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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 01-01-2009 , and ending 12-31-2009

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
DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

Number and street (or P O box number if mail is not delivered to street address) Room/suite
RICHARDSON RD

City or town, state, and ZIP code
COLLINS, NY 14034

A Employer identification number
22-2914177

B Telephone number (see page 10 of the instructions)
(716) 337-0223

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)* ▶$ 2,848,169

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)	9,073			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	31,849	31,849		
	4	Dividends and interest from securities	55,636	55,636		
	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)		12,084		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)	603	603		
	12	**Total.** Add lines 1 through 11	97,161	100,172		
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)	2,900	1,450		1,450
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	1,077			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	5,315	5,174		141
	24	**Total operating and administrative expenses.** Add lines 13 through 23	9,292	6,624		1,591
	25	Contributions, gifts, grants paid	139,500			139,500
	26	**Total expenses and disbursements.** Add lines 24 and 25	148,792	6,624		141,091
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-51,631			
	b	**Net investment income** (if negative, enter -0-)		93,548		
	c	**Adjusted net income** (if negative, enter -0-)				

Part II	**Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1	Cash—non-interest-bearing	125,126	16,449	16,449
2	Savings and temporary cash investments		282,201	282,732
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 15 of the instructions)			
7	Other notes and loans receivable (attach schedule) ▶ ______ Less allowance for doubtful accounts ▶ ______	51,155	47,881	47,881
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges	3,544	2,467	2,467
10a	Investments—U S and state government obligations (attach schedule)	17,000		
b	Investments—corporate stock (attach schedule)	2,012,881	1,796,231	1,894,844
c	Investments—corporate bonds (attach schedule)		125,000	128,020
11	Investments—land, buildings, and equipment basis ▶ ______ Less accumulated depreciation (attach schedule) ▶ ______			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)	100,556		
14	Land, buildings, and equipment basis ▶ ______ Less accumulated depreciation (attach schedule) ▶ ______			
15	Other assets (describe ▶ ______)	475,290	475,776	475,776
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	2,785,552	2,746,005	2,848,169
Liabilities 17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶ ______)			
23	**Total liabilities** (add lines 17 through 22)		0	
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	2,785,552	2,746,005	
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)	2,785,552	2,746,005	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	2,785,552	2,746,005	

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	2,785,552
2	Enter amount from Part I, line 27a	2	-51,631
3	Other increases not included in line 2 (itemize) ▶ ______	3	12,084
4	Add lines 1, 2, and 3	4	2,746,005
5	Decreases not included in line 2 (itemize) ▶ ______	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,746,005

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 Additional Data Table			
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	See Additional Data Table			
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	See Additional Data Table			
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	12,084
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	122,889	2,798,877	0 043907
2007	126,649	3,344,808	0 037864
2006	125,993	3,271,095	0 038517
2005	120,655	3,075,410	0 039232
2004	132,067	3,067,524	0 043053

2	**Total** of line 1, column (d).	2	0 202573
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years . . .	3	0 040515
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5.	4	2,642,091
5	Multiply line 4 by line 3.	5	107,044
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	935
7	Add lines 5 and 6.	7	107,979
8	Enter qualifying distributions from Part XII, line 4.	8	141,091

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	935
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	935
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	935
6	Credits/Payments				
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	2,467		
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	2,467
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	1,532
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ 1,532	**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		No
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		No
	*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		No
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		No
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		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
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		No
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	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ ____________			
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	Yes	
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		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities (continued)

		Line	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		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶PATRICIA REBMANN Telephone no ▶(716) 532-4531

Located at ▶RICHARDSON RD COLLINS NY ZIP+4 ▶14034

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.

		Line	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		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ 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		No
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		No

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

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☑ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	**5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		No
	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
See Additional Data Table				

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 ▶ 0

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

3 Five highest-paid independent contractors for professional services (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. . . . . ▶		0

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

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see page 23 of the instructions)

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	1,968,735
b	Average of monthly cash balances	1b	185,535
c	Fair market value of all other assets (see page 24 of the instructions)	1c	528,056
d	**Total** (add lines 1a, b, and c)	1d	2,682,326
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	2,682,326
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	40,235
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,642,091
6	**Minimum investment return.** Enter 5% of line 5	6	132,105

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	132,105
2a	Tax on investment income for 2009 from Part VI, line 5	2a	935		
b	Income tax for 2009 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	935
3	Distributable amount before adjustments Subtract line 2c from line 1			3	131,170
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	131,170
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	131,170

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	141,091
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	141,091
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	935
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	140,156

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				131,170
2 Undistributed income, if any, as of the end of 2008				
a Enter amount for 2008 only.				
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. 52,366				
f **Total** of lines 3a through e.	52,366			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 141,091				
a Applied to 2008, but not more than line 2a				
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.				78,804
e Remaining amount distributed out of corpus	62,287			
5 Excess distributions carryover applied to 2009 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	52,366			52,366
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	62,287			
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				
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	62,287			
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. . . . 62,287				

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 organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

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

Part XV **Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year—see page 27 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))

DANIEL GERNATT SR

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year* See Additional Data Table				
Total . . . . ▶ **3a**				139,500
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)
1 Program service revenue	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
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	31,849	
4 Dividends and interest from securities. . . .			14	55,636	
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					
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). .				87,485	

13 Total. Add line 12, columns (b), (d), and (e). **13** 87,485

(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 organization's exempt purposes (other than by providing funds for such purposes) (See page 28 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)		No
(2) Other assets	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		No
(3) Rental of facilities, equipment, or other assets	1b(3)		No
(4) Reimbursement arrangements	1b(4)		No
(5) Loans or loan guarantees	1b(5)		No
(6) Performance of services or membership or fundraising solicitations	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		No

