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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 , 2009, 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 <b>LACEWING FOUNDATION</b>		<b>A</b> Employer identification number <b>20-1891949</b>
	Number and street (or P O box number if mail is not delivered to street address) Room/suite <b>P.O. BOX 263</b>		<b>B</b> Telephone number (see the instructions) <b>(302) 658-7796</b>
	City or town State ZIP code <b>ROCKLAND DE 19732</b>		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
			<b>D</b> 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<b>H</b> Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ <b>713,581.</b>		<b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>REVENUE</b>	1 Contributions, gifts, grants, etc., received (att sch)	267,107.			
	2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	21,924.	21,924.		
	5a Gross rents				
	b Net rental income or (loss)		L-6a Stmt		
	6a Net gain/(loss) from sale of assets not on line 10	1,227.			
	b Gross sales price for all assets on line 6a	531,634.			
	7 Capital gain net income (from Part IV, line 2)		1,227.		
	8 Net short-term capital gain				
	9 Income modifications				
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule)					
12 <b>Total.</b> Add lines 1 through 11	290,258.	23,151.			
<b>ADMINISTRATIVE AND OPERATING EXPENSES</b>	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) L-16a Stmt	270.	270.		
	b Accounting fees (attach sch)				
	c Other prof fees (attach sch) L-16c Stmt	6,730.	6,730.		
	17 Interest				
	18 Taxes (attach schedule)(see instr) See Line 18 Stmt	25.			
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Line 23 Stmt	443.	443.		
	24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23	7,468.	7,443.		
	25 Contributions, gifts, grants paid	41,700.			41,700.
26 <b>Total expenses and disbursements.</b> Add lines 24 and 25	49,168.	7,443.		41,700.	
27 Subtract line 26 from line 12:					
a <b>Excess of revenue over expenses and disbursements</b>	241,090.				
b Net investment income (if negative, enter -0-)		15,708.			
c <b>Adjusted net income</b> (if negative, enter -0-)					

Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	6,481.	9,075.	9,075.
	2 Savings and temporary cash investments	38,415.	7,510.	7,510.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U S and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule) L-10b Stmt	335,148.	607,616.	696,996.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis			
LIABILITIES	Less: accumulated depreciation (attach schedule)			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)			
	14 Land, buildings, and equipment basis			
	Less: accumulated depreciation (attach schedule)			
	15 Other assets (describe )			
	16 Total assets (to be completed by all filers — see instructions Also, see page 1, item I)	380,044.	624,201.	713,581.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
NET ASSETS OR FUND BALANCES	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe )			
	23 Total liabilities (add lines 17 through 22)			
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	380,044.	624,201.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	380,044.	624,201.	
	31 Total liabilities and net assets/fund balances (see the instructions)	380,044.	624,201.	

## 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	380,044.
2 Enter amount from Part I, line 27a	2	241,090.
3 Other increases not included in line 2 (itemize) <u>UNREAL APPREC</u>	3	3,067.
4 Add lines 1, 2, and 3	4	624,201.
5 Decreases not included in line 2 (itemize)	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	624,201.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a See Attached Schedule		P	Various	Various
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 531,634.		530,407.	1,227.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a 0.	0.	0.	1,227.
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;">           If gain, also enter in Part I, line 7            If (loss), enter -0- in Part I, line 7         </div>		2	1,227.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div style="border: 1px solid black; padding: 2px;">           If gain, also enter in Part I, line 8, column (c) (see the instructions). If (loss), enter -0-            in Part I, line 8         </div>		3	

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes☒ No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008	34,187.	588,734.	0.058069
2007	27,305.	713,014.	0.038295
2006	13,815.	534,290.	0.025857
2005	11,982.	496,841.	0.024116
2004	0.	0.	0.000000

2 Total of line 1, column (d)	2	0.146337
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.029267
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	495,879.
5 Multiply line 4 by line 3	5	14,513.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	157.
7 Add lines 5 and 6	7	14,670.
8 Enter qualifying distributions from Part XII, line 4	8	41,700.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary - see instr.)		1	157.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
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	157.
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	157.
6 Credits/Payments:			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	1,286.	
b Exempt foreign organizations -- tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	0.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	1,286.	
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		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,129.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax	11	1,129.	Refunded

