

**U.S. Income Tax Return for an S Corporation**

OMB No. 1545-0130

Department of the Treasury  
Internal Revenue Service

▶ Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.  
▶ See separate instructions.

**2010**

For calendar year 2010 or tax year beginning \_\_\_\_\_, ending \_\_\_\_\_

<b>A</b> S election effective date <b>05/16/08</b>	<b>TYPE OR PRINT</b>	Name <b>FIRESTORM CAFE, LLC</b>	<b>D</b> Employer identification number <b>26-2625465</b>
<b>B</b> Business activity code number (see instructions) <b>722210</b>		Number, street, and room or suite no. If a P.O. box, see instructions. <b>48 COMMERCE STREET</b>	<b>E</b> Date incorporated <b>05/16/2008</b>
<b>C</b> Check if Sch. M-3 attached <input type="checkbox"/>		City or town, state, and ZIP code <b>ASHEVILLE NC 28801</b>	<b>F</b> Total assets (see instructions) \$ <b>14,630</b>

- G** Is the corporation electing to be an S corporation beginning with this tax year?  Yes  No If "Yes," attach Form 2553 if not already filed
- H** Check if: (1)  Final return (2)  Name change (3)  Address change  
(4)  Amended return (5)  S election termination or revocation
- I** Enter the number of shareholders who were shareholders during any part of the tax year ▶ **6**

**Caution.** Include **only** trade or business income and expenses on lines 1a through 21. See the instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>186,447</b>	<b>b</b> Less returns and allowances		<b>c</b> Bal ▶		<b>186,447</b>	
	<b>2</b> Cost of goods sold (Schedule A, line 8)					<b>2</b>	<b>92,730</b>	
	<b>3</b> Gross profit. Subtract line 2 from line 1c					<b>3</b>	<b>93,717</b>	
	<b>4</b> Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)					<b>4</b>		
	<b>5</b> Other income (loss) (see instructions – attach statement)					<b>5</b>		
	<b>6</b> Total income (loss). Add lines 3 through 5					▶	<b>6</b>	<b>93,717</b>
<b>Deductions</b> <small>(see instructions for limitations)</small>	<b>7</b> Compensation of officers					<b>7</b>	<b>10,140</b>	
	<b>8</b> Salaries and wages (less employment credits)					<b>8</b>	<b>19,459</b>	
	<b>9</b> Repairs and maintenance					<b>9</b>	<b>1,860</b>	
	<b>10</b> Bad debts					<b>10</b>		
	<b>11</b> Rents					<b>11</b>	<b>16,652</b>	
	<b>12</b> Taxes and licenses					<b>12</b>	<b>3,132</b>	
	<b>13</b> Interest					<b>13</b>	<b>3,160</b>	
	<b>14</b> Depreciation not claimed on Schedule A or elsewhere on return (attach Form 4562)					<b>14</b>	<b>202</b>	
	<b>15</b> Depletion (Do not deduct oil and gas depletion.)					<b>15</b>		
	<b>16</b> Advertising					<b>16</b>	<b>6,330</b>	
	<b>17</b> Pension, profit-sharing, etc., plans					<b>17</b>		
	<b>18</b> Employee benefit programs					<b>18</b>		
	<b>19</b> Other deductions (attach statement)		<b>SEE STMT 1</b>			<b>19</b>	<b>20,542</b>	
	<b>20</b> Total deductions. Add lines 7 through 19					▶	<b>20</b>	<b>81,477</b>
	<b>21</b> Ordinary business income (loss). Subtract line 20 from line 6						<b>21</b>	<b>12,240</b>

<b>Tax and Payments</b>	<b>22a</b> Excess net passive income or LIFO recapture tax (see instructions)	<b>22a</b>				
	<b>b</b> Tax from Schedule D (Form 1120S)	<b>22b</b>				
	<b>c</b> Add lines 22a and 22b (see instructions for additional taxes)				<b>22c</b>	
	<b>23a</b> 2010 estimated tax payments and 2009 overpayment credited to 2010	<b>23a</b>				
	<b>b</b> Tax deposited with Form 7004	<b>23b</b>				
	<b>c</b> Credit for federal tax paid on fuels (attach Form 4136)	<b>23c</b>				
	<b>d</b> Add lines 23a through 23c				<b>23d</b>	
	<b>24</b> Estimated tax penalty (see instructions). Check if Form 2220 is attached				<b>24</b>	<input type="checkbox"/>
	<b>25</b> Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed				<b>25</b>	
	<b>26</b> Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid				<b>26</b>	
<b>27</b> Enter amount from line 26 Credited to 2011 estimated tax				<b>27</b>	<b>Refunded ▶</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 taxpayer) is based on all information of which preparer has any knowledge.

