

KHALSA MCBFEARTY ACCOUNTANCY, LLP  
3200 N Central Avenue Ste 1150  
PHOENIX, AZ 85012

**Barry Sermon**  
2 McKittrick Road  
Bentleig, Victoria 3165

PACIFIC USA PROPERTIES, LLC  
3200 N CENTRAL AVE, 1150  
PHOENIX, AZ 85012  
(480) 208-5338

September 12, 2020

Barry Sermon  
2 McKittrick Road  
Bentleigh, Victoria 3165  
AUSTRALIA

RE:  
Pacific USA Properties, LLC  
45-2539651  
Schedule K-1 from Partnership's 2019 Return of Income

Dear Barry Sermon:

Enclosed is your 2019 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc. from Pacific USA Properties, LLC. This information reflects the amounts you need to complete your income tax return. The amounts shown are your distributive share of partnership tax items to be reported on your tax return, and may not correspond to actual distributions you have received during the year. This information is included in the Partnership's 2019 Federal Return of Partnership Income that was filed with the Internal Revenue Service.

If you have any questions concerning this information, please contact us immediately.

Sincerely,

Pacific USA Properties, LLC

Enclosure(s)

Schedule K-1  
(Form 1065)

Department of the Treasury  
Internal Revenue Service

2019

For calendar year 2019, or tax year

beginning  /  / 2019 ending  /  /

Partner's Share of Income, Deductions, Credits, etc.

See separate instructions.

651119

Final K-1

Amended K-1

OMB No. 1545-0123

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

1	Ordinary business income (loss)	15	Credits
2	Net rental real estate income (loss)		
3	Other net rental income (loss)	16	Foreign transactions
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital		
4c	Total guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents	17	Alternative minimum tax (AMT) items
7	Royalties		
8	Net short-term capital gain (loss)		
9a	Net long-term capital gain (loss)	18	Tax-exempt income and nondeductible expenses
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain		
10	Net section 1231 gain (loss)		
11	Other income (loss)	19	Distributions
12	Section 179 deduction	20	Other information
13	Other deductions		
14	Self-employment earnings (loss)		
21	<input type="checkbox"/> More than one activity for at-risk purposes*		
22	<input type="checkbox"/> More than one activity for passive activity purposes*		
*See attached statement for additional information.			

Part I Information About the Partnership

A Partnership's employer identification number  
45-2539651

B Partnership's name, address, city, state, and ZIP code  
PACIFIC USA PROPERTIES, LLC  
3200 N CENTRAL AVE, 1150  
PHOENIX, AZ 85012

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

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)  
FOREIGN US

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.  
BARRY SERMON  
2 MCKITTRICK ROAD  
BENTLEIG, VICTORIA 3165 AUSTRALIA

G  General partner or LLC member-manager  Limited partner or other LLC member

H1  Domestic partner  Foreign partner

H2  If the partner is a disregarded entity (DE), enter the partner's:  
TIN \_\_\_\_\_ Name \_\_\_\_\_

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	3.846154 %	3.846154 %
Loss	3.846154 %	3.846154 %
Capital	3.846154 %	3.846154 %

Check if decrease is due to sale or exchange of partnership interest

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	\$	\$
Qualified nonrecourse financing	\$	\$
Recourse	\$	\$

Check this box if Item K includes liability amounts from lower tier partnerships.

L Partner's Capital Account Analysis

Beginning capital account	\$	4,307.
Capital contributed during the year	\$	
Current year net income (loss)	\$	
Other increase (decrease) (attach explanation)	\$	
Withdrawals & distributions	\$	
Ending capital account	\$	4,307.

M Did the partner contribute property with a built-in gain or loss?  
 Yes  No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)  
Beginning \$ \_\_\_\_\_  
Ending \$ \_\_\_\_\_

For IRS Use Only

**SUPPLEMENTAL INFORMATION**

ITEM L. PARTNER'S CAPITAL ACCOUNT ANALYSIS:  
TAX BASIS

PARTNER 4: BARRY SERMON FOREIGN US

**Foreign Partner's Information Statement  
of Section 1446 Withholding Tax**

Rev. November 2019)

▶ Go to [www.irs.gov/Form8805](http://www.irs.gov/Form8805) for instructions and the latest information.

