Form 990-PF

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2009

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: DONALD C. BRACE FOUNDATION

Number and street (or P O box number if mail is not delivered to street address): c/oRobert A. Beer, 30 Maltbie Road | Room/suite:

City or town, state, and ZIP code: Newtown, CT 06470

A Employer identification number: 13-3442680

B Telephone number: (203) 426-3093

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 [ ]

H Check type of organization: [ ] Section 501(c)(3) exempt private foundation [ ] Section 4947(a)(1) nonexempt charitable trust [X] Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 4294717.

J Accounting method: [X] Cash [ ] Accrual [ ] Other (specify) (Part I, column (d) must be on cash basis.)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	107268.	107268.		Statement 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-294158.			
	b Gross sales price for all assets on line 6a 1611765.				
	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	-186890.	107268.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees etc	32500.	16250.		16250.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees Stmt 2	12500.	6250.		6250.
	c Other professional fees Stmt 3	56740.	56740.		0.
	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	101740.	79240.		22500.
	25 Contributions, gifts, grants paid	368000.			368000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	469740.	79240.		390500.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-656630.			
	b **Net investment income** (if negative, enter -0-)		28028.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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SCANNED AUG 16 2010

POSTMARK DATE AUG 10 2010

PX 17

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 Savings and temporary cash investments	53335.	230196.	230196.
	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	4203530.	3370039.	4064521.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)	0.	0.	0.
	16 Total assets (to be completed by all filers)	4256865.	3600235.	4294717.
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.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	4734431.	4734431.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	-477566.	-1134196.	
	30 Total net assets or fund balances	4256865.	3600235.	
	31 Total liabilities and net assets/fund balances	4256865.	3600235.	

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	4256865.
2 Enter amount from Part I, line 27a	2	-656630.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	3600235.
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	3600235.

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	1611765.		1905923.	-294158.

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				-294158.

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	-294158.
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	518000.	5545480.	.093409
2007	631300.	6864918.	.091960
2006	659832.	6510413.	.101350
2005	607904.	6390363.	.095128
2004	740010.	6668152.	.110977

2 **Total** of line 1, column (d)	2	.492824
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	.098565
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	4009180.
5 Multiply line 4 by line 3	5	395165.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	280.
7 Add lines 5 and 6	7	395445.
8 Enter qualifying distributions from Part XII, line 4	8	390500.

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 ▶ ☐ 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 ▶ ☐ and enter 1% of Part I, line 27b			1	561.
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	561.
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	561.
6 Credits/Payments:				
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	2894.		
b Exempt foreign organizations - tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	10000.		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	12894.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	12333.
11 Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶		12333. **Refunded** ▶	11	0.

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?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c Did the foundation file **Form 1120-POL** for this year?	1c		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*	2		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*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		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?	6	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.*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CT			
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*	8b	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*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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

			Yes	No
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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ ROBERT A BEER Telephone no. ▶ 203-426-3093

Located at ▶ 30 MALTBIE ROAD, NEWTOWN, CT ZIP+4 ▶ 06470

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?	☐ 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		X
	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 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?	☐ 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.)*	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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: 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
See Statement 4		32500.	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

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
MERRILL LYNCH	INVESTMENT ADVICE	56740.
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	3928468.
b	Average of monthly cash balances	1b	141766.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	4070234.
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	4070234.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	61054.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4009180.
6	**Minimum investment return.** Enter 5% of line 5	6	200459.

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	200459.
2a	Tax on investment income for 2009 from Part VI, line 5 2a 561.		
b	Income tax for 2009. (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	561.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	199898.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	199898.
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	199898.

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	390500.
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	390500.
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	390500.

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				199898.
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 408848.				
b From 2005 290582.				
c From 2006 339247.				
d From 2007 297917.				
e From 2008 243317.				
f **Total** of lines 3a through e	1579911.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 390500.				
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				199898.
e Remaining amount distributed out of corpus	190602.			
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	1770513.			
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	408848.			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	1361665.			
10 Analysis of line 9:				
a Excess from 2005 290582.				
b Excess from 2006 339247.				
c Excess from 2007 297917.				
d Excess from 2008 243317.				
e Excess from 2009 190602.				

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			
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	(e) Total
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:

ROBERT A. BEER,Esq.
30 MALTBIE ROAD, NEWTOWN, CT 06470

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

Letter

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:

None

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*				
SEE ATTACHED SCHEDULE				368000.
Total			▶ 3a	368000.
b *Approved for future payment*				
None				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities					107268.
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					-294158.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		0.	-186890.

