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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2009

Department of the Treasury
Internal Revenue Service

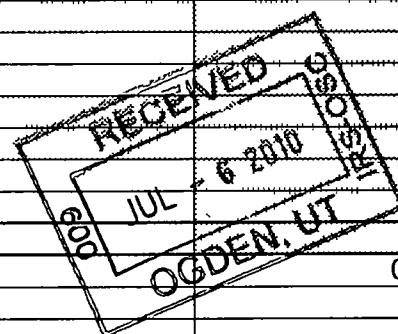
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

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

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

Use the IRS label. Otherwise, print or type. See Specific Instructions	Name of foundation THE SASSAFRAS FOUNDATION		A Employer identification number 20-3082522
	Number and street (or P.O. box number if mail is not delivered to street address) Room/suite P.O. BOX 3004		B Telephone number 203-481-4923
	City or town, state, and ZIP code BRANFORD, CT 06405		C If exemption application is pending, check here <input type="checkbox"/>
			D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 10,243,246.		J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received			N/A	
2	Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments	120.	120.		STATEMENT 2
4	Dividends and interest from securities	187,565.	187,565.		STATEMENT 3
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	-581,276.			STATEMENT 1
b	Gross sales price for all assets on line 6a	1,225,661.			
7	Capital gain net income (from Part IV, line 2)		0.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
11	Other income				
12	Total. Add lines 1 through 11	-393,591.	187,685.		
13	Compensation of officers, directors, trustees, etc	0.	0.		0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees STMT 4	4,000.	2,500.		1,500.
c	Other professional fees STMT 5	17,740.	17,740.		0.
17	Interest				
18	Taxes STMT 6	8,634.	2,634.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses				
24	Total operating and administrative expenses. Add lines 13 through 23	30,374.	22,874.		1,500.
25	Contributions, gifts, grants paid	295,000.			295,000.
26	Total expenses and disbursements. Add lines 24 and 25	325,374.	22,874.		296,500.
27	Subtract line 26 from line 12	-718,965.			
a	Excess of revenue over expenses and disbursements				
b	Net investment income (if negative, enter -0-)		164,811.		
c	Adjusted net income (if negative, enter -0-)			N/A	



Part II Balance Sheets		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash - non-interest-bearing	2,783.	21,783.	21,783.	
	2 Savings and temporary cash investments	41,958.	79,427.	79,427.	
	3 Accounts receivable				
	Less allowance for doubtful accounts				
	4 Pledges receivable				
	Less allowance for doubtful accounts				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons				
	7 Other notes and loans receivable				
	Less allowance for doubtful accounts				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments - U.S. and state government obligations STMT 7	1,077,558.	1,403,444.	1,457,360.	
	b Investments - corporate stock STMT 8	9,663,363.	8,586,066.	7,408,234.	
	c Investments - corporate bonds				
Liabilities	11 Investments - land, buildings, and equipment basis				
	Less accumulated depreciation				
	12 Investments - mortgage loans				
	13 Investments - other STMT 9	1,200,000.	1,200,000.	1,276,442.	
	14 Land, buildings, and equipment basis				
	Less accumulated depreciation				
	15 Other assets (describe)				
	16 Total assets (to be completed by all filers)	11,985,662.	11,290,720.	10,243,246.	
	17 Accounts payable and accrued expenses				
	18 Grants payable				
Net Assets or Fund Balances	19 Deferred revenue				
	20 Loans from officers, directors, trustees, and other disqualified persons				
	21 Mortgages and other notes payable				
	22 Other liabilities (describe)				
	23 Total liabilities (add lines 17 through 22)	0.	0.		
Foundations that follow SFAS 117, check here <input type="checkbox"/>	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/>				
	27 Capital stock, trust principal, or current funds	0.	0.		
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.		
	29 Retained earnings, accumulated income, endowment, or other funds	11,985,662.	11,290,720.		
	30 Total net assets or fund balances	11,985,662.	11,290,720.		
31 Total liabilities and net assets/fund balances	11,985,662.	11,290,720.			

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	11,985,662.
2 Enter amount from Part I, line 27a	2	-718,965.
3 Other increases not included in line 2 (itemize) <u>EXCISE TAX REFUND</u>	3	24,025.
4 Add lines 1, 2, and 3	4	11,290,722.
5 Decreases not included in line 2 (itemize) <u>ROUNDING ADJUSTMENT</u>	5	2.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	11,290,720.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a			
b SEE ATTACHED STATEMENT			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 1,225,661.		1,698,410.	-472,749.

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

(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			
b			
c			
d			
e			-472,749.

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	-472,749.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	534,988.	11,050,998.	.048411
2007	429,573.	12,948,693.	.033175
2006	406,292.	9,971,378.	.040746
2005			
2004			

2 Total of line 1, column (d)	2	.122332
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	.040777
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	8,787,555.
5 Multiply line 4 by line 3	5	358,330.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,648.
7 Add lines 5 and 6	7	359,978.
8 Enter qualifying distributions from Part XII, line 4	8	296,500.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)		1	3,296.
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			
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	3,296.
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	3,296.
6 Credits/Payments			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	6,000.	
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	6,000.	
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	2,704.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> CT		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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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 ► N/A	13	X	
14	The books are in care of ► EUCALYPTUS ASSOCIATES, INC. Telephone no ► 415-561-3346 Located at ► P.O. BOX 29550, 567 RUGER STREET, SAN FRANCISCO, ZIP+4 ► 94129			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year		15	N/A

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input 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	X
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ►		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions) N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

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

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

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

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

X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b**Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		0.	0.	0.

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

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

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

0

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Part 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	8,806,269.
b	Average of monthly cash balances	1b	115,107.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	8,921,376.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	8,921,376.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	133,821.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,787,555.
6	Minimum investment return. Enter 5% of line 5	6	439,378.