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

******	2010-04-21	******
Signature of officer or trustee	Date	Title

Paid Preparer's Use Only

	Date	Check if self-employed ☐	Preparer's identifying number (see **Signature** on page 30 of the instructions)
Preparer's Signature KENNETH S FRANK CPA	2010-05-07		
Firm's name (or yours if self-employed), address, and ZIP code RA MERCER & CO PC 12250 OLEAN RD BOX 218 SARDINIA, NY 14134		EIN	
		Phone no (716) 496-5028	

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93491127001050

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, or 990-PF.**

OMB No 1545-0047

2009

Name of organization	**Employer identification number**
DANIEL & FLAVIA GERNATT FAMILY FOUNDATION	22-2914177

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☑ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

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

General Rule—

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

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year . . . . ▶ $ ____________

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

Name of organization
DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

Employer identification number
22-2914177

Part I **Contributors** (see Instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	GERNATT GRAVEL INC RICHARDSON RD COLLINS, NY 14034	$ 9,073	Person ☑ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
DANIEL & FLAVIA GERNATT FAMILY FOUNDATION	22-2914177

Part II **Noncash Property** (see Instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization
DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

Employer identification number
22-2914177

Part III ***Exclusively*** **religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than $1,000 for the year.** (Complete columns **(a)** through **(e) and** the following line entry)
For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc , contributions of **$1,000 or less** for the year (Enter this information once See instructions) ▶ $

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

Additional Data

Software ID: 09000048
Software Version: US03CV000TY2009
EIN: 22-2914177
Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
CALL CVX (MORGAN STANLEY SMITH BARNEY)	P	2009-12-09	2009-12-21
MORGAN STANLEY SMITH BARNEY A/C 475-80578-16	P	2009-09-16	2009-12-02
MORGAN STANLEY SMITH BARNEY A/C 475-80578-16	P	2005-08-04	2009-06-26
MORGAN STANLEY SMITH BARNEY A/C 475-09887-11	P	2009-12-10	2009-12-30
MORGAN STANLEY SMITH BARNEY A/C 475-09887-11	P	1995-01-20	2009-12-10
TIME WARNER (SAGE RUTTY)	P	2009-04-02	2009-04-02
INTERVEST MORTGAGE (SAGE RUTTY)	P	2004-07-13	2009-02-02
INTERVEST MORTGAGE (SAGE RUTTY)	P	2005-04-26	2009-01-02
TIME WARNER (SAGE RUTTY)	P	2005-02-18	2009-03-30
WRIGHT EXPRESS (SAGE RUTTY)	P	2007-05-14	2009-05-15

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
42	0	0	42
300,297	0	258,367	41,930
866,729	0	919,231	-52,502
35,819	0	32,472	3,347
92,227	0	72,947	19,280
6	0	0	6
50,000	0	50,000	0
50,000	0	50,000	0
17	0	36	-19
50,000	0	50,000	0

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
(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	
0	0	0	42
0	0	0	41,930
0	0	0	-52,502
0	0	0	3,347
0	0	0	19,280
0	0	0	6
0	0	0	0
0	0	0	0
0	0	0	-19
0	0	0	0

Form 990PF Part VIII Line 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
DANIEL GERNATT SR RICHARDSON RD COLLINS, NY 14034	TRUSTEE 1 00	0	0	0
DANIEL GERNATT JR RICHARDSON RD COLLINS, NY 14034	TRUSTEE 1 00	0	0	0
PATRICIA REBMANN RICHARDSON RD COLLINS, NY 14034	TRUSTEE 5 00	0	0	0
PHYLLIS ULMER RICHARDSON RD COLLINS, NY 14034	TRUSTEE 1 00	0	0	0
CYNTHIA PEGLOWSKI RICHARDSON RD COLLINS, NY 14034	TRUSTEE 1 00	0	0	0

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
HILBERT COLLEGE5200 SOUTH PARK AVENUE HAMBURG, NY 14075		PUBLICCHARITY	FOR CAPITALEDUCATIONALIMPROVEMENTS	2,000
ST JOSEPHS SCHOOLMAIN STREET GOWANDA, NY 14070		PUBLICCHARITY	TUITIONEDUCATIONALASSISTANCE	12,000
HEALTHY COMMUNITY ALLIANCE INC26 JAMESTOWN ST GOWANDA, NY 14070		PUBLICCHARITY	BUILDINGACADEMY PLACEPROJECT	2,000
LOVE INC100 MEMORIAL DRIVE GOWANDA, NY 14070		PUBLICCHARITY	ASSISTANCE FORCHARITABLE-NEEDY FAMILIES	30,000
LOVE INC OF SPRINGVILLE NYPO BOX 156 SPRINGVILLE, NY 14141		PUBLICCHARITY	ASSISTANCE FORCHARITABLE-NEEDY FAMILIES	30,000
CATHOLIC CHARITIES OF BUFFALO NY525 WASHINGTON ST BUFFALO, NY 14203		PUBLICCHARITY	NEEDYCHARITABLE-FAMILIES	30,000
TRI-COUNTY CRISIS PREGNANCY CENTER17 S WATER STREET GOWANDA, NY 14070		PUBLICCHARITY	TO PREGNANTASSISTANCEWOMEN	3,000
ST VINCENT DEPAUL SOCIETY8462 LAKESHORE RD ANGOLA, NY 14006		PUBLICCHARITY	TO POOR ANDASSISTANCEHOMELESS	18,000
ST LUKE'S MISSION OF MERCY325 WALDEN AVENUE BUFFALO, NY 14211		PUBLICCHARITY	TO POORASSISTANCEAND HOMELESS	500
SARDINIA UNITED METHODIST CHURCH12369 SAVAGE ROAD SARDINIA, NY 14134		PUBLICCHARITY	ASSISTANCE TOCHARITABLENEEDY	10,000
VILLA MARIA COLLEGE240 PINE RIDGE ROAD CHEEKTOWAGA, NY 14225		PUBLICCHARITY	TUITIONEDUCATIONALASSISTANCE	2,000
Total . . . . ▶ **3a**				139,500

