gain or loss? (No checked), If "Yes," attach statement (see instructions)

\*See attached statement for additional information.

For IRS Use Only

PARTNER# 2

2016

Schedule K-1 (Form 1065)

Department of the Treasury Internal Revenue Service

For calendar year 2016, or tax year beginning ending

Partner's Share of Income, Deductions, Credits, etc. See back of form and separate instructions.

Final K-1 Amended K-1

651113 OMB No. 1545-0123

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

Table with 4 columns: Line number, Description, Amount, and Other information. Rows include Ordinary business income (loss) -1,726, Net rental real estate income (loss), Other net rental income (loss), Guaranteed payments, Interest income, Ordinary dividends, Qualified dividends, Royalties, Net short-term capital gain (loss), Net long-term capital gain (loss), Collectibles (28%) gain (loss), Unrecaptured section 1250 gain, Net section 1231 gain (loss), Other income (loss), Section 179 deduction, Other deductions, Self-employment earnings (loss) -1,726, and Other information 677.

\*See attached statement for additional information.

For IRS Use Only

Part I Information About the Partnership

Part I Information About the Partnership: A Partnership's employer identification number 46-1032027; B Partnership's name, address, city, state, and ZIP code PAYROLL4FREE.COM LLC 23297 COMMERCE PARK ROAD BEACHWOOD OH 44122; C IRS Center where partnership filed return E-FILE; D Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

Part II Information About the Partner: E Partner's identifying number 288-88-9220; F Partner's name, address, city, state, and ZIP code CHAIM E. ROSENBERG 79 HORTON DR MONSEY NY 10952; G General partner or LLC member-manager Limited partner or other LLC member; H Domestic partner Foreign partner; I1 What type of entity is this partner? INDIVIDUAL; I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here; J Partner's share of profit, loss, and capital (see instructions): Beginning Ending Profit 1.000000 % 1.000000 % Loss 1.000000 % 1.000000 % Capital 1.000000 % 1.000000 %; K Partner's share of liabilities at year end: Nonrecourse Qualified nonrecourse financing Recourse 18,671; L Partner's capital account analysis: Beginning capital account Capital contributed during the year Current year increase (decrease) -1,726 Withdrawals & distributions Ending capital account -1,726; M Did the partner contribute property with a built-in gain or loss? No; If "Yes," attach statement (see instructions)



Form **8832**

(Rev. December 2013)  
Department of the Treasury  
Internal Revenue Service

### Entity Classification Election

OMB No. 1545-1516

**u Information about Form 8832 and its instructions is at [www.irs.gov/form8832](http://www.irs.gov/form8832).**

<b>Type or Print</b>	Name of eligible entity making election <b>PAYROLL4FREE.COM LLC</b>	Employer identification number <b>46-1032027</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>23297 COMMERCE PARK ROAD</b>	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, postal code and country. Follow the country's practice for entering the postal code. <b>BEACHWOOD OH 44122</b>	

u Check if:  Address change  Late classification relief sought under Revenue Procedure 2009-41  
 Relief for a late change of entity classification election sought under Revenue Procedure 2010-32

**Part I Election Information**

**1 Type of election** (see instructions):

- a  Initial classification by a newly-formed entity. Skip lines 2a and 2b and go to line 3.
- b  Change in current classification. Go to line 2a.

**2a** Has the eligible entity previously filed an entity election that had an effective date within the last 60 months?

- Yes.** Go to line 2b.
- No.** Skip line 2b and go to line 3.

**2b** Was the eligible entity's prior election an initial classification election by a newly formed entity that was effective on the date of formation?

- Yes.** Go to line 3.
- No.** Stop here. You generally are not currently eligible to make the election (see instructions).

**3** Does the eligible entity have more than one owner?

- Yes.** You can elect to be classified as a partnership or an association taxable as a corporation. Skip line 4 and go to line 5.
- No.** You can elect to be classified as an association taxable as a corporation or to be disregarded as a separate entity. Go to line 4.

