## SAMPLE

LIFE PARTNERS IRA HOLDER PARTNERSHIP LLC 2001 BRYAN STREET, SUITE 1800 DALLAS, TX 75201

JOHN SMITH 1234 MAIN STREET DALLAS, TX 75201

## LIFE PARTNERS POSITION HOLDERS TRUST 2001 BRYAN STREET, SUITE 1800 DALLAS, TEXAS 75201

(214)560-5404

JOHN SMITH 1234 MAIN STREET DALLAS, TX 75201

RE: LIFE PARTNERS IRA HOLDER PARTNERSHIP LLC

## DEAR MEMBER:

ATTACHED IS YOUR COPY OF THE 2019 PARTNERSHIP FORM 1065 SCHEDULE K-1. THIS SCHEDULE SUMMARIZES YOUR INFORMATION FROM THE PARTNERSHIP. THIS INFORMATION HAS BEEN PROVIDED TO THE INTERNAL REVENUE SERVICE WITH THE U.S. PARTNERSHIP RETURN OF INCOME, FORM 1065.

THE INFORMATION PROVIDED ON THIS SCHEDULE SHOULD BE ENTERED ON YOUR TAX RETURN, IN ACCORDANCE WITH THE INSTRUCTIONS IN SCHEDULE K-1, PAGE 2. IF YOUR RETURN WILL BE PREPARED BY YOUR ACCOUNTANT OR ATTORNEY, YOU SHOULD PROVIDE A COPY OF THIS SCHEDULE TO THE PREPARER WITH YOUR OTHER TAX INFORMATION.

THE ENCLOSED K-1 IS YOUR CORRECTED K-1 FOR TAX YEAR 2019. PLEASE REPLACE THE PREVIOUSLY RECEIVED K-1 WITH THIS K-1. PLEASE CONSULT YOUR TAX ADVISOR REGARDING ANY ACTION YOU MAY NEED TO TAKE. PLEASE DO NOT CONTACT THE TRUST REGARDING THIS DOCUMENT. WE CANNOT OFFER TAX ADVICE OR PROVIDE ANY ADDITIONAL INFORMATION OR EXPLANATION BEYOND WHAT IS SET FORTH IN THIS DOCUMENT.

I THANK YOU FOR THE OPPORTUNITY TO SERVE YOU.