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

Signature of officer **LIBERTIE VALANCE** Date \_\_\_\_\_ Title **DIRECTOR**

<b>Paid Preparer Use Only</b>	Print/Type preparer's name <b>CHAD T. STORCK, CPA</b>	Preparer's signature _____	Date <b>03/18/11</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P00955658</b>
	Firm's name ▶ <b>CHAD T. STORCK, CPA, P.C.</b>				Firm's EIN ▶ <b>26-4129801</b>
	Firm's address ▶ <b>PO BOX 1373 ASHEVILLE, NC 28802-1373</b>				Phone no. <b>828-505-3791</b>

For Paperwork Reduction Act Notice, see separate instructions.

**Cost of Goods Sold (see instructions)**

1	Inventory at beginning of year	1	6,723
2	Purchases	2	97,374
3	Cost of labor	3	
4	Additional section 263A costs (attach statement)	4	
5	Other costs (attach statement)	5	
6	<b>Total.</b> Add lines 1 through 5	6	104,097
7	Inventory at end of year	7	11,367
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2	8	92,730

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 if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶

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

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?  Yes  No

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

**Other Information (see instructions)**

		Yes	No
1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		
2	See the instructions and enter the: a Business activity ▶ <b>CAFE &amp; BOOK SALES</b> b Product or service ▶ <b>FOOD &amp; BOOKS</b>		
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a qualified subchapter S subsidiary election made?		X
4	Has this corporation filed, or is it required to file, <b>Form 8918</b> , Material Advisor Disclosure Statement, to provide information on any reportable transaction?		X
5	Check this box if the corporation issued publicly offered debt instruments with original issue discount. If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
6	If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ \$		
7	Enter the accumulated earnings and profits of the corporation at the end of the tax year. \$		
8	Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1	X	
9	During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions		X

**Shareholders' Pro Rata Share Items**

		Total amount	
Income (Loss)	1 Ordinary business income (loss) (page 1, line 21)	1	12,240
	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 Interest income	4	
	5 Dividends: a Ordinary dividends	5a	
	b Qualified dividends	5b	
	6 Royalties	6	
	7 Net short-term capital gain (loss) (attach Schedule D (Form 1120S))	7	
8a Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	8a		
b Collectibles (28%) gain (loss)	8b		
c Unrecaptured section 1250 gain (attach statement)	8c		
9 Net section 1231 gain (loss) (attach Form 4797)	9		
10 Other income (loss) (see instructions) Type ▶	10		

		Shareholders' Pro Rata Share Items (continued)	Total amount
<b>Deductions</b>	<b>11</b>	Section 179 deduction (attach Form 4562)	11
	<b>12a</b>	Contributions <span style="float: right;"><b>SEE STMT 2</b></span>	<b>12a</b> <span style="float: right;"><b>166</b></span>
	<b>b</b>	Investment interest expense	<b>12b</b>
	<b>c</b>	Section 59(e)(2) expenditures(1) Type ▶ <span style="float: right;">(2) Amount ▶</span>	<b>12c(2)</b>
	<b>d</b>	Other deductions (see instructions) Type ▶	<b>12d</b>
<b>Credits</b>	<b>13a</b>	Low-income housing credit (section 42(j)(5))	<b>13a</b>
	<b>b</b>	Low-income housing credit (other)	<b>13b</b>
	<b>c</b>	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	<b>13c</b>
	<b>d</b>	Other rental real estate credits (see instructions) Type ▶	<b>13d</b>
	<b>e</b>	Other rental credits (see instructions) Type ▶	<b>13e</b>
	<b>f</b>	Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	<b>13f</b>
	<b>g</b>	Other credits (see instructions) Type ▶	<b>13g</b>
<b>Foreign Transactions</b>	<b>14a</b>	Name of country or U.S. possession ▶	
	<b>b</b>	Gross income from all sources	<b>14b</b>
	<b>c</b>	Gross income sourced at shareholder level Foreign gross income sourced at corporate level	<b>14c</b>
	<b>d</b>	Passive category	<b>14d</b>
	<b>e</b>	General category	<b>14e</b>
	<b>f</b>	Other (attach statement) Deductions allocated and apportioned at shareholder level	<b>14f</b>
	<b>g</b>	Interest expense	<b>14g</b>
	<b>h</b>	Other Deductions allocated and apportioned at corporate level to foreign source income	<b>14h</b>
	<b>i</b>	Passive category	<b>14i</b>
	<b>j</b>	General category	<b>14j</b>
	<b>k</b>	Other (attach statement) Other information	<b>14k</b>
	<b>l</b>	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	<b>14l</b>
	<b>m</b>	Reduction in taxes available for credit (attach statement)	<b>14m</b>
	<b>n</b>	Other foreign tax information (attach statement)	
<b>Alternative Minimum Tax (AMT) Items</b>	<b>15a</b>	Post-1986 depreciation adjustment	<b>15a</b>
	<b>b</b>	Adjusted gain or loss	<b>15b</b>
	<b>c</b>	Depletion (other than oil and gas)	<b>15c</b>
	<b>d</b>	Oil, gas, and geothermal properties – gross income	<b>15d</b>
	<b>e</b>	Oil, gas, and geothermal properties – deductions	<b>15e</b>
	<b>f</b>	Other AMT items (attach statement)	<b>15f</b>
<b>Items Affecting Shareholder Basis</b>	<b>16a</b>	Tax-exempt interest income	<b>16a</b>
	<b>b</b>	Other tax-exempt income	<b>16b</b>
	<b>c</b>	Nondeductible expenses	<b>16c</b>
	<b>d</b>	Distributions (attach statement if required) (see instructions)	<b>16d</b>
	<b>e</b>	Repayment of loans from shareholders	<b>16e</b> <span style="float: right;"><b>2,896</b></span>
<b>Other Information</b>	<b>17a</b>	Investment income	<b>17a</b>
	<b>b</b>	Investment expenses	<b>17b</b>
	<b>c</b>	Dividend distributions paid from accumulated earnings and profits	<b>17c</b>
	<b>d</b>	Other items and amounts (attach statement)	
<b>Reconciliation</b>	<b>18</b>	<b>Income/loss reconciliation.</b> Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14!	<b>18</b> <span style="float: right;"><b>12,074</b></span>