TY 2009 Accounting Fees Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
R A MERCER & CO TAX PREPARATION	2,900	1,450		1,450

TY 2009 Investments Corporate Bonds Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Name of Bond	End of Year Book Value	End of Year Fair Market Value
see attached statement	125,000	128,020

TY 2009 Investments Corporate Stock Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Name of Stock	End of Year Book Value	End of Year Fair Market Value
see attached statement	1,796,231	1,894,844

TY 2009 Other Assets Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
CASH SURRENDER VALUE LIFE INSURANCE	475,290	475,776	475,776

TY 2009 Other Assets Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
CASH SURRENDER VALUE LIFE INSURANCE	475,290	475,776	475,776

TY 2009 Other Assets Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
CASH SURRENDER VALUE LIFE INSURANCE	475,290	475,776	475,776

TY 2009 Other Expenses Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ADVERTISING	16			16
NYS FILING FEES	250	125		125
FOREIGN TAXES PAID	491	491		
INVESTMENT ADVISORY FEES	4,558	4,558		

TY 2009 Other Income Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
MISCELLANEOUS	117	117	
LIFE INSURANCE	486	486	

TY 2009 Other Increases Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Amount
CAPITAL GAINS ON STOCK SALES	12,084

TY 2009 Taxes Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL TAXES	1,077			

LEGAL NOTICE

The annual report of the Dan and Flavia Gernatt Family Foundation is available for inspection during regular business hours by any citizen who requests it within 180 days after March 22, 2010 at its principal office, Taylor Hollow Road, Collins, N.Y.

Daniel R Gernatt Sr
Principal Manager

AFFIDAVIT OF PUBLICATION

State of New York)
) SS
County of Erie)

The undersigned is the billing supervisor of The SUN, a weekly newspaper published in the county of Erie, in the state of New York.

A notice regarding LEGAL NOTICE Gernatt Fami

was published in said newspaper commencing on: 4/1/10

and ending on: 4/1/10

The text of the notice as published in said newspaper is as set forth below, or in the annexed exhibit.

Linda Bridges

Sworn to before me on 6th day of April, 2010.

Mary E [illegible]

[illegible]
Qualified in Erie County,
Commission [illegible] 3 20 10

T-1

Dan & Flavia Gernatt Family Foundation
Form 990 Attachment-Investments- Part II - Balance Sheet
EIN: 22-2914177
For the year ended December 31, 2009

Morgan Stanley-statements attached	**12/31/2009**	**12/31/2009**
a/c 475-09880-18 507	**cost**	**mkt value**
money fund	6,919.00	6,919.00
common stocks	131,539.68	145,304.00
subtotal	**138,458.68**	**152,223.00**
a/c 475-09887-11 002		
cash	1,174.64	1,174.64
money fund	44,642 61	44,642.61
common stocks	242,373.92	252,420.15
exchange traded	143,534.94	145,528.15
mutual funds	528,960.02	529,321.52
unsettled purchases/sales	415 72	415.72
subtotal	**961,101.85**	**973,502.79**
a/c 475-80578-16 002		
cash	5,503.82	5,503.82
money fund	89,980.41	89,980.41
common stocks	235,701.77	346,111.84
preferred stocks	26,013.97	21,945.16
accrued int bonds/cd's	2,706.45	2,706.45
mortgage asset backed	11,001.32	10,885 27
mutual funds	55,105.00	59,567.98
corporate bonds	125,000.00	128,020.00
certificates of deposit	50,000.00	50,529.50
subtotal	**601,012.74**	**715,250.43**
Sage Rutty-statement attached		
a/c 2624-7206		
cash	81,275.28	81,275.28
mutual funds	421,584.36	383,344.22
subtotal	**502,859.64**	**464,619.50**
HSBC Checking Account	**16,448.69**	**16,448.69**
grand totals	**2,219,881.60**	**2,322,044.41**
Reported on 990 Balance Sheet:		
cash/money funds - line 1	16,448.69	16,448.69
savings - line 2	282,202.21	282,731.71
corporate stock line 10.B	1,796,230.70	1,894,844.01
corporate bonds 10.C	125,000.00	128,020.00
grand totals	**2,219,881.60**	**2,322,044.41**

MorganStanley SmithBarney

Ref 00000462 00016443

Reserved Client Statement
December 31, 2009

L09000000462 309365AA01 APWMFL04A
THE DANIEL & FLAVIA GERNATT
FAMILY FOUNDATION
PBG YPO
2698 GOWANDA ZOAR RD
GOWANDA NY 14070-9767

Account number 475-09880-18 507

Morgan Stanley Smith Barney LLC. Member SIPC.

415 COLUMBIA STREET
P O BOX 1606
LAFAYETTE IN 47902
765-742-9085
Website: www.smithbarney.com

Reserved Client Service Center: 800-423-7248

Account carried by Citigroup Global Markets Inc. Member SIPC.

