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

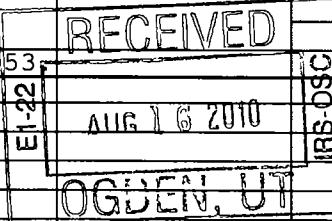
2008

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 Oct 1, 2008, and ending Sep 30, 2009

G Check all that apply		Initial return	Final return	Amended return	<input checked="" type="checkbox"/> Address change	<input type="checkbox"/> Name change		
Use the IRS label Otherwise, print or type See Specific Instructions	Name of foundation <b>The Coats Family Foundation, Inc</b>			A Employer identification number <b>13-3047572</b>				
	Number and street (or P O box number if mail is not delivered to street address) <b>400 North Flaggler Drive</b>			B Telephone number (see the instructions) <b>(212) 887-8980</b>				
	City or town <b>West Palm Beach</b>			C If exemption application is pending, check here ► <input type="checkbox"/>				
	State ZIP code <b>FL 33401</b>			D 1 Foreign organizations, check here ► <input type="checkbox"/>				
	H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			E 2 Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>				
	I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► \$ <b>325,832.</b>			F If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/>				
<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))				(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)	
<b>REVENUE</b>	1 Contributions, gifts, grants, etc, received (att sch)	<b>104,699.</b>						
	2 Ck ► <input type="checkbox"/> if the foundn is not req to att Sch B							
	3 Interest on savings and temporary cash investments							
	4 Dividends and interest from securities	<b>9,715.</b>			<b>9,715.</b>			
	5a Gross rents							
	b Net rental income or (loss)							
	6a Net gain/(loss) from sale of assets not on line 10	<b>37,238.</b>			<b>I-6a Stmt</b>			
	b Gross sales price for all assets on line 6a	<b>685,676.</b>						
	7 Capital gain net income (from Part IV, line 2)				<b>37,238.</b>			
	8 Net short-term capital gain							
	9 Income modifications							
	10a Gross sales less returns and allowances							
b Less Cost of goods sold								
c Gross profit/(loss) (att sch)								
11 Other income (attach schedule)								
12 Total. Add lines 1 through 11	<b>151,652.</b>			<b>46,953.</b>			<b>RECEIVED</b>	
<b>ADMINISTRATIVE EXPENSES</b>	13 Compensation of officers, directors, trustees, etc							
	14 Other employee salaries and wages							
	15 Pension plans, employee benefits							
	16a Legal fees (attach schedule)							
	b Accounting fees (attach sch)							
	c Other prof fees (attach sch)							
	17 Interest							
	18 Taxes (attach schedule) <b>Federal Tax</b>	<b>0.</b>						
	19 Depreciation (attach sch) and depletion							
	20 Occupancy							
	21 Travel, conferences, and meetings							
	22 Printing and publications							
	23 Other expenses (attach schedule) See Line 23 Stmt	<b>1,467.</b>			<b>1,467.</b>			0.
	24 Total operating and administrative expenses. Add lines 13 through 23	<b>1,467.</b>			<b>1,467.</b>			0.
25 Contributions, gifts, grants paid	<b>105,900.</b>						<b>105,900.</b>	
26 Total expenses and disbursements. Add lines 24 and 25	<b>107,367.</b>			<b>1,467.</b>			<b>105,900.</b>	
27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements	<b>44,285.</b>							
b Net investment income (if negative, enter -0)				<b>45,486.</b>				
c Adjusted net income (if negative, enter -0)								



Part II Balance Sheets		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
ASSETS	1	Cash – non-interest-bearing	2,005.	905.	905.
	2	Savings and temporary cash investments	259,012.	204,629.	204,629.
	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 the instructions)			
	7	Other notes and loans receivable (attach sch) ▶			
		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	Investments – corporate stock (attach schedule) L-10b Stmt	45,984.	145,752.	120,298.
	c	Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)				
12	Investments – mortgage loans				
13	Investments – other (attach schedule)				
14	Land, buildings, and equipment basis ▶				
	Less accumulated depreciation (attach schedule)				
15	Other assets (describe ▶)				
16	<b>Total assets</b> (to be completed by all filers – see instructions Also, see page 1, item I)	307,001.	351,286.	325,832.	
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & 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)			
		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>			
	24	Unrestricted			
	25	Temporarily restricted			
26	Permanently restricted				
NET ASSETS		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27	Capital stock, trust principal, or current funds			
	28	Paid in or capital surplus, or land, building, and equipment fund	457,707.	457,704.	
	29	Retained earnings, accumulated income, endowment, or other funds	-150,706.	-106,418.	
	30	<b>Total net assets or fund balances</b> (see the instructions)	307,001.	351,286.	
	31	<b>Total liabilities and net assets/fund balances</b> (see the instructions)	307,001.	351,286.	

