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

2009

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 2009, or tax year beginning , and ending

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. Otherwise, print or type. See Specific Instructions.	Name of foundation THE EHLERT FAMILY FOUNDATION <i>Clay</i>		A Employer identification number 02-0626100
	Number and street (or P.O. box number if mail is not delivered to street address) 12 GOOSE LAKE DRIVE	Room/suite	B Telephone number (630) 860-7000
	City or town, state, and ZIP code BARRINGTON HILLS, IL 60010		C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <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 If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 449,031. (Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____			

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).)		(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			N/A	
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	14,213.	14,213.		STATEMENT 1
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	<20,692.>			
b	Gross sales price for all assets on line 6a	64,529.			
7	Capital gain net income (from Part IV, line 2)		0.		
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 or (loss)				
11	Other income				
12	Total. Add lines 1 through 11	<6,479.>	14,213.		
13	Compensation of officers, directors, trustees, etc	0.	0.		0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees STMT 2	650.	325.		325.
b	Accounting fees STMT 3	1,250.	1,125.		125.
c	Other professional fees STMT 4	4,648.	4,648.		0.
17	Interest				
18	Taxes STMT 5	303.	215.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses STMT 6	369.	369.		10.
24	Total operating and administrative expenses. Add lines 13 through 23	7,220.	6,682.		460.
25	Contributions, gifts, grants paid	24,500.			24,500.
26	Total expenses and disbursements. Add lines 24 and 25	31,720.	6,682.		24,960.
27	Subtract line 26 from line 12	<38,199.>			
a	Excess of revenue over expenses and disbursements		7,531.		
b	Net investment income (if negative, enter -0-)				
c	Adjusted net income (if negative, enter -0-)			N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only			
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1 Cash - non-interest-bearing	<2.>			
	2 Savings and temporary cash investments	166,629.	14,214.	14,214.	
	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				
	7 Other notes and loans receivable ▶				
	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				
	b Investments - corporate stock				
	c Investments - corporate bonds				
	11 Investments - land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation ▶				
	12 Investments - mortgage loans				
	13 Investments - other STMT 7	336,364.	450,578.	434,817.	
	14 Land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation ▶				
	15 Other assets (describe ▶)				
	16 Total assets (to be completed by all filers)	502,991.	464,792.	449,031.	
	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					
22 Other liabilities (describe ▶)					
23 Total liabilities (add lines 17 through 22)		0.	0.		
Net Assets or Fund Balances	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				
	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	0.	0.		
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
	29 Retained earnings, accumulated income, endowment, or other funds	502,991.	464,792.		
	30 Total net assets or fund balances	502,991.	464,792.		
	31 Total liabilities and net assets/fund balances	502,991.	464,792.		

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	502,991.
2 Enter amount from Part I, line 27a	2	<38,199.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	464,792.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	464,792.

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 SEE ATTACHED STATEMENT			
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 64,529.		85,221.	<20,692.>

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			<20,692.>

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** <20,692.>

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).
If (loss), enter -0- in Part I, line 8 **3** N/A

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 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	24,185.	478,342.	.050560
2007	4,095.	45,902.	.089212
2006	2,595.	32,724.	.079300
2005	5,570.	21,103.	.263944
2004	2,188.	4,721.	.463461

2 Total of line 1, column (d)	2	.946477
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	.189295
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	406,309.
5 Multiply line 4 by line 3	5	76,912.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	75.
7 Add lines 5 and 6	7	76,987.
8 Enter qualifying distributions from Part XII, line 4	8	24,960.

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 instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	151.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		3	151.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	151.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7		0.
8 Enter any penalty 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		151.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a 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?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
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.		X
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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>IL</u>		
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	X	
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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Form 990-PF (2009)

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 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 ► N/A	13	X	
14	The books are in care of ► C. JAMES EHLERT, JR. Telephone no. ► 630/860-7000 Located at ► 12 GOOSE LAKE DRIVE,, BARRINGTON HILLS, IL ZIP+4 ► 60010			
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 N/A			

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

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

	Yes	No
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A	1b	
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 instructions.) N/A	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) N/A	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

Form 990-PF (2009)

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)?

☐ 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)?