**4** If the eligible entity has only one owner, provide the following information:

- a Name of owner ▶ .....
- b Identifying number of owner ▶ .....

**5** If the eligible entity is owned by one or more affiliated corporations that file a consolidated return, provide the name and employer identification number of the parent corporation:

- a Name of parent corporation ▶ .....
- b Employer identification number ▶ .....



**Part II Late Election Relief**

11 Provide the explanation as to why the entity classification election was not filed on time (see instructions).

**MEMBERS AND BOARD OF DIRECTORS MET AND DID'T REALIZE THAT IN DECIDING TO**

**BE TAXED AS A C-CORP RATHER THAN A DISREGARDED ENTITY THAT A FORM**

**8832 WOULD BE NEEDED. THE LLC QUALIFIES FOR THIS ELECTION AND THERE NO**

**OTHER REASONS OTHER THAT A LATE ELECTION THAT RELIEF IS REQUESTED**

Under penalties of perjury, I (we) declare that I (we) have examined this election, including accompanying documents, and, to the best of my (our) knowledge and belief, the election contains all the relevant facts relating to the election, and such facts are true, correct, and complete. I (we) further declare that I (we) have personal knowledge of the facts and circumstances related to the election. I (we) further declare that the elements required for relief in Section 4.01 of Revenue Procedure 2009-41 have been satisfied.

Signature(s)	Date	Title
CAROL N ROSENBERG		MEMBER
CHAIM E ROSENBERG		MEMBER

46-1032027

**Federal Statements**

FYE: 12/31/2016

**Statement 1 - Form 1065, Page 1, Line 20 - Other Deductions**

<u>Description</u>	<u>Amount</u>
ACH FEES	\$ 6,513
ADVERTISING	48,083
ALLOCATED WAGES & COSTS	115,167
BANK FEES	14
OUTSIDE PROGRAMMING	49,249
INTERNET SERVICE	6,402
LEGAL & PROFESSIONAL	4,460
MISCELLANEOUS	20
OFFICE EXPENSE	2,981
TELEPHONE	851
UTILITIES	693
TOTAL	<u>\$ 234,433</u>

**Statement 2 - Form 1065, Schedule L, Line 17 - Other Current Liabilities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
SALES TAX PAYABLE	\$	\$ 627
CLIENT IMPOUNDED PAYROLL		144,179
TOTAL	<u>\$ 0</u>	<u>\$ 144,806</u>

**Statement 3 - Form 1065, Schedule M-2, Line 4 - Other Increases**

<u>Description</u>	<u>Amount</u>
BEGINNING LLC EQUITY	\$ -1,549,664
TOTAL	<u>\$ -1,549,664</u>

## Partnership Self-Employment Worksheet

Schedule **K**

**2016**

For calendar year 2016, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Partnership Name

Employer Identification Number

**PAYROLL4FREE.COM LLC**

**46-1032027**

<b>1a.</b> Ordinary income (loss) (Schedule K, line 1) .....	<b>1a</b>	<b>-172,578</b>		
<b>b.</b> Net income (loss) from certain rental real estate activities (see instructions) .....	<b>1b</b>			
<b>c.</b> Net income (loss) from other rental activities (Schedule K, line 3c) .....	<b>1c</b>			
<b>d.</b> Net loss from Form 4797, Part II, line 17, included on line 1a above. Enter as a positive amount .....	<b>1d</b>			
<b>e.</b> Combine lines 1a through 1d .....	<b>1e</b>	<b>-172,578</b>		
<b>2.</b> Net gain from Form 4797, Part II, line 17, included on line 1a above .....	<b>2</b>			
<b>3a.</b> Subtract line 2 from line 1e. If line 1e is a loss, increase the loss on line 1e by the amount on line 2 .....	<b>3a</b>	<b>-172,578</b>		
<b>b.</b> Part of line 3a allocated to limited partners, estates, trusts, corporations, exempt organizations, and IRAs .....	<b>3b</b>			
<b>c.</b> Subtract line 3b from line 3a. If line 3a is a loss, reduce the loss on line 3a by the amount on line 3b. Include each individual general partner's share in box 14 of Schedule K-1, using code A .....			<b>3c</b>	<b>-172,578</b>
<b>4a.</b> Guaranteed payments to partners (Schedule K, line 4) derived from a trade or business as defined in section 1402(c) (see instructions) .....	<b>4a</b>			
<b>b.</b> Part of line 4a allocated to individual limited partners for other than services and to estates, trusts, corporations, exempt organizations, and IRAs .....	<b>4b</b>			
<b>c.</b> Subtract line 4b from line 4a. Include each individual general partner's share and each individual limited partner's share in box 14 of Schedule K-1, using code A .....			<b>4c</b>	
<b>5.</b> Net earnings (loss) from self-employment. Combine lines 3c and 4c. Enter here and on Schedule K, line 14a .....	<b>5</b>			<b>-172,578</b>

