Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning , 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: John L. McCormick Memorial Trust

A Employer identification number: 20-6285678

Number and street (or P O box number if mail is not delivered to street address): 902-3rd Ave. South | Room/suite

B Telephone number (see page 10 of the instructions): 701-237-6983

City or town, state, and ZIP code: Fargo, N. Dak 58103

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 3,173,321

J Accounting method ☑ Cash ☐ Accrual
☐ Other (specify)
(Part I, column (d) must be on cash basis.)

**Part I** **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (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 ▶ ☐ if the foundation is not required to attach Sch B | | | | |
| | 3 | Interest on savings and temporary cash investments | 3695 | 3695 | 3695 | |
| | 4 | Dividends and interest from securities | 47,081 | 47,081 | 47,081 | |
| | 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) | | | | |
| | 8 | Net short-term capital gain | | | 0 | |
| | 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 | 50,776 | 50,776 | 50,776 | |
| Operating and Administrative Expenses | 13 | Compensation of officers, directors, trustees, etc | | | | |
| | 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) | | | | |
| | 17 | Interest | | | | |
| | 18 | Taxes (attach schedule) (see page 14 of the instructions) Excise | 1500 | 1500 | 1500 | 1500 |
| | 19 | Depreciation (attach schedule) and depletion | | | | |
| | 20 | Occupancy | | | | |
| | 21 | Travel, conferences, and meetings | | | | |
| | 22 | Printing and publications | | | | |
| | 23 | Other expenses (attach schedule) | | | | |
| | 24 | **Total operating and administrative expenses.** Add lines 13 through 23 | 1500 | 1500 | 1500 | 1500 |
| | 25 | Contributions, gifts, grants paid | 164,700 | | | 164,700 |
| | 26 | Total expenses and disbursements. Add lines 24 and 25 | 166,200 | 1500 | 1500 | 166,200 |
| | 27 | Subtract line 26 from line 12. | | | | |
| | a | **Excess of revenue over expenses and disbursements** | 115,424 | | | |
| | b | **Net investment income** (if negative, enter -0-) | | 49,276 | | |
| | c | **Adjusted net income** (if negative, enter -0-) | | | 49,276 | |

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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 | End of year (c) Fair Market Value |
|---|---|---|---|---|
| **Assets** 1 | Cash—non-interest-bearing | | | |
| 2 | Savings and temporary cash investments | 522,612 | 474,789 | 474,789 |
| 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) | 3,259,442 | 3,114,133 | 2,698,532 |
| 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) | 3,782,054 | 3,588,922 | 3,173,321 |
| **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) | | | |
| **Net Assets or Fund Balances** | **Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.** | | | |
| 24 | Unrestricted | | | |
| 25 | Temporarily restricted | | | |
| 26 | Permanently restricted | | | |
| | **Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.** | | | |
| 27 | Capital stock, trust principal, or current funds | 3,782,054 | 3,588,922 | |
| 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) | 3,782,054 | 3,588,922 | |
| 31 | **Total liabilities and net assets/fund balances** (see page 17 of the instructions) | 3,782,054 | 3,588,922 | |

| **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 | 3,782,054 |
| 2 | Enter amount from Part I, line 27a | 2 | -115,424 |
| 3 | Other increases not included in line 2 (itemize) ▶ Purchases + reinvestments | 3 | 92,517 |
| 4 | Add lines 1, 2, and 3 | 4 | 3,759,147 |
| 5 | Decreases not included in line 2 (itemize) ▶ Sales, Loss + non div. dist. | 5 | 170,225 |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 | 6 | 3,588,922 |

## 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 | See Attached ExA (page 10) | P | | |
| 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 | | | | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |

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

| | (i) F M V as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col (i) over col (j), if any | (l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h)) |
|---|---|---|---|---|
| a | | | | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |

| | | | |
|---|---|---|---|
| 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 | |
| 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 | -8864 |

## 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 | | | |
| 2007 | | | |
| 2006 | | | |
| 2005 | | | |
| 2004 | | | |

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

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.

**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 ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary—see instructions) | | |
| b | Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b | 1 | 986 |
| 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 | |
| 3 | Add lines 1 and 2 | 3 | 986 |
| 4 | Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | 4 | |
| 5 | **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0- | 5 | 986 |
| 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 | |
| 8 | Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached | 8 | |
| 9 | **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶ | 9 | 986 |
| 10 | **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶ | 10 | |
| 11 | Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ \| **Refunded** ▶ | 11 | |

**Part VII-A Statements Regarding Activities**

| | | | Yes | No |
|---|---|---|---|---|
| 1a | During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? | 1a | | |
| b | Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? | 1b | | ✓ |
| | *If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.* | | | |
| c | Did the foundation file **Form 1120-POL** for this year? | 1c | | ✓ |
| d | Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________ | | | |
| e | Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ________ | | | |
| 2 | Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.* | 2 | | ✓ |
| 3 | Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes* | 3 | | ✓ |
| 4a | Did the foundation have unrelated business gross income of $1,000 or more during the year? | 4a | | ✓ |
| b | If "Yes," has it filed a tax return on **Form 990-T** for this year? | 4b | | NA |
| 5 | Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.* | 5 | | ✓ |
| 6 | Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | 6 | ✓ | |
| 7 | Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV* | 7 | ✓ | |
| 8a | Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ N. Dak | | | |
| b | If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation* | 8b | | |
| 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 on page 27)? *If "Yes," complete Part XIV* | 9 | | ✓ |
| 10 | Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses* | 10 | | ✓ |