**Copy B  
For Partner  
Keep for your records.**

Department of the Treasury  
Internal Revenue Service

For partnership's calendar year **2019**, or tax year beginning, \_\_\_\_\_, and ending \_\_\_\_\_

<b>1 a</b> Foreign partner's name <b>BARRY SERMON</b>	<b>b</b> U.S. identifying no. <b>FOREIGN US</b>	<b>5 a</b> Name of partnership <b>PACIFIC USA PROPERTIES, LLC</b>	<b>b</b> U.S. Employer Identification Number (EIN) <b>45-2539651</b>
<b>c</b> Address (if a foreign address, see instructions) <b>2 MCKITTRICK ROAD BENTLEIG VICTORIA 3165 AUSTRALIA</b>		<b>c</b> Address (if a foreign address, see instructions) <b>3200 N CENTRAL AVE, 1150 PHOENIX AZ 85012</b>	
<b>2</b> Account number assigned by partnership (if any)		<b>6</b> Withholding agent's name. If partnership is also the withholding agent, enter 'SAME' and do not complete line 7.	
<b>3</b> Type of partner (specify – see instructions) ▶ <b>INDIVIDUAL</b>			
<b>4</b> Country code of partner (enter two-letter code – see instructions) <b>AS</b>		<b>7</b> Withholding agent's U.S. EIN	
<b>8 a</b> Check if the partnership identified on line 5a owns an interest in one or more partnerships ..... ▶ <input type="checkbox"/>			
<b>b</b> Check if any of the partnership's effectively connected taxable income (ECTI) is exempt from U.S. tax for the partner identified on line 1a ..... ▶ <input type="checkbox"/>			
<b>9</b> Partnership's ECTI allocable to partner for the tax year (see instructions).....			<b>9</b>
<b>10</b> Total tax credit allowed to partner under section 1446 (see instructions). <b>Individual and corporate partners:</b> Claim this amount as a credit against your U.S. income tax on Form 1040-NR, Form 1120-F, etc. ....			<b>10</b>

**Schedule T – Beneficiary Information (see instructions)**

<b>11 a</b> Name of beneficiary	<b>c</b> Address (if a foreign address, see instructions)
<b>b</b> U.S. identifying number of beneficiary	
<b>12</b> Amount of ECTI on line 9 to be included in the beneficiary's gross income (see instructions).....	<b>12</b>
<b>13</b> Amount of tax credit on line 10 that the beneficiary is entitled to claim on its return (see instructions).....	<b>13</b>

**BAA**



Form **8805**

**Foreign Partner's Information Statement  
of Section 1446 Withholding Tax**

OMB No. 1545-0123

(Rev. November 2019)  
Department of the Treasury  
Internal Revenue Service

▶ Go to [www.irs.gov/Form8805](http://www.irs.gov/Form8805) for instructions and the latest information.

**Copy C  
For Partner  
Attach to your federal  
tax return.**

For partnership's calendar year **2019**, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

<b>1 a</b> Foreign partner's name <b>BARRY SERMON</b>	<b>b</b> U.S. identifying no. <b>FOREIGN US</b>	<b>5 a</b> Name of partnership <b>PACIFIC USA PROPERTIES, LLC</b>	<b>b</b> U.S. Employer Identification Number (EIN) <b>45-2539651</b>
<b>c</b> Address (if a foreign address, see instructions) <b>2 MCKITTRICK ROAD BENTLEIG VICTORIA 3165 AUSTRALIA</b>		<b>c</b> Address (if a foreign address, see instructions) <b>3200 N CENTRAL AVE, 1150 PHOENIX AZ 85012</b>	
<b>2</b> Account number assigned by partnership (if any)		<b>6</b> Withholding agent's name. If partnership is also the withholding agent, enter 'SAME' and do not complete line 7.	
<b>3</b> Type of partner (specify – see instructions) ▶ <b>INDIVIDUAL</b>		<b>7</b> Withholding agent's U.S. EIN	
<b>4</b> Country code of partner (enter two-letter code – see instructions) <b>AS</b>			
<b>8 a</b> Check if the partnership identified on line 5a owns an interest in one or more partnerships..... ▶ <input type="checkbox"/>			
<b>b</b> Check if any of the partnership's effectively connected taxable income (ECTI) is exempt from U.S. tax for the partner identified on line 1a..... ▶ <input type="checkbox"/>			
<b>9</b> Partnership's ECTI allocable to partner for the tax year (see instructions).....			<b>9</b>
<b>10</b> Total tax credit allowed to partner under section 1446 (see instructions). <b>Individual and corporate partners:</b> Claim this amount as a credit against your U.S. income tax on Form 1040-NR, Form 1120-F, etc.....			<b>10</b>