SINCERELY,

MICHAEL J QUILLING

Schedule K-1	<i>2</i> N19		Final K-1		Ameno		
(Form 1065) Department of the Treasury	2013	F					Current Year Income,
Internal Revenue Service	For calendar year 2019, or tax year			Deductio	ns, Cr	edit	s, and Other Items
beginning	ending	1	Ordinary bu	siness incom	e (loss)	15 (	Credits
Partner's Share of Income, Deductions,		l			0.		
Credits, etc.	➤ See separate instructions.	2	Net rental real	estate income	(loss)		
Part I Information About the Partne	ership	1				16 F	oreign transactions
A Partnership's employer identification number	-	3	Other net re	ental income (	loss)	1	
81-4644966		l		,	,		
B Partnership's name, address, city, state, and ZIP code		4a	Guaranteed o	ayments for ser	vices		
				,			
LIFE PARTNERS IRA HOLDER	PARTNERSHIP LLC	46	Guaranteed	navmente fo	r canital	<u> </u>	
2001 BRYAN STREET, SUITE 1800		1 75	 	payments to	Capitai	<u> </u>	
DALLAS, TX 75201		10	Total guara	nteed paymer	***	<u> </u>	
C IRS Center where partnership filed return ▶		┨ <sup>┯</sup> ╚		пеец рауттег	11.5	17 /	I Alternative min tax (AMT) items
OGDEN, UT		-	I Interest inco			┨"″	
D   Check if this is a publicly traded partnership (PTI	P)	┨ "	Interest inco	ome	22.		
Part II Information About the Partner	•	-	<u> </u>		22.	-	
		ba	Ordinary div I	/idends	2.	10	
E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See inst.) 999-99-999		<u> </u>			۷٠	-	ax-exempt income and
		160	Qualified div I	vidends		'	ondeductible expenses I
F Name, address, city, state, and ZIP code for partner er	itered in E. See instructions.	┡				-	
JOHN SMITH		6c	Dividend eq I	uivalents			
1234 MAIN STREET		┝				ļ.,	
DALLAS, TX 75201		7	Royalties I			19 [	Distributions I
		Ь					
	Limited partner or other LLC	8	Net short-te	rm capital gai	n (loss)		
member-manager	member					4 '	Other information
H1 X Domestic partner	J Foreign partner	9a	Net long-ter	m capital gair	ı (loss)	A	444.
H2 If the partner is a disregarded entity (DE), enter t	the partner's:					В	181.
TIN Name		9b	Collectibles	(28%) gain (lo	oss)	V	* 31.
I1 What type of entity is this partner? INDIVID							
12 If this partner is a retirement plan (IRA/SEP/Keogh/etc	:.), check here	9c	Unrecapture	ed section 12	50 gain		
J Partner's share of profit, loss, and capital:		<u> </u>					
Beginning	Ending	10	Net section	1231 gain (lo	ss)		
Profit 0.0099999 %	0.0099999 %	<u> </u>					
Loss 0.0099999 %	0.0099999 %		Other incon				
Capital 0.0099999 %		A*		4	20.		
Check if decrease is due to sale or exchange of partnership interest							
K Partner's share of liabilities:							
Beginning	Ending		Section 179	deduction			
Nonrecourse \$ 4.	<u>\$</u> .						
Qualified nonrecourse			Other dedu				
financing\$		ᆫ*		1	81.		
Recourse \$ 0.	\$ 0.						
Check this box if Item K includes liability amount	ts from lower tier partnerships.	ᆫ					
L Partner's Capital Account And	alysis	14	Self-employ	ment earning			
SEE STATEMENT		<u>A</u>			0.	_	
Beginning capital account	9,000 •		<u> </u>				
Capital contributed during the year		21		than one act			
Current year net income (loss) \$ 263 •			More than one activity for passive activity purposes*  *See attached statement for additional information.				
Other increase (decrease) (attach explanation)		<u>  *</u>	see attach	ned stateme	nt for ac	aditio	nai information.
Withdrawals & distributions							
Ending capital account		Only					
M Did the partner contribute property with a built-in gain		Use					
Yes X No If "Yes," attach statement. So		S					
N Partner's Share of Net Unrecognized Section		For IRS					
Beginning S		요					
Ending S		<u></u>		/Fa			Oshadula I/ 4 (F 400E)
911261 12-30-19 LHA For Paperwork Reduction Act Notice	ce, see Instructions for Form 106	5.	www.irs.go	ov/Form 1065		;	Schedule K-1 (Form 1065) 2019

SCHEDULE K-1 OTHER PORTFOLIO INCOM	E, BOX 11, CODE A		
DESCRIPTION PARTNER FI	LING INSTRUCTIONS	AMOUNT	
	ENTER ON APPLICABLE LINE OF YOUR RETURN		
TOTAL TO SCHEDULE K-1, BOX 11, CODE A		420.	
SCHEDULE K-1 OTHER PORTFOLIO DEDUCTI	ONS, BOX 13, CODE L		
DESCRIPTION PARTNER FI	LING INSTRUCTIONS	AMOUNT	
LEGAL AND PROFESSIONAL FEES - ENTER ON A LIFE PARTNERS POSITION HOLDER TRUS			
TOTAL TO SCHEDULE K-1, BOX 13, CODE L	=	181.	
SCHEDULE K-1 UNRELATED BUSINESS BOX 20, COD			
DESCRIPTION PARTNER FI	LING INSTRUCTIONS	AMOUNT	
UNRELATED BUSINESS TAXABLE INCOME		31.	
TOTAL TO SCHEDULE K-1, BOX 20, CODE V	=	31.	
SCHEDULE K-1  CURRENT YEAR NET IN OTHER INCREASES(D			
DESCRIPTION	AMOUNT	TOTALS	
INTEREST INCOME DIVIDEND INCOME OTHER PORTFOLIO INCOME	22. 2. 420.		
SCHEDULE K-1 INCOME SUBTOTAL		444.	
PORTFOLIO DEDUCTIONS	-181.		
SCHEDULE K-1 DEDUCTIONS SUBTOTAL		-181.	