N/A

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?

N/A

☐ 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

6b

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

X

If "Yes" to 6b, file Form 8870.

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?

N/A

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.

(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
C. JAMES EHLERT, JR. 12 GOOSE LAKE DRIVE BARRINGTON HILLS, IL 60010	PRESIDENT 5.00	0.	0.	0.
MARILYN EHLERT 12 GOOSE LAKE DRIVE BARRINGTON HILLS, IL 60010	SECRETARY/TREASURER 5.00	0.	0.	0.
STACY LEE HARDING 318 WASHINGTON STREET BARRINGTON HILLS, IL 60010	DIRECTOR 5.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

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

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

0

Form 990-PF (2009)

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

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

Total number of others receiving over \$50,000 for professional services

0

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**

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (2009)

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	374,009.
b	Average of monthly cash balances	1b	38,487.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	412,496.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	412,496.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	6,187.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	406,309.
6	Minimum investment return. Enter 5% of line 5	6	20,315.

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	20,315.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	151.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	151.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	20,164.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	20,164.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	20,164.

Part XII Qualifying Distributions (see 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	24,960.
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	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	24,960.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	24,960.

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.

Form 990-PF (2009)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				20,164.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004	1,952.			
b From 2005	4,526.			
c From 2006	994.			
d From 2007	1,836.			
e From 2008	356.			
f Total of lines 3a through e	9,664.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$	24,960.			
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				20,164.
e Remaining amount distributed out of corpus	4,796.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus: Add lines 3f, 4c, and 4e. Subtract line 5	14,460.			
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		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	1,952.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	12,508.			
10 Analysis of line 9:				
a Excess from 2005	4,526.			
b Excess from 2006	994.			
c Excess from 2007	1,836.			
d Excess from 2008	356.			
e Excess from 2009	4,796.			

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

Recipient Name and address (home or business)	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
a Paid during the year				
ADVOCATE GOOD SHEPHERD HOSPITAL 450 WEST HIGHWAY 22 BARRINGTON, IL 60010	NONE	PUBLIC CHARITY	CHARITABLE	10,000.
HOSPICE FOUNDATION OF NORTHEAST ILLINOIS 401 S HAGER AVE BARRINGTON, IL 60010	NONE	PUBLIC CHARITY	CHARITABLE	10,000.
HOOVED ANIMAL RESCUE AND PLACEMENT, INC (HARP) 331 OLD SUTTON ROAD BARRINGTON, IL 60010	NONE	PUBLIC CHARITY	CHARITABLE	3,000.
BARRINGTON HIGH SCHOOL 616 WEST MAIN STREET BARRINGTON, IL 60010	NONE	PUBLIC CHARITY	CHARITABLE	1,500.
Total			▶ 3a	24,500.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

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

- | | | Yes | No |
|----------|--|-----|----|
| 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 | | X |
| | (2) Other assets | | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | | X |
| | (2) Purchases of assets from a noncharitable exempt organization | | X |
| | (3) Rental of facilities, equipment, or other assets | | X |
| | (4) Reimbursement arrangements | | X |
| | (5) Loans or loan guarantees | | X |
| | (6) Performance of services or membership or fundraising solicitations | | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | 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. | | |

[illegible]

- 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
N/A		

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.

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 <i>James E. Cook</i>		Date <i>5/14/10</i>	Title <i>Manager</i>
Paid Preparer's Use Only	Preparer's signature <i>William G. Nichols</i>	Date <i>5/10/10</i>	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP code WARADY & DAVIS LLP 1717 DEERFIELD ROAD, SUITE 300S DEERFIELD, IL 60015	Preparer's identifying number 00029438	EIN <i>31-2170602</i>
		Phone no. (847) 267-9600	

Form **990-PF**

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

OMB No. 1545-0047

2009Department 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 2009, or tax year beginning

, and ending

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☒ Name changeUse the IRS
label.

Otherwise,

print

or type.

See Specific

Instructions.

Name of foundation

CLAYTHE EHLERT FAMILY FOUNDATION

Number and street (or P.O. box number if mail is not delivered to street address)

12 GOOSE LAKE DRIVE

City or town, state, and ZIP code

BARRINGTON HILLS, IL 60010

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

J Accounting method:

☒ Cash☐ Accrual

(from Part II, col. (c), line 16)

☐ Other (specify)

▶

449,031.