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	439,378.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	3,296.
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	3,296.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	436,082.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	436,082.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	436,082.

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	296,500.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	296,500.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	296,500.

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				436,082.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			284,199.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 296,500.				
a Applied to 2008, but not more than line 2a			284,199.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				12,301.
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))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				423,781.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2010 Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

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 Paid during the year					
SEE STATEMENT 11					
Total				3a	295,000.
b Approved for future payment					
NONE					
Total				3b	0.

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

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
	(1) Cash	1a(1)	X
	(2) Other assets	1a(2)	X
b	Other transactions		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule		
(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer or trustee	Date	Title
	<i>[Signature]</i>	12/03/10	Print

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's identifying number
	Firm's name (or yours if self-employed), address, and ZIP code EUCALYPTUS ASSOCIATES, INC. PO BOX 29550 SAN FRANCISCO, CA 94129-0550	6/14/10		EIN Phone no 415-561-3346

Form **990-PF** (2009)

THE SASSAFRAS FOUNDATION

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	4580.852 SHS. VANGUARD TOT. STK. MKT. IDX. ADM.	P	VARIOUS	06/23/09
b	1054.5272 SHS. CAPITAL WORLD G & I FUND F2	P	VARIOUS	06/23/09
c	25.7050 SHS. CAPITAL WORLD G & I FUND R5	P	06/26/08	02/04/09
d	21.174 SHS. CAPITAL WORLD G & I FUND R5	P	06/26/08	05/05/09
e	6311.9558 SHS. CAPITAL WORLD G & I FUND F2	P	VARIOUS	06/23/09
f	20.949 SHS. CAPITAL WORLD G & I FUND F2	P	02/16/06	08/06/09
g	18.023 SHS. CAPITAL WORLD G & I FUND F2	P	02/16/06	11/05/09
h	KESTREL INV. MGMT.-SEE STATEMENT 1	P	VARIOUS	VARIOUS
i	CAPITAL GAINS DIVIDENDS			
j				
k				
l				
m				
n				
o				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 100,000.		142,404.	-42,404.
b 28,630.		34,743.	-6,113.
c 620.		1,035.	-415.
d 570.		852.	-282.
e 171,370.		261,216.	-89,846.
f 640.		795.	-155.
g 600.		684.	-84.
h 922,893.		1,256,681.	-333,788.
i 338.			338.
j			
k			
l			
m			
n			
o			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a			-42,404.
b			-6,113.
c			-415.
d			-282.
e			-89,846.
f			-155.
g			-84.
h			-333,788.
i			338.
j			
k			
l			
m			
n			
o			

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	-472,749.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter "-0-" in Part I, line 8 }	3	N/A

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
4580.852 SHS. VANGUARD TOT. STK. MKT. IDX. ADM.		VARIOUS	06/23/09

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
100,000.	142,404.	0.	0.	-42,404.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
1054.5272 SHS. CAPITAL WORLD G & I FUND F2	PURCHASED	VARIOUS	06/23/09

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
28,630.	34,743.	0.	0.	-6,113.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
25.7050 SHS. CAPITAL WORLD G & I FUND R5	PURCHASED	06/26/08	02/04/09

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
620.	1,035.	0.	0.	-415.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
21.174 SHS. CAPITAL WORLD G & I FUND R5	570.	852.	0.	0.	-282.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
6311.9558 SHS. CAPITAL WORLD G & I FUND F2	171,370.	261,216.	0.	0.	-89,846.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
20.949 SHS. CAPITAL WORLD G & I FUND F2	640.	795.	0.	0.	-155.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
18.023 SHS. CAPITAL WORLD G & I FUND F2	600.	684.	0.	0.	-84.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD	
KESTREL INV. MGMT.-SEE STATEMENT 1	PURCHASED	VARIOUS	VARIOUS	
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
922,893.	1,365,208.	0.	0.	-442,315.
CAPITAL GAINS DIVIDENDS FROM PART IV				338.
TOTAL TO FORM 990-PF, PART I, LINE 6A				-581,276.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
GOLDMAN SACHS - KESTREL ACCOUNT	120.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	120.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CAPITAL GUARDIAN TRUST CO.	31,256.	0.	31,256.
GOLDMAN SACHS-KESTREL A/C	17,042.	0.	17,042.
TIFF INT'L EQUITY FUND	70,421.	338.	70,083.
TIFF U.S. EQUITY FUND	15,966.	0.	15,966.
VANGUARD INFL. PROT. SECS.	25,886.	0.	25,886.
VANGUARD PRIME RESERVES	177.	0.	177.
VANGUARD TOT. STK, MKT. INDEX	27,155.	0.	27,155.
TOTAL TO FM 990-PF, PART I, LN 4	187,903.	338.	187,565.

FORM 990-PF

ACCOUNTING FEES

STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EUCALYPTUS ASSOCIATES	4,000.	2,500.		1,500.
TO FORM 990-PF, PG 1, LN 16B	4,000.	2,500.		1,500.

FORM 990-PF

OTHER PROFESSIONAL FEES

STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MGMT. FEES	17,716.	17,716.		0.
BANK FEE	24.	24.		0.
TO FORM 990-PF, PG 1, LN 16C	17,740.	17,740.		0.

FORM 990-PF

TAXES

STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX	6,000.	0.		0.
FOREIGN TAX	2,634.	2,634.		0.
TO FORM 990-PF, PG 1, LN 18	8,634.	2,634.		0.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 7

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
VANGD. INFLAT. PROT. SECS. FUND	X		1,403,444.	1,457,360.
TOTAL U.S. GOVERNMENT OBLIGATIONS			1,403,444.	1,457,360.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			1,403,444.	1,457,360.