## 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	307,001.
2	Enter amount from Part I, line 27a	2	44,285.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	351,286.
5	Decreases not included in line 2 (itemize) ▶	5	
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) – Part II, column (b), line 30	6	351,286.

**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 shares MLC Company)			(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a 5000 KBW			D	01/12/09	01/14/09
b 50 Calls LM			P	05/11/09	04/22/09
c 50 Calls LM			P	05/26/09	05/11/09
d 50 Calls JGM			P	06/29/09	06/24/09
e See Columns (a) thru (d)					
(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)		
a 104,699.	0.	104,699.	0.		
b 3,350.	0.	315.	3,035.		
c 2,025.	0.	549.	1,476.		
d 2,316.	0.	7,370.	-5,054.		
e See Columns (e) thru (h)	0.	535,502.	37,781.		
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h)) gain minus column (k), but not less than -0- or Losses (from column (h))		
a			0.		
b			3,035.		
c			1,476.		
d			-5,054.		
e See Columns (i) thru (l)			37,781.		
2 Capital gain net income or (net capital loss)	[ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ]		2	37,238.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	[ If gain, also enter in Part I, line 8, column (c) (see the instructions). If (loss), enter -0- in Part I, line 8 ]		3		

**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

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries

(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 (column (b) divided by column (c))
2007	120,705.	270,888.	0.445590
2006	111,921.	274,761.	0.407339
2005	6,150.	231,642.	0.026550
2004	104,000.	240,911.	0.431695
2003	99,745.	264,472.	0.377148

2 Total of line 1, column (d)

2 1.688322

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

3 0.337664

4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5

4 289,197.

5 Multiply line 4 by line 3

5 97,651.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 455.

7 Add lines 5 and 6

7 98,106.

8 Enter qualifying distributions from Part XII, line 4

8 105,900.

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

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

1 a 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 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	c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)	1	455.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)				2	0.
3 Add lines 1 and 2				3	455.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)				4	0.
5 <b>Tax based on investment income.</b> Subtract line 4 from line 3 If zero or less, enter -0-				5	455.
6 Credits/Payments:					
a 2008 estimated tax pmts and 2007 overpayment credited to 2008	6a				
b Exempt foreign organizations – tax withheld at source	6b				
c Tax paid with application for extension of time to file (Form 8868)	6c	500.			
d Backup withholding erroneously withheld	6d				
7 Total credits and payments Add lines 6a through 6d				7	500.
8 Enter any <b>penalty</b> for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached				8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed				9	
10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid				10	45.
11 Enter the amount of line 10 to be <b>Credited to 2009 estimated tax</b> ►			Refunded	11	45.

**Part VII-A Statements Regarding Activities**

1 a 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?

	Yes	No
1 a	X	

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?

1 b	X
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If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities

c Did the foundation file **Form 1120-POL** for this year?

1 c	X
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d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

(1) On the foundation ► \$ \_\_\_\_\_ (2) On foundation managers ► \$ \_\_\_\_\_

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ \_\_\_\_\_

2 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

2	X
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3 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

3	X
---	---

4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

4a	X
----	---

b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?

4b	
----	--

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

5	X
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If 'Yes,' attach the statement required by General Instruction T

6 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?