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

| | | | Yes | No |
|---|---|---|---|---|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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? | 13 | ✓ | |

Website address ▶

14 The books are in care of ▶ Maurice McCormick Telephone no. ▶ 701-237-6983

Located at ▶ 218 NP Ave Fargo, ND ZIP+4 ▶ 58102

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

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

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

| | | | Yes | No |
|---|---|---|---|---|
| 1a | During the year did the foundation (either directly or indirectly) | | | |
| | **(1)** Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No | | | |
| | **(2)** Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No | | | |
| | **(3)** Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No | | | |
| | **(4)** Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No | | | |
| | **(5)** Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No | | | |
| | **(6)** Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☑ No | | | |
| b | If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? | 1b | | |
| | Organizations relying on a current notice regarding disaster assistance check here ▶ ☐ | | | |
| c | Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009? | 1c | | ✓ |
| 2 | Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)). | | | |
| a | At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☑ No<br>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.<br>▶ 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? ☐ Yes ☑ No | | | |
| b | If "Yes," did it have excess business holdings in 2009 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)* | 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)*

| | | | Yes | No |
|---|---|---|---|---|
| 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 |
|---|---|---|---|---|
| Steve McCormick Bismarck, ND | Trustee .038 | 0 | 0 | 0 |
| Tom McCormick Fargo, N.D. | Trustee .038 | 0 | 0 | 0 |
| Maurice' McCormick | Trustee .4 | 0 | 0 | 0 |
| | | | | |

**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 N/A | |
| 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 N/A | |
| 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 | 2,299,941 |
| b | Average of monthly cash balances | 1b | 550,000 |
| c | Fair market value of all other assets (see page 24 of the instructions) | 1c | |
| d | **Total** (add lines 1a, b, and c) | 1d | 2,849,941 |
| 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 | 2,849,941 |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions) | 4 | 42,749 |
| 5 | **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 2,807,192 |
| 6 | **Minimum investment return.** Enter 5% of line 5 | 6 | 140,360 |

**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 | 140,360 |
| 2a | Tax on investment income for 2009 from Part VI, line 5 | 2a | 986 | | |
| b | Income tax for 2009. (This does not include the tax from Part VI.) | 2b | | | |
| c | Add lines 2a and 2b | | | 2c | 986 |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | | | 3 | 139,374 |
| 4 | Recoveries of amounts treated as qualifying distributions | | | 4 | |
| 5 | Add lines 3 and 4 | | | 5 | |
| 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 | 139,374 |

**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 | 166,200 |
| 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 | 166,200 |
| 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 | 166,200 |

**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 | | | | 139,374 |
| 2 | Undistributed income, if any, as of the end of 2009: | | | | |
| a | Enter amount for 2008 only | | | 18,228 | |
| b | Total for prior years. 20___,20___,20___ | | | | |
| 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 | | | | |
| 4 | Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 166,200 | | | | |
| a | Applied to 2008, but not more than line 2a | | | 18,228 | |
| b | Applied to undistributed income of prior years (Election required—see page 26 of the instructions) | | | | |
| c | Treated as distributions out of corpus (Election required—see page 26 of the instructions) | | | | |
| d | Applied to 2009 distributable amount | | | | 139,374 |
| e | Remaining amount distributed out of corpus | | | | |
| 5 | Excess distributions carryover applied to 2009 *(If an amount appears in column (d), the same amount must be shown in column (a).)* | 8598 | | | |
| 6 | **Enter the net total of each column as indicated below:** | | | | |
| a | Corpus Add lines 3f, 4c, and 4e. Subtract line 5 | | | | |
| b | Prior years' undistributed income. Subtract line 4b from line 2b | | | | |
| c | Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed | | | | |
| d | Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions | | | | |
| 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) | | | | |
| 8 | Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions) | | | | |
| 9 | **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a | 8598 | | | |
| 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 8598 | | | | |

**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 | Prior 3 years | | | |
|---|---|---|---|---|---|
| | **(a)** 2009 | **(b)** 2008 | **(c)** 2007 | **(d)** 2006 | **(e) Total** |
| **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).)

Estate of John L. McCormick Jr.

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

None

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

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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: 701-237-6983

Maurice McCormick 218 NP Ave. Fargo ND 58102

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

Letter

**c** Any submission deadlines:

None

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

None

**Part XV Supplementary Information** (continued)

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

| Recipient<br>Name and address (home or business) | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|---|---|---|---|---|
| a *Paid during the year* | | | | |
| Nokomis | NA | Public Tax Exempt | Charitable/Ed | 12,000 |
| Abused Adult Res Center | | | Charitable | 10,000 |
| Teen Challenge | | | Charitable | 10,000 |
| Los Amigos del Padre Juan | | | Religious/Char | 15,000 |
| St Margaret Mary Church | | | Religious | 20,000 |
| Sisters of Presentation | | | Religious | 5,000 |
| Sts Anne + Joachim Church | | | Religious | 15,000 |
| St. Mary's Cathedral | | | Religious | 10,000 |
| Trinity Luth Church | | | Religious/Char | 10,000 |
| Spinal Cord Society | | | Educational | 200 |
| Fargo Catholic Schools | | | " | 15,000 |
| First Choice Clinic | | | " | 10,000 |
| Life Coalition | | | " | 7500 |
| North Dakota State U. | | | " | 10,000 |
| St. John's Prep School | | | " | 10,000 |
| Future Bldrs - Trollwood | | | " | 5,000 |
| **Total** | | | ▶ 3a | 164,700 |
| b *Approved for future payment* | | | | |
| **Total** | | | ▶ 3b | |