**PARTNER# 1**

Schedule <b>K-1</b>	<b>Analysis of Partner's K-1, Current Year Increase (Decrease) Worksheet</b>	<b>2016</b>
For calendar year 2016, or tax year beginning _____, and ending _____		

Partnership Name <b>PAYROLL4FREE.COM LLC</b>	Employer Identification Number <b>46-1032027</b>
Partner's Name <b>CAROL N. ROSENBERG</b>	Taxpayer Identification Number <b>299-46-5780</b>

Items Included in Current Year Increase (Decrease):

<b>SCHEDULE K ADDITIONS:</b>	
ORDINARY INCOME/LOSS	-170,852
	-
<b>SUBTOTAL</b>	<b>-170,852</b>
	-
<b>SCHEDULE M-2 ADDITIONS:</b>	
<b>OTHER INCREASES:</b>	
BEGINNING LLC EQUITY	-1,549,664
	-
<b>SUBTOTAL</b>	<b>-1,549,664</b>
	-
<b>TOTAL PER SCHEDULE K-1, CURRENT YEAR INCREASE (DECREASE)</b>	<b>-1,720,516</b>
	-

**PARTNER# 2**

<b>Analysis of Partner's K-1, Current Year Increase (Decrease) Worksheet</b>		<b>2016</b>
Schedule <b>K-1</b>	For calendar year 2016, or tax year beginning _____, and ending _____	
Partnership Name <b>PAYROLL4FREE.COM LLC</b>		Employer Identification Number <b>46-1032027</b>
Partner's Name <b>CHAIM E. ROSENBERG</b>		Taxpayer Identification Number <b>288-88-9220</b>

Items Included in Current Year Increase (Decrease):

**SCHEDULE K ADDITIONS:**

**ORDINARY INCOME/LOSS**

-1,726

**SUBTOTAL**

-1,726

**TOTAL PER SCHEDULE K-1, CURRENT YEAR INCREASE (DECREASE)**

-1,726

=====

**PARTNER# 1**

**Partner's Self-Employment Worksheet**

Schedule **K-1**

For calendar year 2016, or tax year beginning , and ending

**2016**

Partnership Name <b>PAYROLL4FREE.COM LLC</b>	Employer Identification Number <b>46-1032027</b>
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Partner's Name <b>CAROL N. ROSENBERG</b>	Taxpayer Identification Number <b>299-46-5780</b>
---	--