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

K Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)

(a) Revenue and
expense per books(b) Net investment
income(c) Adjusted net
income(d) Disbursements
for charitable purposes
(cash basis only)

N/A

STATEMENT 1

Morgan Stanley

Form 990-PF 2009

For 2009

Expense
AnalystRobert Ehlert

Employee Initials

E9EForm 12283 (Rev. 7-2004)
Catalog Number 28013XDepartment of the Treasury
Internal Revenue Service

Operating and Administrative Expenses	21 Travel, conferences, and meetings			
	22 Printing and publications			
23 Other expenses	STMT 6	369.	369.	10.
	24 Total operating and administrative expenses. Add lines 21 through 23	7,220.	6,682.	460.
25 Contributions, gifts, grants paid	26 Total expenses. Add lines 24 and 25	24,500.		24,500.
	27 Subtract line 26 from line 24	31,720.	6,682.	24,960.
a	28 Net investment income (if negative, enter -0-)	<38,199.>	7,531.	
	c Adjusted net income (if negative, enter -0-)		N/A	

632001
08-07-10

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions.

Form 990-PF (2009)

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 MORGAN STANLEY AC #148884- SEE ATTACHED SCHEDULE		P	VARIOUS	VARIOUS
b MORGAN STANLEY AC #148884- SEE ATTACHED SCHEDULE		P	VARIOUS	VARIOUS
c 650 SH ALTRIA GROUP INC.		P	12/20/07	06/09/09
d 250 SH PHILLIP MORRIS INTL INC		P	12/20/07	06/05/09
e 80 SH PHILLIP MORRIS INTL INC		P	12/20/07	12/17/09
f CAPITAL GAINS DIVIDENDS				
g				
h				
i				
j				
k				
l				
m				
n				
o				

(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 10,492.		16,122.	<5,630.>
b 25,980.		36,117.	<10,137.>
c 11,172.		15,225.	<4,053.>
d 11,273.		13,452.	<2,179.>
e 3,908.		4,305.	<397.>
f 1,704.			1,704.
g			
h			
i			
j			
k			
l			
m			
n			
o			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			<5,630.>
b			<10,137.>
c			<4,053.>
d			<2,179.>
e			<397.>
f			1,704.
g			
h			
i			
j			
k			
l			
m			
n			
o			

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	<20,692.>
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). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MORGAN STANLEY BANK-A/C 148707	1,584.	0.	1,584.
MORGAN STANLEY BANK-A/C 148884	14,333.	1,704.	12,629.
TOTAL TO FM 990-PF, PART I, LN 4	15,917.	1,704.	14,213.

FORM 990-PF	LEGAL FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	650.	325.		325.
TO FM 990-PF, PG 1, LN 16A	650.	325.		325.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	1,250.	1,125.		125.
TO FORM 990-PF, PG 1, LN 16B	1,250.	1,125.		125.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BROKER FEES	4,648.	4,648.		0.
TO FORM 990-PF, PG 1, LN 16C	4,648.	4,648.		0.

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAXES	215.	215.		0.	
FEDERAL TAXES	88.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	303.	215.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
BANK CHARGES	244.	244.		0.	
STATE FILING COST	115.	115.		10.	
STATE REGISTRATION FEES	10.	10.		0.	
TO FORM 990-PF, PG 1, LN 23	369.	369.		10.	

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
MORGAN STANLEY - A/C 148707	COST	17,669.	15,421.	
MORGAN STANLEY - A/C 148884	FMV	432,909.	419,396.	
TOTAL TO FORM 990-PF, PART II, LINE 13		450,578.	434,817.	