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

| Enter gross amounts unless otherwise indicated. | Unrelated business income | | Excluded by section 512, 513, or 514 | | (e) Related or exempt function income (See page 28 of the instructions ) |
|---|---|---|---|---|---|
| | (a) Business code | (b) Amount | (c) Exclusion code | (d) Amount | |
| 1 Program service revenue: | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 2 Membership dues and assessments | | | | | |
| 3 Interest on savings and temporary cash investments | | | 14 | ~~8061~~ 3695 | |
| 4 Dividends and interest from securities | | | 14 | ~~44,318~~ 47,081 | |
| 5 Net rental income or (loss) from real estate: | | | | | |
| a Debt-financed property | | | | | |
| b Not debt-financed property | | | | | |
| 6 Net rental income or (loss) from personal property | | | | | |
| 7 Other investment income | | | | | |
| 8 Gain or (loss) from sales of assets other than inventory | | | 18 | ~~[illegible]~~ -8864 | |
| 9 Net income or (loss) from special events | | | | | |
| 10 Gross profit or (loss) from sales of inventory | | | | | |
| 11 Other revenue: a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| 12 Subtotal. Add columns (b), (d), and (e) | | | | 41,912 | |

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 41,912

(See worksheet in line 13 instructions on page 28 to verify calculations.)

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

| Line No. ▼ | Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions.) |
|---|---|
| | |

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

**d** If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

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

**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 |
|---|---|---|
| | | |

**Sign Here**

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

Maurice S. McCarthy 5-6-2010 Trustee

Signature of officer or trustee | Date | Title

**Paid Preparer's Use Only**

| Preparer's signature | Date | Check if self-employed ☐ | Preparer's identifying number (see **Signature** on page 30 of the instructions) |
|---|---|---|---|
| Firm's name (or yours if self-employed), address, and ZIP code | | EIN | |
| | | Phone no | |

Exhibit A

## REALIZED GAIN/(LOSS) SUMMARY

This Gain and Loss Summary is provided for informational purposes only It is important that you consult with a professional tax advisor regarding your individual tax situation, as Morgan Stanley Smith Barney LLC ("Morgan Stanley Smith Barney") cannot provide you with tax advice. Although Morgan Stanley Smith Barney is providing this information as an additional service, we do not guarantee that it is sufficient for tax reporting purposes, and are not liable for your reliance upon or use of this information The Gain and Loss Summary is not a substitute 1099 form (or any other appropriate tax form), has not been supplied to the IRS and should not be filed with your taxes

If cost basis information is not available, gain or (loss) will not be reflected on this Summary For securities not purchased through Morgan Stanley Smith Barney, including securities purchased elsewhere and later transferred to Morgan Stanley Smith Barney, cost basis information may not be provided To correct any information supplied by Morgan Stanley Smith Barney, please inform your Financial Advisor To add cost basis information, you may either inform your Financial Advisor or input the data directly yourself through our client-only Web site, ClientServ Morgan Stanley Smith Barney will adjust cost basis as appropriate in accordance with tax laws However, Morgan Stanley Smith Barney does not adjust for all events and you should contact your tax advisor to determine the appropriate information to be used in the preparation of your tax return

### Short Term

| DESCRIPTION | SYMBOL | QUANTITY | DATE ACQUIRED | DATE SOLD | PROCEEDS | TOTAL COST ORIGINAL/ ADJUSTED | REALIZED GAIN/(LOSS) |
|---|---|---|---|---|---|---|---|
| PROSHARES ULTRA DOW30 | DDM | 500 000 | 10/10/2008 | 01/07/2009 | $16,052.61 | $15,585 01 | $467 60 |
| PROSHARES ULTRA DOW30 | DDM | 250 000 | 10/10/2008 | 01/08/2009 | $7,750 18 | $7,792 50 | $(42 32) |
| PROSHARES ULTRA DOW30 | DDM | 750 000 | 10/10/2008 | 03/25/2009 | $17,968 20 | $23,377 51 | $(5,409 31) |
| PROSHARES ULTRA DOW30 | DDM | 300 000 | 01/21/2009 | 03/25/2009 | $7,187 28 | $8,045 13 | $(857 85) |
| PROSHARES ULTRA DOW30 | DDM | 700 000 | 02/17/2009 | 03/25/2009 | $16,770 32 | $17,082 81 | $(312 49) |
| PROSHARES ULTRA DOW30 | DDM | 300 000 | 02/23/2009 | 03/25/2009 | $7,187 28 | $6,431 99 | $755 29 |
| PROSHARES ULTRA S&P500 | SSO | 866 000 | 10/10/2008 | 01/07/2009 | $23,294 70 | $23,891 85 | $(597 15) |
| PROSHARES ULTRA S&P500 | SSO | 400 000 | 10/10/2008 | 01/08/2009 | $10,458 25 | $11,035 50 | $(577.25) |
| PROSHARES ULTRA S&P500 | SSO | 334 000 | 10/10/2008 | 03/25/2009 | $6,829 86 | $9,214 64 | $(2,384.78) |
| PROSHARES ULTRA S&P500 | SSO | 1,000 000 | 11/20/2008 | 03/25/2009 | $20,448.69 | $20,255 25 | $193 44 |
| PROSHARES ULTRA S&P500 | SSO | 300 000 | 01/21/2009 | 03/25/2009 | $6,134 61 | $6,455 69 | $(321 08) |
| PROSHARES ULTRA S&P500 | SSO | 700.000 | 02/17/2009 | 03/25/2009 | $14,314 08 | $14,555 36 | $(241 28) |
| PROSHARES ULTRA S&P500 | SSO | 300 000 | 02/23/2009 | 03/25/2009 | $6,134 61 | $5,671 65 | $462 96 |
| **Total Short Term** | | | | | **$160,530.67** | | **$(8,864 22)** |

