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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

For calendar year **2009**, or tax year beginning , 2009, and ending , 20

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

| | | |
|---|---|---|
| Use the IRS label. Otherwise, print or type. See Specific Instructions. | Name of foundation THE FRIEDHEIM FOUNDATION | A Employer identification number 20-1963065 |
| | Number and street (or P O box number if mail is not delivered to street address) Room/suite 2036 EMERALD STREET | B Telephone number (see page 10 of the instructions) 858-453-0626 |
| | City or town, state, and ZIP code SAN DIEGO, CA 92109 | C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |
| H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation | | |
| I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 51543 | J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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) (see page 11 of the instructions)) | | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|---|--|------------------------------------|---------------------------|-------------------------|---|
| Revenue | 1 Contributions, gifts, grants, etc., received (attach schedule) | | | | |
| | 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B | | | | |
| | 3 Interest on savings and temporary cash investments | | | | |
| | 4 Dividends and interest from securities | 1135 | 1135 | | |
| | 5a Gross rents | | | | |
| | b Net rental income or (loss) | | | | |
| | 6a Net gain or (loss) from sale of assets not on line 10 | | | | |
| | b Gross sales price for all assets on line 6a | | | | |
| | 7 Capital gain net income (from Part IV, line 2) | | | 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) (attach schedule) | | | | | |
| 11 Other income (attach schedule) | | | | | |
| 12 Total. Add lines 1 through 11 | 1135 | 1135 | | | |
| Operating and Administrative Expenses | 13 Compensation of officers, directors, trustees, etc. | 2250 | 2250 | | 2250 |
| | 14 Other employee salaries and wages | | | | |
| | 15 Pension plans, employee benefits | | | | |
| | 16a Legal fees (attach schedule) | | | | |
| | b Accounting fees (attach schedule) | | | | |
| | c Other professional fees (attach schedule) | 704 | 704 | | 704 |
| | 17 Interest | | | | |
| | 18 Taxes (attach schedule) (see page 14 of the instructions) | | | | |
| | 19 Depreciation (attach schedule) and depletion | | | | |
| | 20 Occupancy | | | | |
| | 21 Travel, conferences, and meetings | | | | |
| | 22 Printing and publications | | | | |
| | 23 Other expenses (attach schedule) | 50 | 50 | | 50 |
| | 24 Total operating and administrative expenses. Add lines 13 through 23 | 3004 | 3004 | | 3004 |
| | 25 Contributions, gifts, grants paid | | | | |
| 26 Total expenses and disbursements. Add lines 24 and 25 | 3004 | 3004 | | 3004 | |
| 27 Subtract line 26 from line 12: | | | | | |
| a Excess of revenue over expenses and disbursements | -1869 | | | | |
| b Net investment income (if negative, enter -0-) | | 0 | | | |
| c Adjusted net income (if negative, enter -0-) | | | | | |

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| Part II Balance Sheets | | Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.) | | | |
|-----------------------------|--|--|---|-------|--|
| | | Beginning of year (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 | | | |
| | 3 | Accounts receivable ▶ | | | |
| | | Less: allowance for doubtful accounts ▶ | | | |
| | 4 | Pledges receivable ▶ | | | |
| | | Less: allowance for doubtful accounts ▶ | | | |
| | 5 | Grants receivable | | | |
| | 6 | Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions) | | | |
| | 7 | Other notes and loans receivable (attach schedule) ▶ | | | |
| | | Less: allowance for doubtful accounts ▶ | | | |
| | 8 | Inventories for sale or use | | | |
| | 9 | Prepaid expenses and deferred charges | | | |
| | 10a | Investments—U.S. and state government obligations (attach schedule) | | | |
| | b | Investments—corporate stock (attach schedule) | | | |
| | c | Investments—corporate bonds (attach schedule) | | | |
| | 11 | Investments—land, buildings, and equipment: basis ▶ | | | |
| | Less: accumulated depreciation (attach schedule) ▶ | | | | |
| 12 | Investments—mortgage loans | | | | |
| 13 | Investments—other (attach schedule) | 43953 | 51543 | 51543 | |
| 14 | Land, buildings, and equipment: basis ▶ | | | | |
| | Less: accumulated depreciation (attach schedule) ▶ | | | | |
| 15 | Other assets (describe ▶) | | | | |
| 16 | Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I) | 43953 | 51543 | 51543 | |
| Liabilities | 17 | Accounts payable and accrued expenses | | | |
| | 18 | Grants payable | | | |
| | 19 | Deferred revenue | | | |
| | 20 | Loans from officers, directors, trustees, and other disqualified persons | | | |
| | 21 | Mortgages and other notes payable (attach schedule) | | | |
| | 22 | Other liabilities (describe ▶) | | | |
| | 23 | Total liabilities (add lines 17 through 22) | 0 | 0 | |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> | | | | |
| | and complete lines 24 through 26 and lines 30 and 31. | | | | |
| | 24 | Unrestricted | 43953 | 51543 | |
| | 25 | Temporarily restricted | | | |
| | 26 | Permanently restricted | | | |
| | Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> | | | | |
| | and complete lines 27 through 31. | | | | |
| | 27 | Capital stock, trust principal, or current funds | | | |
| 28 | Paid-in or capital surplus, or land, bldg., and equipment fund | | | | |
| 29 | Retained earnings, accumulated income, endowment, or other funds | | | | |
| 30 | Total net assets or fund balances (see page 17 of the instructions) | 43953 | 51543 | | |
| 31 | Total liabilities and net assets/fund balances (see page 17 of the instructions) | 43953 | 51543 | | |

| 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) | 43953 |
| 2 | Enter amount from Part I, line 27a | -1869 |
| 3 | Other increases not included in line 2 (itemize) ▶ UNREALIZED GAINS | 9459 |
| 4 | Add lines 1, 2, and 3 | 51543 |
| 5 | Decreases not included in line 2 (itemize) ▶ | |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 | 51543 |

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 | ISHARES TR RUSSELL 2000 INDEX FD CUSIP 464287655 | P | 02/02/2005 | 12/15/2009 |
| 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 | 4435 | 4574 | -139 | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |
| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | | (i) Gains (Col. (h) gain minus col. (k), but not less than -0- or Losses (from col. (h))) |
| (i) FMV as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | | |
| a | | | | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |
| 2 | Capital gain net income or (net capital loss) | { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 } | 2 | -139 |
| 3 | Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 | | 3 | |

