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NOV 28 '12

Form **990-PF**

**Return of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation**

OMB No 1545-0052

**2008**

Department of the Treasury  
Internal Revenue Service

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2008, or tax year beginning , and ending

3 Check all that apply Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific instructions.

Name of foundation  
**GEORGE AND NANCY BLANTON  
ENDOWMENT TRUST**

Number and street (or P O box number if mail is not delivered to street address) Room/suite  
**PO BOX 168**

City or town, state, and ZIP code  
**SHELBY NC 28151-0168**

A Employer identification number  
**77-6257600**

B Telephone number (see page 10 of the instructions)  
**704-484-6233**

C If exemption application is pending, check here ☐

D 1. Foreign organizations, check here ☐  
2. Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

4 Check type of organization ☐ Section 501(c)(3) exempt private foundation  
☒ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$ 812,645** J Accounting method ☒ Cash ☐ Accrual  
☐ Other (specify)

(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see pg 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	23,470	23,470	23,470	
	4 Dividends and interest from securities	10,925	10,925	10,925	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 <b>STMT 1</b>	-16,663			
	b Gross sales price for all assets on line 6a <b>596,176</b>				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns & allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule) <b>STATUTE UNIT RECEIVED</b>				
	11 Other income (attach schedule)				
	12 Total. Add lines 1 through 11 <b>TPR BRANCH</b>	17,732	34,395	34,395	
	13 Compensation of officers, directors, trustees, etc. <b>OGDEN</b>	9,737	9,737		
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) <b>STMT 2</b>	350	350		
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions) <b>STMT 3</b>	4	4		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)				
	24 Total operating and administrative expenses. Add lines 13 through 23	10,091	10,091		0
	25 Contributions, gifts, grants paid	45,000			45,000
	26 Total expenses and disbursements. Add lines 24 and 25	55,091	10,091	0	45,000
	27 Subtract line 26 from line 12				
a Excess of revenue over expenses & disbursements		-37,359			
b Net investment income (if negative, enter -0-)			24,304		
c Adjusted net income (if negative, enter -0-)				34,395	

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<b>Part II Balance Sheets</b>		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
<b>Assets</b>	1	Cash—non-interest-bearing				
	2	Savings and temporary cash investments		262,778	90,507	90,507
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶				
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7	Other notes and loans receivable (att schedule) ▶ Less allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments—U S and state government obligations (attach schedule) <b>STMT 4</b>		373,313	199,955	208,006
	b	Investments—corporate stock (attach schedule) <b>SEE STMT 5</b>		283,230	323,722	232,184
	c	Investments—corporate bonds (attach schedule) <b>SEE STMT 6</b>			298,164	267,694
	11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶				
	12	Investments—mortgage loans				
	13	Investments—other (attach schedule) <b>SEE STATEMENT 7</b>		55,160	25,026	14,254
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach sch) ▶				
	15	Other assets (describe ▶ )				
	16	<b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)		974,481	937,374	812,645
<b>Liabilities</b>	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶ )				
	23	<b>Total liabilities</b> (add lines 17 through 22)		0	0	
<b>Net Assets or Fund Balances</b>		<b>Foundations that follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>				
	24	Unrestricted				
	25	Temporarily restricted		974,481	937,374	
	26	Permanently restricted				
		<b>Foundations that do not follow SFAS 117, check here</b> ▶ <input type="checkbox"/> <b>and complete lines 27 through 31.</b>				
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30	<b>Total net assets or fund balances</b> (see page 17 of the instructions)		974,481	937,374	
	31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions)		974,481	937,374	

**Part III Analysis of Changes in Net Assets or Fund Balances**

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	974,481
2	Enter amount from Part I, line 27a	2	-37,359
3	Other increases not included in line 2 (itemize)▶ <b>SEE STATEMENT 8</b>	3	1,120
4	Add lines 1, 2, and 3	4	938,242
5	Decreases not included in line 2 (itemize)▶ <b>SEE STATEMENT 9</b>	5	868
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	937,374