6	X
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7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

7	X
---	---

8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) ► \_\_\_\_\_

NY – New York

8b	X
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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

9	X
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9 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)? If 'Yes,' complete Part XIV

10	X
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BAA

**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)(3)? If 'Yes', attach schedule (see instructions) 11  X

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12  X

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address 13  X

14 The books are in care of ▶ Ronald P. Carroccio, CPA Telephone no ▶ (718) 769-0600  
Located at ▶ 2381 Hylan Blvd., SI, NY ZIP + 4 10306

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 ▶ 15 ▶

**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.

Question	Yes	No
1a 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? <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>		
(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)? <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>		
(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) <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>		
1b 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <span style="float: right;"><input type="checkbox"/></span>	1b	
1c 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? <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>	1c	X
2 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))		
a 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? <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>		
If 'Yes,' list the years ▶ <u>20__ , 20__ , 20__ , 20__</u>		
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 the instructions) <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>	2b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ <u>20__ , 20__ , 20__ , 20__</u>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>		
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) <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>	4a	X
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? <span style="float: right;">▶ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</span>	4b	X

**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)****5a** 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))?  Yes  No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?  Yes  No

(3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  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 instructions)  Yes  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?  Yes  No

**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 instructions)?**5b**Organizations relying on a current notice regarding disaster assistance check here ► **c** 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? Yes  No

If 'Yes,' attach the statement required by Regulations section 53 4945-5(d)

**6a** Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes  No**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

**6b**  X**7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes  No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?**7b****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 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
E. Craig Coats, Jr. 400 North Flaggler Dr West Palm Beach FL 33401	President 10.00	0.	0.	0.
Christine Coats Greenwich CT 06830	Sect/Dir 2.00	0.	0.	0.
-----				
-----				
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**2** Compensation of five highest-paid employees (other than those included on line 1 – see 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"				
0				
0				
0				
0				

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

►

None

**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 instructions). If none, enter 'NONE.'**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
"None" _____		
_____		
_____		
_____		
_____		
_____		
_____		
<b>Total number of others receiving over \$50,000 for professional services</b>		<b>None</b>

**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

1	N/A	0.
2	_____	
3	_____	
4	_____	

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

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

Amount

1	N/A	0.
2	_____	

All other program-related investments. See instructions

3

**Total. Add lines 1 through 3**

**None**

BAA

Form 990-PF (2008)

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes		
a Average monthly fair market value of securities	1a	60,325.
b Average of monthly cash balances	1b	233,276.
c Fair market value of all other assets (see instructions)	1c	0.
<b>d Total</b> (add lines 1a, b, and c)	1d	293,601.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	293,601.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	4,404.
<b>5 Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5	289,197.
<b>6 Minimum investment return.</b> Enter 5% of line 5	6	14,460.

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

1 Minimum investment return from Part X, line 6	1	14,460.
2a Tax on investment income for 2008 from Part VI, line 5	2a	455.
b Income tax for 2008 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	455.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	14,005.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	14,005.
6 Deduction from distributable amount (see instructions)	6	
<b>7 Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	14,005.

**Part XII Qualifying Distributions** (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes	1a	105,900.
a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1b	0.
b Program-related investments – total from Part IX-B	2	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	3a	
3 Amounts set aside for specific charitable projects that satisfy the	3b	
a Suitability test (prior IRS approval required)	4	105,900.
b Cash distribution test (attach the required schedule)	5	455.
<b>4 Qualifying distributions</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	6	105,445.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)		
<b>6 Adjusted qualifying distributions.</b> Subtract line 5 from line 4		

**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 instructions)**

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				14,005.
2 Undistributed income, if any, as of the end of 2007				
a Enter amount for 2007 only			13,348.	
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2008				
a From 2003 99,832.				
b From 2004 104,000.				
c From 2005 6,150.				
d From 2006 112,150.				
e From 2007 120,900.				
f Total of lines 3a through e 443,032.				
4 Qualifying distributions for 2008 from Part XII, line 4 ► \$ 105,900.				
a Applied to 2007, but not more than line 2a			13,348.	
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)	78,547.			
d Applied to 2008 distributable amount	0.			14,005.
e Remaining amount distributed out of corpus	0.			0.
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5 521,579.				
b Prior years' undistributed income Subtract line 4b from line 2b 0.				
c 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				
d Subtract line 6c from line 6b Taxable amount – see instructions 0.				
e Undistributed income for 2007 Subtract line 4a from line 2a Taxable amount – see instructions 0.				
f Undistributed income for 2008 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2009 0.				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see instructions) 99,832.				
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a 421,747.				
10 Analysis of line 9				
a Excess from 2004 104,000.				
b Excess from 2005 6,150.				
c Excess from 2006 112,150.				
d Excess from 2007 120,900.				
e Excess from 2008 78,547.				