**Schedule T – Beneficiary Information (see instructions)**

<b>11 a</b> Name of beneficiary	<b>c</b> Address (if a foreign address, see instructions)
<b>b</b> U.S. identifying number of beneficiary	
<b>12</b> Amount of ECTI on line 9 to be included in the beneficiary's gross income (see instructions).....	<b>12</b>
<b>13</b> Amount of tax credit on line 10 that the beneficiary is entitled to claim on its return (see instructions).....	<b>13</b>

**BAA**

Form **8805** (Rev. 11-2019)

**PARTNER 4: BARRY SERMON FOREIGN US**

<b>Arizona Form</b> <b>165 Schedule K-1(NR)</b>	<b>Arizona Nonresident and Out-of-State Partner's</b> <b>Share of Income and Deductions</b>	<b>2019</b>
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**All corporate partners must use this schedule.**

For the  calendar year 2019 or  fiscal year beginning \_\_\_\_\_ and ending \_\_\_\_\_.

**CHECK ONE:**  Original  Amended

Partner's Identifying Number <b>FOREIGN US</b>	Partnership's Employer Identification Number (EIN) <b>45-2539651</b>
Partner's Name <b>BARRY SERMON</b>	Partnership's Name <b>PACIFIC USA PROPERTIES, LLC</b>
Partner's Address — number and street or rural route <b>2 MCKITTRICK ROAD</b>	Partnership's Address — number and street or rural route <b>3200 N CENTRAL AVE, 1150</b>
Partner's City, Town or Post Office State ZIP Code <b>BENTLEIG, VICTORIA 3165 AUSTRALIA</b>	Partnership's City, Town or Post Office State ZIP Code <b>PHOENIX, AZ 85012</b>

Partner's Percentage of:	Beginning of Year	End of Year
Profit sharing .....	3.846154 %	3.846154 %
Loss sharing .....	3.846154 %	3.846154 %
Ownership of capital .....	3.846154 %	3.846154 %
Type of partner (individual, trust, etc.) .....	INDIVIDUAL	

Part 1: Distributive Share Items From federal Form 1065, Schedule K-1	(a) Distributive Share Amount	(b) Arizona Apportionment Ratio	(c) Arizona Source Income	Form 140NR Filers: Enter the amount in column (c) on:
1 Ordinary income (loss) from trade or business activities .....	SEE K-1 NR WORKSHEET			
2 Net income (loss) from rental real estate activities .....				
3 Net income (loss) from other rental activities .....				
4 Total: Add lines 1, 2, and 3 .....				Line 21
5 Interest .....				Line 16
6 Dividends .....				Line 17
7 Royalties .....				Line 21
8 Net short-term capital gain (loss) .....				Line 20
9 Net long-term capital gain (loss) .....				Line 20
10 Guaranteed payments to partner .....				
11 Net IRC Section 1231 gain (loss) .....				Line 20
12 Other income (loss): include schedule .....				Line 22
13 IRC Section 179 expense .....				Line 21
14 Other deductions: include schedule .....				
<b>Part 2: Partner's Distributive Share of the Adjustment of Partnership Income From federal to Arizona Basis</b>	(a) Distributive Share Amount	(b) Arizona Apportionment Ratio	(c) Arizona Source Income	Form 140NR Filers: Enter the amount in column (c) on:
15 Adjustment of partnership income from federal to Arizona basis from Form 165, page 1, line 6 .....				Line 29 or 41

NOTE: Corporate partners see Form 120 or Form 120A instructions for information on reporting the amount from line 15.

MEMBER 4

Name of Partnership (as shown on page 1) <b>PACIFIC USA PROPERTIES, LLC</b>	EIN <b>45-2539651</b>
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**Part 3 Net Capital Gain (Loss) From Investment in a Qualified Small Business – Information Schedule**

If the partner's federal Schedule K-1 (Form 1065) does not include any net capital gain (loss) from investment in a qualified small business as determined by the Arizona Commerce Authority, the partnership is not required to complete Part 3.

Pro Rata Share Items	(a) Distributive Share Amount	(b) Arizona Apportionment Ratio	(c) Arizona Source Income
<b>16</b> Net capital gain (loss) from investment in a qualified small business . . . . . <b>16</b>			

**Part 4 Net Capital Gain (Loss) From the Exchange of Legal Tender – Information Schedule**

If the partner's federal Schedule K-1 (Form 1065) does not include any net capital gain (loss) from the exchange of legal tender, the partnership is not required to complete Part 4.