Realized Gain/Loss

Gain/Loss Summary Realized Gain/Loss Unrealized Gain/Loss

Show: Clayton Foundation 2009 December

Clayton Foundation - 8884 THE EHLERT FAMILY FOUNDATION
PPA

Total	Total Cost	Proceeds	Gain/Loss
2009 December	52,239.24	36,471.70	-15,767.54

Short Term

Name	Quantity	Date Acquired	Date Sold	Total Cost	Proceeds	Gain/Loss
Aflac Incorporated	23	02-01-08	01-26-09	1394.03	470.19	-923.84
	21	06-06-08	01-26-09	1391.25	429.31	-961.94
	1	10-28-08	01-26-09	38.67	20.44	-18.23
Altra Group Inc	14	02-25-09	07-08-09	217.08	229.00	11.92
	3	02-25-09	07-15-09	46.52	50.34	3.82
	5	04-01-09	07-15-09	81.17	83.90	2.73
	8	04-01-09	07-22-09	129.87	137.91	8.04
Amphenol Corp New CI A	3	10-03-08	02-10-09	107.51	82.10	-25.41
Bank Of America Corp	033	02-01-08	01-02-09	1.47	0.46	-1.01
	3	06-06-08	02-11-09	93.06	17.78	-75.28
	19	06-06-08	02-25-09	589.38	82.97	-506.41
	12	09-17-08	02-25-09	283.61	52.40	-231.21
	2	02-10-09	02-25-09	11.64	8.73	-2.91
Chubb Corp	3	06-06-08	04-01-09	161.58	126.04	-35.54
Cvs Caremark Corp	3	02-01-08	01-28-09	119.04	84.79	-34.25
	3	03-13-08	01-28-09	118.86	84.79	-34.07
	1	03-19-08	01-28-09	39.83	28.26	-11.57
Devon Energy Corp New	4	11-19-08	10-16-09	283.21	284.88	1.67
Dominion Res Inc (New)	1	02-10-09	10-15-09	35.50	34.37	-1.13
Fpl Group Inc	1	02-10-09	09-16-09	50.48	55.00	4.52
Genentech Tend	10	06-06-08	03-26-09	739.80	950.00	210.20
	2	02-10-09	03-26-09	166.28	190.00	23.72
Goldman Sachs Grp Inc	3	02-01-08	01-07-09	622.47	260.12	-362.35
	1	06-06-08	01-07-09	171.18	86.71	-84.47
	1	06-06-08	05-13-09	171.18	131.46	-39.72
Hewlett Packard	1	02-10-09	07-01-09	35.59	39.00	3.41

Hologic Inc	26	06-06-08	05-26-09	614 90	307 26	-307 64
	2	09-05-08	05-26-09	38 70	23 64	-15 06
	5	10-28-08	05-26-09	54 55	59 09	4 54
	8	04-16-09	05-26-09	114 88	94 54	-20 34
Intel Corp	4	06-13-08	02-10-09	90 00	57 08	-32 92
	1	06-13-08	02-10-09	22 50	14 27	-8 23
	4	09-05-08	02-10-09	82 71	57 08	-25 63
Invesco Ltd	37	06-06-08	04-16-09	1038 59	598 52	-440 07
Iron Mountain Inc (De)	4	02-10-09	12-18-09	84.08	91 92	7 84
Kroger Co	4	01-28-09	12-18-09	99 15	80 60	-18 55
Lockheed Martin Corp	5	06-06-08	02-10-09	523 55	395 75	-127 80
	1	06-06-08	04-22-09	104 71	75 06	-29 65
Macy'S Inc	15	08-12-09	12-22-09	239 20	261.43	22 23
Nike Inc B	1	05-02-08	04-29-09	67 74	54 59	-13 15
	1	02-10-09	06-10-09	45.73	57 17	11 44
Omnicom Group	2	02-10-09	09-30-09	56 54	74 01	17 47
	4	02-11-09	09-30-09	111 73	148 02	36 29
Petrohawk Energy Corp	7	08-13-08	02-10-09	195 39	149 86	-45 53
Pg&E Corporation	5	08-27-08	02-18-09	207 68	179 36	-28 32
	3	08-27-08	03-04-09	124 61	113 96	-10 65
	2	10-01-08	03-04-09	76 94	75 97	-0 97
Pnc Finl Svcs Gp	4	08-06-08	06-02-09	294.73	166 45	-128 28
	5	08-13-08	06-02-09	350 38	208 06	-142 32
Praxair Inc	1	09-18-08	02-10-09	80 39	69 04	-11 35
Procter & Gamble	2	02-01-08	01-07-09	131 97	122 64	-9 33
	7	02-10-09	04-01-09	362 94	325 88	-37 06
Prudential Financial Inc	8	06-04-08	04-15-09	596 96	208 13	-388 83
	1	06-13-08	04-15-09	70 56	26 02	-44 54
	1	02-10-09	04-15-09	27 38	26 02	-1 36
Royal Caribbean Cruises Ltd	9	02-01-08	01-08-09	373 93	111 64	-262 29
	5	06-06-08	01-08-09	137 54	62 02	-75 52
	1	06-06-08	02-10-09	27 51	7 14	-20 37
	14	06-06-08	02-11-09	385 11	96 24	-288 87
Sap Aktiengesellschaft	2	08-22-08	02-10-09	112 06	74 33	-37 73
Sherwin Williams Company Ohio	3	10-08-08	05-20-09	159 59	168 93	9 34
Smucker Jm Co Com New	5	11-12-08	05-21-09	200 26	197 51	-2 75
	2	11-19-08	05-21-09	80 87	79 00	-1 87
	1	02-10-09	05-21-09	42 72	39 50	-3 22
	3	07-15-09	09-30-09	148 51	158 73	10 22
Visa Inc Cl A	2	03-20-08	02-10-09	116 90	108 47	-8 43
WW Grainger Inc	3	06-11-08	01-21-09	269 34	213 46	-55 88
	3	07-30-08	02-18-09	268 40	214 27	-54 13
	1	07-30-08	03-04-09	89 47	63 86	-25 61

