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

2009

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

For calendar year 2009, or tax year beginning 01/01, 2009, and ending 10/09, 2009

G Check all that apply: Initial return, Initial return of a former public charity, Final return, Amended return, Address change, Name change

Use the IRS label. Name of foundation: THE DAVIES FOUNDATION, INC.
Otherwise, print or type. See Specific instructions. Number and street (or P O box number if mail is not delivered to street address): 3618 PROSPECT STREET, NW
 Room/suite: Room/suite
 City or town, state, and ZIP code: WASHINGTON, DC 20007

A Employer identification number: 20-8021776
B Telephone number (see page 10 of the instructions): (202) 277-9557

H 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): \$ 0.

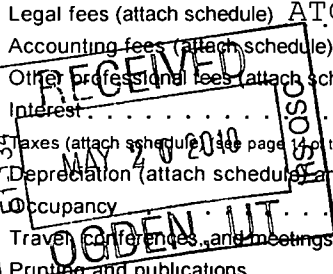
J Accounting method: Cash, Accrual, Other (specify) _____

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:

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 page 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)
1 Contributions, gifts, grants, etc., received (attach schedule) if the foundation is not required to attach Sch B				
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	751.	752.		ATCH 1
4 Dividends and interest from securities	5,245.	5,245.		ATCH 2
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)				
8 Net short-term capital gain				
9 Income modifications				
10 a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	5,996.	5,997.		
13 Compensation of officers, directors, trustees, etc.	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) ATCH 3	9,812.	0.	0.	9,812.
b Accounting fees (attach schedule) ATCH 4	218.	0.	0.	218.
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions) *	6,000.	0.		0.
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) ATCH 6	0.	5,997.		0.
24 Total operating and administrative expenses. Add lines 13 through 23	16,030.	5,997.	0.	10,030.
25 Contributions, gifts, grants paid	54,500.			54,500.
26 Total expenses and disbursements. Add lines 24 and 25	70,530.	5,997.	0.	64,530.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-64,534.			
b Net investment income (if negative, enter -0-)		-0-		
c Adjusted net income (if negative, enter -0-)			-0-	

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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 Savings and temporary cash investments	1,684,689.	0.	0.
	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 16 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule)			
	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 Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	1,684,689.	0.	0.	
Liabilities	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 Total liabilities (add lines 17 through 22)			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	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, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	1,684,689.	0.	
30 Total net assets or fund balances (see page 17 of the instructions)	1,684,689.	0.		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,684,689.	0.		

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	1,684,689.
2 Enter amount from Part I, line 27a	2	-64,534.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,620,155.
5 Decreases not included in line 2 (itemize) ▶ ATTACHMENT 7	5	1,620,155.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	

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.)
1a					
b					
c					
d					
e					
(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					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) 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			
a					
b					
c					
d					
e					

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	
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 pages 13 and 17 of 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 page 18 of 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 (col. (b) divided by col. (c))
2008	108,679.	1,272,596.	0.085399
2007	37,703.	601,416.	0.062690
2006	2,102.	547,479.	0.003839
2005			
2004			

2 Total of line 1, column (d)	2	0.151928
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	0.050643
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,619,196.
5 Multiply line 4 by line 3	5	82,001.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	82,001.
8 Enter qualifying distributions from Part XII, line 4 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	8	64,530.

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

Table with 11 rows for excise tax calculations. Includes items like 'Exempt operating foundations', 'Domestic foundations', 'Tax under section 511', and 'Credits/Payments'. Total amount owed is 6,854.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Includes questions about political campaigns, tax on political expenditures, and substantial contributors. Includes 'ATTACHMENT 8' reference.

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 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? 13 X
Website address N/A
14 The books are in care of KASSIE REMPEL Telephone no 202-277-9557
Located at 3618 PROSPECT STREET, NW WASHINGTON, DC ZIP + 4 20007
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.

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? Yes No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes 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)? Yes 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) Yes No
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)? 1b
Organizations relying on a current notice regarding disaster assistance check here
c 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 2009? 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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? Yes No
If "Yes," list the years
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) 2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes No
b If "Yes," did it have excess business holdings in 2009 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 2009) 3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 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 2009? 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... (2) Influence the outcome of any specific public election... (3) Provide a grant to an individual for travel, study, or other similar purposes? (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)? (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? 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)? 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? 6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

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).

Table with 5 columns: (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. Row 1: ATTACHMENT 9, 0, 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."

Table with 5 columns: (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. Row 1: NONE, 0, 0, 0.

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		0.