FORM 990-PF CORPORATE STOCK STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
KESTREL CAP. MGMT.-SEE SUPP. 3	965,009.	875,237.
TIFF INT'L EQUITY FUND	1,487,640.	1,715,240.
TIFF U.S. EQUITY FUND	1,447,322.	1,074,820.
VANGD. TOTAL STK. MKT. FUND	3,165,771.	2,398,502.
	1,520,324.	1,344,435.
TOTAL TO FORM 990-PF, PART II, LINE 10B	8,586,066.	7,408,234.

FORM 990-PF OTHER INVESTMENTS STATEMENT 9

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
HALL CAP. PARTNERS ABS. RET. FUND	COST	1,200,000.	1,276,442.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,200,000.	1,276,442.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN EXPENSE CONTRIB ACCOUNT
GORDON T. GEBALLE P.O. BOX 3004 BRANFORD, CT 06405	PRESIDENT, DIRECTOR 1.00	0.	0. 0.
SHELLEY D. GEBALLE P.O. BOX 3004 BRANFORD, CT 06405	SECT'Y/TREASURER/DIRECTOR 1.00	0.	0. 0.
JOSHUA G. GEBALLE P.O. BOX 3004 BRANFORD, CT 06405	DIRECTOR 0.50	0.	0. 0.
BENJAMIN D. GEBALLE P.O. BOX 3004 BRANFORD, CT 06405	0.00	0.	0. 0.
DANIEL W. GEBALLE P.O. BOX 3004 BRANFORD, CT 06405	0.00	0.	0. 0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0. 0.

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 11

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
CENTER FOR CHILDREN'S ADVOCACY 65 ELIZABETH ST. HARTFORD, CT 06105	N/A GENERAL SUPPORT	PUBLIC CHARITY	10,000.
CHRISTIAN COMMUNITY ACTION 168 DAVENPORT AVENUE NEW HAVEN, CT 06519	N/A GENERAL SUPPORT	PUBLIC CHARITY	50,000.
CONNECTICUT FUND FOR THE ENVIRONMENT 205 WHITNEY AVE. NEW HAVEN, CT 06511	N/A GENERAL SUPPORT	PUBLIC CHARITY	50,000.
CONNECTICUT VOICES FOR CHILDREN 33 WHITNEY AVENUE NEW HAVEN, CT 06510	N/A GENERAL SUPPORT	PUBLIC CHARITY	25,000.
DWIGHT HALL AT YALE PO BOX 209008 NEW HAVEN, CT 06520	N/A GENERAL SUPPORT	PUBLIC CHARITY	20,000.
FRIENDS OF NEW HAVEN LEGAL ASSISTANCE 426 STATE STREET NEW HAVEN, CT 06510	N/A GENERAL SUPPORT	PUBLIC CHARITY	25,000.
INTERNATIONAL FESTIVAL FOR ARTS AND IDEAS 195 CHURCH ST. NEW HAVEN, CT 06510	N/A GENERAL SUPPORT	PUBLIC CHARITY	15,000.
JEWISH FEDERATION OF GREATER NEW HAVEN 360 AMITY ROAD WOODBRIDGE, CT 06525	N/A GENERAL SUPPORT	PUBLIC CHARITY	15,000.

THE SASSAFRAS FOUNDATION

20-3082522

LEADERSHIP, EDUCATION, ATHLETICS
IN PARTNERSHIP
31 JEFFERSON STREET NEW HAVEN,
CT 06511

N/A
GENERAL SUPPORT

PUBLIC
CHARITY

75,000.

UNITED WAY OF GREATER NEW HAVEN
71 ORANGE STREET NEW HAVEN, CT
06510

N/A
GENERAL SUPPORT

PUBLIC
CHARITY

10,000.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

295,000.

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

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

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

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

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

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization THE SASSAFRAS FOUNDATION	Employer identification number 20-3082522
	Number, street, and room or suite no. If a P.O. box, see instructions. C/O EUCALYPTUS ASSOCIATES, PO BOX 29550	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SAN FRANCISCO, CA. 94129	

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 (sec. 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 |

EUCALYPTUS ASSOCIATES, INC. - P.O. BOX 29550, 567 RUGER

- The books are in the care of ►
- STREET - SAN FRANCISCO, CA 94129**

Telephone No. ► **415-561-3346**

FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2010**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ► ☒ calendar year **2009** or
 ► ☐ tax year beginning _____, and ending _____.

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	3,296.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	6,000.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	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.

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

Form **8868** (Rev 4-2009)

Kestrel Investment Management Corporation
REALIZED GAINS AND LOSSES
The Sassafra Foundation
From 01-01-09 Through 12-31-09

Date	Quantity	Security	Cost		Proceeds	Gain Or Loss
			Basis			
01-08-09	600	Wilshire Bancorp	6,117.79		4,991.79	-1,126.00
01-09-09	500	Wilshire Bancorp	5,098.16		4,036.57	-1,061.59
01-12-09	600	Checkpoint Systems	11,525.87		6,236.42	-5,289.45
01-22-09	600	Black Box Corp	21,650.57		14,473.53	-7,177.04
01-22-09	600	Checkpoint Systems	11,525.87		5,536.46	-5,989.41
01-29-09	700	Black Box Corp	25,259.00		16,034.67	-9,224.33
02-06-09	600	Checkpoint Systems	11,525.87		5,699.54	-5,826.33
02-09-09	600	Viad Corp	14,297.34		11,117.75	-3,179.59
02-12-09	800	Viad Corp	19,063.12		13,665.68	-5,397.44
02-17-09	900	Checkpoint Systems	17,288.81		7,305.43	-9,983.38
03-11-09	300	Lawson Products	8,507.14		4,703.67	-3,803.47
03-11-09	500	Petroleum Development	22,944.34		4,956.37	-17,987.97
03-17-09	600	Petroleum Development	27,533.21		6,799.40	-20,733.81
04-03-09	600	Thor Industries	26,235.29		11,017.61	-15,217.68
04-08-09	1,000	Thor Industries	43,725.48		17,075.55	-26,649.93
04-14-09	800	NCI Building Systems	40,052.85		2,868.08	-37,184.77
04-16-09	800	NCI Building Systems	40,052.85		2,997.68	-37,055.17
05-07-09	600	USA Truck Inc	9,578.52		8,977.26	-601.26
05-08-09	400	Lawson Products	11,342.86		4,733.03	-6,609.83
05-18-09	300	Lancaster Colony	10,113.27		13,462.84	3,349.57
05-26-09	400	Lancaster Colony	13,484.36		17,978.97	4,494.61
06-08-09	600	Pentair Inc	18,169.02		16,788.28	-1,380.74
06-12-09	600	Pantry, Inc	16,654.07		10,527.56	-6,126.51
06-16-09	700	Pentair Inc	21,197.19		18,399.79	-2,797.40
06-19-09	600	Pantry, Inc	16,654.07		9,895.96	-6,758.11
06-22-09	600	USA Truck Inc	9,578.52		7,819.53	-1,758.99
06-23-09	400	Strattec Security	13,843.00		5,503.69	-8,339.31
06-24-09	500	USA Truck Inc	7,982.10		6,379.48	-1,602.62
06-25-09	600	Pentair Inc	18,169.02		15,029.43	-3,139.59