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Form 990-PF (2008)

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

N/A

**Part XV** **Supplementary Information** (Complete this part only if the organization had \$5,000 or more in assets at any time during the year – see 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) )

**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

## 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 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

**b** The form in which applications should be submitted and information and materials they should include:

**c Any submission deadlines**

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

## 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)				
<i>a Paid during the year</i>				
Sovereign Order of Malta	None	None	To aid donee Org. in carrying out their exempt function.	1,400.
Boston College	None	None	Same	50,000.
Boston MA Figure Skating Of Harlem	None	None	Same	1,000.
New York NY American Cancer Society	None	None	Same	250.
New York NY Memorial Sloan Kettering	None	None	Same	500.
New York NY City Harvest	None	None	Same	250.
New York NY Weill Cornell Medical	None	None	Same	750.
New York NY Strokes & Streams Fdtn	None	None	Same	250.
New York NY Central Park Conservatory	None	None	Same	1,500.
New York NY Bachmann-Strauss Cons	None	None	Same	105,900.
<b>Total</b>			► 3a	
<i>b Approved for future payment</i>				
<b>Total</b>			► 3b	

## Part XVI-A Analysis of Income-Producing Activities

**Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes**

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See the instructions )
4	N/A
8	N/A

**Part XVII** Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting foundation to a noncharitable exempt organization of

- (1) Cash
- (2) Other assets
- Other transaction

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
1 a (1)		X
1 a (2)		X
1 b (1)		X
1 b (2)		X
1 b (3)		X
1 b (4)		X
1 b (5)		X
1 b (6)		X
1 c		X

d If the answer to any of the above is 'Yes,' complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

**2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes  No

**b** If 'Yes,' complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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 or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

Date

**Title**

<b>Paid Preparer's Use Only</b>	Preparer's signature	<i>Ronald P. Carroccio, CPA</i>	Date 08/10/10	Check if self-employed <input checked="" type="checkbox"/>	Preparer's Identifying number (See Signature in the instrs)
	Firm's name (or yours if self employed), address, and ZIP code	► <u>Ronald P. Carroccio, CPA</u> ► <u>2381 Hylan Blvd. Suite 15F</u> Staten Island	NY 10306	EIN ►	Phone no ► (718) 769-0600

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**Form 990-PF (2008)**

Name <u>The Coats Family Foundation, Inc</u>	Employer Identification Number <u>13-3047572</u>
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**Asset Information:**

Description of Property	<u>Stock Sales</u>		
Date Acquired	<u>Various</u>	How Acquired	<u>Purchased</u>
Date Sold	<u>Various</u>	Name of Buyer	
Sales Price	<u>685,676.</u>	Cost or other basis (do not reduce by depreciation)	<u>648,438.</u>
Sales Expense		Valuation Method	
Total Gain (Loss)	<u>37,238.</u>	Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	
Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	

Form 990-PF, Page 1, Part I, Line 23

## Line 23 Stmt

Other expenses.	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
<u>NYS Attorney General</u>	<u>200.</u>	<u>200.</u>		<u>0.</u>
<u>Activity Fees</u>	<u>1,267.</u>	<u>1,267.</u>		<u>0.</u>
<b>Total</b>	<b><u>1,467.</u></b>	<b><u>1,467.</u></b>		<b><u>0.</u></b>

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

## Columns (a) thru (d)

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
50 Calls JGM	P	06/22/09	06/03/09
5000 Legg Mason	P	06/29/09	01/16/09
50 Calls HIG	P	08/27/09	08/17/09
60 Calls QGJ	P	08/24/09	08/07/09
5000 GE	P	01/16/09	08/03/09
5000 GE	P	01/16/09	08/03/09
10 Calls QGJ	P	09/10/09	08/31/09
40 Calls QGJ	P	09/10/09	08/31/09
40 Calls QGJ	P	09/10/09	09/01/09
658 Hartford Financial	P	08/17/09	08/27/09
Linn Energy	P	01/15/09	09/10/09