**Part VII-A Statements Regarding Activities**

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		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?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation \$ _____ (2) On foundation managers \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If 'Yes,' attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If 'Yes,' attach the statement required by General Instruction T		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) DE - Delaware		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If 'Yes,' complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses	X	

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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)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>POWDERMILL FINANCIAL SOLUTIONS, LLC</u> Telephone no <u>(302) 658-7796</u> Located at <u>P.O. BOX 263, ROCKLAND, DE</u> ZIP + 4 <u>19732</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			

**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
<b>1 a</b> 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>b</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 the instructions)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	
<b>c</b> 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?	1 c	X
<b>2</b> 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))		
<b>a</b> 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 <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u> .		
<b>b</b> Are there any years listed in 2a for which the foundation is <b>not</b> applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see the instructions)	2 b	
<b>c</b> If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
<b>3 a</b> 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>b</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)	3 b	
<b>4 a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
<b>b</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?	4 b	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)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b

Organizations relying on a current notice regarding disaster assistance check here

☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

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

6b

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

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

7b

**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
MARY J. WILLIAMS P.O. BOX 263, ROCKLAND, DE 19732	DIR, PRES 1.00	0.	0.	0.
DEIDRA WAGER 361 HIGHLAND DRIVE SEATTLE WA 98109	DIR, TREAS 1.00	0.	0.	0.
WANDA HERNDON P.O. BOX 263, ROCKLAND, DE 19732	DIR, SEC 1.00	0.	0.	0.
See Information about Officers, Directors, Trustees, Etc		0.	0.	0.

**2** Compensation of five highest-paid employees (other than those included on line 1— see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
0				
0				
0				
0				

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

None

**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services – (see instructions). If none, enter **NONE**.

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

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

None

**Part IX-A** Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	

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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	473,259.
b Average of monthly cash balances	1b	30,171.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	503,430.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	503,430.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	7,551.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	495,879.
6 Minimum investment return. Enter 5% of line 5	6	24,794.

**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	24,794.
2a Tax on investment income for 2009 from Part VI, line 5	2a	157.	
b Income tax for 2009 (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b	2c	157.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	24,637.	
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5	24,637.	
6 Deduction from distributable amount (see instructions)	6		
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	24,637.	

**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	41,700.
b Program-related investments — total from Part IX-B	1b	
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	41,700.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	157.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	41,543.

**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				24,637.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			28,558.	
b Total for prior years 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2009				
a From 2004	0.			
b From 2005	0.			
c From 2006	0.			
d From 2007	0.			
e From 2008	0.			
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 41,700.				
a Applied to 2008, but not more than line 2a			28,558.	
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2009 distributable amount				13,142.
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) )				
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				
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 instructions			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				11,495.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	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	0.			
b Excess from 2006	0.			
c Excess from 2007	0.			
d Excess from 2008	0.			
e Excess from 2009	0.			

**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

**2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

**b 85% of line 2a**

c Qualifying distributions from Part XII,  
line 4 for each year listed

**d** Amounts included in line 2c not used directly for active conduct of exempt activities

**e** Qualifying distributions made directly for active conduct of exempt activities  
Subtract line 2d from line 2c

**3** Complete 3a, b, or c for the alternative test relied upon

a 'Assets' alternative test – enter:

**(1) Value of all assets**

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

**b** 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

c 'Support' alternative test – enter

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(i)(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 organization had \$5,000 or more in assets at any time during the year – see instructions.)

### 1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2) )

MARY J. WILLIAMS

**b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

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

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

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

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

c Any submission deadlines

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

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

Recipient 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
<b>a Paid during the year</b>				
SAN MIGUEL COMMUNITY FOUNDATION 220 N. ZAPATA HWY#11 LAREDO TX 78043		501 (c) (3)	SCHOLARSHIP PROGRAM	5,200.
LAS MARIAS SCHOOL JONOTEGA NICARAGUA NM 00000		501 (c) (3)	STUDENT SCHOLARSHIPS	16,000.
ATLANTIC STREET CENTER 2103 S ATLANTIC CENTER SEATTLE WA 98144		501 (C) 3	CHILD EDUCATION/ASSISTANCE	2,500.
C-CAP 250 WEST 57TH ST SUITE 2015 NEW YORK NY 10107		501 (C) (3)	EDUCATION	10,500.
FURNISHING HOPE 3857 Birch Street, #503 NEWPORT BEACH CA 92660		501 (C) (3)	HOUSING EDUCATION	2,500.
AYNI EDUCATIONAL INT'L PO BOX 17672 SEATTLE WA 98127		501 (C) (3)		5,000.
<b>Total</b>				<b>41,700.</b>
<b>b Approved for future payment</b>				
<b>Total</b>				<b>3b</b>

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

Enter gross amounts unless otherwise indicated

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
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			14	21,924.	
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			18	1,227.	
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)				23,151.	
13	<b>Total.</b> Add line 12, columns (b), (d), and (e)				13	23,151.