**The "Total Cost" for Unit Trusts, Mortgage-Backed Securities, and Zero Coupon Bonds have been adjusted to reflect any partial return of principal or capital that may have been paid to you, or accreted interest earned, since your purchase date. In the event that the accumulated total return of principal or capital is greater than the provided original costs, the adjusted cost will be "0.00".**

MorganStanley SmithBarney

# Account Summary

M MCCORMICK S MCCORMICK T MCCORMICK
CO-TTEES JOHN L MCCORMICK MEMORIAL

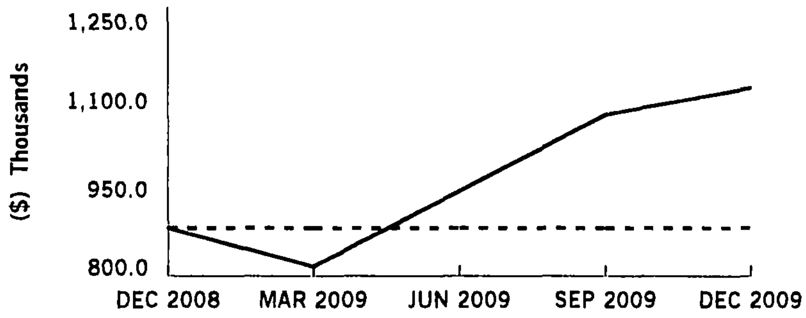
**Brokerage Account**
**Householding Anniversary Date:** 11/5/02
**Investment Objectives ^:** Capital Appreciation, Income

## CHANGE IN VALUE OF YOUR ACCOUNTS

| | This Year (1/1/09-12/31/09) | This Period (12/1/09-12/31/09) |
|---|---|---|
| **Total Beginning Market Value** | **$880,655.57** | **$1,097,911.44** |
| Contributions | — | — |
| Withdrawals | — | — |
| Security Transfers | — | — |
| **Net Contributions/Withdrawals** | — | — |
| Portfolio Income | 18,314.83 | 9,204.43 |
| Net Portfolio Appreciation | 218,760.29 | 10,614.82 |
| **Total Ending Market Value** | **$1,117,730.69** | **$1,117,730.69** |

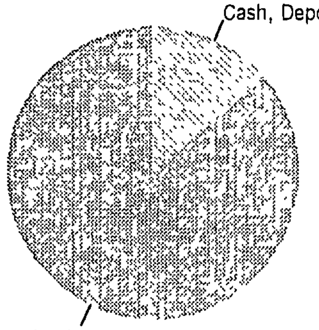
## CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested
Net investment is the total amount invested minus the total amount withdrawn.




*This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. ^ See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.*

## ALLOCATION OF HOLDINGS




| | Market Value | Percentage % |
|---|---|---|
| Cash, Deposits, MMFs* | $156,018.56 | 14.0 |
| Mutual Funds | 961,712.13 | 86.0 |
| **TOTAL** | **$1,117,730.69** | **100.0%** |

*We classify assets based on certain general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. * Eligible for FDIC insurance; FDIC rules apply. Not SIPC insured.*

**CLIENT STATEMENT** | For the Period December 1-31, 2009

MorganStanley SmithBarney

#BWNJGWM
AV 04 010712 09752E234 A**5DGT

M MCCORMICK S MCCORMICK T MCCORMICK
CO-TTEES JOHN L MCCORMICK MEMORIAL
TRUST DTD 08/30/1988
902 3RD AVE S
FARGO ND 58103-1707

| | |
|---|---|
| TOTAL VALUE LAST PERIOD (as of 11/30/09) | $1,097,911.44 |
| NET CONTRIBUTIONS/WITHDRAWALS | — |
| PORTFOLIO INCOME & APPRECIATION | 19,819.25 |
| **TOTAL VALUE OF YOUR ACCOUNT** (as of 12/31/09) | **$1,117,730.69** |

**Your Branch**

2000 44TH ST SOUTH, SUITE 402
FARGO, ND 58103
Telephone: 701-492-2400
Alt. Phone: 888-820-7188
Fax: 701-492-2411