13 Total. Add line 12, columns (b), (d), and (e) 13 -186890.

(See worksheet in line 13 instructions to verify calculations.)

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

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

923621
02-02-10

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	1a(1)		X
(2) Other assets	1a(2)		X
b Other transactions:			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
(3) Rental of facilities, equipment, or other assets	1b(3)		X
(4) Reimbursement arrangements	1b(4)		X
(5) Loans or loan guarantees	1b(5)		X
(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		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.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		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

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

Robert A Beer | 8-10-10 | TRUSTEE

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's signature Robert A Beer	Date 8-10-10	Check if self-employed ☐	Preparer's identifying number 049-28-1870
Firm's name (or yours if self-employed), address, and ZIP code	Robert A Beer Attorney at Law LLC 30 Maltbie Road Newtown, CT 06470	EIN	Phone no. 203-426-3093

Form 990-PF Dividends and Interest from Securities Statement 1

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
MERRILL LYNCH #840-1795	163.	0.	163.
MERRILL LYNCH #840-17959	106231.	0.	106231.
MERRILL LYNCH #840-9640	180.	0.	180.
MERRILL LYNCH #840-96405	694.	0.	694.
Total to Fm 990-PF, Part I, ln 4	107268.	0.	107268.

Form 990-PF Accounting Fees Statement 2

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ROBERT A BEER	12500.	6250.		6250.
To Form 990-PF, Pg 1, ln 16b	12500.	6250.		6250.

Form 990-PF Other Professional Fees Statement 3

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
MERRILL LYNCH	56740.	56740.		0.
To Form 990-PF, Pg 1, ln 16c	56740.	56740.		0.

Form 990-PF Part VIII - List of Officers, Directors Trustees and Foundation Managers Statement 4

Name and Address	Title and Avrg Hrs/Wk	Compen-sation	Employee Ben Plan Contrib	Expense Account
DONNA BRACE OGILVIE "ROCKLEDGES" 107 MEADOW ROAD RIVERSIDE, CT 06878	TRUSTEE 0.00	0.	0.	0.
KATHARINE BUTLER 110 FAUBEL STREET SARASOTA, FL 34242	TRUSTEE 0.00	0.	0.	0.
JOHN BRACE LATHAM LANCASTER, PA 17603-3406	TRUSTEE 0.00	0.	0.	0.
KAREN SCHEID 14 MOLOAA STREET HONOLULU, HI 96825	TRUSTEE 0.00	0.	0.	0.
ROBERT A BEER,ESQ. 30 MALTBIE ROAD NEWTOWN, CT 06470	TRUSTEE 8.00	32500.	0.	0.
Totals included on 990-PF, Page 6, Part VIII		32500.	0.	0.

DONALD C. BRACE FOUNDATION
IDENTIFICATION NO. 13-3442680
2009 FORM 990-PF

Page 11, Part XV, Line 3, Charitable Contributions Paid

3-24-09	The Academy of Charlemont, for the Eric & Dianne Grinnell Scholarship	$ 20,000.00
4-8-09	Community Foundation of Teton Valley	20,000.00
4-8-09	Assets School, for the Donald C. Brace Learning Resource Center Endowment	150,000.00
4-20-09	Assets School for Karen K. Scheid College Scholarship Fund	5,000.00
6-4-09	Westhampton Cultural Consortium for concerts on the Village Green in Westhampton Beach	15,000.00
6-4-09	Friends of the Teton River, for waterwise adult education program	15,000.00
6-4-09	Friends of the Teton River. for Karen K. Scheid scholarship	3,000.00
7-1-09	Colby Sawyer College, for the construction of a new facility for the Windy Hill School	100,000.00
12-21-09	LCLL, LVA, Inc.. Literary Council of Lancaster-Lebanon, Inc.	15,000.00
12-21-09	Caron Foundation, for extended care	20,000.00
12-21-09	Lancaster Economic Action for Downtown's Success	5,000.00
		$368,000.00

Note: Besides the gifts for specific purposes set forth in the above schedule, the Brace Foundation makes grants for the general purposes of the entities which are public charities. The funds can be used in the discretion of the institutions where the need is the greatest.

ROBERT A BEER ESQ TTEE

2009 TAX REPORTING STATEMENT

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transaction section is provided to facilitate your review and the preparation of your tax return. In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize the premium paid on the purchase of taxable bonds. The gain (loss) information may not include return of capital, sales load deferral or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains. The Cost Basis for these securities may not have been adjusted on your statement to reflect such reclassifications Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available The cost basis for most Original Issue Discount ("OID") obligations includes the accretion of OID For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed that the fair market value of the debt security on purchase date was equal to its adjusted issue price The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income when received

Data from Forms 1099 (reportable Dividend and Interest) is also repeated in this summary for your convenience. Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor For select clients, we have also included a summary of Visa charges and checking activity

Merrill Lynch is neither a tax return preparer or tax advisor Please see your tax advisor for more information.