Account value

	Last period	This period	%
Money fund	$ 0 00	**$ 6,919 00**	4 55
Common stocks & options	0 00	**145,304.00**	95 45
Total value	**$ 0.00**	**$ 152,223.00**	**100.00**

Earnings summary

	This period Taxable	This period Non-taxable	This year Taxable	This year Non-taxable
Money fund earnings	$ 1 75	$ 0.00	$ 1 75	$ 0.00
Total	**$ 1.75**	**$ 0 00**	**$ 1.75**	**$ 0.00**

Gain/loss summary

		This period	This year
Realized gain or (loss)		$ 41 99	$ 0 00 LT $ 41 99 ST
Unrealized gain or (loss) to date	13,764 32		

Cash, money fund, bank deposits

	This period	This year
Opening balance	**$ 0 00**	
Securities bought and other subtractions	(93,883 35)	
Securities sold and other additions	1,778.67	
Deposits	100,000.00	100,000 00
Withdrawals	(978.07)	(978 07)
Money fund earnings reinvested	1 75	
Closing balance	**$ 6,919.00**	

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.)	**$ 0 00**	**$ 0 00**
Net security deposits/withdrawals	51,202 00	51,202 00
Net cash deposits/withdrawals	99,021 93	99,021.93
Beginning value net of deposits/withdrawals	**150,223.93**	**150,223.93**
Total value as of 12/31/2009 (excl. accr. int.)	**$ 152,223 00**	**$ 152,223.00**
Change in value	**$ 1,999 07**	**$ 1,999 07**

PORTFOLIO DETAILS

Your holdings are valued using the most current prices available to Citigroup Global Markets Inc. (CGMI). In most cases, these values are as of 12/31/09, but in some cases CGMI's sources are unable to provide timely information. To see the date of the most recent price update, please view your account online at www.smithbarney.com.

Securities purchased or sold are included or excluded in this section as of the trade-date This section may include securities that have not settled as of this statement closing date. Please see the "Unsettled Purchases/Sales" section for more information Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold
Please Note: *unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor*

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency Although money market funds seek to preserve the value of your investment at $1 00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1 00 per share In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated income (annualized)
6,919.00	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 6,919.00		07 %	$ 4 84
Total money fund		$ 6,919 00	$ 0.00	07 %	$ 4.84

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
300	AT&T INC	T	12/09/09	$ 8,236.89	$ 27 456	$ 28 03	$ 8,409 00	$ 172 11 ST	5 993 %	$ 504.00
-3	CALL T JAN 10 @ 29.00 AT&T INC 100 SHS EXP: 01/16/2010 SHORT CALL Covered		12/09/09	-38.99 Short sale proceeds	13	.04	-12.00 Cost to close	26 99 ST		
200	BOEING CO	BA	12/09/09	11,073.20	55 366	54.13	10,826 00	(247 20) ST	3 103	336 00
-2	CALL BZD JAN 10 @ 57 50 BOEING CO 100 SHS EXP: 01/16/2010 SHORT CALL Covered		12/09/09	-271.99 Short sale proceeds	1.36	.14	-28 00 Cost to close	243.99 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
200	CATERPILLAR INC	CAT	12/09/09	**$ 11,219.42**	$ 56.097	$ 56.99	**$ 11,398.00**	**$ 178 58** ST	**2.947 %**	**$ 336 00**
-2	CALL CAT JAN 10 @ 60.00 CATERPILLAR INC 100 SHS EXP. 01/16/2010 SHORT CALL Covered		12/09/09	**-200 99** Short sale proceeds	1.005	29	**-58 00** Cost to close	**142 99** ST		
195	CHEVRON CORP	CVX	09/21/01	8,220.08	41.65	76 99	15,013 05	6,792.97* LT		
5	Reinvestments to date			359 20	71.84	76 99	384 95	25.75 ST		
200				**8,579 28**	**42 896**		**15,398.00**	**6,818 72**	**3 532**	**544.00**
-2	CALL CVX FEB 10 @ 80.00 CHEVRON CORP 100 SHS EXP 02/20/2010 SHORT CALL Covered		12/22/09	**-246 09** Short sale proceeds	1 23	.855	**-171.00** Cost to close	**75 09** ST		
200	COCA-COLA CO	KO	12/09/09	**11,491 60**	57.458	57 00	**11,400.00**	**(91.60)** ST	**2 877**	**328.00**
-2	CALL KO JAN 10 @ 60.00 COCA-COLA CO 100 SHS EXP. 01/16/2010 SHORT CALL Covered		12/09/09	**-75 41** Short sale proceeds	377	.05	**-10.00** Cost to close	**65 41** ST		
300	E I DU PONT DE NEMOURS & CO	DD	12/09/09	**9,428 64**	31.428	33.67	**10,101 00**	**672 36** ST	**4 87**	**492 00**
-3	CALL DXT JAN 10 @ 34.00 E I DU PONT DE NEMOURS & CO 100 SHS EXP: 01/16/2010 SHORT CALL Covered		12/09/09	**-119 99** Short sale proceeds	.40	.60	**-180.00** Cost to close	**(60 01)** ST		
300	HOME DEPOT INC	HD	12/09/09	**8,261.13**	27.537	28 93	**8,679 00**	**417.87** ST	**3.11**	**270.00**
-3	CALL JGL JAN 10 @ 29.00 HOME DEPOT INC 100 SHS EXP: 01/16/2010 SHORT CALL Covered		12/09/09	**-98.24** Short sale proceeds	.327	47	**-141.00** Cost to close	**(42 76)** ST		
300	INTEL CORP	INTC	12/09/09	**5,920.53**	19 735	20 40	**6,120 00**	**199 47** ST	**2.745**	**168 00**
-3	CALL NQ JAN 10 @ 21 00 INTEL CORP 100 SHS EXP: 01/16/2010 SHORT CALL Covered		12/09/09	**-91.19** Short sale proceeds	.304	32	**-96 00** Cost to close	**(4 81)** ST		
200	JOHNSON & JOHNSON	JNJ	10/30/07	**13,191 34**	65 00	64 41	**12,882.00**	**(309 34)***LT	**3.043**	**392.00**