**Your Financial Advisor**

**Jeffrey Collins**
Jeffrey.M.Collins@morganstanley.com
701 492-2401

**Client Interaction Center**

800-869-3326
24 Hours a Day, 7 Days a Week

**Access your accounts online**

www.morganstanley.com/online

*Investments and services offered through Morgan Stanley Smith Barney LLC, and accounts carried by Morgan Stanley & Co. Incorporated; members SIPC.*

MorganStanley SmithBarney

# Account Summary

M MCCORMICK S MCCORMICK T MCCORMICK
CO-TTEES JOHN L MCCORMICK MEMORIAL

## INCOME SUMMARY

| | This Year (1/1/09-12/31/09) | This Period (12/1/09-12/31/09) |
|---|---|---|
| **TOTAL INCOME** | **$18,314.83** | **$9,204.43** |
| **TAXABLE INCOME** | **18,314.83** | **9,204.43** |
| Dividends | 18,096.23 | 9,175.30 |
| Capital Gain Distributions | — | — |
| Interest | 218.60 | 29.13 |
| Other Income | — | — |
| **TAX-EXEMPT INCOME** | — | — |
| Dividends | — | — |
| Interest | — | — |

*Taxable and tax exempt income classifications are based on the characteristics of the underlying securities and not the taxable status of the account*

## GAIN/(LOSS) SUMMARY

| This Year (1/1/09-12/31/09) | Short-Term | Long-Term |
|---|---|---|
| NET REALIZED | **$(8,864.22)** | — |
| Gain | 1,879 29 | — |
| (Loss) | (10,743 51) | — |
| **This Period (12/1/09-12/31/09)** | **Short-Term** | **Long-Term** |
| NET REALIZED | — | — |
| Gain | — | — |
| (Loss) | — | — |
| NET UNREALIZED (12/31/09) | **$1,854.46** | **$(139,549.00)** |
| Gain | 1,858 35 | 2,121 28 |
| (Loss) | (3 89) | (141,670 28) |

*Gain / loss and income information are provided for informational purposes only and should not be used for tax preparation*
*Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.*

MorganStanley SmithBarney

# Account Summary

M MCCORMICK S MCCORMICK T MCCORMICK
CO-TTEES JOHN L MCCORMICK MEMORIAL

## BALANCE SHEET

| | Last Period (as of 11/30/09) | This Period (as of 12/31/09) |
|---|---|---|
| **NET ASSET VALUE** | **$1,097,911.44** | **$1,117,730.69** |
| **ASSETS** | **$1,097,911.44** | **$1,117,730.69** |
| Cash, Deposits, MMFs | 155,989.43 | 156,018.56 |
| Stocks | — | — |
| Municipal Bonds | — | — |
| Corporate Fixed Income | — | — |
| Government Securities | — | — |
| Certificates of Deposit | — | — |
| Mutual Funds | 941,922.01 | 961,712.13 |
| Unit Investment Trusts | — | — |
| Annuities & Insurance | — | — |
| Other | — | — |

**LIABILITIES** (Outstanding Balance)

*There are no liabilities for this account.*

## CASH FLOW

| | This Year (1/1/09-12/31/09) | This Period (12/1/09-12/31/09) |
|---|---|---|
| **OPENING CASH BALANCE** | **$52,903.88** | **$155,989.43** |
| **NET CREDITS/DEBITS** | — | — |
| **CREDITS** | — | — |
| Electronic Transfers | — | — |
| Check Deposits | — | — |
| Other Credits | — | — |
| **DEBITS** | — | — |
| World Card | — | — |
| ATM/Cash Advances | — | — |
| Checks | — | — |
| Automated Payments | — | — |
| Electronic Transfers | — | — |
| Interest Charged | — | — |
| Tax Withholdings | — | — |
| Other Debits | — | — |
| **NET CASH FROM INVESTMENTS** | **$103,114.68** | **$29.13** |
| Income | 18,314.83 | 9,204.43 |
| Dividend Reinvestments | (17,488.20) | (9,175.30) |
| Purchases | (58,242.63) | — |
| Sales/Redemptions | 160,530.68 | — |
| **CLOSING CASH BALANCE** | **$156,018.56** | **$156,018.56** |

Vanguard

# PORTFOLIO SUMMARY
## Vanguard Flagship Service

M. G. Mccormick, T. D. Mccormick,
S. D. McCormick Trustees
John L. McCormick Memorial Tr
UA 08-30-1988

(800) 345-1344 - Jason C. Satterwhite
ext 7318 Registered Representative
www.vanguard.com
(800) 662-6273 - Tele-Account

| TOTAL OF ALL ACCOUNTS | Value on 12/31/2008 | Value on 12/31/2009 |
|---|---|---|
| | $ 1,115,999.57 | **$ 1,176,075.08** |