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL GAINS								
ANCESTRY COM INC	50 0000	11/04/09	11/05/09			743 14	675.00	68.14
	50 0000	11/04/09	11/05/09			737.79	675 00	62 79
		Security Subtotal				**1,480.93**	**1,350.00**	**130.93**
ARCHIPELAGO LEARNING INC	100 0000	11/19/09	11/20/09			1,823 44	1,650.00	173.44
A123 SYSTEMS INC	200.0000	09/23/09	09/24/09			3,401.12	2,700.00	701.12
ML&CO PPN EURO-USD	5000.0000•	06/11/08	03/24/09	694.32(A)	2,209.80(A)	54,794.34	52,209 80(C)	2,584.54(G)
CHANGYOU COM LTD ADR	200 0000	04/01/09	04/02/09			4,267.78	3,200 00	1,067.78
DOLLAR GENERAL CORP	100.0000	11/12/09	11/13/09			2,141 01	2,100 00	41 01
	100 0000	11/12/09	11/13/09			2,147 36	2,100.00	47 36
		Security Subtotal				**4,288.37**	**4,200.00**	**88.37**
EDUCATION MANAGEMNT CORP	100.0000	10/01/09	10/05/09			2,115.03	1,800 00	315.03
OPENTABLE INC	100 0000	05/21/09	05/21/09			2,615 28	2,000.00	615.28
RUE21 INC	100.0000	11/12/09	11/13/09			2,220.40	1,900.00	320.40

ROBERT A BEER ESQ TTEE

2009 TAX REPORTING STATEMENT

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
VERISK ANALYTICS INC	800.0000	10/06/09	10/07/09			21,489 96	17,600 00	3,889 96
	800.0000	10/06/09	10/07/09			21,489.94	17,600 00	3,889 94
	400.0000	10/06/09	10/07/09			10,743 62	8,800 00	1,943.62
		Security Subtotal				**53,723.52**	**44,000.00**	**9,723.52**
VITAMIN SHOPPE INC	100.0000	10/27/09	10/28/09			1,881 99	1,700 00	181 99
		Short Term Capital Gains Subtotal				**132,612.20**	**116,709.80**	**15,902.40**
SHORT TERM CAPITAL LOSSES								
AGA MED HLDGS INC	100.0000	10/20/09	10/21/09			1,405 95	1,450 00	(44 05)
	500.0000	10/20/09	10/21/09			7,056 52	7,250 00	(193 48)
		Security Subtotal				**8,462.47**	**8,700.00**	**(237.53)**
BANCO SANTNDER BRZL SA	2600.0000	10/07/09	10/07/09			34,053.92	34,848 58	(794 66)
	900.0000	10/07/09	10/07/09			11,791.55	12,062 97	(271 42)
	300 0000	10/07/09	10/09/09			3,837 15	4,020 99	(183 84)
		Security Subtotal				**49,682.62**	**50,932.54**	**(1,249.92)**
DOLE FOOD COMPANY INC	100.0000	10/22/09	10/23/09			1,176 54	1,250.00	(73 46)
	50.0000	10/22/09	10/23/09			582 92	625 00	(42 08)
		Security Subtotal				**1,759.46**	**1,875.00**	**(115.54)**
GOVT PPTYS INCOME TR	100.0000	06/02/09	06/03/09			1,859 58	2,000.00	(140.42)
	50.0000	06/02/09	06/03/09			932 47	1,000 00	(67 53)
		Security Subtotal				**2,792.05**	**3,000.00**	**(207.95)**
KAR AUCTION SERVICES INC	100.0000	12/10/09	12/11/09			1,090 60	1,200 00	(109 40)
KRATON PERFRMNCE POLYMRS	100.0000	12/16/09	12/17/09			1,288 69	1,350.00	(61 31)
MISTRAS GROUP INC	200.0000	10/07/09	10/08/09			2,463 63	2,500 00	(36 37)