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Reserved
Client Statement
December 31, 2009

THE DANIEL & FLAVIA GERNATT *Account number 475-09880-18 507*

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
-2	CALL JNJ JAN 10 @ 65 00 JOHNSON & JOHNSON 100 SHS EXP. 01/16/2010 SHORT CALL Covered		12/09/09	$ -193.99 Short sale proceeds	$ .97	$ 44	$ -88.00 Cost to close	$ 105 99 ST		
200	MCDONALDS CORP	MCD	12/09/09	12,185 20	60 926	62 44	12,488 00	302 80 ST	3 523	440 00
-2	CALL MCD JAN 10 @ 65.00 MCDONALDS CORP 100 SHS EXP. 01/16/2010 SHORT CALL Covered		12/09/09	-54 99 Short sale proceeds	275	.21	-42.00 Cost to close	12.99 ST		
300	MERCK & CO INC NEW	MRK	12/09/09	10,946.40	36.488	36.54	10,962 00	15.60 ST	4 159	456 00
-3	CALL MZR JAN 10 @ 39 00 MERCK & CO INC NEW 100 SHS EXP: 01/16/2010 SHORT CALL Covered		12/09/09	-96.86 Short sale proceeds	.322	.05	-15 00 Cost to close	81 86 ST		
200	PFIZER INC	PFE	12/04/06	5,025.18	24 67	18.19	3,638 00	(1,387 18)* LT		
100			12/09/09	1,807 71	18.077	18 19	1,819 00	11.29 ST		
300				6,832.89	22.776		5,457 00	(1,375 89)	3 958	215.00
-1	CALL PFE JAN 10 @ 20 00 PFIZER INC		12/09/09	-11 66 Short sale proceeds	.116	02	-2.00 Cost to close	9 66 ST		
-2	100 SHS EXP' 01/16/2010 SHORT CALL Covered		12/09/09	-23.33 Short sale proceeds	116	.02	-4.00 Cost to close	19 33 ST		
-3				-34.99	.116		-6.00	28.99		
200	PROCTER & GAMBLE CO	PG	09/17/98	7,711 35	37 88	60 63	12,126 00	4,414 65* LT	2 902	352.00
-2	CALL PXY JAN 10 @ 65.00 PROCTER & GAMBLE CO 100 SHS EXP: 01/16/2010 SHORT CALL Covered		12/09/09	-91 99 Short sale proceeds	.46	05	-10 00 Cost to close	81.99 ST		
200	VERIZON COMMUNICATIONS	VZ	01/20/95	4,885.86	24.42	33.13	6,626 00	1,740.14* LT		
100			12/09/09	3,312 63	33.126	33 13	3,313.00	.37 ST		
300				8,198 49	27.328		9,939.00	1,740 51	5 734	570.00

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Reserved Client Statement
December 31, 2009

THE DANIEL & FLAVIA GERNATT   Account number 475-09880-18 507

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
-1	CALL VZ JAN 10 @ 34.00 VERIZON COMMUNICATIONS		12/09/09	$ -40 32 Short sale proceeds	$ 403	$ 08	$ -8.00 Cost to close	$ 32 32 ST		
-2	100 SHS EXP. 01/16/2010 SHORT CALL		12/09/09	-80 65 Short sale proceeds	.403	08	-16 00 Cost to close	64.65 ST		
-3	Covered			-120 97	403		-24 00	96 97		
Total common stocks and options				$ 131,539 68			$ 145,304.00	$ 2,513.08 ST $ 11,251.24 LT	3 71	$ 5,404.00
Total portfolio value				$ 138,458.68			$ 152,223.00	$ 2,513.08 ST $ 11,251 24 LT	3.55	$ 5,408.84

*Based on information supplied by client or other financial institution, not verified by us.

TRANSACTION DETAILS
All transactions appearing are based on trade-date

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/09/09	Sold	CALL T JAN 10 @ 29.00 AT&T INC 100 SHS EXP 01/16/2010 COVERED OPEN CUSTOMER MorganStanley SmithBarney LLC acted as your agent in this transaction	-3	$ 13	$ 38 99
12/09/09	Sold	CALL BZD JAN 10 @ 57 50 BOEING CO 100 SHS EXP 01/16/2010 COVERED OPEN CUSTOMER MorganStanley SmithBarney LLC acted as your agent in this transaction	-2	1 36	271.99

MorganStanley SmithBarney

Ref. 00000462 00016456

Reserved Client Statement
December 31, 2009

Account number 475-09887-11 002

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THE DANIEL & FLAVIA GERNATT
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Branch Phone. 800 343 9743

Account carried by Citigroup Global Markets Inc. Member SIPC.

