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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 Amended return Initial return of a former public charity Address change Name change Final return

Use the IRS label. Name of foundation: **DIRLAM CHARITABLE TRUST**

Otherwise, print or type. **F/K/A DIRLAM MORRIS CHARITABLE TRUST**

Number and street (or P O box number if mail is not delivered to street address) Room/suite: **C/O BOLLUS LYNCH, LLP, 89 SHREWSBURY ST**

City or town, state, and ZIP code: **WORCESTER, MA 01604**

A Employer identification number: **04-6169683**

B Telephone number: **(508)764-7394**

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): **\$ 324,653.**

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))		(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 Interest on savings and temporary cash investments	12,363.	12,363.		STATEMENT 1
3		256.	256.		STATEMENT 2
4	Dividends and interest from securities				
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	0.			
b	Gross sales price for all assets on line 6a 645,000.				
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	12,619.	12,619.		
13	Compensation of officers, directors, trustees, etc.	0.	0.		0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees				
c	Other professional fees				
17	Interest				
18	Taxes				
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses				
24	Total operating and administrative expenses. Add lines 13 through 23	0.	0.		0.
25	Contributions, gifts, grants paid	16,600.			16,600.
26	Total expenses and disbursements. Add lines 24 and 25	16,600.	0.		16,600.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	<3,981.>			
b	Net investment income (if negative, enter -0-)		12,619.		
c	Adjusted net income (if negative, enter -0-)			N/A	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		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			25,937.	36,750.	36,750.
	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 5			645,000.	287,760.	287,903.	
14 Land, buildings, and equipment basis ▶						
Less: accumulated depreciation ▶						
15 Other assets (describe ▶ _____)						
16 Total assets (to be completed by all filers)			670,937.	324,510.	324,653.	
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 ▶ <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 ▶ <input checked="" type="checkbox"/>					
	and complete lines 27 through 31.					
	27 Capital stock, trust principal, or current funds			753,041.	410,595.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds			<82,104.>	<86,085.>		
30 Total net assets or fund balances			670,937.	324,510.		
31 Total liabilities and net assets/fund balances			670,937.	324,510.		

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	670,937.
2 Enter amount from Part I, line 27a	2	<3,981.>
3 Other increases not included in line 2 (itemize) ▶ _____	3	0.
4 Add lines 1, 2, and 3	4	666,956.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 4	5	342,446.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	324,510.

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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 645,000.		645,000.	

(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			

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	0.
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	28,200.	661,392.	.042637
2007	33,236.	644,122.	.051599
2006	31,500.	628,641.	.050108
2005	26,500.	630,892.	.042004
2004	28,500.	634,406.	.044924

2 Total of line 1, column (d)	2	.231272
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	.046254
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	390,761.
5 Multiply line 4 by line 3	5	18,074.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	126.
7 Add lines 5 and 6	7	18,200.
8 Enter qualifying distributions from Part XII, line 4	8	16,600.

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.

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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)		
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	1	252.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	252.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	252.
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	252.
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		X
1b		X
1c		X
d		
e		
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X

N/A

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	X	
14	The books are in care of ► <u>BOLLUS LYNCH, LLP</u> Telephone no. ► <u>(508)-755-7107</u> Located at ► <u>89 SHREWSBURY STREET, WORCESTER, MA</u> ZIP+4 ► <u>01604</u>		
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 <input type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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

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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)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d) N/A

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 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? Yes No

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
JOHN B. DIRLAM C/O BOLLUS LYNCH, LLP, 89 SHREWSBURY WORCESTER, MA 01604	TRUSTEE 2.00	0.	0.	0.
PETER B. DIRLAM C/O BOLLUS LYNCH, LLP, 89 SHREWSBURY WORCESTER, MA 01604	TRUSTEE 2.00	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

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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.**

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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	360,201.
b	Average of monthly cash balances	1b	36,511.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	396,712.
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	396,712.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	5,951.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	390,761.
6	Minimum investment return. Enter 5% of line 5	6	19,538.

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	19,538.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	252.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	252.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	19,286.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	19,286.
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	19,286.