ROBERT A BEER ESQ TTEE

2009 TAX REPORTING STATEMENT

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
ML&CO ARN S&P ASIA 50	2000.0000	01/31/08	01/23/09			8,971.28	20,000.00	(11,028.72)
ML&CO ARN GEIB	2000.0000	04/30/08	02/13/09			7,077 75	20,000.00	(12,922.25)
	2000 0000	04/30/08	02/25/09			6,288 79	19,999 99	(13,711.20)
	2000.0000	04/30/08	03/17/09			7,018 58	20,000.00	(12,981 42)
		Security Subtotal				**20,385.12**	**59,999.99**	**(39,614.87)**
ML&CO. ARN DJAIG	2000 0000	07/31/08	01/23/09			10,324 59	20,000.00	(9,675.41)
	2000 0000	07/31/08	02/13/09			9,594 59	20,000.00	(10,405.41)
	2000 0000	07/31/08	02/25/09			9,294 59	19,999 99	(10,705.40)
	2000.0000	07/31/08	03/17/09			9,594.59	20,000.00	(10,405 41)
		Security Subtotal				**38,808.36**	**79,999.99**	**(41,191.63)**
ML&CO MXEA ARN	5000.0000	08/05/08	01/23/09			25,647 43	50,000.00	(24,352.57)
	5000.0000	08/05/08	02/13/09			26,486 81	50,000.00	(23,513.19)
	4700.0000	08/05/08	02/25/09			22,001 36	46,999.99	(24,998.63)
	300.0000	08/05/08	02/25/09			1,407.68	2,999.99	(1,592.31)
	5000.0000	08/05/08	03/17/09			23,653 08	50,000.01	(26,346.93)
		Security Subtotal				**99,196.36**	**199,999.99**	**(100,803.63)**
PEBBLEBROOK HOTEL TRUST	450 0000	12/08/09	12/09/09			8,765.13	9,000.00	(234 87)
SEK ARN AEIB	2000.0000	03/27/08	01/23/09			10,037.28	20,000.00	(9,962 72)
	2000.0000	03/27/08	02/13/09			10,669.93	19,999.99	(9,330.06)
	1000 0000	03/27/08	02/25/09			5,012.53	10,000 00	(4,987.47)
	1000 0000	03/27/08	03/17/09			5,278.80	10,000 00	(4,721 20)
		Security Subtotal				**30,998.54**	**59,999.99**	**(29,001.45)**
SEK ARN NDX	2000 0000	08/27/08	02/13/09			11,618.92	20,000 00	(8,381.08)
	2000 0000	08/27/08	02/25/09			10,808.32	20,000.00	(9,191.68)
	2000.0000	08/27/08	03/17/09			10,709.47	19 999.99	(9,290.52)
		Security Subtotal				**33,136.71**	**59,999.99**	**(26,863.28)**

ROBERT A BEER ESQ TTEE

2009 TAX REPORTING STATEMENT

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
TEAM HEALTH HOLDINGS INC	200.0000	12/15/09	12/16/09			2,361 74	2,400 00	(38 26)
		Short Term Capital Losses Subtotal				**310,162.76**	**560,957.49**	**(250,794.73)**
NET SHORT TERM CAPITAL GAIN (LOSS)								**(234,892.33)**
LONG TERM CAPITAL GAINS								
ML&CO ARBMN ENRGY SEL	7500.0000	05/01/08	06/29/09			90,000 00	75,000 00	15,000 00
ML&CO LBN CRUDE OIL	5000 0000	06/19/08	07/01/09			62,525 00	50,000 00	12,525 00
		Long Term Capital Gains Subtotal				**152,525.00**	**125,000.00**	**27,525.00**
LONG TERM CAPITAL LOSSES								
ML&CO LIRN RGER	2000.0000	11/30/06	08/07/09			17,954 19	20,000 00	(2,045.81)
ML&CO ARN S&P ASIA 50	2000 0000	01/31/08	02/13/09			9,819 80	19,999 99	(10,180.19)
	2000 0000	01/31/08	03/17/09			9,680 69	20,000 00	(10,319 31)
	510.0000	01/31/08	03/17/09			2,602 53	5,100 00	(2,497 47)
	1490 0000	01/31/08	03/17/09			7,618 38	14,900 01	(7,281.63)
		Security Subtotal				**29,721.40**	**60,000.00**	**(30,278.60)**
ML&CO. ARN GEIB	2000.0000	04/30/08	06/26/09			12,093 56	20,000 01	(7,906.45)
ML&CO. ARN DJAIG	2000.0000	07/31/08	10/06/09			12,102.99	20,000 01	(7,897 02)
ML&CO MXEA ARN	1800 0000	08/05/08	08/07/09			13,234 61	18,000 00	(4,765 39)
	200.0000	08/05/08	08/07/09			1,471 33	2,000 00	(528 67)
	3000.0000	08/05/08	10/05/09			24,831 79	30,000 01	(5,168 22)
		Security Subtotal				**39,537.73**	**50,000.01**	**(10,462.28)**
SEK ARN AEIB	2000 0000	03/27/08	06/05/09			15,780 13	20,000 01	(4,219.88)