Account value

	Last period	This period	%
Cash balance	$ 0 00	**$ 1,174.64**	.12
Money fund	0 00	**44,642 61**	4.59
Common stocks & options	0 00	**252,420 15**	25 94
Exchange traded & closed end funds	0.00	**145,528 15**	14 96
Mutual funds	0.00	**529,321.52**	54.40
Unsettled purchases/sales	0.00	**415.72**	
Total value	**$ 0.00**	**$ 973,502.79**	**100.00**

Unsettled purchases/sales are reflected in the "Portfolio details" section

Earnings summary

	This period		This year	
	Taxable	Non-taxable	Taxable	Non-taxable
Qualified dividends	$ 60 52	$ 0 00	$ 60 52	$ 0.00
Other dividends	4 201 94	0.00	4 201.94	0.00
Money fund earnings	12 57	0 00	12.57	0 00
Total	$ 4,275 03	$ 0 00	$ 4,275.03	$ 0 00

Additional summary information

	This period	This year
Return of capital	$ 0.00	$ 0.00

Cash, money fund, bank deposits

	This period	This year
Opening balance	**$ 0 00**	
Securities bought and other subtractions	(858,580 68)	
Securities sold and other additions	128,046.64	
Net unsettled purchases/sales	(415.72)	
Deposits	487,806.89	487,806.89
Withdrawals	(3 075.83)	(3 075.83)
Dividends credited	4,262 46	
Money fund earnings reinvested	12.57	
Money fund transfers	287,760 92	287,760.92
Closing balance	**$ 45,817.25**	

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.)	**$ 0.00**	**$ 0.00**
Net security deposits/withdrawals	190 608.51	190,608 51
Net cash deposits/withdrawals	772,491.98	772,491 98
Beginning value net of deposits/withdrawals	**963,100.49**	**963,100 49**
Total value as of 12/31/2009 (excl. accr. int)	**$ 973,502.79**	**$ 973,502.79**
Change in value	**$ 10,402.30**	**$ 10,402 30**

Gain/loss summary

		This period	This year
Realized gain or (loss)		$ 22,627.63	$ 19,280 93 LT $ 3.346 70 ST
Unrealized gain or (loss) to date	12.400.94		

SEPARATELY MANAGED ACCOUNTS

Consulting Group Research (CGR) rating codes (FL, AL or NL) may be shown for certain separate account managers Please refer to the "Guide to Investment Ratings" at the end of this statement for a description of these rating codes. All research ratings represent the "opinions' of CGR and are not representations or guarantees of performance

	Rating		Rating
Clearbridge Advisors - Dividend Strategy	AL	ClearBridge All Cap Value Portfolios	FL
ClearBridge Multi Cap Growth Portfolios	FL		

PORTFOLIO DETAILS

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Securities purchased or sold are included or excluded in this section as of the trade-date This section may include securities that have not settled as of this statement closing date Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold
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Money fund

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Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated income (annualized)
44,642 61	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 44,642.61		07 %	$ 31 24
Total money fund		**$ 44,642 61**	**$ 0.00**	.07 %	$ 31 24

THE DANIEL & FLAVIA GERNATT — *Account number 475-09887-11 002*

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
18	ALLIED WORLD ASSURANCE CO HLDGS LTD	AWH	12/10/09	$ 833 37	$ 46.298	$ 46.07	$ 829 26	($ 4 11) ST	1.736%	$ 14.40
36	COVIDIEN PLC DUBLIN-USD	COV	12/10/09	1,709 10	47 475	47.89	1,724.04	14.94 ST	1.503	25.92
207	SEAGATE TECHNOLOGY -USD	STX	12/10/09	3,419.23	16 518	18 19	3,765 33	346 10 ST		
320	WEATHERFORD INTERNATIONAL LTD -CHF	WFT	12/10/09	5,218 56	16 308	17.91	5,731.20	512 64 ST		
145	TYCO ELECTRONICS LTD	TEL	12/10/09	3,423 23	23 608	24 55	3,559.75	136.52 ST	2.606	92.80
120	TYCO INTL LTD CHF	TYC	12/10/09	4,333 92	36.116	35 68	4,281 60	(52.32) ST	2 242	96.00
12	AGCO CORP	AGCO	12/10/09	362 13	30.177	32 34	388.08	25.95 ST		
186	AT&T INC	T	12/10/09	5,155 19	27.716	28 03	5,213 58	58 39 ST	5 993	312.48
53	ABBOTT LABORATORIES	ABT	12/10/09	2,864.01	54 038	53 99	2,861 47	(2 54) ST	2 963	84.80
115	ANADARKO PETROLEUM CORP	APC	12/10/09	6,691 68	58 188	62 42	7,178.30	486 62 ST	.576	41 40
181	ANNALY CAPITAL MANAGEMENT INC	NLY	12/10/09	3,364.43	18 588	17.35	3,140 35	(224 08) ST	17.291	543 00
156	APPLIED MATERIALS INC DELAWARE	AMAT	12/10/09	2,072.79	13 287	13.94	2,174.64	101.85 ST	1.721	37.44
109	AUTODESK INC	ADSK	12/10/09	2,561 34	23.498	25.41	2,769.69	208.35 ST		
55	AUTOMATIC DATA PROCESSING INC	ADP	01/26/05	2,213 74	39.41	42 82	2,355.10	141.36* LT		
12 5618	Reinvestments to date			464 17	36.95	42.82	537.90	73 73 ST		
67 5618				2,677 91	39 636		2,893 00	215 09	3 176	91.88
34	BP PLC SPONS ADR	BP	12/10/09	1,914 76	56 316	57 97	1,970 98	56 22 ST	5 796	114.24
45	BAKER HUGHES INC	BHI	12/10/09	1,758 98	39.088	40.48	1,821.60	62.62 ST	1.482	27 00
157	BANK OF AMERICA CORP	BAC	12/10/09	2,385 77	15 196	15 06	2,364 42	(21 35) ST	265	6 28
12	BHP BILLITON LTD SPONS ADR	BHP	12/23/09	905 71	75.476	76 58	918 96	13 25 ST	2.141	19.68
89	BIOGEN IDEC INC	BIIB	12/10/09	4,301.19	48.328	53.50	4,761.50	460 31 ST		
19	BOEING CO	BA	12/10/09	1,041.90	54 837	54.13	1,028.47	(13 43) ST	3 103	31.92
94	BRISTOL MYERS SQUIBB CO	BMY	12/10/09	2,403 31	25.567	25 25	2,373.50	(29.81) ST	5 069	120.32
82	BROADCOM CORP CL A	BRCM	12/10/09	2,582 60	31 495	31 47	2,580 54	(2 06) ST		