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
<b>1a SEE WORKSHEET</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
<b>a</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
<b>a</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>2 Capital gain net income or (net capital loss)</b> <span style="border: 1px solid black; padding: 2px;">If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7</span>			<b>2</b>	<b>-16,663</b>
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)</b> If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8			<b>3</b>	<b>-6,108</b>

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2007	30,000	997,518	0.030075
2006			
2005			
2004			
2003			
<b>2 Total of line 1, column (d)</b>			<b>2 0.030075</b>
<b>3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years</b>			<b>3 0.030075</b>
<b>4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5</b>			<b>4 931,222</b>
<b>5 Multiply line 4 by line 3</b>			<b>5 28,007</b>
<b>6 Enter 1% of net investment income (1% of Part I, line 27b)</b>			<b>6 243</b>
<b>7 Add lines 5 and 6</b>			<b>7 28,250</b>
<b>8 Enter qualifying distributions from Part XII, line 4</b> If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.			<b>8 45,000</b>

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)**

<b>1a</b>	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter (attach copy of ruling letter if necessary—see instructions)		
<b>b</b>	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	<b>1</b>	<b>243</b>
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	<b>0</b>
<b>3</b>	Add lines 1 and 2	<b>3</b>	<b>243</b>
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	<b>0</b>
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	<b>5</b>	<b>243</b>
<b>6</b>	Credits/Payments		
<b>a</b>	2008 estimated tax payments and 2007 overpayment credited to 2008	<b>6a</b>	
<b>b</b>	Exempt foreign organizations—tax withheld at source	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868)	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld	<b>6d</b>	
<b>7</b>	Total credits and payments. Add lines 6a through 6d	<b>7</b>	
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	<b>8</b>	
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	<b>9</b>	<b>243</b>
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	<b>10</b>	
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2009 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		<b>X</b>
<b>1b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to <b>1a</b> or <b>1b</b> , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		<b>X</b>
<b>1c</b> Did the foundation file <b>Form 1120-POL</b> for this year?		<b>X</b>
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <b>\$</b> _____ (2) On foundation managers <b>\$</b> _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <b>\$</b> _____		
<b>2</b> Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		<b>X</b>
<b>3</b> Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		<b>X</b>
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year?		<b>X</b>
<b>4b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year?		
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		<b>X</b>
<b>6</b> Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	<b>X</b>	
<b>7</b> Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	<b>X</b>	
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <b>▶</b>		
<b>b</b> If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation <b>SEE STMT 10</b>		<b>X</b>
<b>9</b> Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV		<b>X</b>
<b>10</b> Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		<b>X</b>

N/A

11/15 INT

171 FTF

887 FTP

51 TOT

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**Part VII-A Statements Regarding Activities (continued)**

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		<b>X</b>
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		<b>X</b>
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <b>N/A</b>	13	<b>X</b>	
14	The books are in care of ► <b>FIRST NATIONAL BANK</b> <b>106 S LAFAYETTE ST</b> Located at ► <b>SHELBY, NC</b>	Telephone no ► <b>704-484-6233</b> ZIP+4 ► <b>28150</b>		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year	► <b>15</b> <input type="checkbox"/>		

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
<b>1a</b>	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days ) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</b>	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <b>N/A</b> <input type="checkbox"/>	<b>1b</b>	
<b>c</b>	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008? <b>N/A</b>	<b>1c</b>	
<b>2</b>	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
<b>a</b>	At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ► 20 , 20 , 20 , 20		
<b>b</b>	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions ) <b>N/A</b>	<b>2b</b>	
<b>c</b>	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20		
<b>3a</b>	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</b>	If "Yes," did it have excess business holdings in 2008 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2008 ) <b>N/A</b>	<b>3b</b>	
<b>4a</b>	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	<b>4a</b>	<b>X</b>
<b>b</b>	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2008?	<b>4b</b>	<b>X</b>