ROBERT A BEER ESQ TTEE

2009 TAX REPORTING STATEMENT

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SEK ARN NDX	4000.0000	08/27/08	10/30/09			36,792.29	40,000 01	(3,207.72)
		Long Term Capital Losses Subtotal				**163,982.29**	**230,000.05**	**(66,017.76)**
NET LONG TERM CAPITAL GAIN (LOSS)								**(38,492.76)**
TOTAL CAPITAL GAINS AND LOSSES						**759,282.25**	**1,032,667.34**	**(273,385.09)**
TOTAL REPORTABLE GROSS PROCEEDS						**759,282.25**		
DIFFERENCE						**0.00 ***		

Note: Capital gains and losses in this statement are not reported to the IRS.

* Difference reflects items that are included in the reportable gross proceeds section of your statement but are not included in the gain/loss section (e g , liquidation of fractional shares and the proceeds from certain tender offers). It also reflects items that are included in the gain/loss section of your statement but not in the reportable gross proceeds section (e.g , option premium received)

• - Bonds purchased at a discount show accretion.

(A) - Year-to-Date and Life-to-Date amortization/accretion figures are net adjustments and may include original issue discount, and/or premium or market discount adjustments, if applicable. These figures assume that the client has made all elections to amortize bond premium and accrete market discount on a current basis. A negative figure indicates a net reduction in cost basis due to such factors as premium amortization.

(C) - The cost basis reflects adjustments for amortized and/or accreted amounts.

(G) - Contingent Payment Debt Instrument (CPDI) Gain recognized on the sale, exchange, or retirement of a CPDI is treated as ordinary interest income Loss is treated as ordinary loss to the extent of the holder's total OID inclusions (including any positive adjustments) with respect to the instrument exceed the total net negative adjustments. Any additional loss is treated as capital loss. Accordingly, gains and ordinary losses should be backed out of Schedule D, Form 1040 and shown on Schedule B, Form 1040 The adjusted basis shown is generally original cost increased by accrued OID and decreased by the amount of any projected payment previously made on the debt instrument. Where the instrument was purchased in the secondary market at a price greater than the adjusted issue price, the adjusted basis is also reduced by the allocable portion of the difference between purchase price and adjusted issue price. The differential is reflected in the "Amortization/Accretion" columns, but is not included as a negative adjustment in the "Additional Information on Contingent Payment Debt Instruments" section of the Tax Reporting Statement. Thus, you may need to make an additional adjustment on your return for this amount If you held an instrument purchased at original issuance until maturity, and the instrument provided for a single projected payment at maturity, the adjusted basis shown is equal to the amount realized at maturity (gain/loss is shown as $0.00) and any gain/loss that would have resulted had the basis not been set to the amount realized, is reflected as a net positive or negative adjustment in the "Additional Information on Contingent Payment Debt Instruments" section of the Tax Reporting Statement Please contact your tax advisor for more information.

ROBERT A BEER ESQ TTEE

2009 TAX REPORTING STATEMENT

REALIZED CAPITAL GAIN AND LOSS SUMMARY

	SHORT TERM GAINS	SHORT TERM LOSSES	LONG TERM GAINS	LONG TERM LOSSES
TOTAL	15,902 40	(250,794 73)	27,525 00	(66,017 76)

ROBERT A BEER TTEE

2009 TAX REPORTING STATEMENT

Your Tax Reporting Statement information that follows is a personal summary of your account activity and is not reported to the IRS.

The Capital Gain and Loss Transaction section is provided to facilitate your review and the preparation of your tax return. In calculating gain (loss), unless otherwise noted, it was assumed that the oldest position was liquidated first, and that an election was in effect to amortize the premium paid on the purchase of taxable bonds. The gain (loss) information may not include return of capital, sales load deferral or wash sales adjustments. RICs (which may include mutual funds and unit investment trusts) may reclassify principal distributions as capital gains. The Cost Basis for these securities may not have been adjusted on your statement to reflect such reclassifications. Please refer to information provided by the RIC and discuss with your tax advisor. Securities distributed from a retirement account reflect the tax basis on the date of distribution. Other methods for calculating gain (loss) are available. The cost basis for most Original Issue Discount ("OID") obligations includes the accretion of OID For purposes of allocating original purchase price to the components of an equity unit consisting of a purchase contract and a debt security subject to a remarketing event, we assumed that the fair market value of the debt security on purchase date was equal to its adjusted issue price. The difference between your original cost and the amount allocable to the debt component was allocated to the purchase contract. In making adjustments to the cost basis of the purchase contract, it was assumed that the unit holder included contract adjustment payments in income when received.