Total number of others receiving over \$50,000 for professional services	NONE	

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	
2	
3	
4	

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
1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3 NONE	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	
b	Average of monthly cash balances	1b	1,643,854.
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0.
d	Total (add lines 1a, b, and c)	1d	1,643,854.
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	0.
3	Subtract line 2 from line 1d	3	1,643,854.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	24,658.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,619,196.
6	Minimum investment return. Enter 5% of line 5	6	62,379.

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.)

1	Minimum investment return from Part X, line 6	1	62,379.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	0.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	0.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	62,379.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	62,379.
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	62,379.

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	64,530.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	64,530.
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 page 26 of the instructions)	5	N/A
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	64,530.

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				62,379.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				
b Total for prior years 20 07, 20 06, 20 05				
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006			1,877.	
d From 2007			13,050.	
e From 2008			45,741.	
f Total of lines 3a through e	60,668.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 64,530.				
a Applied to 2008, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2009 distributable amount				62,379.
e Remaining amount distributed out of corpus	2,151.			
5 Excess distributions carryover applied to 2009. (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	62,819.			
b Prior years' undistributed income Subtract line 4b from line 2b				
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 page 27 of the instructions				
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010.				
7 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)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	62,819.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006			1,877.	
c Excess from 2007			13,050.	
d Excess from 2008			45,741.	
e Excess from 2009			2,151.	

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, 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
b 85% of line 2a
c Qualifying distributions from Part XII, line 4 for each year listed
d Amounts included in line 2c not used directly for active conduct of exempt activities
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c
3 Complete 3a b or c for the alternative test relied upon
a 'Assets' alternative test - enter
(1) Value of all assets
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X line 6 for each year listed
c "Support" alternative test - enter
(1) Total support other than gross investment income (interest, dividends, rents payments on securities loans (section 512(a)(5)) or royalties)
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)
(3) Largest amount of support from an exempt organization
(4) 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 28 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))
JOHN L. DAVIES
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 [X] 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
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)				
<p>a <i>Paid during the year</i></p> <p>ATTACHMENT 10</p>				
Total.				▶ 3a 54,500.
<p>b <i>Approved for future payment</i></p>				
Total.				▶ 3b

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

Table with 3 columns: Question, Yes, No. Rows include: 1 Did the organization directly or indirectly engage in any of the following... a Transfers from the reporting foundation... b Other transactions... c Sharing of facilities... d If the answer to any of the above is "Yes," complete the following schedule.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1: N/A, N/A.

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 [X]

b If "Yes," complete the following schedule

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. All cells are empty.

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 section containing: Signature of officer or trustee, Date (5/13/10), Title, Preparer's signature, Date (5/12/10), Check if self-employed, Preparer's identifying number (P00082778), Firm's name (ARONSON & COMPANY), address (805 KING FARM BLVD., 3RD FLOOR, ROCKVILLE, MD 20850), EIN (52-0987391), and Phone no (301-231-6200).

Reorganization of Foundation as a Charitable Trust

On October 3, 2008 the Davies Foundation (the "Trust") was established as a District of Columbia charitable trust.¹ The Trust was established specifically to be the successor in interest to the Foundation, in order to change the form of organization from a corporation to a trust.

John L. Davies, the founder of, substantial contributor to, and an officer and director of, the Davies Foundation, Inc. (the "Foundation"), established the Trust and serves as its sole trustee. As such, the Trust is effectively controlled by the same person who effectively controlled the Foundation.

On June 12, 2009, the Internal Revenue Service ("IRS") issued a determination that the Trust (i) was exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code ("IRC") and (ii) was a private foundation within the meaning of IRC section 509(a).²

On July 28, 2009, the Foundation's Board of Directors adopted a resolution to dissolve the Foundation,³ and the Foundation entered into an Asset Transfer Agreement with the Trust, whereby the Foundation agreed to transfer its assets to the Trust.⁴

On October 5, 2009, the Foundation transferred all of its assets to the Trust pursuant to the Asset Transfer Agreement. The assets consisted solely of cash or cash equivalents.

On October 9, 2009, the District of Columbia issued a Certificate of Dissolution to the Foundation, terminating its existence.⁵

Thereafter, notice of the Foundation's dissolution and termination was given to IRS. By letter dated January 13, 2010, IRS acknowledged receipt of notification of the Foundation's dissolution and termination.⁶

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¹ See Exhibit 2.

² See Exhibit 3.

³ See Exhibit 4.

⁴ See Exhibit 5.

⁵ See Exhibit 6.