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**

<b>5a</b> During the year did the foundation pay or incur any amount to				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>b</b> If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		<input checked="" type="checkbox"/> N/A	<b>5b</b>	
<b>c</b> If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d)		<input checked="" type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>6a</b> Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</b> Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If you answered "Yes" to 6b, also file Form 8870			<b>6b</b>	<b>X</b>
<b>7a</b> At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</b> If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		<input checked="" type="checkbox"/> N/A	<b>7b</b>	

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
FIRST NATIONAL BANK TRUST DEPARTMENT SHELBY 106 S LAFAYETTE ST NC 28150	TRUSTEE	9,737	0	0

**2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions).**

If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)****3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
<b>1</b> PRESERVATION NORTH CAROLINA FOR THE MAINTENANCE ON THE BANKERS' HOUSE (HISTORICAL HOME) IN SHELBY NC	45,000
<b>2</b>	
<b>3</b>	
<b>4</b>	

**Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
<b>1</b> N/A	
<b>2</b>	
All other program-related investments. See page 24 of the instructions.	
<b>3</b>	
<b>Total.</b> Add lines 1 through 3 <span style="float: right;">▶</span>	

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	<b>868,911</b>
<b>b</b>	Average of monthly cash balances	<b>1b</b>	<b>76,492</b>
<b>c</b>	Fair market value of all other assets (see page 24 of the instructions)	<b>1c</b>	<b>0</b>
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	<b>945,403</b>
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	<b>0</b>
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	<b>0</b>
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	<b>945,403</b>
<b>4</b>	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	<b>4</b>	<b>14,181</b>
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	<b>931,222</b>
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	<b>46,561</b>

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	<b>46,561</b>
<b>2a</b>	Tax on investment income for 2008 from Part VI, line 5	<b>2a</b>	<b>243</b>
<b>b</b>	Income tax for 2008 (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	<b>243</b>
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	<b>46,318</b>
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	<b>46,318</b>
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	<b>46,318</b>

**Part XII Qualifying Distributions** (see page 25 of the instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	<b>1a</b>	<b>45,000</b>
<b>b</b>	Program-related investments—total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	<b>45,000</b>
<b>5</b>	<b>Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income.</b> Enter 1% of Part I, line 27b (see page 26 of the instructions)	<b>5</b>	<b>243</b>
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	<b>44,757</b>

**Note.** The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**Part XIII Undistributed Income** (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
<b>1</b> Distributable amount for 2008 from Part XI, line 7				<b>46,318</b>
<b>2</b> Undistributed income, if any, as of the end of 2007				
<b>a</b> Enter amount for 2007 only			<b>17,691</b>	
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2008				
<b>a</b> From 2003				
<b>b</b> From 2004				
<b>c</b> From 2005				
<b>d</b> From 2006				
<b>e</b> From 2007				
<b>f</b> Total of lines 3a through e				
<b>4</b> Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ <b>45,000</b>				
<b>a</b> Applied to 2007, but not more than line 2a			<b>17,691</b>	
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
<b>d</b> Applied to 2008 distributable amount				<b>27,309</b>
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5				
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b				
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
<b>e</b> Undistributed income for 2007 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
<b>f</b> Undistributed income for 2008 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2009				<b>19,009</b>
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
<b>8</b> Excess distributions carryover from 2003 not applied on line 5 or line 7 (see page 27 of the instructions)				
<b>9</b> Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a				
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2004				
<b>b</b> Excess from 2005				
<b>c</b> Excess from 2006				
<b>d</b> Excess from 2007				
<b>e</b> Excess from 2008				

**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9)

**1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, enter the date of the ruling ▶

**b** Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

**2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax year	Prior 3 years			(e) Total
(a) 2008	(b) 2007	(c) 2006	(d) 2005	
<b>b</b> 85% of line 2a				
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed				
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities				
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c				
<b>3</b> Complete 3a, b, or c for the alternative test relied upon				
<b>a</b> "Assets" alternative test—enter				
<b>(1)</b> Value of all assets				
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)				
<b>b</b> "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
<b>c</b> "Support" alternative test—enter				
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
<b>(3)</b> Largest amount of support from an exempt organization				
<b>(4)</b> Gross investment income				