	1	02-10-09	03-04-09	73 34	63 86	-9 48
Western Un Co	21	06-10-09	07-30-09	368 95	385 07	16 12
Wyeth	2	02-10-09	10-07-09	85 96	97 48	11 52
3M Company	3	12-10-08	07-29-09	172 07	208 12	36 05
Sub-total, Short Term				16,121.98	10,492.00	-5,629.98

Long Term

Name	Quantity	Date Acquired	Date Sold	Total Cost	Proceeds	Gain/Loss
Abbott Laboratones	2	02-01-08	02-10-09	114 64	111 85	-2 79
Allergan Inc	2	02-01-08	02-10-09	135 64	82 73	-52 91
Allstate Corp	8	02-01-08	09-09-09	392 46	229 16	-163 30
American Europacific Grw F	101 866	02-01-08	02-10-09	4839 66	2,623 06	-2216 60
Apple Inc	2	02-01-08	02-10-09	269 22	198 03	-71 19
Bank Of Amerca Corp	14	02-01-08	02-11-09	626 71	82 97	-543 74
Best Buy Co	6	02-01-08	02-10-09	290 70	174 72	-115 98
Charles Schwab New	32	02-01-08	04-17-09	705 28	567 12	-138 16
Chubb Corp	2	02-01-08	04-01-09	105 29	84 02	-21 27
Cisco Sys Inc	6	02-01-08	02-10-09	150 36	96 59	-53 77
	41	02-01-08	12-18-09	1027 46	948 62	-78 84
Cvs Caremark Corp	1	03-19-08	05-13-09	39 83	31 80	-8 03
	2	03-19-08	05-13-09	79 66	63 59	-16 07
	1	05-02-08	05-13-09	41 71	31 80	-9 91
	9	06-06-08	12-02-09	387 54	277 19	-110 35
Danaher Corp	1	02-01-08	02-10-09	75 80	56 27	-19 53
Dominion Res Inc (New)	12	06-06-08	10-15-09	557 04	412 40	-144 64
	7	06-18-08	10-15-09	326 55	240 57	-85 98
Eaton Corporation	4	02-01-08	10-21-09	342 19	257 94	-84 25
	1	05-21-08	10-21-09	90 82	64.48	-26 34
Fpl Group Inc	2	04-30-08	08-19-09	132 10	113 54	-18 56
	3	06-06-08	08-19-09	194 25	170 31	-23 94
	3	06-06-08	09-16-09	194 25	165 01	-29 24
Genentech Tend	12	02-01-08	03-26-09	852 60	1,140 00	287 40
Gilead Science	1	02-01-08	02-10-09	46 00	50 04	4 04
Goldman Sachs Grp Inc	1	06-06-08	10-16-09	171 18	186 01	14 83
	1	07-02-08	10-16-09	177 02	186 01	8 99
Google Inc-CI A	1	02-01-08	02-10-09	526 52	365 98	-160 54
Henry Schein Inc	1	02-01-08	02-10-09	58 12	38 26	-19 86
	8	02-01-08	12-21-09	464 96	415 89	-49 07
	8	03-04-08	12-21-09	476 25	415 89	-60 36
	16	06-06-08	12-21-09	886 08	831 78	-54 30
	1	06-13-08	12-21-09	53 01	51 99	-1 02
Hewlett Packard	5	02-01-08	06-24-09	220 45	187 52	-32 93
	8	02-01-08	07-01-09	352 72	311 97	-40 75