⁶ See Exhibit 7.

THE DAVIES FOUNDATION

THIS IS A TRUST AGREEMENT dated the 3rd of October, 2008, between JOHN L. DAVIES, as Settlor (the "Settlor"); and the Settlor, as Trustee (together with any additional and successor trustees appointed hereunder, the "Trustees").

WHEREAS, the Settlor desires to create a charitable trust which will qualify as an entity described in Sections 501(c)(3), 170(c)(2), 2055(a) and 2522(a) of the Code (as hereinafter defined); and

WHEREAS, the Trustees are willing to accept the Trust hereby created and covenant to discharge faithfully the duties of a Trustee hereunder;

NOW, THEREFORE, the Settlor intends to transfer property to the Trustees, IN TRUST, and the Trustees agree to accept the property and to hold, manage and distribute the property under the terms of this Agreement.

ARTICLE I Trust Name

This Agreement and the Trust hereunder may be referred to as THE DAVIES FOUNDATION. The Trustee is authorized to change the name of the Trust from time to time during the Settlor's life.

ARTICLE II Charitable Distributions

A. Purposes. The Trust shall be administered and maintained exclusively for religious, charitable, scientific, literary, and educational purposes within the meaning of Sections 501(c)(3) and 509(a) of the Code. The purposes for which this Trust is organized are:

1. Those purposes that are set forth on Schedule A, which may from time to time be amended by the Trustee during the Settlor's life.
2. Provided, however, that if no purposes are set forth on Schedule A, the purposes for which this Trust is organized shall be:

COPY

a) To provide funds for the education of children from low-income circumstances.

b) To promote any other religious, charitable, scientific, literary and educational activity within the meaning of the nonprofit laws of the District of Columbia and the provisions of Sections 501(c)(3) and 509(a) of the Code

B. Pay to Recipients. Subject to the provisions of Section E of this Article, the Trustees shall distribute as much of the net income and/or principal of the Trust as the Trustees shall determine, from time to time, be distributed to such one or more "Qualified Charitable Recipients" (as defined in Section C of this Article) as the Trustees shall select (the "Recipients"), in such amounts or proportions as the Trustees shall determine. All distribution decisions by the Trustees must be unanimous.

C. Pay Only to Qualified Charitable Recipient. No distribution shall be made to a Recipient unless at the time of the payment the Recipient is a Qualified Charitable Recipient. "Qualified Charitable Recipient" means an entity that is described in Code Sec. 170(c), 2055(a) and 2522(a) of the Code. In the case of any distribution to a Recipient described in Code Sec. 170(c)(1), the distribution shall be made for exclusively public purposes.

D. Direct Charitable Distributions. The Trustees shall distribute as much of the net income and/or principal of the trust as the Trustees shall determine, from time to time, be distributed directly in furtherance of any charitable, scientific, literary, religious, educational or other purpose that is described in Section 501(c)(3) of the Code and permissible for an organization contributions to which are deductible under Sections 170(c), 2055(a) and 2522(a) of the Code and which comply with the charitable goals set forth in Section E below. The Trustees shall not make distributions for any purpose or engage in any activity forbidden by any of those Code Sections.

E. Charitable Goals. To the extent consistent with the foregoing, the Trustees shall make distributions in furtherance of the Settlor's charitable goals as set forth below.

1. Distributions as set forth on Schedule B, which may from time to time be amended by the Trustee during the Settlor's life

2. Provided, however, that if no distributions are set forth on Schedule B,

a) At least Fifty percent (50%) of the balance of each year's distributions shall be to advance causes related to the education of children from low-income circumstances; and

b) The balance of each year's distributions may be distributed as determined by the Trustees.

F. Excess Income Added to Principal. Any net income not so distributed shall be accumulated and annually added to principal.

ARTICLE III Prohibited Transactions

A. No Inurement or Private Benefit. The Trust is not formed for pecuniary profit or financial gain, and no part of the net earnings of the Trust shall inure or be distributable to or for the benefit of any Trustee or private individual, except that the Trustees are authorized to pay reasonable compensation and commissions for services rendered to or for the Trust, and to make distributions in furtherance of the Trust's charitable purposes.

B. No Propaganda. No substantial part of the activities of the Trust shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as may otherwise be provided by Section 501(h) of the Code during any fiscal year or years in which the Trust has chosen to utilize the benefits authorized by that statutory provision), and the Trust shall not participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office.