-NET INCOME (LOSS) PER SCHEDULE K-1

263.

SCHEDULE K-1

ITEM L. PARTNER'S CAPITAL ACCOUNT ANALYSIS

**GAAP** 

SCHEDULE K-1

FOOTNOTES

THIS ENTITY IS A TAXABLE ENTITY AS DEFINED UNDER TEXAS TAX CODE SECTION 171.0002. YOUR SHARE OF DISTRIBUTIVE INCOME HAS BEEN REPORTED BY THE ENTITY ON ITS TEXAS FRANCHISE TAX RETURN.

IF YOU ARE REQUIRED TO FILE A TEXAS FRANCHISE TAX RETURN, YOU SHOULD REVIEW THE SUBTRACTION FROM GROSS RECEIPTS ALLOWED UNDER TEXAS TAX CODE SECTION 171.1011 OF DISTRIBUTIVE INCOME FROM A TAXABLE ENTITY TREATED AS A PARTNERSHIP FOR FEDERAL INCOME TAX PURPOSES.

THE TOTAL AMOUNT OF OTHER INCOME SHOULD BE REPORTED ON LINE 3 OF PAGE 1 OF SCHEDULE E FOR FORM 1040. IN THAT REGARD PLEASE NOTE:

- -THIS INCOME IS NOT SUBJECT TO SELF-EMPLOYMENT.
- -THE ACTIVITY IS NOT A PASSIVE ACTIVITY.
- -SELECT "8" FOR THE TYPE OF PROPERTY AND INPUT "OTHER PORTFOLIO INCOME".

LEGAL AND PROFESSIONAL FEES SHOULD BE DEDUCTED ON LINE 10 OF PAGE 1 OF SCHEDULE E FOR FORM 1040.

INTEREST EXPENSE SHOULD BE DEDUCTED ON LINE 13 OF PAGE 1 OF SCHEDULE E FOR FORM 1040. IN THAT REGARD, PLEASE NOTE THAT YOU WILL NEED FORM 4952 TO COMPUTE THE AMOUNT OF INTEREST EXPENSE YOU CAN DEDUCT. YOUR SHARE OF THE PARTNERSHIPS INTEREST EXPENSE SHOULD BE REPORTED ON LINE 1 OF FORM 4952. YOUR DEDUCTION OF LEGAL AND PROFESSIONAL FEES SHOULD BE ENTERED ON LINE 5 OF FORM 4952. BASED UPON THE CALCULATIONS IN FORM 4952 YOU MAY BE LIMITED AS TO THE AMOUNT OF INTEREST EXPENSE YOU CAN DEDUCT ON LINE 13 OF PAGE 1 OF SCHEDULE E.