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	16,600.
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	16,600.
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	16,600.

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.

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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				19,286.
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				
b From 2005				
c From 2006				
d From 2007	1,054.			
e From 2008				
f Total of lines 3a through e	1,054.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$	16,600.			
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				16,600.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	1,054.			1,054.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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				1,632.
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	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

DIRLAM CHARITABLE TRUST

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

1 a 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)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2 a 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 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).)

NONE

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.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

MR. PETER B. DIRLAM C/O J.I. MORRIS, 508-764-4394
394 ELM STREET, SOUTHBRIDGE, MA 01550

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

WRITTEN REQUEST

c Any submission deadlines:

NONE

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

CHARITABLE ORGANIZATION MUST DEMONSTRATE A NEED FOR FINANCIAL ASSISTANCE.

**DIRLAM CHARITABLE TRUST
F/K/A DIRLAM MORRIS CHARITABLE TRUST**

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
FIRST CONGREGATIONAL CHURCH P.O. BOX 371 W BROOKFIELD, MA 01585	NONE	CHURCH	RELIGIOUS	2,700.
MOHEGAN COUNCIL, INC. BOY SCOUTS OF AMERICA 19 HARVARD STREET WORCESTER, MA 01609	NONE	PUBLIC CHARITY	COMMUNITY	3,500.
OPERA NEW ENGLAND OF NORTHEAST CONNECTICUT P.O. BOX 75 POMFRET, CT 06258	NONE	PUBLIC CHARITY	COMMUNITY	1,000.
UNITED WAY OF SOUTHBRIDGE 50 ELM STREET SOUTHBRIDGE, MA 01550	NONE	PUBLIC CHARITY	COMMUNITY	3,400.
WORCESTER ART MUSEUM 55 SALISBURY STREET WORCESTER, MA 01609	NONE	PUBLIC CHARITY	COMMUNITY	5,000.
THEATRE OF NE CT, INC. P. O. BOX 71 PUTNAM, CT 06260	NONE	PUBLIC CHARITY	COMMUNITY	1,000.
Total			▶ 3a	16,600.
<i>b Approved for future payment</i>				
NONE				
Total			▶ 3b	0.

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	CD - FRANKLIN SECURITY BANK	P	11/08/07	05/14/09
b	CD - EUROBANK-PR	P	11/08/07	05/18/09
c	CD - ANCHORBANK FSB-WI	P	11/17/08	05/21/09
d	CD - FIRST NATIONAL BANK OF OMAHA	P	11/14/08	06/22/09
e	CD - CITIBANK NA	P	11/18/08	05/26/09
f	CD - FIFTH THIRD BANK-OH	P	11/17/08	05/26/09
g	CD - FIRST NATIONAL BANK OF OMAHA	P	11/18/08	06/26/09
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	95,000.		95,000.	0.
b	95,000.		95,000.	0.
c	95,000.		95,000.	0.
d	95,000.		95,000.	0.
e	95,000.		95,000.	0.
f	95,000.		95,000.	0.
g	75,000.		75,000.	0.
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			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(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			0.
b			0.
c			0.
d			0.
e			0.
f			0.
g			0.
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	0.
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 INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
CITIGROUP GLOBAL MARKETS, INC.	13,326.
CITIGROUP GLOBAL MARKETS, INC.	<963.>
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	12,363.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CITIGROUP GLOBAL MARKETS, INC.	256.	0.	256.
TOTAL TO FM 990-PF, PART I, LN 4	256.	0.	256.

FOOTNOTES STATEMENT 3

AMENDMENT OF TRUST

PURSUANT TO THE PROVISIONS OF PARAGRAPH (1) OF ARTICLE X OF THE DIRLAM MORRIS CHARITABLE TRUST AND, EFFECTIVE UPON THE RESIGNATION OF PAUL A. MILLS AS TRUSTEE, THE DIRLAM MORRIS CHARITABLE TRUST WAS SPLIT INTO TWO SEPARATE CHARITABLE TRUSTS ON JULY 1, 2009. THE DIRLAM MORRIS CHARITABLE TRUST WAS RENAMED THE DIRLAM CHARITABLE TRUST AND RETAINED THE FEDERAL IDENTIFICATION NUMBER (04-6169683) OF THE ORIGINAL TRUST. IN ACCORDANCE WITH THE ELECTION TO SPLIT THE TRUST, ONE-HALF OF THE FUNDS HELD BY THE DIRLAM MORRIS CHARITABLE TRUST AS OF JULY 1, 2009 WAS DISTRIBUTED TO THE MILLS FAMILY CHARITABLE TRUST - FEDERAL ID #26-6666432.