C. Private Foundation Rules. The Trustees are prohibited from engaging in any act of self-dealing as defined in Section 4941(d) of the Code, from retaining any excess business holdings as defined in Section 4943(c) of the Code which would subject the Trust to tax under Section 4943 of the Code, from making any investments which would subject the Trust to tax under Section 4944 of the Code, and from making any taxable expenditures as defined in Section 4945(d) of the Code. The Trustees shall make distributions at such time and in such manner as not to subject the Trust to tax under Section 4942 of the Code.

D. Corporate Contributions. If any contributions are made to the Trust by a corporate donor, such contributions and any income or gain thereon or reinvestment thereof shall not be distributed for any use outside the territorial limits of the United States. In all events, no amount shall be disbursed by the Trustees outside the territorial limits of the United States unless (i) such disbursement is made upon the express authority of the Trustees and (ii) fulfills the purposes of the Trust as set forth in Section A of Article II of the Trust.

ARTICLE IV
Trustees Must Not Disqualify Trust; Restrictions

The Trustees are prohibited from exercising any power or discretion granted under any law or this Agreement that would be inconsistent with the continuing qualification of the Trust as an entity described in Sections 170(c)(2), 2055(a), 2522(a), and 501(c)(3) of the Code. Notwithstanding any other provision of this Trust, this Trust shall not carry on any activities not permitted to be carried on by an organization exempt from Federal income tax under Section 501(c)(3) of the Code.

ARTICLE V
Limited Power of Amendment

The Trust is irrevocable. The Trustees shall have the power at any time, acting alone, to amend the Trust in any manner required for the sole purpose of ensuring that the Trust continues to qualify as an entity described in Sections 170(c)(2), 2055(a), 2522(a) and 501(c)(3) of the Code. After the Settlor's death, the Trustees shall have the power to amend any provision of the Trust; provided, however, that such amendment does not interfere with the Trust's exempt status and neither alters the description of the Settlor's charitable goals nor permits the Trustees to deviate from such goals, and further provided, however, that any amendment under this Article must be unanimously approved by the Trustees.

ARTICLE VI
Additional Contributions

The Trustees are authorized to receive additional contributions, which shall be added to and administered as part of the Trust property, provided however that the terms of any such additional contribution shall be consistent with the continuing qualification of the Trust as an entity described in Sections 170(c)(2), 2055(a), 2522(a) and 501(c)(3) of the Code.

ARTICLE VII
Duration, Termination and Dissolution

The Trust shall terminate when neither Settlor, DEREK W. DAVIES, nor any one or more individuals from the family line of DEREK W DAVIS are serving as Trustee. In the event of dissolution of the Trust, the residual assets of the Trust shall be turned

over to organizations for such purposes as described in Section A of Article II of this Trust and such distributions shall be made as described in Section E of Article II of this Trust, provided that such organizations are exempt as organizations described in Sections 501(c)(3), 170(c)(2), 2055(a) and 2522(a) of the Code.

ARTICLE VIII Exemption from Security

No Trustee shall be required to give bond or other security in any jurisdiction, and if despite this exoneration a bond is nevertheless required, no sureties shall be required

ARTICLE IX Trustees

A. Trustee Appointments

1. The Trustee who is party to this Agreement shall serve as a Trustee of the Trust under this Agreement.

B. Other Trustees.

1. The Settlor appoints the Settlor's son, DEREK W DAVIES, and the Settlor's brother, STEPHEN C. DAVIES, to be co-Successor Trustees of this trust upon the death or disability of the Settlor. Upon the death, disability or resignation of STEPHEN C. DAVIES as co-Successor Trustee, the Settlor appoints JP MORGAN CHASE BANK, N.A. to serve as co-Successor Trustee with DEREK W DAVIES.

2 Notwithstanding any provision herein to the contrary, it is the Settlor's wish that his descendants remain actively involved in the trust's pursuit of charitable activities. It is also the Settlor's intention that, after DEREK W. DAVIES shall cease to serve as Trustee, there shall be a Successor Trustee or Trustees serving from the family line of DEREK W DAVIES. To that end, the Settlor directs that the Trustee(s) establish procedures whereby one (1) or more of the adult descendants of DEREK W. DAVIES shall serve as Successor Trustees hereunder, by a written instrument to take effect upon the terms and conditions stated therein, or in default thereof, upon his death, disability or resignation; these procedures shall be set forth on Schedule C, which may from time to time be amended by the Trustee(s). If at any time neither DEREK W. DAVIES nor descendants of the family line of DEREK W. DAVIES are serving as Trustee of this trust, then it is the Settlor's wish that THE DAVIES FOUNDATION dissolve, in accordance with Article VII.