| INVESTMENT ACCOUNTS | Account number | Ticker | Value on 12/31/2008 | Value on 12/31/2009 |
|---|---|---|---|---|
| **Short-term investments** | | | $ 430,724.11 | **$ 303,503.55** |
| Prime Money Mkt Fund | 88009649374 | VMMXX | $ 430,724.11 | $ 303,503.55 |
| **Stocks** | | | $ 685,275.46 | **$ 872,571.53** |
| Equity Income Fund Inv | 88009649374 | VEIPX | $ 54,553 59 | $ 63,882.98 |
| Growth and Income Inv | 88009649374 | VQNPX | 48,367 75 | 59,212.21 |
| 500 Index Fund Adm | 88009649374 | VFIAX | 482,222.04 | 610,591.84 |
| Mid-Cap Index Fund Inv | 88009649374 | VIMSX | 31,481 42 | 44,142.58 |
| PRIMECAP Fund Investor | 88009649374 | VPMCX | 35,531 65 | 47,763.30 |
| Small-Cap Growth Index | 88009649374 | VISGX | 33,119.01 | 46,978.62 |
| Total investment accounts | | | $ 1,115,999.57 | **$ 1,176,075.08** |

| | |
|---|---|
| Income year-to-date | $ 19,065.21 |
| Redemptions year-to-date | $ 129,500.00 |

| Portfolio allocation | |
|---|---|
| Short-term investments | 25 8% |
| Bonds | 0.0 |
| Stocks | 74.2 |
| | 100.0% |

## NEW AND IMPROVED STATEMENT COMING SOON

Your next statement will have a fresh look, including more convenient features and easier-to-read information. The changes will result in fewer pages, yielding cost and environmental savings. Since Vanguard is a client-owned company, when our costs are reduced, it's possible for you to keep more of the returns your funds generate. For more information about what you can expect, visit www.vanguard.com/NewFlagshipStatement.

## CONTACTING VANGUARD

**I. By Telephone**

Vanguard Tele-Account® 800-ON-BOARD (662-6273)
Automated information for mutual fund clients, 24 hours a day, 7 days a week

Vanguard® Investor Information. 800-662-SHIP (7447)
Mon -Fri , 8 a m -10 p.m , Sat . 9 a m -4 p m , EASTERN TIME

Vanguard® Account Services· Call the telephone number on the reverse
Mon -Fri , 8 a m -10 p m , Sat , 9 a m -4 p m , EASTERN TIME

Vanguard Brokerage Services®. (VBS®) 800-992-8327
Mon -Fri , 8 a m.-10 p m , Sat., 9 a m -4 p m , EASTERN TIME

VBS AutoBroker® 800-992-8327
Automated trading and information for our brokerage clients,
24 hours a day, 7 days a week

Vanguard Annuity & Insurance Services 800-462-2391
Mon -Fri , 8 a m -8 p m , EASTERN TIME

Vanguard Hearing Impaired Services Text Telephone (TTY) calls are recorded for response by a Vanguard associate during normal business hours

Investor Information TTY 800-952-3335
Account Services TTY 800-749-7273
Brokerage Services TTY 800-643-7999

**II. Via Our Website**

**www.vanguard.com**

**III. By Registered, Certified, and Overnight Mail**

The Vanguard Group
455 Devon Park Drive
Wayne, PA 19087-1815

**IV. General Correspondence**

The Vanguard Group
PO Box 2600
Valley Forge, PA 19482-2600

**V. VBS Inquiries, Complaints, and General Correspondence**

Vanguard Brokerage Services
PO Box 1170
Valley Forge, PA 19482-1170

## FOR OUR AVERAGE COST CLIENTS

**Average Cost Basis:** The amount paid to purchase the shares redeemed, calculated by using the IRS-approved Average Cost Single Category method, with transaction and redemption fees incorporated where applicable

**Gain or Allowable Loss:** The gain or loss realized by the redemption, calculated by subtracting the average cost from the redemption proceeds Gains and losses are short-term if held a year or less, long-term if held more than a year

## FOR OUR BROKERAGE CLIENTS

Your brokerage cash and/or securities are held in custody at Vanguard Brokerage Services (VBS), a division of Vanguard Marketing Corporation, Member FINRA and SIPC Vanguard mutual funds, including your money market settlement fund, are held directly by The Vanguard Group, Inc and are not protected by SIPC

**I. General Information and Key Terms**

**Advice:** VBS does not provide tax, investment, or legal advisory services, and no one associated with VBS is authorized to render such advice

**Direct Participation Program ("DPP") and Real Estate Investment Trust ("REIT"):** DPP and REIT securities are generally illiquid The value of the security will be different than its purchase price Any estimated value on your statement may not be realized when you seek to liquidate the security

**Dividend Reinvestment:** When reinvesting dividends, VBS combines the cash distributions from the accounts of all clients who have requested reinvestment in the same security, and then uses that combined total to purchase additional shares of the security in the open market The new shares are divided proportionately among the clients' accounts, in whole and fractional shares rounded to three decimal places If the total purchase cannot be completed in one trade, clients will receive shares purchased at the weighted average price paid by VBS Participants in our free dividend reinvestment program should refer to the "Description" area of the "BROKERAGE ACTIVITY" section of their Vanguard Brokerage statements for details of transaction history and dates Note that "RD" refers to the stockholder of record date, and "PD" refers to the date that the dividend is paid For FundAccess® mutual fund reinvestments, the "settle date" and "trade date" represent the day the transaction is entered in your account record Call Vanguard Brokerage Services with any questions

**Reporting Brokerage Account Discrepancies:** Promptly report in writing any inaccuracies or discrepancies in your brokerage account (including unauthorized trading) to Vanguard Brokerage Services® Any oral communication must be confirmed in writing to further protect your rights, including your rights under the Securities Investor Protection Act Contact Vanguard Brokerage Services, PO Box 1170, Valley Forge, PA 19482-1170, 800-992-8327