**Part XV Supplementary Information** (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 27 of the instructions.)

**1 Information Regarding Foundation Managers:**

**a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2) )  
**N/A**

**b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest  
**N/A**

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**  
Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

**a** The name, address, and telephone number of the person to whom applications should be addressed  
**N/A**

**b** The form in which applications should be submitted and information and materials they should include  
**N/A**

**c** Any submission deadlines  
**N/A**

**d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors  
**N/A**

**Part XV Supplementary Information (continued)****3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a</b> Paid during the year <b>PRESERVATION NC</b> <b>220 FAYETTEVILLE ST # 200</b> <b>RALEIGH NC 27601</b>	<b>MAINTENANCE</b>	<b>OF THE BANKERS' HOUSE</b>		<b>45,000</b>
<b>Total</b>			<b>▶ 3a</b>	<b>45,000</b>
<b>b</b> Approved for future payment <b>N/A</b>				
<b>Total</b>			<b>▶ 3b</b>	





## **EXHIBIT A**

### **Explanation of Facts and Circumstances**

The George & Nancy Blanton Endowment Trust (the “**Trust**”) was created under the Last Will and Testament of Nancy Dicks Blanton. Nancy Dicks Blanton’s date of death was March 1, 2006. The Trust was created and funded on January 26, 2007. The purpose of the Trust is to distribute the income of the Trust to The Historic Preservation Foundation of North Carolina, a public charity.

An estate tax return for Nancy Dicks Blanton was filed on November 29, 2006 and reported a charitable deduction for a distribution to the Trust in the amount of \$896,373. The IRS accepted the estate tax return, and a closing letter was received on June 5, 2009.

The Trustees of the Trust rely on tax and legal advisors to effectuate filings and ensure compliance with various state and federal tax laws. The Trust has never applied for nor received tax exempt status pursuant to a Form 1023 application, and the Trustees were not advised to make such filing. Because the Trust never applied for or received tax exempt status, the Trustees of the Trust annually filed Form 1041.

In August 2012, the Trustees of the Trust were informed by a newly engaged tax advisor that the Trust is subject to I.R.C. §4947(a)(1) because a charitable deduction was taken on the estate tax return for Nancy Dicks Blanton for amounts received by the Trust. As a result, the Trustees were first advised in August 2012 that the Trust was required to file not only Form 1041, but also an informational return on Form 990-PF. Upon being informed of the Trust’s obligation to file Form 990-PF, the Trustees of the Trust immediately and voluntarily sought compliance by instructing its tax return preparer to file an extension for Form 990-PF for tax year 2011 and prepare Form 990-PF for tax years 2007 through 2011. In preparing the Trust’s returns for tax years 2007 through 2011, the Trust’s tax return preparer calculated applicable penalties and interest.

Section 6651(a) provides for a penalty for failure to pay unless it is shown that “such failure is due to reasonable cause and not due to willful neglect.” Treas. Reg. §1.6651-1(c) provides that the determination of whether a taxpayer acted with reasonable cause is subject to a showing that taxpayer exercised ordinary business care and prudence in providing for the payment of any tax liability. Consideration is given to all facts and circumstances that may indicate reasonable cause.

Section 6652(c)(1) provides for a penalty for failure to file an annual return under Section 6033(a)(1), which includes returns filed by nonexempt charitable trusts described in I.R.C. §4947(a)(1). Section 6652(c)(4) provides that a penalty should not be imposed if the failure to file is due to reasonable cause. Treas. Reg. §1.6652-1(f) states that penalties should not be imposed upon a finding of reasonable cause and not willful neglect. Consideration is given to all facts and circumstances that may indicate reasonable cause.