3 Trustees shall be entitled to serve based on the following rules, subject, however, to the principles set forth in the preceeding paragraphs of Section B of this Article.

a) First, a Trustee who is a party to this Agreement shall be entitled to serve,

b) Second, any successor Trustee named by the Settlor in a signed and acknowledged instrument shall be entitled to serve. Multiple successor Trustees named by the Settlor shall be entitled to serve in the order in which they have been named by the Settlor; and

c) Third, a successor Trustee effectively appointed by another Trustee shall be entitled to serve.

4. A Trustee may be appointed pursuant to this Article for a limited purpose or to hold only specified powers

C. Additional Provisions Regarding Changes in Fiduciaries

1. Any Trustee may resign at any time without court approval and whether or not a successor has been appointed.

2. The Settlor shall be the "Protector" of the Trust created under this Agreement. The Protector may be one or more individuals. Multiple Protectors shall act by majority.

a) The Protector may appoint one or more persons to be successor Protector to take office upon the death, resignation, or incapacity of the Protector or any person serving as Protector. In the event that the Settlor has not appointed a successor Protector to serve upon his death, resignation or incapacity, DEREK W. DAVIES or the adult descendants of DEREK W. DAVIES serving as Successor Trustees under Section B of this Article shall be the Protector or Protectors of this trust.

b) The Protector shall have the right to remove any individual Trustee of this trust and shall have the right to appoint an individual or corporation with fiduciary powers to replace the removed individual Trustee or whenever the office of Trustee of this trust becomes vacant; provided that if neither Settlor, DEREK W. DAVIES, nor any one or more individuals from the family line of DEREK W. DAVIS are serving as Trustee, THE DAVIES FOUNDATION shall dissolve, in accordance with Article VII. The Protector other than any descendant of the Settlor serving hereunder as Protector shall have the right to remove any incumbent corporation with fiduciary powers



DEPARTMENT OF CONSUMER & REGULATORY AFFAIRS

District of Columbia Government

Corporations Division

PO Box 92300

Washington DC 20090

Articles of Dissolution of Domestic Non-Profit Corporation

Pursuant to the provisions of the District of Columbia Non-Profit Corporation Act, the undersigned corporation adopts the following Articles of Dissolution for the purpose of dissolving the corporation:

1. Name of the non-profit corporation
The Davies Foundation, Inc
2. The resolution to dissolve was adopted in the following manner Option A or B or C must be chosen, but not both
 - A. The resolution to dissolve the corporation was adopted at a meeting of members held on _____, at which a quorum was present, and the resolution received at least two thirds of the votes which members present or represented by proxy at such meeting were entitled to cast.
 - B. The resolution to dissolve the corporation was adopted by consent in writing signed by all members entitled to vote in respect thereof
 - C. The resolution to dissolve the corporation was adopted at a meeting of the Board of Directors held on 7/28/09, and received the vote of a majority of the Directors in office, there being no members having vote rights in respect hereof
3. All debts, obligations and liabilities of the corporation have been paid and discharged, or adequate provision has been made therefore.
4. There are no suits pending against the corporation in any court in respect of which adequate provision has not been made for the satisfaction of any judgment, order or decree which may be entered against it.

If you sign this form, you agree that you understand that anyone who makes a false statement anywhere on it can be punished by criminal penalties of a fine up to \$1000, imprisonment up to 180 days, or both, under DCOC § 22-2405.

President / Vice-President	Date	Signature
<i>JOHN L. DAVIES</i>	10/9/09	<i>[Signature]</i>
Secretary / Assistant Secretary	Date	Signature
<i>Alexandra Kemp</i>	10/9/09	<i>[Signature]</i>

OCT - 9 2009

Not a public document. Return to:
Department of Consumer and Regulatory Affairs
Corporations Division
PO Box 92300
Washington DC 20090
Phone 202-725-2100

ASSET TRANSFER AGREEMENT

THIS ASSET TRANSFER AGREEMENT (the "Agreement") is entered into as of July 28th, 2009 by and between the Davies Foundation, Inc., a District of Columbia nonprofit corporation (the "Corporation"), and the Davies Foundation, a District of Columbia charitable trust (the "Foundation")

WITNESSETH:

WHEREAS, the Corporation and the Foundation were each organized to operate exclusively for religious, charitable, scientific, educational and literary purposes and for making grants or distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1986;