**Financial Statement:** A financial statement of VBS is available for your inspection at any time upon request to VBS

**Free Credit Balance:** Any free credit balance carried for your account represents funds payable on demand, which, although properly accounted for on VBS' books of record, are not segregated and may be used in the conduct of its business to the extent permitted by law

**Margin Account:** If you maintain a margin account, this is a combined statement of your general account and a special memorandum account maintained for you under Regulation T issued by the Board of Governors of the Federal Reserve System The permanent record of the separate account as required by Regulation T is available for your inspection upon request to VBS All securities must be held in your margin account Note that open-end mutual fund trades will settle in your cash account and after thirty days be moved into your margin account

**Option Accounts:** Further information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and will be made available promptly upon request You should advise us promptly of any material changes in your investment objectives or financial situation

**Open Orders:** A good to cancel (GTC) order will remain in effect for 60 calendar days after the business day on which the order was placed If the 60th day falls during a weekend or on a holiday, the order will be canceled on the next business day before the markets open GTC orders are automatically entered on a "do not reduce" (DNR) basis The limit price will not be adjusted when a stock goes "ex-dividend " Orders for securities undergoing corporate actions such as, but not limited to, stock splits, stock dividends, special cash dividends and spin-offs may be canceled before the market opening on the ex-dividend date of the corporate action You must maintain records of all open orders Be sure to review your open GTC orders periodically

**Tax Information:** After year-end, VBS is required to provide tax information to the Internal Revenue Service and other governmental authorities At that time you will be provided necessary information on the annual tax information statement, use that statement to prepare your tax filings Note that certain types of assets typically incur a need for corrected tax forms

**Trade Execution:** VBS may have acted as principal, agent or both in the placement of trades for your account Details are provided upon request to VBS

**FundAccess Dollar-Cost Averaging Transactions:** Vanguard Brokerage acts as an agent on these transactions and receives compensation from the fund company

**Average Pricing:** If average price transaction is indicated on this statement, details regarding the actual execution prices are available upon request to VBS

**When Issued:** A short form of "when, as and if issued " The term indicates a conditional transaction in a security authorized for issuance but not as yet actually issued All "when issued" transactions are on an "if" basis, to be settled if and when the actual security is issued

**II. Portfolio Holdings**

This statement reflects the net market value of the securities in your account on a trade date basis, including short positions, at the close of the statement period The market prices have been obtained from quotation services that we believe to be reliable, however, we cannot guarantee their accuracy Securities for which a price is not available are marked "N/A" and are omitted from the total

Accrued interest represents interest earned but not yet received

The estimated annual income (EAI) and estimated current yield (ECY) figures are estimates and for informational purposes only, actual income and yield may be higher or lower These figures are not considered to be a forecast or guarantee of future results These figures are computed using information from providers believed to be reliable, however, no assurance can be made as to the accuracy Since interest and dividend rates are subject to change at any time and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions These figures assume that the position quantities, interest and dividend rates and prices remain constant A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them Details regarding the formulas used to calculate the figures are available upon request to VBS

**This statement should be retained for your records.**

Ref 00005705 00047371

MorganStanley
SmithBarney

# Reserved Client
# Financial Management Account
December 1 - December 31, 2009



*L09000005705 309365AH01 IOWSFD01A*
*MAURICE G , THOMAS D.*
*STEVE D MCCORMICK, TTEES*
*JOHN L MCCORMICK MEMORIAL*
*TST DTD 7/8/04 U/W/O J MCCORMI*
*902-3RD AVE. S.*
*FARGO ND 58103-1707*

***Account number 194-11950-16 317***

**Morgan Stanley Smith Barney LLC. Member SIPC.**
*Your Financial Advisor*
Catherine H Heitel
8888 EAST PINNACLE
PEAK ROAD
SCOTTSDALE AZ 85255
480 502 6060
Email catherine.h heitel@smithbarney com
Website www.smithbarney.com

Reserved Client Service Center. 800-423-7248
Branch Phone 800 259 8946
TTY/TDD Deaf & Hard of hearing· 800-227-4238

**Account carried by Citigroup Global Markets Inc. Member SIPC.**

## Account value

| | Last period | This period | % |
|---|---|---|---|
| Cash balance | $ 0.00 | **$ 49.06** | .01 |
| Bank Deposit Program℠-principal | 13,737 18 | **15,216 70** | 1.73 |
| Common stocks & options | 329,500 79 | **331,666 18** | 37 71 |
| Exchange traded & closed end funds | 20,993 70 | **21,685.80** | 2 47 |
| Preferred stocks | 39,772.10 | **43,452.44** | 4 94 |
| Mutual funds | 457,366 37 | **467,443 97** | 53.15 |
| **Total value** | **$ 861,370.14** | **$ 879,514.15** | **100.00** |

## Earnings summary

| | This period | | This year | |
|---|---|---|---|---|
| | Taxable | Non-taxable | Taxable | Non-taxable |
| Interest | $ 0 00 | $ 0.00 | $ 3,431.24 | $ 0 00 |
| Qualified dividends | 185.88 | 0 00 | 7,169.82 | 0.00 |
| Other dividends | 1,601.14 | 0 00 | 2,614.04 | 0.00 |
| Bank Deposit Program interest | 2 73 | 0.00 | 44.41 | 0.00 |
| **Total** | **$ 1,789 75** | **$ 0.00** | **$ 13,259.51** | **$ 0.00** |