EVEN THOUGH YOU DID NOT ACTUALLY RECEIVE FUNDS FROM THE PARTNERSHIP EQUAL TO THE AMOUNTS SET FORTH IN THIS K-1, YOU

LIFE PARTNERS IRA HOLDER PARTNERSHIP LLC 81-4644900

ARE REQUIRED TO REPORT THE TAXABLE ITEMS ON YOUR TAX RETURN. THE AMOUNT OF THE DISTRIBUTION, IF ANY, MADE TO YOU BY THE PARTNERSHIP DOES NOT MATCH ANY OF THESE AMOUNTS. IF YOU USE A TAX SOFTWARE TO PREPARE YOUR TAX RETURN, YOU MAY FIND IT DIFFICULT TO INPUT THE FOREGOING INFORMATION. IN THAT CASE PLEASE CONSULT YOUR TAX ADVISER OR CALL THE CUSTOMER SUPPORT NUMBER FOR YOUR TAX SOFTWARE. PLEASE DO NOT ALL THE TRUST OR ITS TAX PREPARER AS THERE IS NOTHING WE CAN DO TO ASSIST YOU IN THESE MATTERS.

UBTI ADDITIONAL INFORMATION:

FOR SCHEDULE E ON FORM 990-T

ITEM 4. (AMOUNT OF AVERAGE ACQUISITION DEBT ON OR ALLOCABLE TO DEBT-FINANCED PROPERTY) - \$49,444,622 MULTIPLIED BY YOUR ENDING CAPITAL PERCENTAGE AS REFLECTED ON SCHDULE K-1 ITEM 5. (AVERAGE ADJUSTED BASIS OF OR ALLOCABLE TO DEBT-FINANCED PROPERTY) - \$635,396,938 MULTIPLIED BY YOUR ENDING CAPITAL PERCENTAGE AS REFLECTED ON SCHEDULE K-1 PLEASE CONSULT YOUR TAX ADVISER WITH ADDITIONAL QUESTIONS.

Schedule K-1 (Form 1065) 2019 Page 2

This list identifies the codes used on Schedule K-1 for all partners and provides summarized reporting information for partners who file Form 1040 or 1040-SR. For detailed reporting and filing information, see the separate Partner's Instructions for Schedule K-1 and the instructions for your income tax return.