<b>1a.</b> Ordinary income (loss) (Schedule K, line 1) .....	<b>1a</b>	<b>-170,852</b>
<b>b.</b> Net income (loss) from certain rental real estate activities (see instructions) .....	<b>1b</b>	
<b>c.</b> Net income (loss) from other rental activities (Schedule K, line 3c) .....	<b>1c</b>	
<b>d.</b> Net loss from Form 4797, Part II, line 17, included on line 1a above. Enter as a positive amount .....	<b>1d</b>	
<b>e.</b> Combine lines 1a through 1d .....	<b>1e</b>	<b>-170,852</b>
<b>2.</b> Net gain from Form 4797, Part II, line 17, included on line 1a above .....	<b>2</b>	
<b>3a.</b> Subtract line 2 from line 1e. If line 1e is a loss, increase the loss on line 1e by the amount on line 2 .....	<b>3a</b>	<b>-170,852</b>
<b>4a.</b> Guaranteed payments to partners (Schedule K, line 4) derived from a trade or business as defined in section 1402(c) (see instructions) .....	<b>4a</b>	
<b>5.</b> Net earnings (loss) from self-employment. Combine lines 3a and 4a. Enter here and on Schedule K, line 14a	<b>5</b>	<b>-170,852</b>



**PARTNER# 2**

**Partner's Self-Employment Worksheet**

Schedule **K-1**

For calendar year 2016, or tax year beginning , and ending

**2016**

Partnership Name <b>PAYROLL4FREE.COM LLC</b>		Employer Identification Number <b>46-1032027</b>
Partner's Name <b>CHAIM E. ROSENBERG</b>		Taxpayer Identification Number <b>288-88-9220</b>
<b>1a.</b> Ordinary income (loss) (Schedule K, line 1) .....	<b>1a</b>	<b>-1,726</b>
<b>b.</b> Net income (loss) from certain rental real estate activities (see instructions) .....	<b>1b</b>	
<b>c.</b> Net income (loss) from other rental activities (Schedule K, line 3c) .....	<b>1c</b>	
<b>d.</b> Net loss from Form 4797, Part II, line 17, included on line 1a above. Enter as a positive amount .....	<b>1d</b>	
<b>e.</b> Combine lines 1a through 1d .....	<b>1e</b>	<b>-1,726</b>
<b>2.</b> Net gain from Form 4797, Part II, line 17, included on line 1a above .....	<b>2</b>	
<b>3a.</b> Subtract line 2 from line 1e. If line 1e is a loss, increase the loss on line 1e by the amount on line 2 .....	<b>3a</b>	<b>-1,726</b>
<b>4a.</b> Guaranteed payments to partners (Schedule K, line 4) derived from a trade or business as defined in section 1402(c) (see instructions) .....	<b>4a</b>	
<b>5.</b> Net earnings (loss) from self-employment. Combine lines 3a and 4a. Enter here and on Schedule K, line 14a	<b>5</b>	<b>-1,726</b>

**PARTNER# 1**

**Partner's Basis Worksheet, Page 1**

Schedule <b>K-1</b>	For calendar year 2016, or tax year beginning _____, and ending _____	<b>2016</b>
Partnership Name <b>PAYROLL4FREE.COM LLC</b>		Employer Identification Number <b>46-1032027</b>
Partner's Name <b>CAROL N. ROSENBERG</b>		Taxpayer Identification Number <b>299-46-5780</b>

**Beginning of year** ..... **0**

**Increases:**

Capital contributions:	Cash	Property (adjusted basis)	
"Excess" depletion .....			
Income items:	Ordinary income .....		
	Net income from rental real estate activities .....		
	Net income from other rental activities .....		
	Interest .....		
	Dividends .....		
	Royalties .....		
	Net short-term capital gain .....		
	Net long-term capital gain .....		
	Other portfolio income .....		
	Net gain under section 1231 .....		
	Other income .....		
	Tax-exempt interest and other income .....		
Other increases:	Transfer of capital .....		
	Gain on disposition of section 179 assets .....		
	Other increases .....		
Distributions:	Cash	Property (adjusted basis)	
Increase (decrease) in share of partnership liabilities	P/Y	C/Y	<b>1,848,388</b>

**1,848,388**

**Subtotal** ..... **1,848,388**

Distribution in excess of partner basis .....