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

| (a) Base period years Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio (col. (b) divided by col. (c)) |
|--|---|--|---|
| 2008 | 22837 | 66094 | 34.552% |
| 2007 | 6000 | 103806 | 5.780% |
| 2006 | 5500 | 113447 | 4.848% |
| 2005 | 6106 | 106283 | 5.745% |
| 2004 | 0 | 100013 | 0 |
| 2 | Total of line 1, column (d) | 2 | 50.895% |
| 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 | 10.179% |
| 4 | Enter the net value of noncharitable-use assets for 2009 from Part X, line 5 | 4 | 44911 |
| 5 | Multiply line 4 by line 3 | 5 | 4571 |
| 6 | Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 0 |
| 7 | Add lines 5 and 6 | 7 | 4571 |
| 8 | Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18. | 8 | 2254 |

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

| | | | |
|-----------|--|-----------|----------|
| 1a | Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions) | | |
| b | Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b | 1 | 0 |
| 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 | 0 |
| 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 | 0 |
| 6 | Credits/Payments: | | |
| a | 2009 estimated tax payments and 2008 overpayment credited to 2009 | 6a | |
| b | Exempt foreign organizations—tax withheld at source | 6b | |
| c | Tax paid with application for extension of time to file (Form 8868) | 6c | |
| d | Backup withholding erroneously withheld | 6d | |
| 7 | Total credits and payments. Add lines 6a through 6d | 7 | 0 |
| 8 | Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached | 8 | 0 |
| 9 | Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed | 9 | 0 |
| 10 | Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid | 10 | 0 |
| 11 | Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/> | 11 | 0 |

Part VII-A Statements Regarding Activities

| | Yes | No |
|--|-----|----|
| 1a | | ✓ |
| b | | ✓ |
| <i>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.</i> | | |
| c | | ✓ |
| d | | |
| e | | |
| 2 | | ✓ |
| 3 | | ✓ |
| 4a | | ✓ |
| 4b | | ✓ |
| 5 | | ✓ |
| 6 | ✓ | |
| 7 | ✓ | |
| 8a | | |
| b | ✓ | |
| 9 | | ✓ |
| 10 | | ✓ |

Part VII-A Statements Regarding Activities (continued)

| | | | | |
|----|--|----|---|--------------------------|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions) | 11 | | ✓ |
| 12 | Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? | 12 | | ✓ |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ | 13 | ✓ | |
| 14 | The books are in care of ▶ MICHELE A. TUTOLI Telephone no. ▶ 858-453-0626 Located at ▶ 6050 SANTO RD., SUITE 240, SAN DIEGO, CA ZIP+4 ▶ 92124 | | | |
| 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 | | | <input type="checkbox"/> |

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

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

| | | Yes | No |
|-----|---|-----|----|
| 1a | During the year did the foundation (either directly or indirectly): | | |
| (1) | Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (2) | Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (3) | Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (4) | Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |
| (5) | Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (6) | Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b | If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> | 1b | ✓ |
| c | Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009? | 1c | ✓ |
| 2 | Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)): | | |
| a | At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____ | | |
| b | Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions.) | 2b | ✓ |
| c | If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20____, 20____, 20____, 20____ | | |
| 3a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b | If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.) | 3b | |
| 4a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4a | ✓ |
| 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 | ✓ |

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 page 22 of the 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 page 22 of the 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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b**

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? **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 (see page 22 of the 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 |
|---|---|---|---|---------------------------------------|
| SCOTT FRIEDHEIM 1011 YGNACIO VLLY RD., #W, DAVIS, CA 94593 | CFO, .4 HRS | 750 | | |
| MAX FRIEDHEIM 2036 EMERALD ST., SAN DIEGO, CA 92109 | PRES., .4 HRS | 750 | | |
| MARC FRIEDHEIM 3210 BERMUDA AVE., DAVIS, CA 95616 | SEC'Y, .4 HRS | 750 | | |
| | | | | |

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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 | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

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

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

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 page 24 of the instructions)

| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2 | Amount |
|--|--------|
| 1 | |
| | |
| 2 | |
| | |
| All other program-related investments. See page 24 of the instructions | |
| 3 | |
| | |

Total. Add lines 1 through 3 ▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

| | | | |
|----------|---|-----------|--------------|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes: | | |
| a | Average monthly fair market value of securities | 1a | 45595 |
| b | Average of monthly cash balances | 1b | |
| c | Fair market value of all other assets (see page 24 of the instructions) | 1c | |
| d | Total (add lines 1a, b, and c) | 1d | 45595 |
| 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 | 45595 |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions) | 4 | 684 |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 44911 |
| 6 | Minimum investment return. Enter 5% of line 5 | 6 | 2246 |

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

| | | | |
|-----------|---|-----------|-------------|
| 1 | Minimum investment return from Part X, line 6 | 1 | 2246 |
| 2a | Tax on investment income for 2009 from Part VI, line 5 | 2a | |
| b | Income tax for 2009. (This does not include the tax from Part VI.) | 2b | |
| c | Add lines 2a and 2b | 2c | |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 2246 |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | |
| 5 | Add lines 3 and 4 | 5 | 2246 |
| 6 | Deduction from distributable amount (see page 25 of the instructions) | 6 | |
| 7 | Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 | 7 | 2246 |

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

| | | | |
|----------|---|-----------|-------------|
| 1 | Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes: | | |
| a | Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26 | 1a | 3004 |
| 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 | 3004 |
| 5 | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions) | 5 | |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 3004 |