Kestrel Investment Management Corporation
REALIZED GAINS AND LOSSES
The Sassafras Foundation
From 01-01-09 Through 12-31-09

Date	Quantity	Security	Cost		Proceeds	Gain Or Loss
			Basis			
06-29-09	600	Pentair Inc	18,169.02		15,408.92	-2,760.10
07-02-09	600	Pantry, Inc	16,654.07		9,321.54	-7,332.53
07-08-09	600	Christopher & Banks	11,382.43		3,477.26	-7,905.17
07-09-09	500	AMN Healthcare Services	9,635.23		2,994.92	-6,640.31
07-09-09	300	Bank of Hawaii Corp	8,865.00		10,426.74	1,561.74
07-09-09	700	Broadridge Financial	13,604.87		10,975.71	-2,629.16
07-09-09	600	Carter's Inc	15,577.88		13,848.66	-1,729.22
07-09-09	300	Clearwater Paper	2,967.81		7,679.80	4,711.99
07-09-09	400	Financial Federal	11,773.56		7,750.79	-4,022.77
07-09-09	700	First Cash Finl Svcs	9,727.85		11,812.19	2,084.34
07-09-09	400	FMC Corp	12,308.15		16,883.56	4,575.41
07-09-09	300	GATX Corp	14,578.92		7,235.81	-7,343.11
07-09-09	600	Hanesbrands Inc	13,619.25		8,215.76	-5,403.49
07-09-09	600	HCC Insurance Holdings	14,960.55		14,258.63	-701.92
07-09-09	400	Horizon Lines Inc	8,949.40		1,383.96	-7,565.44
07-09-09	700	John Bean Technologies	8,839.36		8,763.77	-75.59
07-09-09	400	Joy Global	8,016.46		12,648.23	4,631.77
07-09-09	1,000	Key Energy Services	13,287.60		5,241.36	-8,046.24
07-09-09	200	L.B Foster Company	7,207.49		5,662.85	-1,544.64
07-09-09	500	LifePoint Hospitals	15,842.55		12,661.17	-3,181.38
07-09-09	800	Novatel Wireless	4,066.61		6,979.82	2,913.21
07-09-09	600	Omniceil Inc	8,999.40		5,983.82	-3,015.58
07-09-09	600	Perficient Inc	6,125.99		3,914.89	-2,211.10
07-09-09	300	Red Robin Gourmet Burg	8,758.00		5,408.35	-3,349.65
07-09-09	300	Rogers Corp	10,842.71		6,022.85	-4,819.86
07-09-09	400	Silicon Laboratories	9,576.45		14,369.63	4,793.18
07-09-09	600	SkyWest Inc	7,922.20		6,284.83	-1,637.37
07-09-09	600	Spectrum Control Inc	3,967.77		5,528.85	1,561.08
07-09-09	200	Twin Disc, Inc	4,040.39		1,283.76	-2,756.63

Kestrel Investment Management Corporation
REALIZED GAINS AND LOSSES
The Sassafra Foundation
From 01-01-09 Through 12-31-09

Date	Quantity	Security	Cost		Gain Or Loss
			Basis	Proceeds	
07-09-09	300	Varian Inc	11,569.55	10,685.21	-884.34
07-09-09	400	Volterra Semiconductor	4,477.68	5,877.84	1,400.16
07-09-09	600	Wolverine World Wide	4,240.00	12,685.65	8,445.65
07-09-09	300	World Acceptance	8,459.60	5,692.35	-2,767.25
07-09-09	700	Zep Inc	9,362.14	10,041.73	679.59
07-10-09	200	Dynamex Inc	4,015.09	2,908.92	-1,106.17
07-10-09	400	Herley Industries	5,200.69	4,075.89	-1,124.80
07-10-09	400	Innovative Soln & Supp	5,865.92	1,605.95	-4,259.97
07-10-09	400	PCTEL, Inc	1,713.52	1,998.66	285.14
07-10-09	800	White Electronic Designs	4,934.01	3,660.46	-1,273.55
07-13-09	600	Pantry, Inc	16,654.07	9,743.50	-6,910.57
07-14-09	500	Innovative Soln & Supp	7,332.40	1,998.29	-5,334.11
07-15-09	600	Pantry, Inc	16,654.07	10,279.29	-6,374.78
07-20-09	600	Christopher & Banks	11,382.43	3,766.88	-7,615.55
08-03-09	700	Christopher & Banks	13,279.51	5,644.30	-7,635.21
08-07-09	600	Key Energy Services	7,972.56	4,021.39	-3,951.17
08-11-09	600	Key Energy Services	7,972.56	3,671.66	-4,300.90
08-13-09	600	Christopher & Banks	11,382.43	4,744.25	-6,638.18
08-13-09	900	Key Energy Services	11,958.84	5,686.14	-6,272.70
08-18-09	600	Key Energy Services	7,972.56	3,602.24	-4,370.32
08-20-09	900	Key Energy Services	11,958.84	5,697.30	-6,261.54
08-21-09	900	Key Energy Services	11,958.84	5,994.38	-5,964.46
09-01-09	600	Christopher & Banks	11,382.43	4,093.93	-7,288.50
09-04-09	600	Hanesbrands Inc	13,619.25	11,660.75	-1,958.50
09-11-09	800	Christopher & Banks	15,176.58	6,305.59	-8,870.99
09-11-09	600	Hanesbrands Inc,	13,619.25	12,455.19	-1,164.06
09-17-09	700	Hanesbrands Inc	15,889.12	15,637.03	-252.09
09-21-09	800	Hanesbrands Inc	18,158.99	17,788.90	-370.09
09-22-09	700	Perficient Inc	7,146.99	5,582.35	-1,564.64