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Ref· 00000462 00016459

Reserved Client Statement
December 31, 2009

THE DANIEL & FLAVIA GERNATT — Account number 475-09887-11 002

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
132	CABLEVISION SYSTEMS CORP CABLEVISION NY GROUP CL A	CVC	12/10/09	$ 3,443 68	$ 26.088	$ 25.82	$ 3,408 24	($ 35.44) ST	1.549%	$ 52 80
27	CARNIVAL CORP (PAIRED STOCK)	CCL	12/10/09	866 66	32 098	31 69	855 63	(11.03) ST		
43	CHUBB CORP	CB	12/10/09	2,078 07	48.327	49 18	2,114 74	36 67 ST	2.846	60.20
88	CISCO SYS INC	CSCO	12/10/09	2,098.80	23 85	23 94	2,106.72	7.92 ST		
9	CITRIX SYSTEMS INC	CTXS	12/10/09	348 83	38.758	41 61	374.49	25 66 ST		
364	COMCAST CORP CL A - SPL	CMCSK	12/10/09	6,074.80	16.689	16 01	5,827 64	(247.16) ST	2 361	137 59
17	CONOCOPHILLIPS	COP	12/10/09	864 08	50.828	51.07	868 19	4 11 ST		
13			12/30/09	661.45	50.88	51 07	663 91	2.46 ST		
30				1,525.53	50.851		1,532.10	6.57	3 916	60.00
16	CREE INC	CREE	12/10/09	828.16	51 76	56.37	901 92	73 76 ST		
32	DEERE & CO	DE	12/10/09	1,671 91	52.247	54 09	1,730 88	58.97 ST	2 07	35 84
27	DEVON ENERGY CORP NEW	DVN	12/10/09	1,725 52	63.908	73 50	1,984 50	258 98 ST	.87	17.28
20	DIAMOND OFFSHORE DRILLING INC	DO	12/10/09	1,925 40	96.27	98.42	1,968 40	43.00 ST	.508	10.00
49	WALT DISNEY CO	DIS	12/10/09	1,535 96	31.346	32.25	1,580 25	44 29 ST	1 085	17.15
52	DIRECTV CL A	DTV	12/10/09	1,707.06	32.828	33.35	1,734 20	27 14 ST		
38	DOLBY LABORATORIES INC CLASS A	DLB	12/10/09	1,697.38	44.668	47.73	1,813.74	116.36 ST		
21	DOVER CORP	DOV	12/10/09	859 53	40 93	41 61	873 81	14 28 ST	2.499	21 84
60	E I DU PONT DE NEMOURS & CO	DD	12/10/09	1,904.91	31 748	33 67	2,020 20	115.29 ST	4.87	98 40
137	DUKE ENERGY CORP (HOLDING COMPANY) NEW	DUK	12/10/09	2,413 67	17 618	17.21	2,357 77	(55 90) ST	5.578	131 52
76	EBAY INC	EBAY	12/10/09	1,707.50	22.467	23 53	1,788.28	80.78 ST		
16			12/21/09	366 24	22 89	23 53	376.48	10 24 ST		
92				2,073.74	22.541		2,164 76	91.02		
87	EMERSON ELECTRIC CO	EMR	12/10/09	3,619 82	41.607	42.60	3,706.20	86 38 ST	3 145	116 58
40	ERICSSON L M TEL CO CL B ADR NEW -USD-	ERIC	12/10/09	380.66	9 516	9.19	367 60	(13.06) ST		
55			12/21/09	503.69	9 158	9.19	505.45	1.76 ST		
95				884.35	9.309		873 05	(11.30)	1.741	15 20
34	EXXON MOBIL CORP	XOM	01/11/94	557 26	16 18	68 19	2,318 46	1,761.20* LT	2 463	57 12