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 26 of the instructions)

| | (a) Corpus | (b) Years prior to 2008 | (c) 2008 | (d) 2009 |
|---|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2009 from Part XI, line 7 | | | | 2246 |
| 2 Undistributed income, if any, as of the end of 2009: | | | | |
| a Enter amount for 2008 only | | | 0 | |
| b Total for prior years: 20____,20____,20____ | | 0 | | |
| 3 Excess distributions carryover, if any, to 2009: | | | | |
| a From 2004 | | | | |
| b From 2005 | 1066 | | | |
| c From 2006 | 3606 | | | |
| d From 2007 | 22351 | | | |
| e From 2008 | 19532 | | | |
| f Total of lines 3a through e | 46555 | | | |
| 4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ <u>3004</u> | | | | |
| a Applied to 2008, but not more than line 2a | | | 0 | |
| b Applied to undistributed income of prior years (Election required—see page 26 of the instructions) | | 0 | | |
| c Treated as distributions out of corpus (Election required—see page 26 of the instructions) | 0 | | | |
| d Applied to 2009 distributable amount | | | | 2246 |
| e Remaining amount distributed out of corpus | 758 | | | |
| 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 | 47313 | | | |
| 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 page 27 of the instructions | | 0 | | |
| e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions | | | 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) (see page 27 of the instructions) | 0 | | | |
| 8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions) | 0 | | | |
| 9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a | 47313 | | | |
| 10 Analysis of line 9: | | | | |
| a Excess from 2005 | 1066 | | | |
| b Excess from 2006 | 3606 | | | |
| c Excess from 2007 | 22351 | | | |
| d Excess from 2008 | 19532 | | | |
| e Excess from 2009 | 758 | | | |

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶
- b** Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

| | Tax year | | | | (e) Total |
|--|----------|----------|----------|----------|-----------|
| | (a) 2009 | (b) 2008 | (c) 2007 | (d) 2006 | |
| 2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed | | | | | |
| b 85% of line 2a | | | | | |
| c Qualifying distributions from Part XII, line 4 for each year listed | | | | | |
| d Amounts included in line 2c not used directly for active conduct of exempt activities | | | | | |
| e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c | | | | | |
| 3 Complete 3a, b, or c for the alternative test relied upon: | | | | | |
| a "Assets" alternative test—enter: | | | | | |
| (1) Value of all assets | | | | | |
| (2) Value of assets qualifying under section 4942(j)(3)(B)(i) | | | | | |
| b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed | | | | | |
| c "Support" alternative test—enter: | | | | | |
| (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) | | | | | |
| (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) | | | | | |
| (3) Largest amount of support from an exempt organization | | | | | |
| (4) Gross investment income | | | | | |

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)

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

SEE ATTACHMENT A

- 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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:
FRIEDHEIM FOUNDATION C/O MICHELE TUTOLIE, 6050 SANTO RD., SUITE 240, SAN DIEGO, CA 92124

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

| Recipient | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|---|---|--------------------------------|----------------------------------|-----------|
| Name and address (home or business) | | | | |
| a <i>Paid during the year</i> | | | | |
| Total ▶ | | | | 3a |
| b <i>Approved for future payment</i> | | | | |
| Total ▶ | | | | 3b |

THE FRIEDHEIM FOUNDATION
2009 990-PF
ATTACHMENT A

EIN 20-1963065

PART I

LINE 16(c)

MANAGEMENT FEES, AFT FINANCIAL GROUP

704

LINE 23 OTHER EXPENSES
CHARITABLE REGISTRY FEE

50

PART II

LINE 13

SEE ATTACHED BROKERAGE STATEMENT

PART VII-B

LINE 1(a)(4)

Scott Friedheim is an Chief Financial Officer of the foundation and the founder's grandson and was paid \$750 in compensation. Marc Friedhim is an officer of the foundation and the founder's grandson and was paid \$750 in compensation. The founder and President of the foundation was paid \$750 in compensation. This is set forth in PART VIII, LINE 1.

PART XV

LINE 1(a)

MAX FRIEDHEIM, PRESIDENT

CORRECTED (if checked)

| | | | | | |
|---|--|--|--|-----------------------|--|
| PAYER'S name, street address, city, state, ZIP code, and telephone no The Friedheim Foundation 2036 Emerald St San Diego, CA 92109 | | 1 Rents \$ | OMB No 1545-0115 2009 Form 1099-MISC | | Miscellaneous Income |
| | | 2 Royalties \$ | | | |
| | | 3 Other income \$ 750.00 | 4 Federal income tax withheld \$ | | Copy B For Recipient |
| PAYER'S federal identification number 20-1963065 | RECIPIENT'S identification number 561-95-6224 | 5 Fishing boat proceeds \$ | 6 Medical and health care payments \$ | | |
| RECIPIENT'S name, address, city and ZIP code Marc Friedheim 3210 Bermuda Ave Davis, CA 95616 | | 7 Nonemployee compensation \$ | 8 Substitute payments in lieu of dividends or interest \$ | | |
| | | 9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> \$ | 10 Crop insurance proceeds \$ | | |
| Account number (see instructions) | | 11 | 12 | | 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 sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported. |
| | | 13 Excess golden parachute payments \$ | 14 Gross proceeds paid to an attorney \$ | | |
| 15a Section 409A deferrals \$ | 15b Section 409A income \$ | 16 State tax withheld \$ | 17 State/Payer's state no | 18 State income \$ | |

Form 1099-MISC

(keep for your records)

Department of the Treasury - Internal Revenue Service

DETACH BEFORE MAILING

CORRECTED (if checked)

| | | | | | |
|--|--|--|--|-----------------------|--|
| PAYER'S name, street address, city, state, ZIP code, and telephone no The Friedheim Foundation 2036 Emerald Ave San Diego, CA 92109 | | 1 Rents \$ | OMB No 1545-0115 2009 Form 1099-MISC | | Miscellaneous Income |
| | | 2 Royalties \$ | | | |
| | | 3 Other income \$ 750.00 | 4 Federal income tax withheld \$ | | Copy B For Recipient |
| PAYER'S federal identification number 20-1963065 | RECIPIENT'S identification number 561-95-8951 | 5 Fishing boat proceeds \$ | 6 Medical and health care payments \$ | | |
| RECIPIENT'S name, address, city and ZIP code Scott Friedheim 37847 Essanay Pl. Fremont, CA 94536 | | 7 Nonemployee compensation \$ | 8 Substitute payments in lieu of dividends or interest \$ | | |
| | | 9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> \$ | 10 Crop insurance proceeds \$ | | |
| Account number (see instructions) | | 11 | 12 | | 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 sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported. |
| | | 13 Excess golden parachute payments \$ | 14 Gross proceeds paid to an attorney \$ | | |
| 15a Section 409A deferrals \$ | 15b Section 409A income \$ | 16 State tax withheld \$ | 17 State/Payer's state no | 18 State income \$ | |