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

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

[illegible]



**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

► Attach to Form 990, 990-EZ, or 990-PF

OMB No 1545-0047

**2009**

Name of the organization

LACEWING FOUNDATION

Employer identification number

20-1891949

Organization type (check one)

Filers of:

Form 990 or 990-EZ

Section:

- ☐ 501(c)(\_\_\_\_) (enter number) organization  
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation  
☐ 527 political organization

Form 990-PF

- ☒ 501(c)(3) exempt private foundation  
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation  
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule –**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules –**

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ► \$ \_\_\_\_\_

**Caution:** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.**

**Schedule B (Form 990, 990-EZ, or 990-PF) (2009)**

Name of organization

Employer identification number

LACEWING FOUNDATION

20-1891949

**Part I** Contributors (see instructions)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	DEIDRE WAGER 361 HIGHLAND DRIVE SEATTLE WA 98109	\$ 251,260.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	ANGELA MCMANUS 45 GREARY AVE FAIRFAX CA 94930	\$ 15,847.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Employer identification number

20-1891949

## Part II

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	13,372 SHARES SBUX		
		\$ 251,260.	08/07/09
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	681 SHARES SBUX		
		\$ 15,847.	12/31/09
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

**Form 990-PF**  
**Part I, Line 6a**

**Net Gain or Loss From Sale of Assets**

**2009**

Name <b>LACEWING FOUNDATION</b>	Employer Identification Number <b>20-1891949</b>
------------------------------------	---

**Asset Information:**

Description of Property		<u>Short Term Securities Sales - See Attached Schedule</u>	
Date Acquired	<u>Various</u>	How Acquired	<u>Purchased</u>
Date Sold	<u>Various</u>	Name of Buyer	
Sales Price	<u>515,683.</u>	Cost or other basis (do not reduce by depreciation)	<u>516,988.</u>
Sales Expense		Valuation Method	
Total Gain (Loss)	<u>-1,305.</u>	Accumulation Depreciation	

Description of Property		<u>Long Term Securities Sales - See Attached Schedule</u>	
Date Acquired	<u>Various</u>	How Acquired	<u>Purchased</u>
Date Sold	<u>Various</u>	Name of Buyer	
Sales Price	<u>15,951.</u>	Cost or other basis (do not reduce by depreciation)	<u>13,419.</u>
Sales Expense		Valuation Method	
Total Gain (Loss)	<u>2,532.</u>	Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	

Description of Property			
Date Acquired		How Acquired	
Date Sold		Name of Buyer	
Sales Price		Cost or other basis (do not reduce by depreciation)	
Sales Expense		Valuation Method	
Total Gain (Loss)		Accumulation Depreciation	

Form 990-PF, Page 1, Part I, Line 18

**Line 18 Stmt**

Taxes (see the instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
STATE	25.			

Total 25.

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

**Line 23 Stmt**

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
BANK CHARGE	168.	168.		
POSTAGE & DELIVERY	50.	50.		
ADMINISTRATION EXPENSE	225.	225.		

Total 443. 443.

Form 990-PF, Page 6, Part VIII, Line 1

**Information about Officers, Directors, Trustees, Etc.**

(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
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> ANGELA MCMANUS 45 GREARY AVE FAIRFAX CA 94930	DIR			
	1.00	0.	0.	0.
Person <input checked="" type="checkbox"/> Business <input type="checkbox"/> NORMA OLIASON 514 SECOND AVE W SEATTLE WA 98119	DIR			
	1.00	0.	0.	0.

Total

0. 0. 0.

Form 990-PF, Page 1, Part I

**Line 16a - Legal Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
MACELREE HARVEY LTD	LEGAL SERVICES	270.	270.		

Total 270. 270.

Form 990-PF, Page 1, Part I

**Line 16c - Other Professional Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
SIGNATOR	MANAGEMENT	6,730.	6,730.		

Total 6,730. 6,730.

