Winchester LLC sold the following business assets during the current year: (1) automobile, $30,000 cost basis, $12,000 depreciation, proceeds $20,000; (2) machinery, $25,000 cost basis, $20,000 depreciation, proceeds $10,000; (3) furniture, $15,000 cost basis, $10,000 depreciation, proceeds $4,000; (4) computer equipment, $25,000 cost basis, $6,000 depreciation, proceeds $10,000; (5) Winchester had unrecaptured Section 1231 losses of $3,000 in the prior 5 years. What is the amount and character of Winchester's gains and losses before the 1231 netting process?

A. $1,000 ordinary gain, $4,000 Section 1231 loss

B. $7,000 ordinary gain, $10,000 Section 1231 loss

C. $3,000 ordinary loss, $0 Section 1231 loss

D. $7,000 ordinary loss, $4,000 Section 1231 gain

 Anne LLC purchased computer equipment (5-year property) on August 29 with a basis of $30,000 and used the half-year convention. During the current year, which is the fourth year Anne LLC owned the property, the property was disposed of on January 15. What is the maximum depreciation expense?

A. $3,456

B. $1,728

C. $432

D. $1,874