Balance Sheets per Books		Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash		468		487
2a	Trade notes and accounts receivable			270	
b	Less allowance for bad debts	(		(	270
3	Inventories		6,723		11,367
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach statement) <b>STMT 3</b>		369		
7	Loans to shareholders				
8	Mortgage and real estate loans				
9	Other investments (attach statement)				
10a	Buildings and other depreciable assets	9,263		9,263	
b	Less accumulated depreciation	(6,555)	2,708	(6,757)	2,506
11a	Depletable assets				
b	Less accumulated depletion	(		(	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	(		(	
14	Other assets (attach statement)				
15	<b>Total assets</b>		10,268		14,630
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable		1,789		1,005
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach statement) <b>STMT 4</b>		13,907		13,720
19	Loans from shareholders		15,662		11,674
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach statement) <b>STMT 5</b>		2,996		243
22	Capital stock				
23	Additional paid-in capital				
24	Retained earnings		-24,086		-12,012
25	Adjustments to shareholders' equity (attach statement)				
26	Less cost of treasury stock	(		(	
27	<b>Total liabilities and shareholders' equity</b>		10,268		14,630

**Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

**Note:** Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more – see instructions

1	Net income (loss) per books	12,074	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):	
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize):		a	Tax-exempt interest \$	
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14l (itemize):		6	Deductions included on Schedule K, lines 1 through 12 and 14l, not charged against book income this year (itemize):	
a	Depreciation \$		a	Depreciation \$	
b	Travel and entertainment \$		7	Add lines 5 and 6	
4	Add lines 1 through 3	12,074	8	Income (loss) (Schedule K, line 18). Line 4 less line 7	12,074

**Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)**

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	-24,086	
2	Ordinary income from page 1, line 21	12,240	
3	Other additions		
4	Loss from page 1, line 21	(	
5	Other reductions <b>STMT 6</b>	166	
6	Combine lines 1 through 5	-12,012	
7	Distributions other than dividend distributions		
8	Balance at end of tax year. Subtract line 7 from line 6	-12,012	

Statement 1 - Form 1120S, Page 1, Line 19 - Other Deductions

<u>Description</u>	<u>Amount</u>
BANK SERVICE CHARGES	\$ 426
CAFE EXPENSES	8,419
COMPUTER & INTERNET	1,003
CREDIT CARD MERCHANT FEES	124
DUES & SUBSCRIPTIONS	9
INSURANCE	912
OFFICE SUPPLIES	514
POSTAGE	215
PROFESSIONAL FEES	704
TELEPHONE	805
UTILITIES	7,411
TOTAL	<u>\$ 20,542</u>

**Federal Statements****Statement 2 - Form 1120S, Page 3, Schedule K, Line 12a - Cash Contributions**

<u>Description</u>	<u>Cash Contrib 50%</u>	<u>Cash Contrib 30%</u>	<u>Total</u>
MISCELLANEOUS CONTRIBUTIONS	\$ <u>166</u>	\$ <u>0</u>	\$ <u>166</u>
TOTAL	\$ <u><u>166</u></u>	\$ <u><u>0</u></u>	\$ <u><u>166</u></u>

## Federal Statements

**Statement 3 - Form 1120S, Page 4, Schedule L, Line 6 - Other Current Assets**

Description	Beginning of Year	End of Year
UNDEPOSITED FUNDS	\$ 369	\$
TOTAL	\$ 369	\$ 0

**Statement 4 - Form 1120S, Page 4, Schedule L, Line 18 - Other Current Liabilities**

Description	Beginning of Year	End of Year
ACCRUED PAYROLL	\$	\$ 1,059
ACCRUED PAYROLL TAX	256	402
ADVANTA MASTERCARD	9,429	8,117
GIFT CERTIFICATES	3,273	2,917
SALES TAX PAYABLE	949	1,225
TOTAL	\$ 13,907	\$ 13,720