Form 1099-MISC

(keep for your records)

Department of the Treasury - Internal Revenue Service

5111
FOIR

CORRECTED (if checked)

| | | | | |
|--|--|--|--|--|
| PAYER'S name, street address, city, state, ZIP code, and telephone no The Friedheim Foundation 2036 Emerald St San Diego, CA 92109 | | 1 Rents \$ | OMB No 1545-0115 2009 | Miscellaneous Income |
| | | 2 Royalties \$ | Form 1099-MISC | |
| | | 3 Other income \$ 750.00 | 4 Federal income tax withheld \$ | Copy B For Recipient |
| PAYER'S federal identification number 20-1963065 | RECIPIENT'S identification number 082-18-5732 | 5 Fishing boat proceeds \$ | 6 Medical and health care payments \$ | |
| RECIPIENT'S name, address, city and ZIP code Max Friedheim 2036 Emerald St San Diego, CA 92109 | | 7 Nonemployee compensation \$ | 8 Substitute payments in lieu of dividends or interest \$ | 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 sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported. |
| | | 9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> | 10 Crop insurance proceeds \$ | |
| | | 11 | 12 | |
| Account number (see instructions) | | 13 Excess golden parachute payments \$ | 14 Gross proceeds paid to an attorney \$ | |
| 15a Section 409A deferrals \$ | 15b Section 409A income \$ | 16 State tax withheld \$ | 17 State/Payer's state no | 18 State income \$ |

Form 1099-MISC

(keep for your records)

Department of the Treasury - Internal Revenue Service

CORRECTED (if checked)

| | | | | |
|---|-----------------------------------|--|--|--|
| PAYER'S name, street address, city, state, ZIP code, and telephone no | | 1 Rents \$ | OMB No 1545-0115 2009 | Miscellaneous Income |
| | | 2 Royalties \$ | Form 1099-MISC | |
| | | 3 Other income \$ | 4 Federal income tax withheld \$ | Copy B For Recipient |
| PAYER'S federal identification number | RECIPIENT'S identification number | 5 Fishing boat proceeds \$ | 6 Medical and health care payments \$ | |
| RECIPIENT'S name, address, city and ZIP code | | 7 Nonemployee compensation \$ | 8 Substitute payments in lieu of dividends or interest \$ | 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 sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported. |
| | | 9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/> | 10 Crop insurance proceeds \$ | |
| | | 11 | 12 | |
| Account number (see instructions) | | 13 Excess golden parachute payments \$ | 14 Gross proceeds paid to an attorney \$ | |
| 15a Section 409A deferrals \$ | 15b Section 409A income \$ | 16 State tax withheld \$ | 17 State/Payer's state no | 18 State income \$ |

Form 1099-MISC

(keep for your records)

Department of the Treasury - Internal Revenue Service

DETACH BEFORE MAILING

5111 FOF

091231 280 007159817 C 1
 1ST GLOBAL CAPITAL CORPORATION
 8150 NO CENTRAL EXPWY
 SUITE 500
 DALLAS TX 75206

Account Number:



1st GLOBAL CAPITAL Corp.

THE FRIEDHEIM FOUNDATION
 2036 EMERALD ST
 SAN DIEGO CA 92109

YOUR ACCOUNT EXECUTIVE IS:
 MICHELE TUTOLI
 RR# 1V4

FOR QUESTIONS OR UP-TO-DATE ACCOUNT INFORMATION:
 Local 858 453 0626
 In-State 858 453 0626
 National 877 959 8400

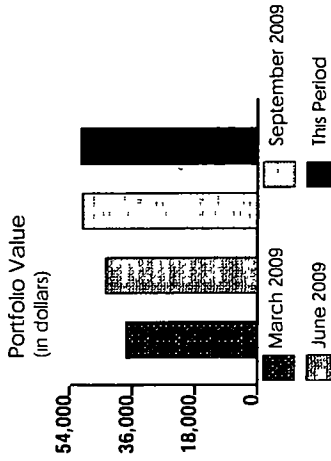
Statement Date: 12/01/09 to 12/31/09

SNAPSHOT

TOTAL PORTFOLIO
\$51,543.45

PORTFOLIO VALUE

| | This Period | Prior Period |
|------------------------------|--------------------|--------------------|
| Cash and Cash Equivalents | \$5,308.84 | \$2,099.72 |
| Securities | \$46,234.61 | \$49,770.44 |
| TOTAL PORTFOLIO VALUE | \$51,543.45 | \$51,870.16 |



A portfolio value less than \$100.00 may not be displayed

ACCOUNT ACTIVITY

| | This Period | Year-To-Date |
|-------------------------------|--------------|--------------|
| Net Trading | \$4,434.96 | \$4,434.96 |
| Net Core Fund Activity | (\$3,209.12) | (\$3,429.32) |
| Net Additions and Withdrawals | (\$1,500.00) | (\$1,550.00) |
| Net Income and Expenses | \$274.16 | \$430.92 |

LEGEND

() Numbers in parenthesis are debits or subtractions
 NFS = National Financial Services LLC

Account Number: 1
 Account Name: FRIEDHEIM

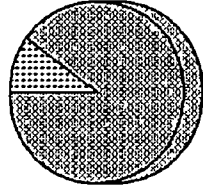
Statement Date: 12/01/2009 to 12/31/2009



1st GLOBAL CAPITAL Corp.