Report on Ordinary business income (loss). Determine whether the income (loss) is Code Undistributed capital gains credit Schedule 3 (Form 1040 or 1040-SR), passive or nonpassive and enter on your return as follows line 13, box a See the Partner's Instructions Biofuel producer credit Passive loss See the Partner's Instructions Work opportunity credit Passive income Schedule E. line 28, column (h) Disabled access credit Nonpassive loss See the Partner's Instructions Empowerment zone Nonpassive income Schedule E, line 28, column (k) employment credit Net rental real estate income (loss) See the Partner's Instructions Credit for increasing research Other net rental income (loss) See the Partner's Instructions activities Net income Schedule E, line 28, column (h) Credit for employer social security and Medicare taxes Net loss See the Partner's Instructions See the Partner's Instructions Guaranteed payment Services Backup withholding Guaranteed payment Capital See the Partner's Instructions) Other credits See the Partner's Instructions Guaranteed payment Total Foreign transactions Form 1040 or 1040-SR, line 2b 16 Interest income 5. Name of country or U.S. 6a. Ordinary dividends Form 1040 or 1040-SR, line 3b possession 6b Qualified dividends Form 1040 or 1040-SR, line 3a Gross income from all sources Form 1116, Part I 6c. Dividend equivalents See the Partner's Instructions Royalties Gross income sourced at partner Schedule E, line 4 Schedule D, line 5 Net short-term capital gain (loss) Net long-term capital gain (loss) Collectibles (28%) gain (loss) Schedule D, line 12 9a. Foreign gross income sourced at partnership level 28% Rate Gain Worksheet, line 4 9b. Reserved for future use (Schedule D Instructions) Foreign branch category Unrecaptured section 1250 gain See the Partner's Instructions Passive category Form 1116, Part I 10 Net section 1231 gain (loss) See the Partner's Instructions G General category 11. Other income (loss) Other Н Code Deductions allocated and apportioned at partner level Other portfolio income (loss) See the Partner's Instructions Interest expense Form 1116, Part I Involuntary conversions See the Partner's Instructions Form 1116, Part Sec. 1256 contracts & straddles Form 6781, line 1 Deductions allocated and apportioned at partnership level to foreign source Mining exploration costs recapture See Pub. 535 Cancellation of debt income Κ Reserved for future use Section 743(b) positive adjustments Section 965(a) inclusion Foreign branch category Income under subpart F (other See the Partner's Instructions М Passive category Form 1116, Part I than inclusions under sections General category 0 951A and 965) Other Other income (loss) Other information 12. Section 179 deduction See the Partner's Instructions Total foreign taxes paid Form 1116, Part II Other deductions Total foreign taxes accrued Form 1116, Part II Reduction in taxes available for credit Form 1116, line 12 Cash contributions (60%) Foreign trading gross receipts Form 8873 Cash contributions (30%) S Extraterritorial income exclusion Form 8873 Noncash contributions (50%) Noncash contributions (30%) C through V Reserved for future use See the Partner's Instructions Capital gain property to a 50% Section 965 information W See the Partner's Instructions organization (30%) Other foreign transactions Capital gain property (20%) Contributions (100%) 17. Alternative minimum tax (AMT) items Post-1986 depreciation adjustment Form 4952, line 1 Н Investment interest expense See the Partner's Adjusted gain or loss Schedule E, line 19 Deductions - royalty income Instructions and Depletion (other than oil & gas) Section 59(e)(2) expenditures See the Partner's Instructions Oil, gas, & geothermal - gross income the Instructions for K Excess business interest expense See the Partner's Instructions Form 6251 Oil, gas, & geothermal - deductions Deductions - portfolio (other) Schedule A. line 16 Other AMT items M Amounts paid for medical insurance Schedule A, line 1, or Schedule 1 Tax-exempt income and nondeductible expenses (Form 1040 or 1040-SR), line 16 See the Partner's Instructions Tax-exempt interest income Form 1040 or 1040-SR, line 2a Educational assistance benefits В Other tax-exempt income See the Partner's Instructions Dependent care benefits Form 2441, line 12 Nondeductible expenses See the Partner's Instructions Preproductive period expenses
Commercial revitalization deduction See the Partner's Instructions Q Distributions from rental real estate activities See Form 8582 Instructions Cash and marketable securities Pensions and IRAs See the Partner's Instructions Distribution subject to section 737 See the Partner's Instructions Reforestation expense deduction See the Partner's Instructions Other property through U Reserved for future use Section 743(b) negative adjustments Other information Form 4952, line 4a W Other deductions See the Partner's Instructions Investment income В Investment expenses Form 4952, line 5 Section 965(c) deduction Fuel tax credit information 14. Self-employment earnings (loss) D Qualified rehabilitation expenditures (other than rental real estate) Note: If you have a section 179 deduction or any partner-level deductions, see See the Partner's Instructions Basis of energy property the Partner's Instructions before completing Schedule SE through G Net earnings (loss) from Recapture of investment credit Н See Form 4255 Schedule SE, Section A or B self-employment Recapture of other credits See the Partner's Instructions Gross farming or fishing income See the Partner's Instructions Look-back interest - completed Gross non-farm income See the Partner's Instructions long-term contracts See Form 8697 Look-back interest - income forecast 15. Credits See Form 8866 method Low-income housing credit Dispositions of property with (section 42(j)(5)) from pre-2008 section 179 deductions buildings Recapture of section 179 deduction В Low-income housing credit Interest expense for corporate partners (other) from pre-2008 buildings through Y C Low-income housing credit (section 42(j)(5)) from post-2007 buildings Section 199A information Section 704(c) information See the Partner's Instructions Low-income housing credit (other) ΑB Section 751 gain (loss) See the Partner's Instructions from post-2007 buildings Section 1(h)(5) gain (loss) AC F Qualified rehabilitation expenditures Deemed section 1250 AD (rental real estate) unrecaptured gain Other rental real estate credits AF Excess taxable income Other rental credits G AF Excess business interest income AG Gross receipts for section 59A(e)

Other information