Pro Rata Share Items	(a) Distributive Share Amount	(b) Arizona Apportionment Ratio	(c) Arizona Source Income
<b>17</b> Net capital gain (loss) from the exchange of legal tender . . . . . <b>17</b>			

**Part 5 Net Long-Term Capital Gain (Loss) Subtraction – Information Schedule**

If the partner's federal Schedule K-1 (Form 1065) includes capital gain (loss), complete lines 18 through 20. If the partner's federal Schedule K-1 (Form 1065) does not include any capital gain (loss), the partnership is not required to complete Part 5.

Item From federal Form 1065, Schedule K-1	(a) Distributive Share Amount From page 1, line 9, column (a).	(b) Arizona Source Income From page 1, line 9, column (c).	(c) Net long-term capital gain (loss) included in column (b) from assets acquired before January 1, 2012	(d) Net long-term capital gain (loss) included in column (b) from assets acquired after December 31, 2011
<b>18</b> Total net long-term capital gain (loss) . . . <b>18</b>				

ADDITIONAL INFORMATION:

<b>19</b> Net long-term capital gain (loss) from investment in a qualified small business (amount already included in line 18, column (d)) . . . . . <b>19</b>				
<b>20</b> Net long-term capital gain (loss) from the exchange of legal tender (amount already included in line 18, column (d)) . . . . . <b>20</b>				



**ARIZONA FORM 165  
SCHEDULE K-1 (NR)  
WORKSHEET**

PARTNER'S IDENTIFYING NUMBER <b>FOREIGN US</b>	PARTNERSHIP'S ID NUMBER <b>45-2539651</b>
PARTNER'S NAME, ADDRESS, AND ZIP CODE <b>BARRY SERMON 2 MCKITTRICK ROAD BENTLEIG, VICTORIA 3165 AUSTRALIA</b>	PARTNERSHIP'S NAME, ADDRESS, AND ZIP CODE <b>PACIFIC USA PROPERTIES, LLC 3200 N CENTRAL AVE, 1150 PHOENIX, AZ 85012</b>
PARTNER'S PERCENTAGE OF: PROFIT SHARING .....	(i) BEFORE CHANGE OR TERMINATION % <b>3.846154</b> %
LOSS SHARING .....	(ii) END OF YEAR % <b>3.846154</b> %
OWNERSHIP CAPITAL .....	% <b>3.846154</b> %
Arizona apportionment percentage .....	<b>100</b> %

**PART I - DISTRIBUTIVE SHARE ITEMS FROM FEDERAL FORM 1065 SCHEDULE K-1**

	A DISTRIBUTIVE SHARE AMOUNT	B PARTNERSHIP'S ALLOCABLE INCOME (LOSS)	C DISTRIBUTIVE SHARE SUBJECT TO APPORTIONMENT (A - B)	ARIZONA SOURCE INCOME	
				D DISTRIBUTIVE SHARE OF APPORTIONABLE INCOME (LOSS) (C x APPRT. %)	E DISTRIBUTIVE SHARE OF ALLOCABLE INCOME (LOSS)
1 Business income					
2 Rental of real property					
3 Other rental property					
4 Total add lines 1 thru 3					
5 Interest					
6 Dividends					
7 Royalties					
8 Net short-term capital gain (loss)					
9 Net long-term capital gain (loss)					
10 Guaranteed payments to partner					
11 Net IRC Section 1231 gain (loss)					
12 Other income (loss)					
13 IRC Section 179 expense					
14 Other deductions					

**PART II - PARTNER'S DISTRIBUTIVE SHARE OF THE ADJUSTMENT OF PARTNERSHIP INCOME FROM FEDERAL TO ARIZONA BASIS**

	A DISTRIBUTIVE SHARE AMOUNT	B PARTNERSHIP'S ALLOCABLE INCOME (LOSS)	C DISTRIBUTIVE SHARE SUBJECT TO APPORTIONMENT (A - B)	ARIZONA SOURCE INCOME	
				D DISTRIBUTIVE SHARE OF APPORTIONABLE INCOME (LOSS) (C x APPRT. %)	E DISTRIBUTIVE SHARE OF ALLOCABLE INCOME (LOSS)
15 Adjustment of partnership income from federal to Arizona basis from Form 165, page 1, Line 6					