SUMMARY

PORTFOLIO ALLOCATION



Money Markets 10.30%
 Equity 89.70%

Allocations for equities, fixed income, and other categories may include mutual funds and may be net of short positions. NFS has made assumptions concerning how certain mutual funds are allocated. Closed-end mutual funds listed on an exchange may be included in the equity allocation. The chart may not reflect your actual portfolio allocation. Consult your broker/dealer prior to making investment decisions.

| | This Period | Prior Period |
|------------------------------|--------------------|--------------------|
| PORTFOLIO VALUE | | |
| Cash and Cash Equivalents | \$5,308.84 | \$2,099.72 |
| Money Markets Securities | | |
| Equities | \$44,861.21 | \$48,409.09 |
| Equity Mutual Funds | \$1,373.40 | \$1,361.35 |
| Equity Securities | \$46,234.61 | \$49,770.44 |
| TOTAL PORTFOLIO VALUE | \$51,543.45 | \$51,870.16 |

ALERT: Taxable income is determined based on information available to NFS at the time the statement was prepared, and is subject to change. Final information on taxation of interest and dividends is available on Form 1099-Div, which is mailed in February of the subsequent year.

| | This Period | Year-To-Date |
|--------------------------------------|---------------------|---------------------|
| ACCOUNT ACTIVITY | | |
| BEGINNING BALANCE | \$0.00 | |
| Trading Securities Sold | \$4,434.96 | \$4,434.96 |
| NET TRADING | \$4,434.96 | \$4,434.96 |
| Core Fund Activity | | |
| Core Funds Purchased | (\$4,479.67) | (\$5,454.06) |
| Core Funds Sold | \$1,270.55 | \$2,024.74 |
| NET CORE FUND ACTIVITY | (\$3,209.12) | (\$3,429.32) |
| Additions and Withdrawals | | |
| Checking Activity | (\$1,500.00) | (\$1,550.00) |
| NET ADDITIONS AND WITHDRAWALS | (\$1,500.00) | (\$1,550.00) |

| | This Period | Year-To-Date |
|--------------------------------|-----------------|-------------------|
| Income and Expenses | | |
| Taxable Income | | |
| Taxable Dividends | \$274.16 | \$1,134.99 |
| Long-Term Capital Gain | \$0.00 | \$0.02 |
| Short-Term Capital Gain | \$0.00 | \$0.10 |
| NET TAXABLE INCOME | \$274.16 | \$1,135.11 |
| TOTAL INCOME | \$274.16 | \$1,135.11 |
| Account Fees | \$0.00 | (\$704.19) |
| TOTAL EXPENSES | \$0.00 | (\$704.19) |
| NET INCOME AND EXPENSES | \$274.16 | \$430.92 |
| ENDING BALANCE | \$0.00 | |

Account Number: 1
 Account Name: FRIEDHEIM

Statement Date: 12/01/2009 to 12/31/2009



1st GLOBAL CAPITAL Corp.

| REALIZED GAIN (LOSS) | This Period | Year-to-Date |
|----------------------------|-------------------|-------------------|
| Short-Term Gain | \$0.00 | \$0.00 |
| Short-Term Loss | \$0.00 | \$0.00 |
| Short-Term Disallowed Loss | \$0.00 | \$0.00 |
| NET SHORT-TERM | \$0.00 | \$0.00 |
| Long-Term Gain | \$0.00 | \$0.00 |
| Long-Term Loss | \$138.62 | \$138.62 |
| Long-Term Disallowed Loss | \$0.00 | \$0.00 |
| NET LONG-TERM | (\$138.62) | (\$138.62) |

The above section is a summary of estimated realized gains and losses for transactions in your account. These figures exclude transactions where cost basis information is incomplete.

NFS-provided estimated cost basis (including cost basis and short sale proceeds information provided to NFS by customers), realized gain and loss, and holding period information may not reflect all adjustments necessary for tax reporting purposes. Taxpayers should verify such information against their own records when calculating reportable gain or loss resulting from a sale, redemption, or exchange. NFS does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information taxpayers may be required to report to federal, state, and other taxing authorities. NFS makes no warranties with respect to, and specifically disclaims any liability arising out of a customer's use of, or any tax position taken in reliance upon, such information. Unless otherwise specified, NFS determines cost basis at the time of sale based on the average cost-single category (ACSC) method for open-end mutual funds and based on the first-in, first-out (FIFO) method for all other securities.

Amortization, accretion and similar adjustments to cost basis have been provided for many fixed income securities (and some bond-like equities), however, they are not provided for certain types, such as short-term instruments, Unit Investment Trusts, foreign fixed income securities, or those that are subject to early prepayment of principal (pay downs). Where current year premium or acquisition premium amortization is provided, the prior years' cumulative amortization is reflected in the adjusted cost basis, but we cannot provide a breakdown or the total of such prior amortization amounts.

Customers should consult with their tax advisors for further information.

DETAIL

Account Number: 1
 Account Name: FRIEDHEIM

Statement Date: 12/01/2009 to 12/31/2009



1st GLOBAL CAPITAL Corp.

PORTFOLIO VALUE

NFS-provided estimated cost basis (including cost basis and short sale proceeds information provided to NFS by customers), realized gain and loss, and holding period information may not reflect all adjustments necessary for tax reporting purposes. Taxpayers should verify such information against their own records when calculating reportable gain or loss resulting from a sale, redemption, or exchange. NFS does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information. Taxpayers may be required to report to federal, state, and other taxing authorities. NFS makes no warranties with respect to, and specifically disclaims any liability arising out of a customer's use of, or any tax position taken in reliance upon, such information. Unless otherwise specified, NFS determines cost basis at the time of sale based on the average cost-single category (ACSC) method for open-end mutual funds and based on the first-in, first-out (FIFO) method for all other securities.

Amortization, accretion and similar adjustments to cost basis have been provided for many fixed income securities (and some bond-like equities), however, they are not provided for certain types, such as short-term instruments, Unit Investment Trusts, foreign fixed income securities, or those that are subject to early prepayment of principal (pay downs). Where current year premium or acquisition premium amortization is provided, the prior years' cumulative amortization is reflected in the adjusted cost basis, but we cannot provide a breakdown or the total of such prior amortization amounts.

LIMITATION ON COST BASIS INFORMATION: NFS's cost basis information system has a cumulative lifetime limit on how much activity it can track for each individual security position in an account. For this purpose, each buy, sell, dividend, wash sale disallowed loss, stock split, stock merger, etc., is an event. For some customers, this limit can be reached with approximately 1500 events. Upon reaching the limit, the system no longer displays or tracks cost basis information for the affected position, and such information will usually show as not available or unknown. Once the limit is reached, all cost basis information for the affected position will need to be tracked and updated by you, the investor.