**Statement 5 - Form 1120S, Page 4, Schedule L, Line 21 - Other Liabilities**

Description	Beginning of Year	End of Year
DUE TO EMPLOYEES	\$	\$ 243
EMMA [REDACTED] LOAN	1,000	
MARGARET [REDACTED] LOAN	1,996	
TOTAL	\$ 2,996	\$ 243

**Statement 6 - Form 1120S, Page 4, Schedule M-2, Line 5(a) - Other Reductions**

Description	Amount
CHARITABLE CONTRIBUTIONS	\$ 166
TOTAL	\$ 166

**S Corporation Tax Return 2010**  
North Carolina Department of Revenue

For calendar year 2010, or other tax year beginning <b>10</b> and ending	DOR Use Only
FIRESTORM CAFE, LLC 48 COMMERCE STREET ASHEVILLE NC 28801	Federal Employer ID Number 262625465 N.C. Secretary of State ID Number 1042479 NAICS Code 722210
<input type="checkbox"/> Fed Schedule M-3 is attached <input type="checkbox"/> Initial Filer <input type="checkbox"/> NC-478 <input checked="" type="checkbox"/> Limited Liability Company <input type="checkbox"/> Qualified Subchapter S Subsidiary <input type="checkbox"/> Final Return <input type="checkbox"/> CD-479 <input type="checkbox"/> Amended Return	

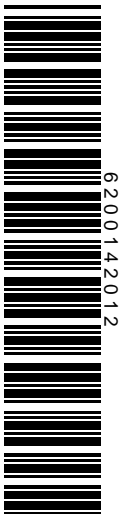
FIRE 48 C 28801 262625465 1042479 722210

M3 N QSSS N IF N FR N 478 N 479 N LLC Y AR N

FIRESTORM CAFE LLC

48 COMMERCE STREET ASHEVILLE NC 28801

BD	0 06	0 16	12240	26C	0
GR	186447 07	35 17	0	26D	0
TA	14630 08	0 19	0	26E	0
	09	0 20	0	28	0
01	0 10	12240 21	0	29	0
HCE	N 11	0 22	0	33A	0
02	13873 13	0 24	0	33B	0
03	7508 14	12240 26A	0	36	0
05	35 15	1000000 26B	0	37	0
FEIN N	SSN N	PTIN Y	PP P00955658	TN	



Sch. A Computation of Franchise Tax	Sch. B Computation of Corporate Income Tax
1. Capital Stock, Surplus, & Undivided Profits <span style="float:right">-12012</span>	10. Shareholder's Shares of <span style="float:right">12240</span>
Holding Company Exception <span style="float:right">N</span>	Corporate Income (Loss)
2. Investment in N.C. Tangible Property <span style="float:right">13873</span>	11. Adjustments to Corporation Income (Loss) <span style="float:right">0</span>
3. Appraised Value of N.C. Tangible Property <span style="float:right">7508</span>	12. N.C. Taxable Income <span style="float:right">12240</span>
4. Taxable Amount <span style="float:right">13873</span>	13. Nonapportionable Income <span style="float:right">0</span>
5. Total Franchise Tax Due <span style="float:right">35</span>	14. Apportionable Income <span style="float:right">12240</span>
6. Application for Franchise Tax Extension <span style="float:right">0</span>	15. Apportionment Factor <span style="float:right">100.0000 %</span>
7. Tax Credits <span style="float:right">35</span>	16. Income Apportioned to N.C. <span style="float:right">12240</span>
8. Franchise Tax Due <span style="float:right">0</span>	17. Nonapportionable Income Allocated to N.C. <span style="float:right">0</span>
9. Franchise Tax Overpaid <span style="float:right">0</span>	18. Total Net Taxable Income <span style="float:right">12240</span>

**Sign Return Below**     **Refund Due** 0     **Payment Due** 0

DIRECTOR	Corporate Telephone Number	Date
Signature and Title of Officer	8285053791	P00955658
Signature of Paid Preparer	Preparer's Telephone Number	Preparer's FEIN, SSN, or PTIN
I certify that, to the best of my knowledge, this return is accurate and complete.		
<input type="checkbox"/> FEIN	<input type="checkbox"/> SSN	<input checked="" type="checkbox"/> PTIN



**CD-401S Line-by-Line Information**

Enter the amount of bonus depreciation from Schedule K, Line 6 for nonresident shareholders filing composite 0

<b>Sch. B Computation of Corporate Income Tax</b>	
19. Amount of Line 18 Attributable to Nonresidents Filing Composite	0
20. Separately Stated Items of Income Attributable to Nonresidents Filing Composite	0
21. N.C. Income Tax	0
22. Surtax	0
23. Income Tax for Nonresidents Filing Composite Before Payments and Credits	0
24. Annual Report Fee (\$25.00)	0
25. Add Lines 23 and 24	0
26. Payments	0
a. Application for Income Tax Extension	0
b. 2010 Estimated Tax (previous payments if amended)	0
c. Partnership (Include Form D-403, NC K-1)	0
d. Nonresident Withholding (Include 1099 or W-2)	0
e. Tax Credits Attributable to Nonresidents Filing Composite	0
27. Add Lines 26a through 26e	0
28. Income Tax Due	0
29. Income Tax Overpaid	0