**Decreases:**

Noncap items:	Nondeductible expenses .....		
	Charitable contributions .....		
	Foreign taxes .....		
Loss items:	Ordinary loss .....	<b>170,852</b>	
	Net loss from rental real estate activities .....		
	Net loss from other rental activities .....		
	Royalties .....		
	Net short-term capital loss .....		
	Net long-term capital loss .....		
	Other portfolio loss .....		
	Net loss under section 1231 .....		
	Other losses .....		
	Section 179 expense .....		
	Deductions related to portfolio income .....		
	Other deductions .....		
	Interest expense on investment debts .....		
	Section 59(e)(2) expenditures .....		
	Loss on disposition of section 179 assets .....		

**170,852**

Depletion .....

Other decreases .....

**End of year** ..... **1,677,536**

**PARTNER# 2**

**Partner's Basis Worksheet, Page 1**

Schedule <b>K-1</b>	For calendar year 2016, or tax year beginning _____, and ending _____	<b>2016</b>
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Partnership Name <b>PAYROLL4FREE.COM LLC</b>	Employer Identification Number <b>46-1032027</b>
Partner's Name <b>CHAIM E. ROSENBERG</b>	Taxpayer Identification Number <b>288-88-9220</b>

**Beginning of year** ..... **0**

**Increases:**

Capital contributions:	Cash .....	Property (adjusted basis) .....	
"Excess" depletion .....			
Income items:	Ordinary income .....		
	Net income from rental real estate activities .....		
	Net income from other rental activities .....		
	Interest .....		
	Dividends .....		
	Royalties .....		
	Net short-term capital gain .....		
	Net long-term capital gain .....		
	Other portfolio income .....		
	Net gain under section 1231 .....		
	Other income .....		
	Tax-exempt interest and other income .....		
Other increases:	Transfer of capital .....		
	Gain on disposition of section 179 assets .....		
	Other increases .....		
Distributions:	Cash .....	Property (adjusted basis) .....	
Increase (decrease) in share of partnership liabilities	P/Y	C/Y	<b>18,671</b>
			<b>18,671</b>

**Subtotal** ..... **18,671**

Distribution in excess of partner basis .....

**Decreases:**

Noncap items:	Nondeductible expenses .....		
	Charitable contributions .....		
	Foreign taxes .....		
Loss items:	Ordinary loss .....		<b>1,726</b>
	Net loss from rental real estate activities .....		
	Net loss from other rental activities .....		
	Royalties .....		
	Net short-term capital loss .....		
	Net long-term capital loss .....		
	Other portfolio loss .....		
	Net loss under section 1231 .....		
	Other losses .....		
	Section 179 expense .....		
	Deductions related to portfolio income .....		
	Other deductions .....		
	Interest expense on investment debts .....		
	Section 59(e)(2) expenditures .....		
	Loss on disposition of section 179 assets .....		
Depletion .....			<b>1,726</b>
Other decreases .....			

**End of year** ..... **16,945**

### Schedule K-1 Summary Worksheet

Form **1065**

**2016**

For calendar year 2016, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Partnership Name

Employer Identification Number

**PAYROLL4FREE.COM LLC**

**46-1032027**

	Partner Name	SSN/EIN
Column A	<b>CAROL N. ROSENBERG</b>	<b>299-46-5780</b>
Column B	<b>CHAIM E. ROSENBERG</b>	<b>288-88-9220</b>
Column C	_____	_____
Column D	_____	_____