Hologic Inc	12	02-01-08	02-10-09	403.92	159.11	-244.81
	16	02-01-08	05-26-09	538.56	189.08	-349.48
Intel Corp	10	02-01-08	04-08-09	216.30	155.40	-60.90
	14	02-01-08	05-06-09	302.82	225.32	-77.50
Intercontinentalexchange, Inc	4	02-01-08	02-10-09	545.36	256.91	-288.45
Intl Business Machines Corp	1	02-01-08	02-25-09	108.49	83.07	-25.42
	2	02-01-08	03-04-09	216.97	176.85	-40.12
Invesco Ltd	35	02-01-08	02-10-09	989.22	467.31	-521.91
	7	02-01-08	04-16-09	197.84	113.23	-84.61
Iron Mountain Inc (De)	19	02-01-08	12-18-09	668.23	436.61	-231.62
	18	06-06-08	12-18-09	547.20	413.63	-133.57
	1	06-13-08	12-18-09	29.48	22.98	-6.50
Johnson Controls Incorporated	14	02-01-08	02-10-09	499.94	189.45	-310.49
Kroger Co	46	12-04-08	12-18-09	1241.93	926.88	-315.05
	6	12-10-08	12-18-09	155.67	120.90	-34.77
Lockheed Martin Corp	6	02-01-08	02-10-09	644.76	474.90	-169.86
	3	06-06-08	12-02-09	314.13	234.93	-79.20
Merck & Co	8	02-01-08	07-29-09	367.20	238.90	-128.30
Merck & Co Inc New Com	5	02-01-08	10-28-09	229.50	161.00	-68.50
	2	06-06-08	10-28-09	75.42	64.40	-11.02
	9	06-06-08	11-11-09	339.39	300.26	-39.13
	3	06-06-08	12-16-09	113.13	113.31	0.18
	4	10-29-08	12-16-09	120.03	151.07	31.04
Nestle Spon Adr Rep Reg Shr	5	02-01-08	04-08-09	254.78	172.80	-81.98
	4	02-01-08	11-11-09	203.82	190.01	-13.81
	2	06-06-08	11-11-09	96.15	95.00	-1.15
Nike Inc B	3	02-01-08	04-29-09	185.95	163.77	-22.18
	8	06-06-08	06-10-09	548.32	457.32	-91.00
Northrop Grumman Cp(Hldg Co)	5	02-01-08	08-26-09	402.08	243.60	-158.48
	1	02-01-08	11-04-09	80.42	50.64	-29.78
	1	05-02-08	11-04-09	74.79	50.64	-24.15
	1	05-07-08	11-04-09	74.68	50.64	-24.04
Omnicom Group	3	03-26-08	08-12-09	134.29	104.78	-29.51
	3	04-09-08	08-12-09	133.52	104.78	-28.74
	1	05-02-08	08-12-09	49.59	34.93	-14.66
	2	05-21-08	09-30-09	98.72	74.01	-24.71
	9	06-06-08	09-30-09	415.13	333.04	-82.09
Oracle Corp	10	02-01-08	03-11-09	206.60	149.12	-57.48
	12	02-01-08	04-22-09	247.92	231.11	-16.81
	4	02-01-08	08-19-09	82.64	85.50	2.86
	7	02-06-08	08-19-09	138.93	149.62	10.69
Philip Morris Intl Inc	4	02-01-08	09-30-09	210.07	192.13	-17.94
Precision Castparts Corp	2	02-01-08	02-10-09	231.28	132.65	-98.63