FORM 990-PF OTHER DECREASES IN NET ASSETS OR FUND BALANCES STATEMENT 4

DESCRIPTION	AMOUNT
TRANSFER TO MILLS FAMILY CHARITABLE TRUST-FEDERAL ID#26-6666432	342,446.
TOTAL TO FORM 990-PF, PART III, LINE 5	342,446.

FORM 990-PF OTHER INVESTMENTS STATEMENT 5

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CITIGROUP GLOBAL MARKETS, INC.	COST	287,760.	287,903.
TOTAL TO FORM 990-PF, PART II, LINE 13		287,760.	287,903.

DIRLAM-MORRIS CHARITABLE TRUST

AMENDMENT OF TRUST

Reference is made to the agreement of trust known as the DIRLAM-MORRIS CHARITABLE TRUST originally signed in September of 1967, of which JOHN B. DIRLAM, PETER B. DIRLAM and PAUL A. MILLS are the current Trustees (hereinafter referred to as the "Trust").

WHEREAS, pursuant to the provisions of Paragraph (5) of Article XI of the Trust, the Board of Directors of J.I. Morris Company of Southbridge, Massachusetts (the "Company"), may at any time modify or amend the Trust whenever such amendment is necessary or advisable for the more convenient or efficient administration of the Trust, or to enable the Trustees to carry out the purposes of the Trust, so long as the amendment does not alter the charitable purpose of the Trust; and

WHEREAS, JOHN B. DIRLAM and PETER B. DIRLAM are currently all of the Directors of the Company (the "Directors") and now desire to amend the Trust.

NOW, THEREFORE, the Directors, pursuant to the provisions of Paragraph (5) of Article XI, hereby amend the DIRLAM-MORRIS CHARITABLE TRUST as follows:

FIRST: Effective upon the resignation of PAUL A. MILLS as a Trustee, the name of the Trust shall be changed to THE DIRLAM CHARITABLE TRUST.

SECOND: Article VII of the Trust shall be deleted in its entirety and the following new Article VII shall be inserted in its place:

"Article VII: Successor Trustees:

(a) At any time there is a vacancy in the office of Trustee, the vacancy will be filled by an individual or professional Trustee selected by a majority of the then remaining Trustees.

(b) At all times there shall be at least two (2) Trustees serving hereunder. A majority of the then serving Trustees may agree, at any time, to increase or decrease the minimum number of required Trustees in a written instrument signed by such majority and delivered to the other Trustees, if any; provided, however, that in no event shall the minimum number of Trustees be less than two (2). In addition, a majority of the Trustees then serving, may (i) increase the number of Trustees then serving, by appointing an individual or professional Trustee to serve as additional Trustee(s); (ii) designate a future successor or successors to serve as Trustees hereunder in the event that one or more Trustees cease to serve as Trustee; (iii) appoint a successor or successors to serve for a term of years, and such successors may be appointed for staggered terms; and (iv) impose terms and term limits on existing as well as future Trustees.

(c) Each appointment of a successor or additional Trustee will be made by a written instrument and will be effective upon acceptance in writing by the successor or additional Trustee. Upon written acceptance of the office, each successor or additional Trustee will have

all the powers conferred upon the original Trustees and title to the trust estate will vest in the successor or additional Trustee without any document of transfer or action by any court.

(d) A Trustee may resign by giving written notice delivered to the remaining Trustees, if any. The resignation will be effective upon acceptance by the remaining Trustees, or if there is no acceptance, then thirty (30) days after written notice is given. Failure to give any notice will not invalidate the resignation, but it will not be effective as against any person dealing in good faith with the apparent Trustees of said trust without knowledge thereof. Any Trustee will cease to serve at any time he or she is not of legal capacity.