I.R.M. 20.1.1 provides guidance for determining what specific factors may constitute reasonable cause with regard to penalty relief. One factor is ignorance of the law. I.R.M. Section 20.1.1.3.2.2.6 addresses a taxpayer's awareness of their obligations to file and pay and states generally that the ordinary business care and prudence standard requires that taxpayers "make reasonable efforts to determine their tax obligations." One key consideration is the level of complexity and whether the taxpayer has previously been subject to the tax or penalized for prior compliance issues associated with the tax. A related consideration is whether the taxpayer was unaware of the requirement and could not reasonably be expected to know of the requirement. A second factor constituting reasonable cause is found at I.R.M. 20.1.1.3.3.4 regarding reliance on the advice provided by a tax professional. A third factor constituting reasonable cause is found at I.R.M. 20.1.1.3.3.4 regarding undue hardship and substantial financial loss.

The Trustees of the Trust strongly believe they have reasonable cause to request abatement of penalties and interest related to such penalties. First, due to the complexity and obscurity of I.R.C. §4947(a)(1), the Trustees of the Trust did not know of the Trust's obligation to file Form 990-PF. If the Trustees of the Trust would have known or had reason to know of such obligation, they would have immediately complied. The Trustees of the Trust timely made the filing that it believed it was required to make every year (i.e. Form 1041). Second, the Trustees relied on competent tax and legal advisors to inform them of the Trust's obligations to file applicable returns and pay related taxes. The former tax and legal advisors did not inform the Trustees of the Trust's obligations under I.R.C. §4947(a)(1), nor of the ramifications of the failure of the Trust to file for and obtain tax exempt status. Finally, if Trustees of the Trust were required to pay the penalties and applicable interest associated with its failure to timely file Form 990-PF and pay any applicable amounts for tax years 2007 through 2011, the Trust would undergo an undue hardship that would result in discontinuance of the Trust, which provides income to a public charity. For the aforementioned reasons, the Trustees of the Trust ask for abatement of penalties and related interest for tax years 2007 through 2011.

**EXHIBIT B**

**Interest and Penalty Worksheet**

Form <b>990-PF</b>	<b>Capital Gains and Losses for Tax on Investment Income</b>	<b>2008</b>
For calendar year 2008, or tax year beginning _____, and ending _____		

Name <b>GEORGE AND NANCY BLANTON</b> <b>ENDOWMENT TRUST</b>	Employer Identification Number <b>77-6257600</b>
---	---

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
(1) 100 SH AMERIPRISE	P	11/28/07	7/30/08
(2) 25 SH BOEING	P	7/17/07	4/04/08
(3) 20.506 SH DODGE & COX	P	12/28/07	12/08/08
(4) 250 SH DOVER CORP	P	3/07/07	1/28/08
(5) 100000 SH FHLMC 5.25%	P	3/07/07	2/27/08
(6) 100000 SH FHLMC 4.25%	P	1/08/08	7/11/08
(7) 75000 SH FHLB 4.40%	P	3/26/07	3/17/08
(8) 100 SH KIMBERLY CLARK	P	9/13/07	7/30/08
(9) 50 SH KIMBERLY CLARK	P	10/22/07	7/30/08
(10) 100 SH MANULIFE FINL	P	8/13/08	11/10/08
(11) 150 SH MANULIFE FINL	P	9/25/08	11/10/08
(12) 350 SH WESTERN UNION	P	9/13/07	7/30/08
(13) 100 SH BAKER HUGHES	P	3/07/07	4/04/08
(14) 225 SH BILLITON LTD	P	3/23/07	11/10/08
(15) 100 SH BOEING CO	P	3/01/06	4/04/08

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
(1) 4,252		5,795	-1,543
(2) 1,895		2,566	-671
(3) 476		947	-471
(4) 9,231		11,830	-2,599
(5) 100,000		100,000	
(6) 100,000		100,000	
(7) 75,000		73,313	1,687
(8) 5,781		6,969	-1,188
(9) 2,891		3,484	-593
(10) 2,242		3,462	-1,220
(11) 3,362		5,574	-2,212
(12) 9,716		7,014	2,702
(13) 7,246		6,450	796
(14) 9,158		10,657	-1,499
(15) 7,580		7,267	313