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

## Columns (e) thru (h)

(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)
2,081.	0.	0.	2,081.
124,754.	0.	109,043.	15,711.
3,737.	0.	18,090.	-14,353.
3,642.	0.	0.	3,642.
67,499.	0.	71,019.	-3,520.
68,498.	0.	71,019.	-2,521.
322.	0.	685.	-363.
1,289.	0.	2,541.	-1,252.
1,470.	0.	2,141.	-671.
102,689.	0.	80,292.	22,397.
197,302.	0.	180,672.	16,630.
<b>Total</b>	<b>0.</b>	<b>535,502.</b>	<b>37,781.</b>

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income  
**Columns (i) thru (l)**

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))
			2,081.
			15,711.
			-14,353.
			3,642.
			-3,520.
			-2,521.
			-363.
			-1,252.
			-671.
			22,397.
			16,630.
Total			<u>37,781.</u>

Explanation Statement

Form/Line Form 990-PF, Page 9, Part XIII Line 4c  
 Explanation of Undistributed Income - Election to Treat Distribution as Out of Corpus

The Foundation hereby elects under IRS Regulations Section 4942 (a)-3(d) (2) to treat the qualifying distributions made during the year ended 9/30/09 as having been made out of corpus.

Form 990-PF, Page 2, Part II, Line 10b  
**L-10b Stmt**

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
4280 Washington Mutual	45,984.	1,048.
5000 Hartford Financial Services	104,693.	132,500.
50 Calls HIG (Shorted)	-4,925.	-13,250.
Total	<u>145,752.</u>	<u>120,298.</u>

**Supporting Statement of:**

Form 990-PF, p1/Line 1(a)

Description	Amount
<u>E. Craig Coats, Jr. - Common Stock</u>	<u>104,699.</u>
Total	<u>104,699.</u>

Application for Extension of Time To File an  
Exempt Organization Return

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only 

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits

Type or print	Name of Exempt Organization  <b>The Coats Family Foundation, Inc</b>	Employer identification number  <b>13-3047572</b>
File by the due date for filing your return. See instructions	Number, street, and room or suite number. If a P O box, see instructions  <b>400 North Flagler Drive</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions  <b>West Palm Beach</b>	<b>FL 33401</b>

Check type of return to be filed (file a separate application for each return)

<input type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input checked="" type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- The books are in the care of ► Ronald P. Carroccio, CPA

Telephone No ► (718) 769-0600 FAX No ► (212) 664-9292

- If the organization does not have an office or place of business in the United States, check this box

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)        If this is for the whole group, check this box ►  If it is for part of the group, check this box ►  and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until May 17, 20 10, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- calendar year 20        or
- tax year beginning Oct 1, 20 08, and ending Sep 30, 20 09

2 If this tax year is for less than 12 months, check reason  Initial return  Final return  Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a \$ <b>500.</b>
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b \$ <b>0.</b>
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c \$ <b>500.</b>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev 4-2008)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box

**Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (Not Automatic) 3-Month Extension of Time. You must file original and one copy.**

<b>Type or print</b>  File by the extended due date for filing the return. See instructions	Name of Exempt Organization  <b>The Coats Family Foundation, Inc</b>	Employer identification number  <b>13-3047572</b>  For IRS use only
	Number, street, and room or suite number. If a P O box, see instructions  <b>400 North Flagler Drive</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions  <b>West Palm Beach FL 33401</b>	

**Check type of return to be filed** (File a separate application for each return):

<input type="checkbox"/> Form 990	<input checked="" type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 5227	

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in care of **Ronald P. Carroccio, CPA**  
Telephone No **(718) 769-0600** FAX No **(212) 664-9292**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)  If this is for the whole group, check this box  If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until **Aug 16 2010**
- 5 For calendar year , or other tax year beginning **Oct 1 2008**, and ending **Sep 30 2009**
- 6 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- 7 State in detail why you need the extension **Additional time is required to compile donation data past the current due date.**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	<b>8a</b> \$ <b>0.</b>
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	<b>8b</b> \$ <b>500.</b>
<b>c Balance Due.</b> Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instrs	<b>8c</b> \$ <b>0.</b>

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ►

Title ►

Date ► **05/15/10**

BAA

FIFZ0502 04/16/08

Form 8868 (Rev 4-2008)