Kestrel Investment Management Corporation
REALIZED GAINS AND LOSSES
The Sassafra Foundation
From 01-01-09 Through 12-31-09

Date	Quantity	Security	Cost		Proceeds	Gain Or Loss
			Basis			
10-05-09	600	Carter's Inc	15,577.88		15,663.19	85.31
10-07-09	600	Carter's Inc	15,577.88		15,606.73	28.85
10-12-09	600	Carter's Inc	15,577.88		16,789.84	1,211.96
10-14-09	600	Perficient Inc	6,125.99		5,476.89	-649.10
10-15-09	900	Carter's Inc	23,366.81		25,657.61	2,290.80
11-03-09	600	Wolverine World Wide	4,240.00		15,435.56	11,195.56
11-10-09	600	Perficient Inc	6,125.99		4,935.59	-1,190.40
11-10-09	700	Wolverine World Wide	4,946.67		19,307.60	14,360.93
11-16-09	700	Perficient Inc	7,146.99		5,934.16	-1,212.83
11-17-09	950	Wolverine World Wide	6,713.33		25,724.19	19,010.86
12-07-09	500	Bank of Hawaii Corp	14,775.00		22,615.91	7,840.91
12-10-09	400	Dynamex Inc	8,030.19		7,399.56	-630.63
12-11-09	600	Bank of Hawaii Corp	17,730.00		27,299.95	9,569.95
TOTAL GAINS			213,925.2		332,475.25	111,082.57
TOTAL LOSSES			103,528.55		5,418.16	-444,870.38
			1,256,681.07		922,893.25	-333,787.82

The Sassafras Foundation FEIN 20-3082522

Kestrel Investment Management

Gains/Losses - General Ledger

Year ending December 31, 2009

Acquisition Date	Sales Date	Security	Quantity	Cost Basis	Proceeds	Gain/Loss	
						Short-term	Long-term
11/01/07	01/08/09	Wilshire Bancorp	600	5,930.22	4,991.79		(938.43)
11/02/07	01/09/09	Wilshire Bancorp	500	4,772.50	4,036.57		(735.93)
02/06/07	01/12/09	Checkpoint Systems	600	11,164.56	6,236.42		(4,928.14)
02/14/07	01/22/09	Checkpoint Systems	600	11,314.62	5,536.46		(5,778.16)
03/05/07	01/22/09	Black Box Corp	600	22,103.04	14,473.53		(7,629.51)
03/12/07	01/29/09	Black Box Corp	700	24,806.53	16,034.67		(8,771.86)
03/15/07	02/06/09	Checkpoint Systems	600	11,648.16	5,699.54		(5,948.62)
03/02/06	02/09/09	Viad Corp	600	19,146.00	11,117.75		(8,028.25)
03/02/06	02/12/09	Viad Corp	800	25,528.00	13,665.68		(11,862.32)
03/15/07	02/17/09	Checkpoint Systems	200	3,882.72	1,623.43		(2,259.29)
03/20/07	02/17/09	Checkpoint Systems	700	13,856.36	5,682.00		(8,174.36)
03/02/06	03/11/09	Lawson Products	300	10,401.00	4,703.67		(5,697.33)
01/11/07	03/11/09	Petroleum Development	500	20,776.95	4,956.37		(15,820.58)
01/26/07	03/17/09	Petroleum Development	600	29,700.60	6,799.40		(22,901.20)
10/05/06	04/03/09	Thor Industries	600	25,967.58	11,017.61		(14,949.97)
10/05/06	04/08/09	Thor Industries	100	4,327.93	1,707.56		(2,620.38)
11/15/06	04/08/09	Thor Industries	400	17,686.20	6,830.22		(10,855.98)
12/14/06	04/08/09	Thor Industries	500	21,979.05	8,537.78		(13,441.28)
06/06/07	04/14/09	NCI Building Systems	600	30,414.00	2,151.06		(28,262.94)
06/06/07	04/16/09	NCI Building Systems	200	9,938.34	717.02		(9,221.32)
06/27/07	04/16/09	NCI Building Systems	800	39,753.36	2,997.68		(36,755.68)
06/15/07	05/07/09	USA Truck Inc	600	9,786.54	8,977.26		(809.28)
03/02/06	05/08/09	Lawson Products	400	13,868.00	4,733.03		(9,134.97)
03/02/06	05/18/09	Lancaster Colony	300	11,970.00	13,462.84		1,492.84
03/02/06	05/26/09	Lancaster Colony	400	15,960.00	17,978.97		2,018.97
03/05/07	06/08/09	Pentair Inc	600	18,404.64	16,788.28		(1,616.36)
11/15/07	06/12/09	Pantry Inc	600	15,898.62	10,527.56		(5,371.06)
03/05/07	06/16/09	Pentair Inc	200	6,134.88	5,257.08		(877.80)
03/08/07	06/16/09	Pentair Inc	500	15,158.00	13,142.71		(2,015.29)
11/19/07	06/19/09	Pantry Inc	600	15,650.64	9,895.96		(5,754.68)
03/08/07	06/25/09	Pentair Inc	100	3,031.60	2,504.91		(526.70)
03/15/07	06/25/09	Pentair Inc	500	14,988.70	12,524.53		(2,464.18)
03/15/07	06/29/09	Pentair Inc	600	17,986.44	15,408.92		(2,577.52)
06/22/07	06/22/09	USA Truck Inc	600	9,465.06	7,819.53		(1,645.53)
06/22/07	06/24/09	USA Truck Inc	500	7,887.55	6,379.48		(1,508.07)
03/02/06	06/23/09	Strattec Security	400	16,160.00	5,503.69		(10,656.31)
11/20/07	07/02/09	Pantry Inc	600	16,505.40	9,321.54		(7,183.86)
12/15/06	07/08/09	Christopher & Banks	600	11,201.82	3,477.26		(7,724.56)
10/05/07	07/09/09	AMN Healthcare	500	9,961.50	2,994.92		(6,966.58)
03/02/06	07/09/09	Bank of Hawaii	300	16,209.00	10,426.74		(5,782.26)
04/03/07	07/09/09	Broadbridge Financial	600	11,575.32	9,407.75		(2,167.57)
04/04/07	07/09/09	Broadbridge Financial	100	1,908.06	1,567.96		(340.10)
05/15/07	07/09/09	Carter's Inc	600	15,181.08	13,848.66		(1,332.42)
01/08/09	07/09/09	Clearwater Paper	300	3,222.72	7,679.80		4,457.08
06/08/06	07/09/09	FMC Corp	400	24,747.36	16,883.56		(7,863.80)
06/15/07	07/09/09	Financial Federal	400	11,885.00	7,750.79		(4,134.21)