<b>Tax Due or Refund</b>	
30. Franchise Tax Due or Overpayment	0
31. Income Tax Due or Overpayment	0
32. Balance of Tax Due or Overpayment	0
33. a. Interest	0
b. Penalties	0
34. Total Due	0
35. Overpayment	0
36. 2011 Estimated Income Tax	0
37. Amount to be Refunded	0

<b>Sch. C Capital Stock, Surplus, and Undivided Profits</b>	
1. Total capital stock outstanding less cost of treasury stock	0
2. Paid-in or capital surplus	0
3. Retained earnings	-12012
4. Other surplus	0
5. Deferred or unearned income	0
6. Allowance for bad debts	0
7. LIFO reserves	0
8. Other reserves that do not represent definite and accrued legal liabilities	0
9. Add Lines 1 through 8	-12012
10. Affiliated indebtedness	0
11. Line 9 plus (or minus) Line 10	-12012
12. Apportionment factor	100.0000%
13. Capital Stock, Surplus, and Undivided Profits	-12012

<b>Sch. D Investment in N.C. Tangible Property</b>	
Inventory valuation method	COST
1. Total inventories located in N.C.	11367
2. Total furniture, fixtures, and M & E located in N.C.	9263

3. Total land and buildings located in N.C.	0
4. Total leasehold improvements and other N.C. tangible property	0
5. Add Lines 1 through 4	20630
6. Acc. depreciation, depletion, and amortization with respect to N.C. tangible property	6757
7. Debts existing for N.C. real estate	0
8. Investment in N.C. Tangible Property	13873

<b>Sch. E Appraised Value of N.C. Tangible Property</b>	
1. County tax value of N.C. tangible property	13650
2. Appraised value of N.C. tangible property	7508

<b>Sch. G Ordinary Income (Loss) from Trade or Business Activities</b>	
1. a. Gross receipts or sales	186447
b. Returns and allowances	0
c. Balance - Line 1a minus 1b	186447
2. Cost of goods sold (Attach schedule) STMT 1	92730
3. Gross Profit	93717
4. Net gain (loss) (Attach schedule)	0
5. Other income (loss) (Attach schedule)	0
6. <b>Total Income (Loss)</b>	93717
7. Compensation of officers (Attach schedule) STMT 2	10140
8. Salaries and wages (less employment credits)	19459
9. Repairs and maintenance	1860
10. Bad debts	0
11. Rents	16652
12. Taxes and licenses STMT 3	3132
13. Interest	3160
14. a. Depreciation SEE ATT	202
b. Depreciation included in cost of goods sold	0
c. Balance - Line 14a minus 14b	202
15. Depletion	0
16. Advertising	6330
17. Pension, profit-sharing, and similar plans	0
18. Employee benefit programs	0
19. Other deductions (Attach schedule) STMT 4	20542
20. Total Deductions	81477
21. Ordinary Business Income (Loss)	12240

<b>Sch. H Computation of Income (Loss)</b>	
1. Ordinary business income (loss)	12240
2. Net rental real estate income (loss)	0
3. Other net rental income (loss)	0
4. Interest income	0
5. Ordinary dividends	0
6. Royalties	0
7. Net short-term capital gain (loss)	0
8. Net long-term capital gain (loss)	0
9. Net section 1231 gain (loss)	0
10. Other income (loss) (Attach Schedule)	0
11. Total Income (Loss)	12240

Sch. I Adjustments to Income (Loss)	Other Information - All Taxpayers Must Complete Schedule
1. Additions to Income (Loss)	1. a. State of incorporation NORTH CAROLINA
a. Taxes based on net income 0	b. Date incorporated 05 16 08
b. Interest on non-N.C. obligations 0	2. Date of N.C. Certificate of Authority 05 16 08
c. Bonus depreciation 0	3. Trade or business: a. In N.C. CAFE & BOOK SA
d. Other additions to federal taxable income 0	b. Everywhere CAFE & BOOK SA
2. Total Additions 0	4. Principal place of business ASHEVILLE NC
3. Deductions from Income (Loss)	5. a. What was the last year the IRS redetermined
a. U.S. obligation interest (net of expenses) 0	the corporation's federal taxable income?
b. Bonus depreciation 0	b. Were adjustments reported to N.C.?
c. Other deductions from federal taxable income 0	c. If so, when?
4. Total Deductions 0	6. Does this corporation have escheatable property? N
5. Adjustments to Income (Loss) 0	7. Is corporation subject to franchise tax but not N.C. income tax because its' income tax activities are protected? (If yes, attach explanation) N

**Income Tax/Surtax Rate Schedule for Nonresident Shareholders Filing Composite**

Income	Surtax	The Applicable Percentage is
6.00% of the first \$12,750	If NC Taxable Income for the composite filer is	
7.00% of the amount over \$12,750 but no more than \$60,000	Greater than \$60,000 but not exceed \$150,000	2%
7.75% of the amount over \$60,000	Greater than \$150,000	3%