CASH AND CASH EQUIVALENTS 10.30%

| Description | Symbol/Cusip Account Type | Quantity | Price on 12/31/09 | Current Market Value | Prior Market Value | Estimated Annual Income |
|--|---------------------------|----------|-------------------|----------------------|--------------------|-------------------------|
| Money Markets | | | | | | |
| PRIME FUND - CAPITAL RESERVES CLASS | FPRXX CASH | 5,308.84 | \$1.00 | \$5,308.84 | \$2,099.72 | |
| 7 DAY AVG NET YIELD .01% Dividend Option Reinvest Capital Gain Option Reinvest | | | | | | |
| Total Cash and Cash Equivalents | | | | \$5,308.84 | | |

EQUITIES 87.04%

| Description | Symbol/Cusip Account Type | Quantity | Price on 12/31/09 | Current Market Value | Prior Market Value | Estimated Annual Income | Total Cost Basis | Unrealized Gain (Loss) |
|--|---------------------------|----------|-------------------|----------------------|--------------------|-------------------------|------------------|------------------------|
| Equity | | | | | | | | |
| ISHARES BARCLAYS U S AGGREGATE BD FD | AGG CASH | 70 | \$103.19 | \$7,223.30 | \$7,408.10 | \$280.71 | \$7,199.11 | \$24.19 |
| Estimated Yield 3.88% Dividend Option Cash Capital Gain Option Cash Next Dividend Payable: 01/05/10 | | | | | | | | |
| ISHARES TR COHEN & STEERS REALTY MAJORS INDEX FD | ICF CASH | 87 | \$52.52 | \$4,569.24 | \$4,323.90 | \$175.65 | \$6,062.11 | (\$1,492.87) |
| Estimated Yield 3.84% Dividend Option Cash Capital Gain Option Cash | | | | | | | | |

Account Number:
Account Name: FRIEDHEIM

Statement Date: 12/01/2009 to 12/31/2009



1st GLOBAL CAPITAL Corp.

EQUITIES 87.04%

| Description | Symbol/Cusip Account Type | Quantity | Price on 12/31/09 | Current Market Value | Prior Market Value | Estimated Annual Income | Total Cost Basis | Unrealized Gain (Loss) |
|--|---------------------------|----------|-------------------|----------------------|--------------------|-------------------------|--------------------|------------------------|
| ISHARES TR MSCI EAFE INDEX FD | EFA | 145 | \$55.28 | \$8,015.60 | \$8,031.55 | \$208.93 | \$7,663.63 | \$351.97 |
| Estimated Yield 2.60% | CASH | | | | | | | |
| Dividend Option Cash | | | | | | | | |
| Capital Gain Option Cash | | | | | | | | |
| ISHARES TR MSCI EMERGING MKTS INDEX FD | EEM | 78 | \$41.50 | \$3,237.00 | \$3,160.56 | \$30.27 | \$2,308.36 | \$928.64 |
| Estimated Yield 0.93% | CASH | | | | | | | |
| Dividend Option Cash | | | | | | | | |
| Capital Gain Option Cash | | | | | | | | |
| Next Dividend Payable 01/06/10 | | | | | | | | |
| ISHARES TR RUSSELL 2000 INDEX FD | IWM | 79 | \$62.44 | \$4,932.76 | \$8,829.68 | \$56.86 | \$5,333.64 | (\$400.88) |
| Estimated Yield 1.15% | CASH | | | | | | | |
| Dividend Option Cash | | | | | | | | |
| Capital Gain Option Cash | | | | | | | | |
| ISHARES TR S&P 500 INDEX FD | IVV | 151 | \$111.81 | \$16,883.31 | \$16,655.30 | \$326.12 | \$18,371.07 | (\$1,487.76) |
| Estimated Yield 1.93% | CASH | | | | | | | |
| Dividend Option Cash | | | | | | | | |
| Capital Gain Option Cash | | | | | | | | |
| Total Equity | | | | \$44,861.21 | | \$1,078.54 | \$46,937.92 | (\$2,076.71) |
| Total Equities | | | | \$44,861.21 | | \$1,078.54 | \$46,937.92 | (\$2,076.71) |

MUTUAL FUNDS 2.66%

| Description | Symbol/Cusip Account Type | Quantity | Price on 12/31/09 | Current Market Value | Prior Market Value | Estimated Annual Income | Total Cost Basis | Unrealized Gain (Loss) |
|---|---------------------------|----------|-------------------|----------------------|--------------------|-------------------------|--------------------|------------------------|
| Equity | | | | | | | | |
| OPPENHEIMER COMMOD STRA TOT RETURN CL A W/C | QRAAX | 401.579 | \$3.42 | \$1,373.40 | \$1,361.35 | | \$2,864.19 | (\$1,490.79) |
| Dividend Option Cash | CASH | | | | | | | |
| Capital Gain Option Cash | | | | | | | | |
| Total Mutual Funds | | | | \$1,373.40 | | | \$2,864.19 | (\$1,490.79) |
| Total Securities | | | | \$46,234.61 | | \$1,078.54 | \$49,802.11 | (\$3,567.50) |
| TOTAL PORTFOLIO VALUE | | | | \$51,543.45 | | \$1,078.54 | \$49,802.11 | (\$3,567.50) |

Account Number: :
 Account Name: FRIEDHEIM

Statement Date: 12/01/2009 to 12/31/2009



1st GLOBAL CAPITAL Corp.

ACCOUNT ACTIVITY

NFS-provided estimated cost basis (including cost basis and short sale proceeds information provided to NFS by customers), realized gain and loss, and holding period information may not reflect all adjustments necessary for tax reporting purposes. Taxpayers should verify such information against their own records when calculating reportable gain or loss resulting from a sale, redemption, or exchange. NFS does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information. Taxpayers may be required to report to federal, state, and other taxing authorities. NFS makes no warranties with respect to, and specifically disclaims any liability arising out of, a customer's use of, or any tax position taken in reliance upon, such information. Unless otherwise specified, NFS determines cost basis at the time of sale based on the average cost-single category (ACSC) method for open-end mutual funds and based on the first-in, first-out (FIFO) method for all other securities.

Amortization, accretion and similar adjustments to cost basis have been provided for many fixed income securities (and some bond-like equities), however, they are not provided for certain types, such as short-term instruments, Unit Investment Trusts, foreign fixed income securities, or those that are subject to early prepayment of principal (pay downs). Where current year premium or acquisition premium amortization is provided, the prior years' cumulative amortization is reflected in the adjusted cost basis, but we cannot provide a breakdown or the total of such prior amortization amounts.