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

**L-10b Stmt**

Line 10b - Investments - Corporate Stock:	End of Year	
	Book Value	Fair Market Value
FIDELITY-BRINKER CAPITAL	607,616.	696,996.
Total	<u>607,616.</u>	<u>696,996.</u>

# Part II, Line 10b Statement - As of 12/31/2009

As of 12/31/2009

11/11/2010

Page 1

Security	Shares	Quote/Price	est	Cost Basis	Gain/Loss	Balance
<b>BCS - Fidelity 674-504297</b>						
Allianz NFJ Dividend	6,382 169	10 390		57,927	8,384	66,311
American Century Equity Income	7,288 309	6 560		43,220	4,591	47,811
Aston/River RD Small	2,632 957	10 720		23,808	4,417	28,225
Blackrock Inflation Pro Bond Port	897.697	10 720		8,992	632	9,623
Dreyfus Bond Market	12,064 681	10 300		123,371	895	124,266
Dreyfus Internatl Stock Index	2,607 393	14 210		26,998	10,053	37,051
Federated Intermed Corp Bond Fd	5,937 185	9 850		54,104	4,377	58,481
Federated Strategic Value Fund Class A	11,291 363	4 110		42,030	4,378	46,408
Forward Select Income Class A N/C	2,380 241	20 130		35,302	12,612	47,914
JP Morgan High Yield Bond Fund	2,630 037	7 720		18,555	1,749	20,304
Lazard Emerging Markets	1,006 502	18 280		15,729	2,670	18,399
Leuthold Asset Allocation	1,525 477	9 760		11,277	3,611	14,889
Loomis Sayles Strategic Inc CL	2,989 559	13 800		34,289	6,967	41,256
MFS International Value Fund	1,607 538	22 790		26,780	9,856	36,636
Pimco Developing Local Markets	1,674 820	10 020		15,184	1,597	16,782
Spartan US Equity	1,394 065	39 430		45,346	9,622	54,968
Starbucks Corp	681 000	23 060		15,704	0	15,704
T Rowe Price Growth Stock	443 242	27 330		9,143	2,971	12,114
-Cash-				-145	0	-145
<b>TOTAL BCS - Fidelity 674-504297</b>				<b>607,616</b>	<b>89,381</b>	<b>696,996</b>
<b>TOTAL Investments</b>				<b>607,616</b>	<b>89,381</b>	<b>696,996</b>