**Sch. K Shareholders' Pro Rata Share Items**

	Shareholder 1	Shareholder 2	Shareholder 3	Shareholder 4
1. Identifying Number				
2. Name	LIBERTIE	KILA	DANIEL	ELI
3. Address	ASHEVILLE NC	ASHEVILLE NC	ASHEVILLE NC	CLYDE NC 2872
4. Ownership %	18.3196%	18.3196%	18.3196%	18.3196%
5. Share of income (loss)	2242	2242	2243	2242
6. Additions to income (loss)	0	0	0	0
7. Deductions from income (loss)	0	0	0	0
8. Income subject to N.C. tax	2242	2242	2243	2242
9. Share of tax credits	16	16	16	15
10. Tax withheld from nonwage compensation	0	0	0	0
11. Amount of Line 8 apportioned or allocated to N.C. (nonresidents only)	0	0	0	0
12. Separately stated items of income (nonresidents only)	0	0	0	0
13. Net tax paid, including surtax, for shareholder by corporation (nonresidents only)	0	0	0	0

	Shareholder 5	Shareholder 6	Shareholder 7	Shareholders' Total
1. Identifying Number				
2. Name	EMMA	JOHN		
3. Address	ASHEVILLE NC	ASHEVILLE NC		
4. Ownership %	18.3196%	8.4018%	%	100.0000%
5. Share of income (loss)	2243	1028	0	12240
6. Additions to income (loss)	0	0	0	0
7. Deductions from income (loss)	0	0	0	0
8. Income subject to N.C. tax	2243	1028	0	12240
9. Share of tax credits	16	7	0	86
10. Tax withheld from nonwage compensation	0	0	0	0
11. Amount of Line 8 apportioned or allocated to N.C. (nonresidents only)	0	0	0	0
12. Separately stated items of income (nonresidents only)	0	0	0	0
13. Net tax paid, including surtax, for shareholder by corporation (nonresidents only)	0	0	0	0

**Sch. L Balance Sheet per Books**

Assets	Beginning of Tax Year		End of Tax Year	
	(a)	(b)	(c)	(d)
1. Cash		468		487
2. a. Trade notes and accounts receivable	0		270	
b. Less allowance for bad debts	( 0 )	0	( 0 )	270
3. Inventories		6723		11367
4. a. U.S. government obligations		0		0
b. State and other obligations		0		0
5. Tax-exempt securities		0		0
6. Other current assets (Attach schedule) STMT 5		369		0
7. Loans to shareholders		0		0
8. Mortgage and real estate loans		0		0
9. Other investments (Attach schedule)		0		0
10. a. Buildings and other depreciable assets	9263		9263	
b. Less accumulated depreciation	( 6555 )	2708	( 6757 )	2506
11. a. Depletable assets	0		0	
b. Less accumulated depletion	( 0 )	0	( 0 )	0
12. Land (net of any amortization)		0		0
13. a. Intangible assets (amortizable only)	0		0	
b. Less accumulated amortization	( 0 )	0	( 0 )	0
14. Other assets (Attach schedule)		0		0
15. <b>Total Assets</b>		10268		14630
<b>Liabilities and Shareholders' Equity</b>				
16. Accounts payable		1789		1005
17. Mortgages, notes, and bonds payable in less than 1 year		0		0
18. Other current liabilities (Attach schedule) STMT 6		13907		13720
19. Loans from shareholders		15662		11674
20. Mortgages, notes, and bonds payable in 1 year or more		0		0
21. Other liabilities (Attach schedule) STMT 7		2996		243
22. Capital stocks		0		0
23. Additional paid-in capital		0		0
24. Retained earnings		-24086		-12012
25. Adjustments to shareholders' equity (Attach schedule)		0		0
26. Less cost of treasury stock		( 0 )		( 0 )
27. <b>Total Liabilities and Shareholders' Equity</b>		10268		14630

**Sch. M-1 Federal Schedule**

1. Net income (loss) per books	12074	5. Income recorded on books this year not included on Federal Sch. K, Lines 1 through 10 (itemize):	
2. Income included on Federal Sch. K, Lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9 and 10 not recorded on books this year (itemize):	0	Tax-exempt interest	0
3. Expenses recorded on books this year not included on Federal Sch. K, Lines 1 through 12, and 14l (itemize):	0	6. Deductions included on Federal Sch. K, Lines 1 through 12, 14l not charged against book income this year (itemize):	0
a. Depreciation	0	Depreciation	0
b. Travel and entertainment	0	7. Total	0
4. Add Lines 1 through 3	12074	8. Income or Loss (Fed. Sch. K, Line 18)	12074

Explanation of Changes for Amended Return:

**CD-401S 2010 Page 5 (42)**

Legal Name (First 10 Characters)