WHEREAS, the Board of Directors of the Corporation and the Trustee of the Foundation deem the Foundation's acquisition of the Corporation's assets, under and pursuant to the terms and conditions herein set forth or referred to, desirable and in the best interests of the respective entities;

WHEREAS, the Board of Directors of the Corporation and the Trustee of the Foundation have approved this Asset Transfer Agreement; and

WHEREAS, the Corporation desires to transfer, and assign to the Foundation, and the Foundation desires to acquire from the Corporation, all of the Transferred Assets (as defined herein) in exchange for the assumption by the Foundation of the Assumed Liabilities (as defined herein) and the continuation by the Foundation of the charitable and educational purposes of the Corporation;

NOW, THEREFORE, in consideration of the premises and of the mutual representations, warranties and agreements herein contained, and intending to be legally bound hereby, the parties hereby agree as follows:

ARTICLE 1. ASSETS AND OBLIGATIONS.

Section 1.01. Assets to be Transferred. On the terms and subject to the conditions set forth in this Agreement, the Corporation hereby transfers and assign to the Foundation, and the Foundation hereby acquires from the Corporation, all of the Corporation's right, title and interest, in all of the assets of the Corporation (collectively the "Transferred Assets").

Section 1.02. Liabilities to be Transferred. As consideration for the transfer by the Corporation of the Transferred Assets to the Foundation and the agreements of the Corporation contained herein, the Foundation hereby assumes and agrees to pay or otherwise discharge all liabilities (collectively the "Assumed Liabilities") of the Corporation. As of the effective date of this Agreement, the Corporation has no known liabilities, so it is anticipated that there will be no "Assumed Liabilities."

Section 1.03. Employees. As of the date hereof, the Corporation has no employees.

Section 1.04 Further Assurances. The Corporation shall, until the date of its dissolution, at the request of the Foundation and without further cost or expense to the Foundation, execute and deliver such other instruments of conveyance and transfer and take such other actions as the Foundation may reasonably request in order to further effectuate and evidence the consummation of the transactions contemplated hereby and the compliance with applicable securities laws in connection therewith. The Foundation shall from time to time, at the request of the Corporation or, after the Corporation' dissolution, the former officers or directors of the Corporation and without further cost or expense to the Corporation, execute and deliver such instruments of issuance, assumption, and otherwise, and such documents and commitments, and take such other actions as the Corporation or the former officers or directors may reasonably request in order to further effectuate and evidence the assumption of the Assumed Liabilities and the consummation of the other transactions contemplated hereby.

ARTICLE 2. REPRESENTATIONS AND WARRANTIES OF THE DAVIES FOUNDATION, INC.

The Corporation represents and warrants to the Foundation as follows:

Section 3.01. Power and Authority. The Corporation (i) is a nonprofit corporation, duly organized, validly existing, and in good standing under the laws of the District of Columbia and exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and (ii) has full power and authority to carry on the activities in which it is engaged, and has all of the necessary powers to own its assets, including owning all right, title and interest in and to the Transferred Assets. The Corporation represents that it has read this Agreement and is fully aware of its content and of its legal effect, and acknowledges that this is a legally valid and binding obligation of the Corporation, enforceable against it in accordance with its terms and conditions.

Section 3.02. Authorization. The Corporation has full power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to perform its obligations hereunder. The execution, delivery and performance by the Corporation of this Agreement and the consummation by the Corporation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on its part. This Agreement constitutes a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with its respective terms and conditions

Section 3.04. Title. The Corporation has, and is transferring to the Foundation, good title to all of the Transferred Assets, in each case free and clear of any lien, mortgage, pledge, encumbrance or other restriction or limitation of any nature whatsoever. No third party has any rights to purchase any of the Transferred Assets, or any interest therein or any portion thereof, including rights of first offer or refusal.

Section 3.05 Liabilities. To the best of its knowledge, the Corporation has no liabilities with respect to the Transferred Assets of the type required to be reflected on financial statements

prepared in accordance with generally accepted accounting principles, whether contingent or absolute, liquidated or unliquidated.

Section 3.06. Compliance With Laws, Noncontravention

(a) The Corporation is not (i) subject to the terms or provisions of any judgment, decree, order, writ or injunction, or (ii) in violation of any terms or provisions of any Laws. The Corporation has not (i) received any notice or charge from any governmental authority within the past five years asserting a violation of any Law with respect to the operations of the Corporation, or (ii) been the subject of any audit or investigation by any governmental authority within the past five years which may result in such an assertion.