LIMITATION ON COST BASIS INFORMATION: NFS's cost basis information system has a cumulative lifetime limit on how much activity it can track for each individual security position in an account. For this purpose, each buy, sell, dividend, wash sale disallowed loss, stock split, stock merger, etc. is an event. For some customers, this limit can be reached with approximately 1500 events. Upon reaching the limit, the system no longer displays or tracks cost basis information for the affected position, and such information will usually show as not available or unknown. Once the limit is reached, all cost basis information for the affected position will need to be tracked and updated by you, the investor.

TRADING

Securities Sold

| Settlement Date | Account Type | Transaction | Description | Quantity | Amount | Total Cost Basis | Realized Gain (Loss) |
|-----------------|--------------|-------------|--|----------|-------------------|------------------|----------------------|
| 12/18/09 | CASH | YOU SOLD | SHARES TR RUSSELL 2000 INDEX FD SOLICITED ORDER @ 60 96 LT Loss \$138.62 | (73) | \$4,434.96 | \$4,573.58 | (\$138.62) |
| | | | | | \$4,434.96 | | |

Net Securities Sold

\$4,434.96

NET TRADING

CORE FUND ACTIVITY

Core Funds Purchased

| Settlement Date | Account Type | Transaction | Description | Quantity | Amount |
|-----------------|--------------|-------------|--|----------|--------------|
| 12/07/09 | CASH | YOU BOUGHT | PRIME FUND - CAPITAL RESERVES CLASS @ 1 | 24 68 | (\$24.68) |
| 12/18/09 | CASH | YOU BOUGHT | PRIME FUND - CAPITAL RESERVES CLASS @ 1 | 4,434.96 | (\$4,434.96) |
| 12/30/09 | CASH | YOU BOUGHT | PRIME FUND - CAPITAL RESERVES CLASS @ 1 | 20 | (\$20.00) |

Account Number:
Account Name: FRIEDHEIM

Statement Date: 12/01/2009 to 12/31/2009



1st GLOBAL CAPITAL Corp.

Core Funds Purchased

| Settlement Date | Account Type | Transaction | Description | Quantity | Amount |
|-----------------|--------------|--------------|---|----------|----------|
| 12/31/09 | CASH | REINVESTMENT | PRIME FUND - CAPITAL RESERVES CLASS REINVESTED @ \$1.00 | 0.03 | (\$0.03) |

Net Core Funds Purchased

(\$4,479.67)

Core Funds Sold

| Settlement Date | Account Type | Transaction | Description | Quantity | Amount |
|-----------------|--------------|-------------|---|----------|----------|
| 12/29/09 | CASH | YOU SOLD | PRIME FUND - CAPITAL RESERVES CLASS @ 1 | (.750) | \$750.00 |
| 12/31/09 | CASH | YOU SOLD | PRIME FUND - CAPITAL RESERVES CLASS @ 1 | (520.55) | \$520.55 |

Net Core Funds Sold

\$1,270.55

NET CORE FUND ACTIVITY

(\$3,209.12)

ADDITIONS AND WITHDRAWALS

Checking Activity (Account Number: 6905758320)

| Date | Check Number | Payee Detail | Expense Code | Amount |
|----------|--------------|-----------------|--------------|------------|
| 12/31/09 | 1032 | SCOTT FRIEDHEIM | | (\$750.00) |
| 12/29/09 | 1034 | MAX FRIEDHEIM | | (\$750.00) |

Net Checking Activity

(\$1,500.00)

NET ADDITIONS AND WITHDRAWALS

(\$1,500.00)

INCOME AND EXPENSES

Taxable Income

| Date | Account Type | Transaction | Description | Quantity | Amount |
|----------|--------------|-------------------|--------------------------------------|----------|---------|
| 12/07/09 | CASH | DIVIDEND RECEIVED | ISHARES BARCLAYS U S AGGREGATE BD FD | | \$24.68 |

Account Number: ---
 Account Name: FRIEDHEIM

Statement Date: 12/01/2009 to 12/31/2009



1st GLOBAL CAPITAL Corp.

INCOME AND EXPENSES

Taxable Income

| Date | Account Type | Transaction | Description | Quantity | Amount |
|----------|--------------|-------------------|---|----------|---------|
| 12/30/09 | CASH | DIVIDEND RECEIVED | ISHARES TR RUSSELL 2000 INDEX FD | | \$20.00 |
| 12/31/09 | CASH | DIVIDEND RECEIVED | ISHARES TR S&P 500 INDEX FD | | \$90.28 |
| 12/31/09 | CASH | DIVIDEND RECEIVED | ISHARES TR MSCI EMERGING MKTS INDEX FD | | \$25.19 |
| 12/31/09 | CASH | DIVIDEND RECEIVED | ISHARES TR MSCI EAFE INDEX FD | | \$71.88 |
| 12/31/09 | CASH | DIVIDEND RECEIVED | ISHARES TR COHEN & STEERS REALTY MAJORS INDEX FD | | \$42.10 |
| 12/31/09 | CASH | DIVIDEND RECEIVED | PRIME FUND - CAPITAL RESERVES CLASS DIVIDEND RECEIVED | | \$0.03 |

Net Taxable Income

\$274.16

Total Income

\$274.16

NET INCOME AND EXPENSES

\$274.16

Account Numb:
Account Name: FRIEDHEIM

Statement Date: 12/01/2009 to 12/31/2009



1st GLOBAL CAPITAL CORP.

UNREALIZED GAIN (LOSS) LOT DETAIL

NFS-provided estimated cost basis (including cost basis and short sale proceeds information provided to NFS by customers), realized gain and loss, and holding period information may not reflect all adjustments necessary for tax reporting purposes. Taxpayers should verify such information against their own records when calculating reportable gain or loss resulting from a sale, redemption, or exchange. NFS does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information. Taxpayers may be required to report to federal, state, and other taxing authorities. NFS makes no warranties with respect to, and specifically disclaims any liability arising out of a customer's use of, or any tax position taken in reliance upon, such information. Unless otherwise specified, NFS determines cost basis at the time of sale based on the average cost-single category (ACSC) method for open-end mutual funds and based on the first-in, first-out (FIFO) method for all other securities. Customers should consult their tax advisors for further information.