FIRESTORM

Federal Employer ID Number

262625465

**Sch. M-2 Analysis of N.C. AAA**

	N.C. Accumulated Adjustments	N.C. Other Adjustments	Undistributed Taxable Income Previously Taxed
1. Balance at beginning of year	-24086	0	0
2. Ordinary income from Sch. G, Line 21	12240		
3. Other additions	0	0	
4. Loss from Sch. G, Line 21	( 0 )		
5. Other reductions SEE STATEMENT 8	( 166 )	( 0 )	0
6. Compute Lines 1 through 5	-12012	0	0
7. Distributions other than dividend distributions	0	0	0
8. Balance at end of tax year	-12012	0	0

**Sch. N Nonapportionable Income**

Nonapportionable Income	Gross Amounts	Related Expenses	Net Amounts	Net Amounts Allocated Directly to N.C.
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
1. Nonapportionable Income			0	
2. Nonapportionable Income Allocated to N.C.				0

Explanation of why income listed is nonapportionable income rather than apportionable income:

**Sch. O Computation of Apportionment Factor**

**Part 1. Domestic Corporations and Other Corporations Not Apportioning Franchise or Income Outside N.C.** 100.0000%

**Part 2. Corporations Apportioning Franchise or Income to N.C. and to Other States**

	1. Within North Carolina		2. Total Everywhere		
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period	
1. Land	0	0	0	0	
2. Buildings	0	0	0	0	
3. Inventories	0	0	0	0	
4. Other property	0	0	0	0	
5. Total	0	0	0	0	
6. Average value of property		0		0	
7. Rented property		0		0	Factor
8. Property Factor		0		0	0.0000%
9. Gross payroll		0		0	
10. Compensation of general executive officers		0		0	
11. Payroll Factor		0		0	0.0000%
12. Sales Factor		0		0	0.0000%
13. Sales Factor					0.0000%
14. Total of Factors					0.0000%
15. N.C. Apportionment Factor					0.0000%

**Part 3. Corporations Apportioning Franchise or Income to N.C. and to Other States Using Single Sales Factor** 0.0000%

**Part 4. Special Apportionment** 0.0000%

This page must be filed with the first page of Form CD-401S.

2010 Corporate Tax Credit Summary  
North Carolina Department of Revenue

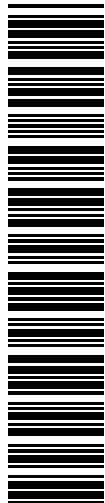
Legal Name (First 10 Characters) FIRESTORM

Federal Employer ID Number 262625465

For Computer Use Only

01	0	14A	0	21	CP	N	CT	N
02	0	14B	0		HD	N	PC	N
03	0	15A	0		SC	N	RF	N
04	0	15B	0		QB	N	ER	N
05	PG	N	RF	N	16A		GC	N
	ER	N	AA	Y	16B	0	21	0
05		175	17	0	22			0
10		0	18	0	23			0
13A		0	19	0	28			0
13B		0	20	0				

Part 1. Franchise Tax Credits Not Subject to 50% of Tax Limit	Part 3. Income Tax Credits Not Subject to 50% of Tax Limit (Attach schedule for each credit) (S Corporations enter only amount of income tax credits allocated to nonresident shareholders filing composite)
1. Short period credit for change in income year $365 - \frac{0}{365} \times 0 = 0$	
2. Major computer manufacturing facility 2. 0	13. Rehabilitating an income-producing historic structure
3. Revitalizing an income-producing historic mill facility 3. 0	A. Enter qualified rehabilitation expenditures 13a. 0
4. Revitalizing a nonincome-producing historic mill facility 4. 0	B. Enter credit amount 13b. 0
5. Other franchise and tax credits not subject to 50% of tax limit 5. 175	14. Rehabilitating a nonincome-producing historic structure
<input type="checkbox"/> 1/2 of the amount of piped natural gas tax paid under G.S. 105-187.43	A. Enter rehabilitation expenses 14a. 0
<input type="checkbox"/> Investing in Recycling Facilities	B. Enter installment amount of credit 14b. 0
<input type="checkbox"/> Expenses Related to Dividends	15. Revitalizing an income-producing historic mill facility
<input checked="" type="checkbox"/> Additional Annual Report Fee Paid	A. Enter qualified rehabilitation expenditures 15a. 0
6. Total franchise tax credits not subject to 50% of tax limit 6. 175	B. Enter credit amount 15b. 0
<b>Part 2. Computation of Franchise Tax Credits Taken in 2010</b>	16. Revitalizing a nonincome-producing historic mill facility
7. Total franchise tax due 7. 35	A. Enter rehabilitation expenses 16a. 0
8. Nonrefundable franchise tax credits 8. 175	B. Enter installment amount of credit 16b. 0
9. Enter the lesser of Line 7 or 8 9. 35	
10. Total franchise tax credits subject to 50% of tax limit taken in 2010 10. 0	
11. Refundable franchise tax credits 11. 0	
12. Franchise Tax Credits Taken in 2010 12. 35	