Data from Forms 1099 (reportable Dividend and Interest) is also repeated in this summary for your convenience Additionally, we have included items such as margin interest and select account fees if applicable. Please discuss the deductibility of these items with your tax advisor. For select clients, we have also included a summary of Visa charges and checking activity.

Merrill Lynch is neither a tax return preparer or tax advisor. Please see your tax advisor for more information.

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
SHORT TERM CAPITAL GAINS								
ANNALY CAP MGMT INC	4285.0000	07/06/09	09/29/09			78,569 45	65,496 65	13,072 80
DU PONT E I DE NEMOURS	2625.0000	12/04/08	09/24/09			84,752 77	62,076.26	22,676.51
		Short Term Capital Gains Subtotal				**163,322.22**	**127,572.91**	**35,749.31**
NET SHORT TERM CAPITAL GAIN (LOSS)								**35,749.31**
LONG TERM CAPITAL GAINS								
ABBOTT LABS	400 0000	02/23/04	06/25/09			19,263 78	17,007.73	2,256.05
	400.0000	02/23/04	08/07/09			17 587 75	17,007 74	580 01
		Security Subtotal				**36,851.53**	**34,015.47**	**2,836.06**
CONOCOPHILLIPS	220.0000	02/23/04	01/14/09			10,802 48	7,820 92	2,981 56
	780.0000	02/23/04	01/14/09			38,299 74	27,724 64	10,575 10
		Security Subtotal				**49,102.22**	**35,545.56**	**13,556.66**
DISNEY (WALT) CO COM STK	500 0000	08/18/05	08/07/09			13,149.91	12,907 58	242.33

ROBERT A BEER TTEE

2009 TAX REPORTING STATEMENT

1099-B 2009 PROCEEDS FROM BROKER & BARTER EXCHANGE TRANSACTIONS (OMB NO. 1545-0715)

Security Description	Cusip Number	Quantity	Transaction Description	Trade Date	Amount	Remarks
KELLOGG CO PV 25CT	487836108	1300 0000	Sale	02/02/09	56,797.33	
MEDTRONIC INC COM	585055106	3000.0000	Sale	07/29/09	104,135.72	
MICROCHIP TECHNOLOGY INC	595017104	100.0000	Sale	03/19/09	2,074.98	
		1097 0000	Sale	03/19/09	22,762 62	
		100 0000	Sale	03/19/09	2,074.98	
		100 0000	Sale	03/19/09	2,074 98	
		100 0000	Sale	03/19/09	2,074 98	
		200 0000	Sale	03/19/09	4,149 97	
		200 0000	Sale	03/19/09	4,151 97	
		900 0000	Sale	03/19/09	18,683 89	
		400.0000	Sale	03/19/09	8,303 95	
			Security Subtotal		***66,352.32***	
NOKIA CORP SPON ADR	654902204	600 0000	Sale	01/14/09	8,105 95	
		800.0000	Sale	01/14/09	10,808 01	
		600 0000	Sale	01/14/09	8,106 07	
			Security Subtotal		***27.020.03***	
PRECISION CASTPARTS	740189105	300 0000	Sale	09/08/09	28,259 51	
TOTAL GROSS PROCEEDS ACTIVITY					**852,482.34**	
TOTAL GROSS PROCEEDS (LINE 2 1099-B)					**852,482.34**	
TOTAL FEDERAL INCOME TAX WITHHELD (LINE 4 1099-B)					**(0.00)**	

* Gross Proceeds and above transaction details from each of your 2009 securities trades are individually reported to the IRS (less commissions).

IMPORTANT TAX INFORMATION

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanctions may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