# Lacewing Fdn - Capital Gains (Losses) - Last year

1/1/2009 through 12/31/2009

11/11/2010

Page 1

Account	Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/
<b>SHORT TERM</b>							
BCS - Fidelity 674-504297	Federated Strategic Value Fund Class A	559 430	12/23/2008	3/10/2009	1,622	2,120	-497
BCS - Fidelity 674-504297	Fidelity Diversified International	1,434 200	12/23/2008	3/10/2009	23,478	29,315	-5,837
BCS - Fidelity 674-504297	Spartan US Equity	199 995	12/23/2008	3/10/2009	4,810	6,150	-1,340
BCS - Fidelity 674-504297	John Hancock High Yield	8,180 596	12/23/2008	3/10/2009	15,870	18,387	-2,517
BCS - Fidelity 674-504297	John Hancock High Yield	28 086	1/1/2009	3/10/2009	54	63	-9
BCS - Fidelity 674-504297	John Hancock High Yield	114 112	2/1/2009	3/10/2009	221	256	-35
BCS - Fidelity 674-504297	John Hancock High Yield	123 416	3/1/2009	3/10/2009	239	277	-38
BCS - Fidelity 674-504297	Forward Select Income Class A N/C	92 059	12/23/2008	3/10/2009	863	1,173	-310
BCS - Fidelity 674-504297	Loomis Sayles Strategic Inc CL	1,410 909	12/23/2008	3/10/2009	14,024	14,675	-651
BCS - Fidelity 674-504297	Metropolitan West Total Return Bond	8,819 582	12/23/2008	3/10/2009	76,730	78,755	-2,025
BCS - Fidelity 674-504297	Metropolitan West Total Return Bond	11 868	1/1/2009	3/10/2009	103	106	-3
BCS - Fidelity 674-504297	Metropolitan West Total Return Bond	41 815	2/1/2009	3/10/2009	364	373	-10
BCS - Fidelity 674-504297	Metropolitan West Total Return Bond	51 257	3/1/2009	3/10/2009	446	458	-12
BCS - Fidelity 674-504297	Pimco Developing Local Markets	558 720	12/23/2008	3/10/2009	4,246	4,692	-446
BCS - Fidelity 674-504297	T Rowe Pnce Growth Stock	261 817	12/23/2008	3/10/2009	4,357	4,886	-529
BCS - Fidelity 674-504297	Forward Select Income Class A N/C	0 058	12/23/2008	4/1/2009	1	1	-0
BCS - Fidelity 674-504297	Forward Select Income Class A N/C	93 253	12/23/2008	5/1/2009	863	1,166	-303
BCS - Fidelity 674-504297	Aston/River RD Small	45 765	12/23/2008	7/24/2009	456	381	75
BCS - Fidelity 674-504297	American Century Equity Income	43 909	12/23/2008	7/24/2009	266	255	11
BCS - Fidelity 674-504297	Blackrock Inflation Pro Bond Port	368 904	3/10/2009	7/24/2009	3,789	3,589	199
BCS - Fidelity 674-504297	Dreyfus Bond Market	587 813	3/10/2009	7/24/2009	5,972	5,897	76
BCS - Fidelity 674-504297	Dreyfus Internatl Stock Index	67 383	3/10/2009	7/24/2009	864	555	309
BCS - Fidelity 674-504297	Federated Strategic Value Fund Class A	796 300	12/23/2008	7/24/2009	2,922	3,012	-90
BCS - Fidelity 674-504297	Spartan US Equity	31 555	12/23/2008	7/24/2009	1,090	970	120
BCS - Fidelity 674-504297	Forward Select Income Class A N/C	264 352	12/23/2008	7/24/2009	4,261	3,329	932
BCS - Fidelity 674-504297	Leuthold Asset Allocation	14 746	3/10/2009	7/24/2009	125	96	30
BCS - Fidelity 674-504297	Loomis Sayles Strategic Inc CL	583 929	12/23/2008	7/24/2009	7,200	6,082	1,118
BCS - Fidelity 674-504297	MFS International Value Fund	14 614	3/10/2009	7/24/2009	296	198	98
BCS - Fidelity 674-504297	Principal Investors High Yield	1,539 834	3/10/2009	7/24/2009	11,056	8,870	2,186
BCS - Fidelity 674-504297	Principal Investors High Yield	9 585	4/1/2009	7/24/2009	69	55	14
BCS - Fidelity 674-504297	Principal Investors High Yield	13 596	5/1/2009	7/24/2009	98	78	19
BCS - Fidelity 674-504297	Principal Investors High Yield	13 829	6/1/2009	7/24/2009	99	80	20
BCS - Fidelity 674-504297	Principal Investors High Yield	14 387	7/1/2009	7/24/2009	103	83	20
BCS - Fidelity 674-504297	SSGA Emerging Markets	452 939	3/10/2009	7/24/2009	7,365	4,412	2,953
BCS - Fidelity 674-504297	Starbucks Corp	5,000 000	8/7/2009	8/19/2009	95,573	95,150	423
BCS - Fidelity 674-504297	Starbucks Corp	3,300 000	8/7/2009	8/19/2009	62,976	62,799	177
BCS - Fidelity 674-504297	Starbucks Corp	2,872 000	8/7/2009	8/19/2009	54,926	54,654	271
BCS - Fidelity 674-504297	Starbucks Corp	1,000 000	8/7/2009	8/19/2009	19,135	19,030	105
BCS - Fidelity 674-504297	Starbucks Corp	400 000	8/7/2009	8/19/2009	7,654	7,612	42
BCS - Fidelity 674-504297	Starbucks Corp	300 000	8/7/2009	8/19/2009	5,737	5,709	28
BCS - Fidelity 674-504297	Starbucks Corp	200 000	8/7/2009	8/19/2009	3,827	3,806	21
BCS - Fidelity 674-504297	Starbucks Corp	200 000	8/7/2009	8/19/2009	3,825	3,806	19
BCS - Fidelity 674-504297	Starbucks Corp	100 000	8/7/2009	8/19/2009	1,912	1,903	9
BCS - Fidelity 674-504297	Aston/River RD Small	28 430	12/23/2008	10/9/2009	305	257	48
BCS - Fidelity 674-504297	Allianz NFJ Dividend	67 569	12/23/2008	10/9/2009	663	612	50
BCS - Fidelity 674-504297	American Century Equity Income	79 292	12/23/2008	10/9/2009	500	470	30
BCS - Fidelity 674-504297	Blackrock Inflation Pro Bond Port	66 459	3/10/2009	10/9/2009	706	665	40
BCS - Fidelity 674-504297	Dreyfus Bond Market	520 482	3/10/2009	10/9/2009	5,429	5,280	149
BCS - Fidelity 674-504297	Dreyfus Internatl Stock Index	26 932	3/10/2009	10/9/2009	390	276	114
BCS - Fidelity 674-504297	Federated Strategic Value Fund Class A	129 569	12/23/2008	10/9/2009	496	482	14
BCS - Fidelity 674-504297	Federated Intermed Corp Bond Fd	272 634	3/10/2009	10/9/2009	2,672	2,483	189
BCS - Fidelity 674-504297	Spartan US Equity	14 912	12/23/2008	10/9/2009	562	485	78
BCS - Fidelity 674-504297	Forward Select Income Class A N/C	25 708	12/23/2008	10/9/2009	493	377	115
BCS - Fidelity 674-504297	JP Morgan High Yield Bond Fund	93 687	7/24/2009	10/9/2009	697	660	37
BCS - Fidelity 674-504297	Lazard Emerging Markets	51 362	7/24/2009	10/9/2009	934	800	135
BCS - Fidelity 674-504297	Leuthold Asset Allocation	16 328	3/10/2009	10/9/2009	152	121	31