(e) The Trustees may remove one or more Trustees with or without cause by vote of a majority of the Trustees then in office (including, for this purpose, the Trustees sought to be removed) at a meeting called for such purpose provided that the meeting notice states that the purpose, or one of the purposes, of the meeting is removal of the Trustee.

(f) Whenever there is less than the requisite number of Trustees of the Trust, the Trustee or Trustees in office will have full power to act in all matters, discretionary or otherwise, for a period not exceeding six (6) months pending the appointment of another Trustee or Trustees."

THIRD: Article X of the Trust shall be deleted in its entirety and the following new Article X shall be inserted in its place:

"Article X: Election to Terminate:

At the unanimous election in writing of the Trustees, this Trust may be divided into two separate equal trusts, each to be administered under the terms of a trust agreement for those purposes detailed in Article I of this trust agreement. The Trustees or Trustees who are members of the Dirlam family will become trustees of one trust and the Trustee or Trustees who are members of the Morris family will become trustees of the other trust. Neither trust shall be required to have a Corporate Trustee. The election by the Trustees under this Article X may only be made once. After the Trustees have made this election and divided the assets as described in this Article X, the ability of the Trustees to make this election in the future shall cease."

FOURTH: Paragraph (5) of Article XI of the Trust shall be deleted and the following new Paragraph (5) shall be inserted in its place:

"(5) This Trust may at any time or from time to time be amended, but not revoked, by the Trustees by an instrument in writing signed by the Trustees and attached to the original of this Trust. No such amendment may establish any purpose, or permit any operation, that is not consistent with Articles I and IV of this instrument. Any amendment to this Paragraph (5) of Article XI will be valid only if and to the extent that it further restricts the amending power of the Trustees."

FIFTH: Except as hereby amended, the provisions of the Trust are hereby republished, ratified and confirmed and will remain in full force and effect.

DIRLAM-MORRIS CHARITABLE TRUST

RESIGNATION OF TRUSTEE

Reference is made to the agreement of trust known as the DIRLAM-MORRIS CHARITABLE TRUST originally signed in September of 1967, of which JOHN B. DIRLAM, PETER B. DIRLAM and PAUL A. MILLS are the current Trustees (hereinafter referred to as the "Trust").

WHEREAS, Article VII provides that a Trustee may resign at any time;


WHEREAS, PAUL A. MILLS wishes to resign as Trustee, such resignation to become effective upon the recognition of THE MILLS FAMILY CHARITABLE TRUST dated _____, 2008, by the Internal Revenue Service as a tax exempt organization and the distribution of funds from the Trust to THE MILLS FAMILY CHARITABLE TRUST.

NOW THEREFORE, PAUL A. MILLS resigns as Trustee, such resignation to become effective upon the recognition of THE MILLS FAMILY CHARITABLE TRUST dated _____, 2008, by the Internal Revenue Service as a tax exempt organization and the distribution of funds from the Trust to THE MILLS FAMILY CHARITABLE TRUST.

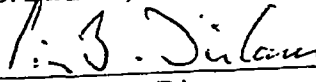
IN WITNESS WHEREOF, PAUL A. MILLS hereby sets his hand and seal on this ____ day of _____, 2008.

Paul A. Mills
PAUL A. MILLS

IN WITNESS WHEREOF, JOHN B. DIRLAM and PETER B. DIRLAM, the Directors of the J. I. Morris Company, hereby sign this Amendment as a sealed instrument on this ____ day of _____, 2008.



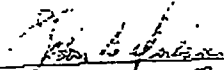
JOHN B. DIRLAM, Director



PETER B. DIRLAM, Director

ACKNOWLEDGEMENT OF RECEIPT

The undersigned Trustee, JOHN B. DIRLAM, hereby acknowledges receipt of the foregoing RESIGNATION OF TRUSTEE from the DIRLAM-MORRIS CHARITABLE TRUST on this ____ day of _____, 2008.



JOHN B. DIRLAM, Trustee