ROBERT A BEER TTEE

2009 TAX REPORTING STATEMENT

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
EXXON MOBIL CORP COM	200 0000	01/22/02	03/19/09			13,828 02	7,938.26	5,889.76
	525 0000	01/22/02	04/29/09			35,983 62	20,837.94	15,145 68
	115.0000	01/22/02	06/25/09			8,032 60	4,564 51	3,468 09
	85.0000	01/22/02	06/25/09			5,937 14	3,374 63	2,562 51
		Security Subtotal				**63,781.38**	**36,715.34**	**27,066.04**
INTL BUSINESS MACHINES	500.0000	09/12/95	09/08/09			58,534 00	12,253 70	46,280 30
JPMORGAN CHASE & CO	800 0000	09/04/98	09/08/09			33,943 53	19,531.24	14,412.29
JOHNSON AND JOHNSON COM	300 0000	04/07/93	03/19/09			14,936 91	3,026 73	11,910 18
	500 0000	04/07/93	09/08/09			30 319 27	5 044 55	25 274 72
		Security Subtotal				**45,256.18**	**8,071.28**	**37,184.90**
KELLOGG CO PV 25CT	1300 0000	04/17/02	02/02/09			56,797 33	47,279 94	9,517.39
PRECISION CASTPARTS	300 0000	05/05/00	09/08/09			28,259 51	6,705 99	21,553 52
		Long Term Capital Gains Subtotal				**385,675.59**	**213,026.10**	**172,649.49**
LONG TERM CAPITAL LOSSES								
CBS CORP NEW CL B	1785 0000	02/28/07	04/29/09			10,834 67	54,639 38	(43,804 71)
	1789 0000	02/28/07	04/29/09			10,876 84	54 761 83	(43 884 99)
		Security Subtotal				**21,711.51**	**109,401.21**	**(87,689.70)**
CORNING INC	1100 0000	05/06/98	01/14/09			10,053 94	15,357 94	(5 304.00)
	1500 0000	08/20/99	01/14/09			13,709 92	32 437 50	(18 727 58)
		Security Subtotal				**23,763.86**	**47,795.44**	**(24,031.58)**

ROBERT A BEER TTEE

2009 TAX REPORTING STATEMENT

2009 CAPITAL GAIN AND LOSS TRANSACTIONS

Security Description	Quantity	Date Acquired Cover of Short	Date Liquidated Short Sale	Amortization/Accretion Year-to-Date	Amortization/Accretion Life-to-Date	Sales Price	Cost Basis	Gain or (Loss)
DISNEY (WALT) CO COM STK	400 0000	05/25/05	03/19/09			7,027.96	10,894 48	(3,866 52)
	1300.0000	05/25/05	03/19/09			22,843 47	35,407.06	(12,563 59)
	900 0000	05/25/05	06/25/09			21,257.90	24,512 58	(3,254 68)
	200.0000	05/25/05	07/15/09			4,685.88	5,447.25	(761 37)
	200.0000	05/25/05	07/15/09			4,685 88	5,445.26	(759.38)
		Security Subtotal				**60,501.09**	**81,706.63**	**(21,205.54)**
MEDTRONIC INC COM	1550 0000	02/23/04	07/29/09			53,803.45	77,415.29	(23,611.84)
	500 0000	08/03/04	07/29/09			17,355.95	25,992.07	(8,636 12)
	950 0000	08/18/05	07/29/09			32,976.32	53,333 00	(20 356 68)
		Security Subtotal				**104,135.72**	**156,740.36**	**(52,604.64)**
MICROCHIP TECHNOLOGY INC	100.0000	02/12/08	03/19/09			2,074 98	3,182 76	(1,107 78)
	1097.0000	02/12/08	03/19/09			22,762 62	34,914 99	(12,152.37)
	100.0000	02/12/08	03/19/09			2,074.98	3,182 77	(1,107 79)
	100 0000	02/12/08	03/19/09			2,074 98	3,182 77	(1,107 79)
	100 0000	02/12/08	03/19/09			2,074.98	3,182 77	(1,107.79)
	200 0000	02/12/08	03/19/09			4,149.97	6,365 54	(2,215 57)
	200.0000	02/12/08	03/19/09			4,151.97	6,365.54	(2,213.57)
	900 0000	02/12/08	03/19/09			18,683.89	28,644.93	(9,961.04)
	400.0000	02/12/08	03/19/09			8,303 95	12,731.09	(4,427 14)
		Security Subtotal				**66,352.32**	**101,753.16**	**(35,400.84)**
NOKIA CORP SPON ADR	600 0000	12/01/05	01/14/09			8,105.95	10,578.00	(2,472.05)
	800 0000	12/01/05	01/14/09			10,808 01	14,103 99	(3,295 98)
	600.0000	12/01/05	01/14/09			8,106 07	10,578 01	(2,471 94)
		Security Subtotal				**27,020.03**	**35,260.00**	**(8,239.97)**
		Long Term Capital Losses Subtotal				**303,484.53**	**532,656.80**	**(229,172.27)**
NET LONG TERM CAPITAL GAIN (LOSS)								**(56,522.78)**
TOTAL CAPITAL GAINS AND LOSSES						**852,482.34**	**873,255.81**	**(20,773.47)**
TOTAL REPORTABLE GROSS PROCEEDS						**852,482.34**		
DIFFERENCE						**0.00 ***		

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DONALD C. BRACE FOUNDATION
IDENTIFICATION NO. 13-3442680
2009 FORM 990-PF