# Lacewing Fdn - Capital Gains (Losses) - Last year

1/1/2009 through 12/31/2009

11/11/2010

Page 2

Account	Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/
BCS - Fidelity 674-504297	Loomis Sayles Strategic Inc CL	149 459	12/23/2008	10/9/2009	2,016	1,709	307
BCS - Fidelity 674-504297	MFS International Value Fund	23 026	3/10/2009	10/9/2009	529	382	147
BCS - Fidelity 674-504297	Pimco Developing Local Markets	36 348	12/23/2008	10/9/2009	365	329	36
BCS - Fidelity 674-504297	T Rowe Price Growth Stock	4 775	12/23/2008	10/9/2009	120	99	22
BCS - Fidelity 674-504297	TCW Total Return Bond Class N	87 157	7/24/2009	10/9/2009	913	888	24
BCS - Fidelity 674-504297	TCW Total Return Bond Class N	1,749 831	7/24/2009	12/9/2009	18,528	17,838	690
BCS - Fidelity 674-504297	TCW Total Return Bond Class N	14 507	8/1/2009	12/9/2009	154	148	6
BCS - Fidelity 674-504297	TCW Total Return Bond Class N	178 729	8/13/2009	12/9/2009	1,892	1,822	70
BCS - Fidelity 674-504297	TCW Total Return Bond Class N	1,242 506	8/18/2009	12/9/2009	13,156	12,666	490
BCS - Fidelity 674-504297	TCW Total Return Bond Class N	24 601	9/1/2009	12/9/2009	260	251	10
BCS - Fidelity 674-504297	TCW Total Return Bond Class N	22 942	10/1/2009	12/9/2009	243	234	9
BCS - Fidelity 674-504297	TCW Total Return Bond Class N	20 706	11/2/2009	12/9/2009	219	211	8
BCS - Fidelity 674-504297	TCW Total Return Bond Class N	20 739	12/1/2009	12/9/2009	220	211	8
BCS - Fidelity 674-504297	Blackrock Inflation Pro Bond Port	27 351	3/10/2009	12/30/2009	292	274	18
BCS - Fidelity 674-504297	Dreyfus Bond Market	517 112	3/10/2009	12/30/2009	5,331	5,288	44
BCS - Fidelity 674-504297	Dreyfus Internatl Stock Index	76 934	3/10/2009	12/30/2009	1,102	797	305
BCS - Fidelity 674-504297	Federated Intermed Corp Bond Fd	298 197	3/10/2009	12/30/2009	2,937	2,717	220
BCS - Fidelity 674-504297	JP Morgan High Yield Bond Fund	176 853	7/24/2009	12/30/2009	1,374	1,248	126
BCS - Fidelity 674-504297	Lazard Emerging Markets	30 740	7/24/2009	12/30/2009	560	480	80
BCS - Fidelity 674-504297	Leuthold Asset Allocation	46 654	3/10/2009	12/30/2009	458	345	113
BCS - Fidelity 674-504297	MFS International Value Fund	49 120	3/10/2009	12/30/2009	1,127	818	309
<b>TOTAL SHORT TERM</b>					<b>515,683</b>	<b>516,988</b>	<b>-1,305</b>
<b>LONG TERM</b>							
BCS - Fidelity 674-504297	Federated Strategic Value Fund Class A	35 346	4/1/2000	3/10/2009	103	134	-31
BCS - Fidelity 674-504297	Aston/River RD Small	99 643	12/23/2008	12/30/2009	1,081	901	180
BCS - Fidelity 674-504297	Allianz NFJ Dividend	195 398	12/23/2008	12/30/2009	2,050	1,774	276
BCS - Fidelity 674-504297	American Century Equity Income	364 998	12/23/2008	12/30/2009	2,413	2,164	248
BCS - Fidelity 674-504297	Federated Strategic Value Fund Class A	840 563	12/23/2008	12/30/2009	3,497	3,129	368
BCS - Fidelity 674-504297	Spartan US Equity	42 652	12/23/2008	12/30/2009	1,698	1,387	311
BCS - Fidelity 674-504297	Forward Select Income Class A N/C	134 015	12/23/2008	12/30/2009	2,761	1,968	793
BCS - Fidelity 674-504297	Loomis Sayles Strategic Inc CL	106 223	12/23/2008	12/30/2009	1,465	1,218	246
BCS - Fidelity 674-504297	Pimco Developing Local Markets	51 176	12/23/2008	12/30/2009	511	464	47
BCS - Fidelity 674-504297	T Rowe Price Growth Stock	13 564	12/23/2008	12/30/2009	373	280	93
<b>TOTAL LONG TERM</b>					<b>15,951</b>	<b>13,419</b>	<b>2,532</b>
<b>OVERALL TOTAL</b>					<b>531,634</b>	<b>530,406</b>	<b>1,228</b>