(b) Neither the execution and delivery by the Corporation of this Agreement nor the consummation of the transactions contemplated hereby will (i) violate any Law to which it is subject, or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under, or the consent of any other party to, any contract, lease, sublease, license, sublicense, franchise, permit, Lien, or other arrangement to which the Corporation is a party or by which it is bound or to which any of its assets are subject.

Section 3.07. Litigation. There are no judicial, administrative or arbitral claims, audit examinations, actions, inquiries, proceedings or investigations pending or, to the Corporation's knowledge, threatened, as of the date hereof, (a) against or involving the Corporation relating to the Corporation or the Transferred Assets, or (b) which seek to question, delay, or prevent the consummation of the transactions contemplated by this Agreement.

Section 3.08. Tax Returns. To the extent of the Corporation's knowledge, within the times and in the manner prescribed by law, the Corporation has caused or will cause to be filed all federal, state and local tax returns required by law and has paid all taxes, assessments and penalties due and payable on a cash basis that relate to the Transferred Assets. To the extent of the Corporation's knowledge, there are no present disputes as to taxes of any nature payable by the Corporation.

Section 3.09. Financial Statements. Schedule 3.09 contains true and correct copies of the financial statements of the Corporation (the "Financial Statements"), which present fairly in all material respects the financial condition of the Corporation as of the dates thereof or for the periods covered thereby.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF THE DAVIES FOUNDATION.

The Foundation represents and warrants to the Corporation as follows:

Section 4.01. Power and Authority. The Foundation (i) is a charitable trust, duly organized, validly existing, and in good standing under the laws of the District of Columbia, and exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of

1986, as amended, and (ii) has full power and authority to carry on the activities in which it is engaged, and to own and use the properties owned and used by it. The Foundation represents that it has read this Agreement and is fully aware of its content and of its legal effect, and acknowledges that this is a legally valid and binding obligation of the Foundation, enforceable against it in accordance with its terms and conditions

Section 4.02. Authorization. The Foundation has full power and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby and to perform its obligations hereunder. The execution, delivery and performance by the Foundation of this Agreement and the consummation by the Foundation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on its part. This Agreement constitutes a valid and legally binding obligation of the Foundation enforceable against the Foundation in accordance with its respective terms and conditions.

ARTICLE 5. MISCELLANEOUS PROVISIONS.

Section 5.01. Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the parties named herein and their respective successors and permitted assigns. No party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of the Foundation and the Corporation.

Section 5.02. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

Section 5.03. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 5.04. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia.

Section 5.05. Amendments and Waivers. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument

Section 5.06. Entire Agreement. This Agreement (together with the schedules and exhibits attached hereto) constitutes the entire agreement among the parties hereto and supersedes any prior understandings or representations by or among the parties hereto, written or oral, that may have related in any way to the subject matter hereof

Section 5.07. Certain Defined Terms. As used herein, the following terms shall mean as follows:

“Law” means all applicable provisions of all (i) constitutions, treaties, statutes, laws

(including the common law), codes, rules, regulations, ordinances or orders of any governmental authority, and (ii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority.

“Lien” means any mortgage, pledge, hypothecation, right of others, claim, security interest, encumbrance, burden, title defect, title retention agreement, lease, sublease, license, covenant, interest, option, right of first offer or refusal, lien, charge or other restrictions or limitations of any nature whatsoever

“Person” shall be construed broadly, and shall include any individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, unincorporated organization or governmental authority

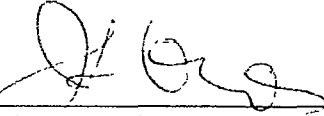
Section 5.08. Severability. Any term or provision herein that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

Section 5.09. Expenses. The Foundation will pay (and hold the Corporation harmless from) all expenses the Foundation incurs in connection with this Agreement and the transactions contemplated herein, and the Corporation will pay (and will hold the Foundation harmless from) all expenses incurred by or on behalf of the Corporation in connection with this Agreement and the transactions contemplated herein

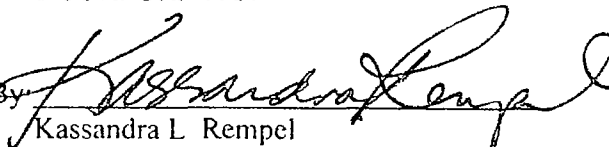
Section 5.10. Necessary Further Acts. Each party to this Agreement agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the intent of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE FOUNDATION

By: 
John L. Davies
Trustee

THE CORPORATION

By: 
Cassandra L. Rempel
Secretary

GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS



C E R T I F I C A T E

THIS IS TO CERTIFY that all applicable provisions of the District of Columbia NonProfit Corporation Act have been complied with and accordingly, this **CERTIFICATE OF DISSOLUTION** is hereby issued to
THE DAVIES FOUNDATION, INC.