The Sassafras Foundation FEIN 20-3082522

Kestrel Investment Management

Gains/Losses - General Ledger

Year ending December 31, 2009

Acquisition Date	Sales Date	Security	Quantity	Cost Basis	Proceeds	Gain/Loss	
						Short-term	Long-term
04/04/08	07/09/09	First Cash Financial	600	7,253.58	10,124.73		2,871.15
04/10/08	07/09/09	First Cash Financial	100	1,312.80	1,687.46		374.66
04/05/07	07/09/09	GATX Corp	300	14,418.93	7,235.81		(7,183.12)
08/26/08	07/09/09	HCC Insurance Holdings	600	14,242.08	14,258.63	16.55	
09/08/06	07/09/09	Hanesbrands Inc	600	13,244.16	8,215.76		(5,028.40)
02/07/08	07/09/09	Horizon Lines Inc	400	9,188.64	1,383.96		(7,804.68)
08/01/08	07/09/09	John Bean Technologies	700	9,520.28	8,763.77	(756.51)	
11/24/08	07/09/09	Joy Global	400	7,580.80	12,648.23	5,067.43	
12/03/07	07/09/09	Key Energy Services	700	9,486.47	3,668.95		(5,817.52)
12/04/07	07/09/09	Key Energy Services	300	4,095.06	1,572.41		(2,522.65)
08/29/08	07/09/09	L B. Foster Company	200	7,770.22	5,662.85		(2,107.37)
05/12/05	07/09/09	LifePoint Hospitals	500	15,578.06	12,661.17		(2,916.89)
10/08/08	07/09/09	Novatel Wireless	600	3,249.24	5,234.87	1,985.63	
10/13/08	07/09/09	Novatel Wireless	200	1,113.54	1,744.96	631.42	
07/09/08	07/09/09	Omniceil Inc	600	7,529.04	5,983.82	(1,545.22)	
06/24/08	07/09/09	Perficient	600	6,246.18	3,914.89		(2,331.29)
09/08/08	07/09/09	Red Robin Gourmet	300	8,894.25	5,408.35	(3,485.90)	
05/08/08	07/09/09	Rogers Corp	300	13,809.20	6,022.85		(7,786.35)
02/06/09	07/09/09	Silicon Laboratories	400	10,242.60	14,369.63	4,127.03	
03/17/09	07/09/09	SkyWest	600	7,163.10	6,284.83	(878.27)	
08/22/08	07/09/09	Spectrum Control	600	4,520.58	5,528.85	1,008.27	
06/03/08	07/09/09	Twin Disc Inc	200	3,826.28	1,283.76		(2,542.52)
03/02/06	07/09/09	Varian Inc	300	12,075.00	10,685.21		(1,389.79)
12/12/07	07/09/09	Volterra Semiconductor	400	4,891.76	5,877.84		986.08
03/02/06	07/09/09	Wolverine World Wide	600	13,176.00	12,685.65		(490.35)
03/02/06	07/09/09	World Acceptance	300	7,728.00	5,692.35		(2,035.65)
11/08/07	07/09/09	Zep Inc	700	8,947.61	10,041.73		1,094.12
03/30/06	07/10/09	Dynamex	200	3,908.60	2,908.92		(999.68)
03/11/08	07/10/09	Herley Industries	400	4,492.44	4,075.89		(416.55)
03/24/06	07/10/09	Innovative Soln & Supply	400	5,414.24	1,605.95		(3,808.29)
03/11/09	07/10/09	PCTEL Inc	400	1,660.24	1,998.66		338.42
12/05/06	07/10/09	White Electronic Designs	800	3,302.28	3,660.46		358.18
11/28/07	07/13/09	Pantry Inc	600	17,607.84	9,743.50		(7,864.34)
03/24/06	07/14/09	Innovative Soln & Supply	200	2,707.12	799.32		(1,907.80)
04/10/06	07/14/09	Innovative Soln & Supply	300	3,931.50	1,198.97		(2,732.53)
11/28/07	07/15/09	Pantry Inc	600	17,607.84	10,279.29		(7,328.55)
12/15/06	07/20/09	Christopher & Banks	600	11,201.82	3,766.88		(7,434.94)
12/15/06	08/03/09	Christopher & Banks	200	3,733.94	1,612.66		(2,121.28)
12/18/06	08/03/09	Christopher & Banks	500	9,286.60	4,031.64		(5,254.96)
12/04/07	08/07/09	Key Energy Services	600	8,190.12	4,021.39		(4,168.73)
12/04/07	08/11/09	Key Energy Services	100	1,365.02	611.94		(753.08)
12/05/07	08/11/09	Key Energy Services	500	6,889.90	3,059.72		(3,830.18)
12/05/07	08/13/09	Key Energy Services	700	9,645.86	4,422.55		(5,223.31)
12/12/07	08/13/09	Key Energy Services	200	2,749.62	1,263.59		(1,486.03)
12/18/06	08/13/09	Christopher & Banks	100	1,857.32	790.71		(1,066.61)
01/09/07	08/13/09	Christopher & Banks	500	9,555.25	3,953.54		(5,601.71)