Legal Name (First 10 Characters) FIRESTORM

Federal Employer ID Number 262625465

17. Major computer manufacturing facility	17.	0
18. Certain real property donations	18.	0
19. Savings and loan supervisory fees	19.	0
20. Recycling Oyster Shells	20.	0
21. Other income tax credits not subject to 50% of tax limit	21.	0
<input type="checkbox"/> Cogeneration Plant	<input type="checkbox"/> Subscriber Charges	<input type="checkbox"/> Gleaned Crops
<input type="checkbox"/> Conservation Tillage	<input type="checkbox"/> Investing in Recycling Facilities	
<input type="checkbox"/> Handicapped Dwelling	<input type="checkbox"/> Qualified Business Investments	
<input type="checkbox"/> Poultry Composting	<input type="checkbox"/> Expenses Related to Dividends	
22. Income tax credits not subject to 50% of tax limit carried over from previous years	22.	0
23. Small business unemployment insurance	23.	0
24. Total income tax credits not subject to 50% of tax limit	24.	0

**Part 4. Computation of Income Tax Credits Taken in 2010**

25. N.C. net income tax due	25.	0
26. Nonrefundable income tax credits	26.	0
27. Enter lesser of Line 25 or 26	27.	0
28. Total income tax credits subject to 50% of tax limit taken in 2010	28.	0
29. Refundable income tax credits	29.	0
30. Add Lines 27 through 29	30.	0
31. Income tax credits not subject to G.S. 105-130.5(a)(10) adjustment	31.	0
32. Income tax credits subject to G.S. 105-130.5(a)(10) adjustment	32.	0
33. Income tax credit adjustment (C Corporations only)	33.	0
34. Income Tax Credits Taken in 2010	34.	0

**Form CD-425 must be attached to the last page of Form CD-405 or CD-401S if a tax credit is claimed.  
Failure to substantiate a tax credit may result in the disallowance of that credit.**

**Statement 1 - Form CD-401S, Page 2, Schedule G, Line 2 - Cost of Goods Sold**

<u>Description</u>	<u>Amount</u>
BEGINNING INVENTORY	\$ 6,723
PURCHASES	97,374
LESS: ENDING INVENTORY	-11,367
TOTAL	<u>\$ 92,730</u>

**Statement 2 - Form CD-401S, Page 2, Schedule G, Line 7 - Compensation of Officers**

<u>Officer Name</u>	<u>Compensation</u>
LIBERTI [REDACTED]	\$ 3,638
DANIEL [REDACTED]	1,476
ELI [REDACTED]	804
EMMA [REDACTED]	2,381
JOHN [REDACTED]	1,564
KILA [REDACTED]	277
TOTAL	<u>\$ 10,140</u>

**Statement 3 - Form CD-401S, Page 2, Schedule G, Line 12 - Taxes and Licenses**

<u>Description</u>	<u>Amount</u>
DUES & LICENSES	\$ 234
NC ANNUAL REPORT FEE	200
PAYROLL TAXES	2,549
PROPERTY TAXES	149
TOTAL	<u>\$ 3,132</u>

**Statement 4 - Form CD-401S, Page 2, Schedule G, Line 19 - Other Deductions**

<u>Description</u>	<u>Amount</u>
BANK SERVICE CHARGES	\$ 426
CAFE EXPENSES	8,419
COMPUTER & INTERNET	1,003
CREDIT CARD MERCHANT FEES	124
DUES & SUBSCRIPTIONS	9
INSURANCE	912
OFFICE SUPPLIES	514
POSTAGE	215
PROFESSIONAL FEES	704
TELEPHONE	805
UTILITIES	7,411
TOTAL	<u>\$ 20,542</u>

## North Carolina Statements

**Statement 5 - Form CD-401S, Page 4, Schedule L, Line 6 - Other Current Assets**

Description	Beginning of Year	End of Year
UNDEPOSITED FUNDS	\$ 369	\$
TOTAL	\$ 369	\$ 0

**Statement 6 - Form CD-401S, Page 4, Schedule L, Line 18 - Other Current Liabilities**

Description	Beginning of Year	End of Year
ACCRUED PAYROLL	\$	\$ 1,059
ACCRUED PAYROLL TAX	256	402
ADVANTA MASTERCARD	9,429	8,117
GIFT CERTIFICATES	3,273	2,917
SALES TAX PAYABLE	949	1,225
TOTAL	\$ 13,907	\$ 13,720

**Statement 7 - Form CD-401S, Page 4, Schedule L, Line 21 - Other Liabilities**

Description	Beginning of Year	End of Year
DUE TO EMPLOYEES	\$	\$ 243
EMMA [REDACTED] LOAN	1,000	
MARGARET [REDACTED] LOAN	1,996	
TOTAL	\$ 2,996	\$ 243



**Statement 8 - Form CD-401S, Page 5, Schedule M-2, Line 5 - NC AAA Other Reductions**

<u>Description</u>	<u>Amount</u>
CHARITABLE CONTRIBUTIONS	\$ 166
TOTAL	\$ 166