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of this office to be affixed as of the **9th** day of **October, 2009**.

LINDA K ARGO
Director

Business and Professional Licensing Administration

A handwritten signature in cursive script, appearing to read "Patricia E. Grays", is written over a horizontal line. To the right of the signature, the letters "S.E." are written.

PATRICIA E. GRAYS
Superintendent of Corporations
Corporations Division

Adrian M Fenty
Mayor

ATTACHMENT 1

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
JP MORGAN (#83143)	751.	752.
TOTAL	<u>751.</u>	<u>752.</u>

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
JP MORGAN PRIME MONEY MKT FD	5,245.	5,245.
TOTAL	<u>5,245.</u>	<u>5,245.</u>

ATTACHMENT 3

FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
LEGAL FEES	9,812.			9,812.
TOTALS	<u>9,812.</u>	<u>0.</u>	<u>0.</u>	<u>9,812.</u>

ATTACHMENT 4

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
ACCOUNTING FEES	218.	0.	218.	
TOTALS	<u>218.</u>	<u>0.</u>	<u>218.</u>	

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>CHARITABLE PURPOSES</u>
FEDERAL EXCISE TAX	6,000.	0.	0.
TOTALS	<u>6,000.</u>	<u>0.</u>	<u>0.</u>

ATTACHMENT 6

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
INVESTMENT INCOME REPORTED BY SUCCESSOR ENTITY PURSUANT TO SEC 507(B)(2) REORGANIZATION (THE DAVIES FOUNDATION - EIN 26-3867274)	0.	5,997.	0.
TOTALS	0.	5,997.	0.

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION

AMOUNT

ASSETS TRANSFERED TO DAVIES FOUNDATION
(A CHARITABLE TRUST) PURSUANT TO A
REORGANIZATION PLAN (EXPLANATION
AND RELATED DOCUMENTS ATTACHED).

1,620,155.

TOTAL

1,620,155.

FORM 990PF, PART VII-A, LINE 5 - DISSOLUTION STATEMENT

RECIPIENT'S NAME: DAVIES FOUNDATION
RECIPIENT'S ADDRESS: 3618 PROSPECT STREET, NW
CITY, STATE & ZIP: WASHINGTON, DC 20007
DISSOLUTION AMOUNT: 1,620,155.

EXPLANATION OF DISTRIBUTION:

ASSETS TRANSFERRED PURSUANT TO A PLAN OF REORGANIZATION CONSISTED SOLELY OF CASH OR CASH EQUIVALENTS (EXPLANATION AND RELATED DOCUMENTS ATTACHED).

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 9

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
JOHN L. DAVIES 3618 PROSPECT STREET, NW WASHINGTON, DC 20007	PRESIDENT, DIRECTOR 1.00	0.	0.	0.
KASSANDRA L. REMPEL 3618 PROSPECT STREET, NW WASHINGTON, DC 20007	SECRETARY, DIRECTOR 1.00	0.	0.	0.
STEPHEN C. DAVIES 3618 PROSPECT STREET, NW WASHINGTON, DC 20007	VICE-PRESIDENT, DIRECTOR 1.00	0.	0.	0.
GRAND TOTALS		0.	0.	0.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 10

RECIPIENT NAME AND ADDRESS

AND

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

FOUNDATION STATUS OF RECIPIENT

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

FIGHT FOR CHILDREN
WASHINGTON,

NONE
PUBLIC CHARITY

24,500

ALLEGHENY COLLEGE
MEADVILLE,

NONE
PUBLIC CHARITY

30,000

TOTAL CONTRIBUTIONS PAID

54,500

FEDERAL FOOTNOTES

PURSUANT TO A PLAN OF REORGANIZATION AND REV. RUL. 2002-28, THE TAX ATTRIBUTES OF THE FOUNDATION, INCLUDING THE OVERPAYMENT OF THE FOUNDATION'S 2009 EXCISE TAX ON NET INVESTMENT INCOME, ARE TRANSFERRED TO THE FOLLOWING TRANSFEREE OF THE FOUNDATION'S ASSETS UPON DISSOLUTION AND TERMINATION: DAVIES FOUNDATION, A DISTRICT OF COLUMBIA CHARITABLE TRUST, 3618 PROSPECT STREET, NW, WASHINGTON, DC 20007 (EIN: 26-3867274).