## Additional summary information

| | This period | This year |
|---|---|---|
| FRGN tax withheld | $ 0 00 | $ 18.25 |

## Cash, money fund, bank deposits

| | This period | This year |
|---|---|---|
| **Opening balance** | **$ 13,737 18** | |
| Securities bought and other subtractions | (261.17) | |
| Securities sold and other additions | 0 00 | |
| Withdrawals | 0.00 | 0.00 |
| Checks written | 0.00 | (36,700 00) |
| Dividends credited | 1,787.02 | |
| Bank Deposit Program℠ interest reinvested | 2 73 | |
| **Closing balance** | **$ 15,265.76** | |

A free credit balance in any securities account may be paid to you on demand Although properly accounted for, these funds may be used for business purposes.

## Portfolio summary

| | This period | This year |
|---|---|---|
| Beginning total value (excl accr int ) | **$ 861,370 14** | **$ 713,106 52** |
| Net security deposits/withdrawals | 0.00 | 0 00 |
| Net cash deposits/withdrawals | 0 00 | (36,700.00) |
| Beginning value net of deposits/withdrawals | **861,370.14** | **676,406.52** |
| Total value as of 12/31/2009 (excl accr int.) | **$ 879,514 15** | **$ 879,514 15** |
| Change in value | **$ 18,144 01** | **$ 203,107.63** |

Ref: 00005705 00047370

MorganStanley SmithBarney

# Reserved Client Consolidation Summary
December 1 - December 31, 2009



**L09000005705 309365AH01 IOWSFD01A**
**MAURICE G , THOMAS D.**
**STEVE D MCCORMICK, TTEES**
**JOHN L MCCORMICK MEMORIAL**
**TST DTD 7/8/04 U/W/O J MCCORMI**
**902-3RD AVE. S.**
**FARGO ND 58103-1707**

**Morgan Stanley Smith Barney LLC. Member SIPC.**
*Your Financial Advisor*
Catherine H Heitel
8888 EAST PINNACLE
PEAK ROAD
SCOTTSDALE AZ 85255
480 502 6060
Reserved Client Service Center 800-423-7248
Branch Phone. 800 259 8946

**Accounts carried by Citigroup Global Markets Inc. Member SIPC.**

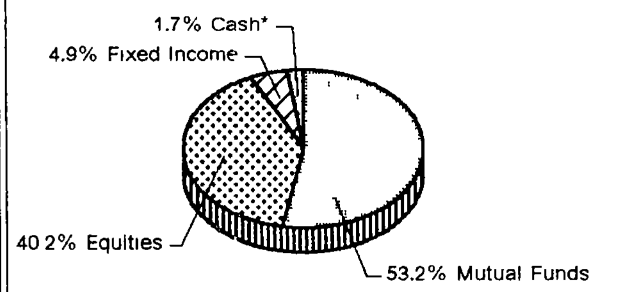
## Summary

*Enclosed are statements for the following accounts in your consolidated household. "Total Value Comparison" and "Year to Date Summary" may contain information for previously existing accounts which have been recently consolidated Unpriced securities are not included in the "Net Value" columns Unless otherwise indicated, values shown are for "This Period." Accrued interest and dividends, earned but not paid, are excluded from the Adjusted Net Value*

| Account Number | Abbreviated Name | Account Type | Total Value Prior Month/ Adj.Net Value | Total Value This Period/ Adj.Net Value | Net Securities Deposited/ Withdrawn | Net Capital Deposits/ Withdrawals | Total Income Taxable/ Non-Taxable | Unrealized Gain or (Loss) | Adjusted YTD Realized Gain or (Loss) |
|---|---|---|---|---|---|---|---|---|---|
| 194-11950 | MAURICE G , THOMAS D. STEVE D MCCORMICK, TTEES | RESERVED | $ 861,370.14<br>**$ 861,370 14** | $ 879,514 15<br>**$ 879,514 15** | $ 0.00 | $ 0.00 | $ 1,789 75<br>$ 0 00 | ($ 54,268 46) | $ 0 00 ST<br>$ 0 00 LT |
| **Total** | | | $ 861,370.14<br>**$ 861,370.14** | $ 879,514.15<br>**$ 879,514.15** | **$ 0.00** | **$ 0.00** | **$ 1,789.75**<br>**$ 0.00** | **($ 54,268.46)** | **$ 0.00 ST**<br>**$ 0.00 LT** |

| Year to Date Summary | | |
|---|---|---|
| **Beginning total net value as of 12/31/08** | | **$ 713,106.52** |
| Net security deposits/withdrawals (year to date) | | 0 00 |
| Net cash deposits/withdrawals (year to date) | | (36,700.00) |
| **Beginning value net of deposits/withdrawals** | | **$ 676,406.52** |
| **Ending total net value** | **12/31/09** | **$ 879,514.15** |
| **Year to date change in value** | | **203,107 63** |

**Current Total Asset Allocation Summary**




**Cash* = Cash/BDP, Money Markets**

**Total Value Comparison**