For the specific share identification cost basis method, appropriate instructions must be given before or at the time of the trade. If specific shares were selected manually rather than electronically, if some or all of the tax lots a customer specified do not correspond with NFS records, or if a customer used the specific share identification method before such method could be tracked by NFS systems, then cost basis and gain (loss) information displayed here for such transactions will be based on the first-in, first-out (FIFO) method. Affected customers will need to refer to their trade confirmation for the shares (tax lots) they specified and calculate their gain (loss) accordingly. Additionally, all cost basis and realized and unrealized gain (loss) information based on the first-in, first-out method may need to be re-calculated to remove the effect of any tax lots that were specifically identified and allocated to other sales.

Amortization, accretion and similar adjustments to cost basis have been provided for many fixed income securities (and some bond-like equities), however, they are not provided for certain types, such as short-term instruments, Unit Investment Trusts, foreign fixed income securities, or those that are subject to early prepayment of principal (pay downs). Where current year premium or acquisition premium amortization is provided, the prior years' cumulative amortization is reflected in the adjusted cost basis, but we cannot provide a breakdown or the total of such prior amortization amounts.

LIMITATION ON COST BASIS INFORMATION: NFS's cost basis information system has a cumulative lifetime limit on how much activity it can track for each individual security position in an account. For this purpose, each buy, sell, dividend, wash sale disallowed loss, stock split, stock merger, etc. is an event. For some customers, this limit can be reached with approximately 1500 events. Upon reaching the limit, the system no longer displays or tracks cost basis information for the affected position, and such information will usually show as not available or unknown. Once the limit is reached, all cost basis information for the affected position will need to be tracked and updated by you, the investor.

EQUITIES

| Description | Account Type | Date Acquired | Symbol/Cusip | Price on 12/31/09 | Quantity | Market Value | Cost Basis/Proceeds | Unrealized Gain (Loss) | Holding Period |
|---|----------------|---------------|--------------|-------------------|----------|--------------|---------------------|------------------------|----------------|
| ISHARES TR S&P 500 INDEX FD | CASH | 02/02/05 | IVV | \$111.81 | 137 | \$15,317.97 | \$16,373.55 | (\$1,055.58) | LT |
| ISHARES TR S&P 500 INDEX FD | CASH | 12/19/06 | IVV | \$111.81 | 14 | \$1,565.34 | \$1,997.52 | (\$432.18) | LT |
| | Position Total | | IVV | | 151 | \$16,883.31 | \$18,371.07 | (\$1,487.76) | |
| ISHARES BARCLAYS U S AGGREGATE BD FD | CASH | 02/02/05 | AGG | \$103.19 | 70 | \$7,223.30 | \$7,199.11 | \$24.19 | LT |
| ISHARES TR MSCI EMERGING MKTS INDEX FD | CASH | 06/16/06 | EEM | \$41.50 | 78 | \$3,237.00 | \$2,308.36 | \$928.64 | LT |
| ISHARES TR MSCI EAFE INDEX FD | CASH | 02/02/05 | EFA | \$55.28 | 145 | \$8,015.60 | \$7,663.63 | \$351.97 | LT |

Account Number:
 Account Name: FRIEDHEIM

Statement Date: 12/01/2009 to 12/31/2009



1st GLOBAL CAPITAL Corp.

| EQUITIES | | Account Type | Date Acquired | Symbol/ Cusip | Price on 12/31/09 | Quantity | Market Value | Cost Basis/ Proceeds | Unrealized Holding Gain (Loss) | Period |
|--|--|--------------|---------------|---------------|-------------------|------------|--------------------|----------------------|--------------------------------|--------|
| ISHARES TR COHEN & STEERS REALTY MAJORS INDEX FD | | CASH | 02/02/05 | ICF | \$52.52 | 67 | \$3,518.84 | \$4,099.99 | (\$581.15) | LT |
| ISHARES TR COHEN & STEERS REALTY MAJORS INDEX FD | | CASH | 12/19/06 | ICF | \$52.52 | 20 | \$1,050.40 | \$1,962.12 | (\$911.72) | LT |
| Position Total | | | | ICF | | 87 | \$4,569.24 | \$6,062.11 | (\$1,492.87) | |
| ISHARES TR RUSSELL 2000 INDEX FD | | CASH | 02/02/05 | IWM | \$62.44 | 53 | \$3,309.32 | \$3,320.54 | (\$11.22) | LT |
| ISHARES TR RUSSELL 2000 INDEX FD | | CASH | 12/19/06 | IWM | \$62.44 | 26 | \$1,623.44 | \$2,013.10 | (\$389.66) | LT |
| Position Total | | | | IWM | | 79 | \$4,932.76 | \$5,333.64 | (\$400.88) | |
| Total Equities | | | | | | 610 | \$44,861.21 | \$46,937.92 | (\$2,076.71) | |

MUTUAL FUNDS

| MUTUAL FUNDS | | Account Type | Date Acquired | Symbol/ Cusip | Price on 12/31/09 | Quantity | Market Value | Cost Basis/ Proceeds | Unrealized Holding Gain (Loss) | Period |
|--|--|--------------|---------------|---------------|-------------------|----------------|-------------------|----------------------|--------------------------------|--------|
| OPPENHEIMER COMMODO STRA TOT RETURN CL A | | | Various | QRAAX | \$3.42 | 401,579 | \$1,373.40 | \$2,864.19 | (\$1,490.79) | LT |
| Total Mutual Funds | | | | | | 401,579 | \$1,373.40 | \$2,864.19 | (\$1,490.79) | |

MESSAGES

Mailing Deadline Extended for IRS Forms 1099

Due to changes in IRS Regulations, the yearly deadline for mailing 1099 Tax Reporting Statements has been changed from January 31 to February 15. NFS will mail most 2009 tax forms beginning in late January through mid February 2010

Go Green by Going Paperless. E-Notification Makes It Easy

Your brokerage statements and trade confirmations are now available online. With e-Notification, you can take advantage of convenient e-mail notices. Receive a notice by e-mail when your next statement or trade confirmation is available for viewing. Increased security. Online access enhances security and identifies theft protection over paper mailing. Simplified recordkeeping. Save the electronic statement on your computer to reduce clutter, or print out and file it away. Contact your Advisor today to sign up for e-Notification.