Page 2, Part 11, Balance Sheets
Lines 10b and 10c Investments

Merrill Lynch Account No. 840-17959

		(b)	(c)
2,200 shs.	Abbott Laboratories.	$ 96,374.63	$ 118,778.00
2,000 shs.	Altria Group, Inc..	17,421.60	39,260.00
7,500 shs.	A T & T, Inc.	209,649.87	210,225.00
1,005 shs.	Becton Dickinson Co.	61,436.35	79,254.30
2,865 shs.	Chubb Corp.	118,467.47	140,900.70
1,900 shs.	Cisco Systems, Inc.	32,319.23	45,486.00
4,025 shs.	Citigroup, Inc.	119,604.53	13,322.75
1,390 shs.	Coca Cola	59,544.54	79,230.00
1,500 shs.	Disney (Walt) Co.	38,728.70	48,375.00
4,200 shs.	Emerson Electric Co.	140,522.00	178,920.00
2,775 shs.	Exxon Mobil Corp.	123,783.98	189,227.25
9,000 shs.	General Electric	148,751.58	136,170.00
1,865 shs.	Genuine Parts Co.	58,846.16	70,795.40
1,721 shs.	Hewlett Packard Co. Del.	60,629.45	88,648.71
4,300 shs.	Honeywell Intl., Inc. Del.	134,134.34	168,560.00
3,000 shs.	Intel Corp.	59,520.00	61,200.00

2,400 shs.	International Business Machines Corp.	58,817.78	314,160.00
3,200 shs.	Johnson and Johnson	36,359.85	206,112.00
6,000 shs.	JP Morgan Chase	246,209.09	250,020.00
5,079 shs.	Kraft Foods, Inc. VA CL A	139,143.25	138,047.22
1,664 shs.	Manulife Financial Corp.	28,706.16	30,517.76
1,040 shs.	McDonalds Corp.	59,104.76	64,937.60
2,700 shs.	Merck & Co., Inc.	82,807.51	98,658.00
4,000 shs.	Microsoft Corp.	112,283.12	121,920.00
1,295 shs.	Nike, Inc. Class B	65,612.60	85,560.65
4,000 shs.	Pfizer, Inc.	9,891.49	72,760.00
2,000 shs.	Philip Morris Intl. Inc.	39,698.40	96,380.00
2,200 shs.	Precision Castparts	49,177.31	242,770.00
1,190 shs.	Procter & Gamble Co.	58,713.05	72,149.70
13,000 shs.	Technitrol Incorp.	221,344.23	56,940.00
3,310 shs.	Tyco Intl. Ltd. Namen-Akt	112,744.23	118,100.80
3,000 shs.	Veeco Instruments, Inc.	178,472.65	99,120.00
		$2,978,819.91	**$3,736,506.84**

Merrill Lynch Account No. 840-96405

7,500 shs.	BAC ARN IXT	$ 75,000.00	$ 83,175.00
10,000 shs.	BAC IPX STEP UP Notes	100,000.00	102,500.00
2,325 shs.	Bank of America	111,219.40	35,014.50
7,500 shs.	EXPT ARN RICS-AER	75,000.00	78,075.00

3,000 shs.	ML&CO LIRN RGER	30,000.01	29,250.00
		$ 391,219.41	**$ 328,014.50**

RECAPITULATION:

Merrill Lynch Account No. 840-17959	$2,978,819.91	$3,736,506.84
Merrill Lynch Account No. 840-96405	391,219.41	328,014.50
	$3,370,039.32	**$4,064,521.34**

Form 8868
(Rev. April 2009)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I **Automatic 3-Month Extension of Time.** Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ▶ [ ]

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

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

Type or print	Name of Exempt Organization	Employer identification number
File by the due date for filing your return See instructions	DONALD C. BRACE FOUNDATION	13-3442680
	Number, street, and room or suite no If a P O. box, see instructions c/oRobert A. Beer, 30 Maltbie Road	
	City, town or post office, state, and ZIP code For a foreign address, see instructions Newtown, CT 06470	

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

[ ] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (sec 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[X] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ▶ ROBERT A BEER 30 MALTBIE ROAD - NEWTOWN, CT 06470
  Telephone No ▶ 203-426-3093 FAX No. ▶ 203-426-1532
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ If this is for the whole group, check this box ▶ [ ] If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until August 15, 2010 , to file the exempt organization return for the organization named above The extension is for the organization's return for
▶ [X] calendar year 2009 or
▶ [ ] tax year beginning ______________ , and ending ______________

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

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$ 12894.
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	$ 2894.
c	**Balance Due.** Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 10000.

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