Schedule K Items	Column A	Column B	Column C	Column D	SCH K TOTAL
<b>1</b> Ordinary income	<b>-170,852</b>	<b>-1,726</b>			<b>-172,578</b>
<b>2</b> Net income-rent					
<b>3c</b> Net inc-oth rent					
<b>4</b> Guaranteed pmts					
<b>5</b> Interest income					
<b>6a</b> Ordinary dividends					
<b>6b</b> Qual dividends					
<b>7</b> Royalties					
<b>8</b> Net ST capital gain					
<b>9a</b> Net LT capital gain					
<b>9b</b> Collectibles 28% gain					
<b>9c</b> Unrecap sec 1250					
<b>10</b> Net sec 1231 gain					
<b>11</b> Other income					
<b>12</b> Sec 179 deduction					
<b>13a</b> Contributions					
<b>13b</b> Invest interest exp					
<b>13c</b> Sec 59(e)(2) exp					
<b>13d</b> Other deductions					
<b>14a</b> Net SE earnings	<b>-170,852</b>	<b>-1,726</b>			<b>-172,578</b>
<b>14b</b> Gross farming inc					
<b>14c</b> Gross nonfarm inc	<b>66,997</b>	<b>677</b>			<b>67,674</b>
<b>15a</b> Low-inc house 42j5					
<b>15b</b> Low-inc house other					
<b>15c</b> Qual rehab exp					
<b>15d</b> Rental RE credits					
<b>15e</b> Other rental credits					
<b>15f</b> Other credits					
<b>16b</b> Gross inc all src					
<b>16c-f</b> Tot foreign income					
<b>16g-k</b> Tot foreign deds					
<b>16l-m</b> Total foreign taxes					
<b>17a</b> Depr adjustment					
<b>17b</b> Adj gain or loss					
<b>17c</b> Depletion					
<b>17d</b> Inc-oil/gas/geoth					
<b>17e</b> Ded-oil/gas/geoth					
<b>17f</b> Other AMT items					
<b>18a</b> Tax-exempt int					
<b>18b</b> Other tax-exempt					
<b>18c</b> Nonded expense					
<b>19a</b> Cash distributions					
<b>19b</b> Property distributions					
<b>20a</b> Invest income					
<b>20b</b> Invest expense					

**Schedule K-1 Percentages Summary Worksheet**

Form **1065**

**2016**

For calendar year 2016, or tax year beginning , and ending

Partnership Name

Employer Identification Number

**PAYROLL4FREE.COM LLC**

**46-1032027**

Partner Number	Partner Name	Profit		Loss		Capital	
		Beginning	Ending	Beginning	Ending	Beginning	Ending
1	CAROL N. ROSENBERG	99.000000	99.000000	99.000000	99.000000	99.000000	99.000000
2	CHAIM E. ROSENBERG	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

## Reconciliation of Partners' Basis Worksheet

Form **1065**

**2016**

For calendar year 2016, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Partnership Name

Employer Identification Number

**PAYROLL4FREE.COM LLC**

**46-1032027**

Partner Number	Partner Name	Beginning Basis	Increases	Distribution in Excess of Basis	Allowed Decreases	Ending Basis
1	CAROL N. ROSENBERG	0	1,848,388	0	170,852	1,677,536
2	CHAIM E. ROSENBERG	0	18,671	0	1,726	16,945

Total this page	0	1,867,059	0	172,578	1,694,481
Total all pages	0	1,867,059	0	172,578	1,694,481

## Reconciliation of Partners' Capital Accounts Worksheet

Form **1065**

**2016**

For calendar year 2016, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

Partnership Name

Employer Identification Number

**PAYROLL4FREE.COM LLC**

**46-1032027**

Partner Number	Partner Name	Beginning Capital	Capital Contributed	Lines 3, 4, & 7 Schedule M-2	Withdrawals & Distributions	Ending Capital
1	CAROL N. ROSENBERG	0	0	-1,720,516	0	-1,720,516
2	CHAIM E. ROSENBERG	0	0	-1,726	0	-1,726

Total this page	0	0	-1,722,242	0	-1,722,242
Total all pages	0	0	-1,722,242	0	-1,722,242

46-1032027

**Federal Statements**

FYE: 12/31/2016

**Form 1065, Schedule L, Line 1 - Cash**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
PEOPLES OPERATING	\$	\$ -19
PEOPLES ACH		144,179
TOTAL	\$ <u>0</u>	\$ <u>144,160</u>

**Form 1065, Schedule L, Line 19b - Mortgage, Notes, Bonds Payable in 1 Yr or More**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
LOAN FROM GALAXY	\$	\$ 1,722,253
TOTAL	\$ <u>0</u>	\$ <u>1,722,253</u>