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
(1)			-1,543
(2)			-671
(3)			-471
(4)			-2,599
(5)			
(6)			
(7)			1,687
(8)			-1,188
(9)			-593
(10)			-1,220
(11)			-2,212
(12)			2,702
(13)			796
(14)			-1,499
(15)			313

Form <b>990-PF</b>	<b>Capital Gains and Losses for Tax on Investment Income</b>	<b>2008</b>
For calendar year 2008, or tax year beginning _____, and ending _____		

Name <b>GEORGE AND NANCY BLANTON</b> <b>ENDOWMENT TRUST</b>	Employer Identification Number <b>77-6257600</b>
---	---

(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
(1) 150 SH CHESAPEAKE	P	4/27/06	1/17/08
(2) 50 SH CHESAPEAKE	P	4/27/06	5/06/08
(3) 359.555 SH DODGE & COX	P	3/23/07	12/08/08
(4) 271.059 SH DODGE & COX	P	5/15/07	12/08/08
(5) 50 SH DOVER CORP	P	11/17/06	1/28/08
(6) 300 SH EMERSON ELEC CO	P	3/07/07	9/25/08
(7) 25 SH EXXON MOBIL	P	3/07/07	5/16/08
(8) 75 SH EXXON MOBIL	P	3/07/07	9/25/08
(9) 100000 SH FNLB 5.33%	P	5/14/07	12/08/08
(10) 100000 SH FNMA 5.35%	P	3/07/07	3/19/08
(11) 100 SH GENERAL ELEC CO	P	3/01/06	1/17/08
(12) 75 SH IBM	P	3/01/06	1/17/08
(13) FEDERATED INDEX TR			
(14) NEUBERGER & BERMAN			
(15)			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
(1) 5,631		4,712	919
(2) 2,819		1,571	1,248
(3) 8,342		16,500	-8,158
(4) 6,289		13,000	-6,711
(5) 1,846		2,504	-658
(6) 12,369		12,822	-453
(7) 2,314		1,773	541
(8) 5,976		5,319	657
(9) 100,000		100,000	
(10) 100,000		100,000	
(11) 3,403		3,287	116
(12) 7,654		6,023	1,631
(13) 391			391
(14) 312			312
(15)			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
(1)			919
(2)			1,248
(3)			-8,158
(4)			-6,711
(5)			-658
(6)			-453
(7)			541
(8)			657
(9)			
(10)			
(11)			116
(12)			1,631
(13)			391
(14)			312
(15)			

## Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Description	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price					
				PURCHASE	\$		\$		\$
				PURCHASE	\$				
				PURCHASE					
				PURCHASE					
TOTAL					\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment		Adjusted Net	Charitable Purpose
CRAIG , BARRY & POSTON	\$ 350	\$	350	\$	
TOTAL	\$ 350	\$	350	\$ 0	0

Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment		Adjusted Net	Charitable Purpose
FOREIGN TAX	\$ 4	\$	4	\$	
TOTAL	\$ 4	\$	4	\$ 0	0

## Federal Statements

**Statement 4 - Form 990-PF, Part II, Line 10a - US and State Government Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FHLMC 5.25%	\$ 100,000	\$	COST	\$
FHLB 5.33%	100,000		COST	
FHLB 4.40%	73,313		COST	
FNMA 5.35%	100,000		COST	
FHLMC 4.05%		50,000	COST	50,295
FHLMC 4.125%		49,955	COST	50,867
FHLB 4.25%		100,000	COST	106,844
TOTAL	\$ 373,313	\$ 199,955		\$ 208,006

**Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
ABBOTT LABS	\$ 11,222	\$ 11,222	COST	\$ 10,674
AMERIPRISE FINL	5,795		COST	
BAKER HUGHES INC	6,450		COST	
BANK OF AMERICA	13,647	13,647	COST	4,224
BHP BILLITON LTD	10,657		COST	
BOEING CO	9,833		COST	
CHESAPEAKE ENERGY	15,706	9,423	COST	4,851
CISCO SYS INC	12,989	12,989	COST	8,150
COCA COLA CO	11,975	11,975	COST	11,318
DEERE & CO	8,834	8,834	COST	5,748
DOVER CORP	14,337		COST	
DIRECTV GROUP		2,807	COST	2,291
DUKE ENERGY	11,802	11,802	COST	9,006
EMC CORP		9,673	COST	9,423
EMERSON ELEC	12,822		COST	

## Federal Statements

**Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
EXPRESS SCRIPTS INC	\$ 12,676	\$ 12,676	COST	\$ 10,996
EXXON MOBIL	7,092		COST	
GENERAL ELEC	16,435	13,148	COST	6,480
HEWLETT PACKARD	11,753	11,753	COST	12,702
IBM	17,276	11,253	COST	10,520
KIMBERLY CLARK	10,452		COST	
LAB CORP		9,602	COST	9,662
LINCOLN NATL CORP	9,007	9,007	COST	2,826
LOWES COS	10,155	10,155	COST	6,456
MICROSOFT CORP	12,514	12,514	COST	8,748
PEABODY ENERGY	4,852	10,338	COST	4,550
RAYTHEON		12,232	COST	10,208
TARGET CORP		6,623	COST	4,316
THERMO FISHER	12,306	12,306	COST	8,518
TRANSOCEAN INC NEW	5,629	8,708	COST	4,253
UNION PAC CORP		10,259	COST	7,170
WEATHERFORD INTL		5,776	COST	2,164
WESTERN UNION	7,014		COST	
CITIGROUP INC		25,000	COST	15,830
CREDIT SUISSE GUERNSEY		50,000	COST	41,100
TOTAL	\$ 283,230	\$ 323,722		\$ 232,184

**Statement 6 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
AMERICAN GEN FIN 4.875%	\$	\$ 50,000	COST	\$ 29,758
BELLSOUTH CORP 5.20%		48,141	COST	48,677

## Federal Statements

**Statement 6 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments (continued)**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
CATERPILLAR FINL 5.80 %	\$	\$ 50,000	COST	\$ 49,700
JP MORGAN CHASE 5.15%		49,788	COST	47,213
MORGAN STANLEY 5.30%		50,755	COST	45,345
VERIZON GLOBAL 4.90%		49,480	COST	47,001
TOTAL	\$ 0	\$ 298,164		\$ 267,694

**Statement 7 - Form 990-PF, Part II, Line 13 - Other Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
DODGE & COX FDS	\$ 30,447	\$	COST	\$
FEDERATED MID CAP FUND	16,500	16,500	COST	8,794
NEUBERGER & BERMAN	8,213	8,526	COST	5,460
TOTAL	\$ 55,160	\$ 25,026		\$ 14,254

**Statement 8 - Form 990-PF, Part III, Line 3 - Other Increases**

Description	Amount
PRIOR YEAR TIMING DIFFERENCE FOR DIVIDENDS ACCRUED	\$ 1,119
ROUNDING	1
TOTAL	\$ 1,120

**Statement 9 - Form 990-PF, Part III, Line 5 - Other Decreases**

Description	Amount
TIMING DIFFERENCES ON DIVIDEND INCOME	\$ 126
TIMING DIFFERENCES FOR ACCRUED INTEREST	742
TOTAL	\$ 868

**Statement 10 - Form 990-PF, Part VII-A, Line 8b - Not Filing with Attorney General**  
**Explanation**

Description

ENTITY IS NOT REGISTERED WITH NC BECAUSE IT IS A TRUST REQUIRED TO FILE A  
990PF BECAUSE OF IRC SECTION 4947(A)(1) .