The Sassafras Foundation FEIN 20-3082522

Kestrel Investment Management

Gains/Losses - General Ledger

Year ending December 31, 2009

Acquisition Date	Sales Date	Security	Quantity	Cost Basis	Proceeds	Gain/Loss	
						Short-term	Long-term
12/12/07	08/18/09	Key Energy Services	600	8,248.86	3,602.24		(4,646.62)
12/12/07	08/20/09	Key Energy Services	300	4,124.43	1,899.10		(2,225.33)
01/17/08	08/20/09	Key Energy Services	600	7,557.78	3,798.20		(3,759.58)
01/17/08	08/20/09	Key Energy Services	100	1,259.63	666.04		(593.59)
01/31/08	08/21/09	Key Energy Services	800	9,469.04	5,328.34		(4,140.70)
01/09/07	09/01/09	Christopher & Banks	300	5,733.15	2,046.97		(3,686.19)
01/10/07	09/01/09	Christopher & Banks	300	5,769.06	2,046.96		(3,722.10)
09/13/06	09/04/09	Hanesbrands	600	13,718.76	11,660.75		(2,058.01)
09/13/06	09/11/09	Hanesbrands Inc	200	4,572.92	4,151.73		(421.19)
09/27/06	09/11/09	Hanesbrands Inc	400	9,044.92	8,303.46		(741.46)
01/10/07	09/11/09	Christopher & Banks	300	5,769.06	2,364.60		(3,404.46)
01/11/07	09/11/09	Christopher & Banks	500	9,877.80	3,940.99		(5,936.81)
09/27/06	09/17/09	Hanesbrands Inc	200	4,522.46	4,467.72		(54.74)
10/12/06	09/17/09	Hanesbrands Inc	500	11,583.15	11,169.31		(413.84)
10/12/06	09/21/09	Hanesbrands Inc	500	11,583.15	11,118.06		(465.09)
11/09/06	09/21/09	Hanesbrands Inc	300	6,636.33	6,670.84		34.51
07/01/08	09/22/09	Perficient	700	7,015.54	5,582.35		(1,433.19)
05/16/07	10/05/09	Carter's Inc	500	12,709.95	13,052.66		342.71
06/07/07	10/05/09	Carter's Inc	100	2,652.20	2,610.53		(41.67)
06/07/07	10/07/09	Carter's Inc	600	15,913.20	15,606.73		(306.47)
06/25/07	10/12/09	Carter's Inc	600	15,586.74	16,789.84		1,203.10
07/08/08	10/14/09	Perficient	600	6,208.14	5,476.89		(731.25)
06/25/07	10/15/09	Carter's Inc	100	2,597.79	2,850.85		253.06
07/02/07	10/15/09	Carter's Inc	800	21,037.36	22,806.76		1,769.40
03/02/06	11/03/09	Wolverine World Wide	600	13,176.00	15,435.56		2,259.56
03/02/06	11/10/09	Wolverine World Wide	700	15,372.00	19,307.60		3,935.60
07/15/08	11/10/09	Perficient	600	5,854.20	4,935.59		(918.61)
07/24/08	11/16/09	Perficient	700	7,347.90	5,934.16		(1,413.74)
03/02/06	11/17/09	Wolverine World Wide	950	20,862.00	25,724.19		4,862.19
03/02/06	12/07/09	Bank of Hawaii	500	27,015.00	22,615.91		(4,399.09)
03/30/06	12/10/09	Dynamex	300	5,862.90	5,549.67		(313.23)
04/20/06	12/10/09	Dynamex	100	2,051.92	1,849.89		(202.03)
03/02/06	12/11/09	Bank of Hawaii	600	32,418.00	27,299.95		(5,118.05)

Short-term gains/losses

Long-term gains/losses

74,055.51	80,225.93	6,170.42	
1,291,152.49	842,667.32	-	(448,485.17)
1,365,208.00	922,893.25	6,170.42	(448,485.17)

Kestrel Investment Management Corporation
PORTFOLIO APPRAISAL WITH CUSIP
The Sassafras Foundation
December 31, 2009