Procter & Gamble	1	02-01-08	04-01-09	65 99	46 55	-19 44
Prudential Financial Inc	4	02-01-08	04-15-09	340 22	104 07	-236 15
Qualcomm Inc	2	02-01-08	02-10-09	84 38	70.77	-13 61
	24	02-01-08	12-21-09	1012 56	1,091 84	79 28
Schlumberger Ltd	9	02-01-08	02-10-09	700.92	395 54	-305 38
Staples Inc	3	02-01-08	02-10-09	71 04	46 61	-24 43
State Street Corp	4	02-01-08	11-04-09	333 72	168 29	-165 43
	1	03-05-08	11-04-09	78 83	42 07	-36 76
Texas Instruments	10	02-01-08	02-10-09	314 40	166 39	-148 01
Thermo Fisher Scientific Inc	5	02-01-08	02-10-09	260 50	191.44	-69 06
Total Fina Elf Sa	3	02-01-08	05-13-09	221 00	166 81	-54 19
	4	02-01-08	10-28-09	294 67	248 84	-45 83
Transocean Ltd	2	02-01-08	02-10-09	248.34	119 31	-129 03
Vanguard Emrg Mkts Etf	15	02-01-08	02-10-09	725 85	339.17	-386 68
Walt Disney Co Hldg Co	8	08-20-08	09-16-09	254 64	225 55	-29 09
Wyeth	5	02-01-08	07-08-09	202 11	225 33	23 22
	6	02-01-08	08-05-09	242 53	279 96	37 43
	3	02-01-08	09-02-09	121 26	142 78	21 52
	7	06-06-08	09-02-09	302 95	333 16	30 21
	7	06-06-08	10-07-09	302 95	341 19	38 24
Xto Energy Inc	2	02-01-08	02-10-09	106.34	79 07	-27 27
	23	02-01-08	07-01-09	1222 91	880 33	-342 58
	7	06-06-08	07-01-09	469 91	267.93	-201 98
Sub-total, Long Term				36,117.26	25,979.70	-10,137.56
Total				Total Cost	Proceeds	Gain/Loss
2009 December				52,239.24	36,471.70	-15,767.54

The Estimated Gain and Loss information is provided for informational purposes only and may not be relied upon in making any tax, accounting or regulatory filing or report. We recommend that you contact your tax advisor to determine the appropriate information to be used in the preparation of your tax return. This Estimated Gain and Loss Summary is not a substitute 1099 form (or any other appropriate tax form) and should not be filed with your taxes. The Total Cost, Unit Cost and Proceeds of eligible equity and options transactions with Choice SelectSM pricing do not include commissions paid on your purchases or sales and therefore may not equal the acquisition price or principal amount of the sale. Cost basis adjustments for Choice Select Eligible Trades will be reflected in the account shortly after the calendar month-end. The figures should be independently verified. Estimated Gain and Loss information does not take into account a taxpayer's particular circumstances such as the existence of hedging transactions, constructive sales or marked-to-market pricing adjustments on certain options held at year-end. Please note that although Morgan Stanley & Co. Incorporated makes every effort to adjust the cost basis for such securities' capital changes, it does not adjust the cost basis for all events, including amortization of non-municipal bond premiums, exercise of unlisted stock options, securities deemed to have been sold and simultaneously repurchased, receipt of cash in lieu of fractional shares, or the net effect of wash sales and/or short sales against the box.

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With respect to estimated gains and losses for listed equity options, Morgan Stanley has taken into account option premiums paid or received and, in respect to multiple purchases and/or sales, calculated cost using an average unit price for all like positions. Morgan Stanley has made calculations using what appear to be off-setting positions, no assurance can be given that these positions are intended to off-set each other or that they are not intended to off-set other securities positions, in which case the analysis may be different. Morgan Stanley has obtained pricing information from independent sources it believes to be reliable. No assurance can be given that the values given are accurate. Values are subject to change and are as of a given point in time only. Past performance does not guarantee future returns.