Form **8868**

(Rev. April 2009)

Department of the Treasury  
Internal Revenue Service**Application for Extension of Time To File an  
Exempt Organization Return**

OMB No 1545-1709

► **File a separate application for each return.**

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

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only ☐*All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns*

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

<b>Type or print</b>  File by the due date for filing your return. See instructions	Name of Exempt Organization	Employer identification number
	LACEWING FOUNDATION	20-1891949
	Number, street, and room or suite number. If a P.O. box, see instructions	
	P.O. BOX 263	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	ROCKLAND	DE 19732

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

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

- The books are in the care of ► POWDERMILL FINANCIAL SOLUTIONS, LLC

Telephone No ► (302) 658-7796 FAX No ► (302) 658-6777

- 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 Aug 16, 20 10, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ☒ calendar year 20 09 or
- ☐ tax year beginning \_\_\_\_\_, 20 \_\_\_\_\_, and ending \_\_\_\_\_, 20 \_\_\_\_\_.

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

<b>3a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	<b>3a</b> \$	0.
<b>b</b> If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	<b>3b</b> \$	1,286.
<b>c Balance Due.</b> 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	<b>3c</b> \$	0.

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions**BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.**Form **8868** (Rev. 4-2009)

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

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

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

**Part II Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Type or print  File by the extended due date for filing the return. See instructions	Name of Exempt Organization	Employer identification number
	LACEWING FOUNDATION	20-1891949
	Number, street, and room or suite number. If a P.O. box, see instructions	For IRS use only
	P.O. BOX 263	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	ROCKLAND DE 19732	

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

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

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

- The books are in care of POWDERMILL FINANCIAL SOLUTIONS, LLC  
Telephone No. (302) 658-7796 FAX No. (302) 658-6777
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box ☐ If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until Nov 15, 2010.

5 For calendar year 2009, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.

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

7 State in detail why you need the extension \_\_\_\_\_

Additional information is needed in order to file a complete and accurate return.

8a 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.	8a \$	157.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b \$	1,286.
c <b>Balance Due.</b> Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instrs	8c \$	0.

**Signature and Verification**

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

Signature

Title

Date

BAA

FIF20502 03/11/09

Form 8868 (Rev 4-2009)