Security Symbol	Cusip	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct Assets	Yield
RESTRUCTURING									
AHS	001744101	2,200	AMN Healthcare Services	19.27	42,395.00	9.0600	19,932.00	1.1	0.0
AMSG	03232P405	2,200	AmSurg Corp	20.43	44,946.36	22.0200	48,444.00	2.8	0.0
BR	11133T103	3,300	Broadridge Financial	19.44	64,137.24	22.5600	74,448.00	4.2	2.5
CLW	18538R103	1,300	Clearwater Paper	9.89	12,860.49	54.9700	71,461.00	4.1	0.0
CRN	219141108	1,200	Cornell Companies	21.42	25,705.71	22.7000	27,240.00	1.5	0.0
DDMX	26784F103	500	Dynamex Inc	20.08	10,037.74	18.1000	9,050.00	0.5	0.0
EXPO	30214U102	1,000	Exponent Inc	25.73	25,732.20	27.8400	27,840.00	1.6	0.0
FMC	302491303	1,600	FMC Corp	30.77	49,232.59	55.7600	89,216.00	5.1	0.9
FALC	306137100	1,900	FalconStor Software	4.07	7,735.10	4.0600	7,714.00	0.4	0.0
FIF	317492106	1,500	Financial Federal	29.43	44,150.86	27.5000	41,250.00	2.3	2.2
FCFS	31942D107	2,800	First Cash Finl Svcs	13.90	38,911.40	22.1900	62,132.00	3.5	0.0
FMR	320841109	1,200	First Mercury Financial	13.21	15,854.64	13.7100	16,452.00	0.9	0.7
GMT	361448103	1,300	GATX Corp	48.60	63,175.32	28.7500	37,375.00	2.1	3.9
HCC	404132102	2,300	HCC Insurance Holdings	24.93	57,348.79	27.9700	64,331.00	3.7	1.9
HAE	405024100	900	Haemonetics Corp	55.16	49,645.84	55.1500	49,635.00	2.8	0.0
HRLY	427398102	1,500	Herley Industries	13.00	19,502.61	13.8900	20,835.00	1.2	0.0
HRZ	44044K101	1,700	Horizon Lines Inc	22.37	38,034.97	5.5700	9,469.00	0.5	7.9
ISSC	45769N105	1,300	Innovative Soln & Supp	14.66	19,064.24	4.5900	5,967.00	0.3	0.0
JKHY	426281101	2,300	Jack Henry & Assoc	19.45	44,728.35	23.1400	53,222.00	3.0	1.5
JBT	477839104	3,200	John Bean Technologies	12.63	40,408.51	17.0100	54,432.00	3.1	1.6
JOYG	481165108	1,700	Joy Global	20.04	34,069.97	51.5700	87,669.00	5.0	1.4
FSTR	350060109	1,000	L B Foster Company	36.04	36,037.45	29.8100	29,810.00	1.7	0.0
LPNT	53219L109	1,800	LifePoint Hospitals	31.69	57,033.20	32.5300	58,554.00	3.3	0.0
MGLN	559079207	1,600	Magellan Health Svcs	30.22	48,350.60	40.7300	65,168.00	3.7	0.0
NTLS	67020Q107	1,200	NTELOS Holdings	17.75	21,302.88	17.8100	21,372.00	1.2	6.3
NAFC	631158102	400	Nash Finch Company	36.01	14,402.80	37.0900	14,836.00	0.8	1.9
NVTL	66987M604	3,900	Novatel Wireless	5.08	19,824.74	7.9700	31,083.00	1.8	0.0
OMCL	68213N109	2,700	Omnicell Inc	15.00	40,497.28	11.6900	31,563.00	1.8	0.0
ORB	685564106	2,900	Orbital Sciences	16.24	47,086.11	15.2600	44,254.00	2.5	0.0
PCTI	69325Q105	1,800	PCTEL, Inc	4.28	7,710.84	5.9200	10,656.00	0.6	0.0
QCOR	74835Y101	4,600	Questcor Pharmaceuticals	5.01	23,028.88	4.7500	21,850.00	1.2	0.0
RRGB	75689M101	1,400	Red Robin Gourmet Burg	29.19	40,870.65	17.9000	25,060.00	1.4	0.0
ROG	775133101	1,100	Rogers Corp	36.14	39,756.59	30.3100	33,341.00	1.9	0.0
SLAB	826919102	1,600	Silicon Laboratories	23.94	38,305.81	48.3800	77,408.00	4.4	0.0
SKYW	830879102	2,700	SkyWest Inc	13.20	35,649.91	16.9200	45,684.00	2.6	0.9
SPEC	847615101	2,400	Spectrum Control Inc	6.61	15,871.10	9.4700	22,728.00	1.3	0.0
TDY	879360105	1,400	Teledyne Technologies	34.75	48,646.80	38.3600	53,704.00	3.0	0.0
TWIN	901476101	1,100	Twin Disc, Inc	20.20	22,222.17	10.4400	11,484.00	0.7	2.7

Kestrel Investment Management Corporation
PORTFOLIO APPRAISAL WITH CUSIP
The Sassafras Foundation
 December 31, 2009

Security Symbol	Cusip	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct Assets	Yield
EGY	91851C201	4,700	VAALCO Energy	4 87	22,887 03	4 5500	21,385 00	12	00
VARI	922206107	1,300	Varian Inc	38 57	50,134 73	51 5400	67,002 00	38	00
VLTR	928708106	1,600	Volterra Semiconductor	11 19	17,910 74	19 1200	30,592 00	17	00
WEDC	963801105	3,400	White Electronic Designs	6 17	20,969 55	4 6700	15,878 00	09	00
WRLD	981419104	1,500	World Acceptance	28 20	42,297 98	35 8300	53,745 00	31	00
ZEP	98944B108	2,800	Zep Inc	13 37	37,448 55	17 3200	48,496 00	28	09
					* 1,495,924 28		1,713,767 00	97 3	07
CASH AND EQUIVALENTS									
SASSCA			Cash - Sassafras Foundation		46,047 36		46,047 36	26	02
DIVACCR			Dividend & Interest Accruals		1,473 50		1,473 50	01	00
					47,520 86		47,520 86	27	02
TOTAL PORTFOLIO					1,543,445.14	74x	1,761,287.86	100.0	0.7

* Book Value - \$ 1,487,640