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
53	FPL GROUP INC	FPL	12/10/09	$ 2,907 37	$ 54 856	$ 52 82	$ 2,799 46	($ 107 91) ST	3 578%	$ 100.17
85	FLUOR CORP NEW	FLR	12/10/09	3,426.27	40.309	45 04	3,828 40	402.13 ST	1 11	42 50
138	FOREST LABORATORIES INC	FRX	12/10/09	4,303.94	31.188	32 11	4,431 18	127.24 ST		
11	FRANKLIN RESOURCES INC	BEN	12/10/09	1,197.13	108 83	105.35	1,158.85	(38.28) ST	835	9 68
40	GAP INC DELAWARE	GPS	12/10/09	844 34	21 108	20.95	838.00	(6.34) ST	1.622	13 60
48	GENERAL ELECTRIC CO	GE	03/17/09	470 93	9.56	15 13	726.24	255 31* ST		
44 5058	Reinvestments to date			602.44	13 536	15 13	673 37	70 93 ST		
92 5058				1,073 37	11.603		1,399 61	326.24	2 643	37 00
34	GENERAL MILLS INC	GIS	12/10/09	2,335.55	68.692	70.81	2,407.54	71.99 ST	2 767	66 64
87	GENZYME CORP	GENZ	12/10/09	4,302.89	49 458	49.01	4,263.87	(39 02) ST		
31	HALLIBURTON CO HOLDINGS CO	HAL	12/10/09	876 63	28 278	30.09	932.79	56 16 ST		
27			12/30/09	807 84	29.92	30 09	812 43	4.59 ST		
58				1,684.47	29 043		1,745 22	60 75	1 196	20 88
78	H J HEINZ CO	HNZ	12/10/09	3,326 54	42.648	42.76	3,335.28	8.74 ST	3 928	131 04
31	HESS CORP	HES	12/10/09	1,728.44	55.756	60 50	1,875 50	147 06 ST	661	12 40
61	HOME DEPOT INC	HD	12/10/09	1,704 16	27 937	28.93	1,764.73	60.57 ST	3.11	54 90
42	HONEYWELL INTL INC	HON	12/10/09	1,692 90	40 307	39.20	1,646.40	(46 50) ST	3.086	50 82
95	INTEL CORP	INTC	12/10/09	1,910 17	20.107	20 40	1,938.00	27 83 ST	2.745	53.20
22	INTL BUSINESS MACHINES CORP	IBM	12/10/09	2,840.84	129 128	130 90	2,879 80	38 96 ST	1.68	48.40
99	JPMORGAN CHASE & CO	JPM	12/10/09	4,061 82	41.028	41 67	4,125 33	63.51 ST	479	19 80
11	JACOBS ENGINEERING GROUP INC	JEC	12/10/09	380.71	34 61	37 61	413.71	33.00 ST		
77	JOHNSON & JOHNSON	JNJ	10/30/07	5,078.67	65 00	64.41	4,959 57	(119 10)*LT		
8 4169	Reinvestments to date			492 13	58.469	64.41	542.13	50 00 ST		
85 4169				5,570.80	65 219		5,501 70	(69.10)	3.043	167.42
16	JONES LANG LASALLE INC	JLL	12/10/09	857 28	53 58	60 40	966 40	109 12 ST	331	3.20
146	KEYCORP -NEW	KEY	12/10/09	854.99	5 856	5 55	810.30	(44 69) ST	72	5 84

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
27	KIMBERLY CLARK CORP	KMB	06/25/03	$ 1,415 65	$ 51 58	$ 63 71	$ 1,720.17	$ 304.52* LT		
10.7991	Reinvestments to date			603 40	55.875	63 71	688 01	84 61 ST		
37 7991				**2,019.05**	**53.415**		**2,408.18**	389.13	3 767	90 72
42	L 3 COMMUNICATIONS HLDGS INC	LLL	12/10/09	**3,430 22**	81.672	86 95	**3,651 90**	221 68 ST	1 61	58 80
9	LASALLE HOTEL PPTYS SBI	LHO	12/10/09	**177 48**	19.72	21.23	**191 07**	13 59 ST	189	.36
77	LAWSON SOFTWARE INC NEW	LWSN	12/10/09	**470.20**	6 106	6.65	**512 05**	41 85 ST		
162	LIBERTY MEDIA HLDG CORP INTERACTIVE SER A	LINTA	12/10/09	**1,739 56**	10 738	10 84	**1,756.08**	16.52 ST		
74	LIBERTY MEDIA HLDG CORP CAP SER A	LCAPA	12/10/09	**1,713 00**	23 148	23 88	**1,767.12**	54.12 ST		
33	MATTEL INC DE	MAT	12/10/09	**654 06**	19.82	19.98	**659 34**	5.28 ST	3.753	24 75
23	MCDONALDS CORP	MCD	12/10/09	**1,406.36**	61.146	62 44	**1,436 12**	29 76 ST	3.523	50 60
58	MERCK & CO INC NEW	MRK	12/10/09	**2,178 96**	37 568	36 54	**2,119 32**	(59 64) ST	4 159	88.16
154	MICROSOFT CORP	MSFT	12/10/09	**4,604.57**	29 899	30.48	**4,693.92**	89 35 ST	1 706	80.08
16	MORGAN STANLEY	MS	12/10/09	483.20	30.20	29 60	473.60	(9 60) ST		
3			12/31/09	88.93	29 643	29 60	88 80	(.13) ST		
19				**572 13**	**30.112**		**562.40**	(9.73)	.675	3 80
3	MURPHY OIL CORP	MUR	12/10/09	**160.02**	53.34	54 20	**162 60**	2 58 ST	1 845	3 00
40	NATIONAL OILWELL VARCO INC	NOV	12/10/09	**1,753 92**	43.848	44.09	**1,763.60**	9 68 ST		
31	NORTHROP GRUMMAN CORP	NOC	12/10/09	**1,693.78**	54.638	55.85	**1,731.35**	37.57 ST	3.079	53.32
35	NOVARTIS AG ADR	NVS	12/10/09	**1,895 90**	54 168	54.43	**1,905.05**	9 15 ST	2.671	50 89
72	NUCOR CORP	NUE	12/10/09	3,023.86	41.998	46 65	3,358.80	334.94 ST		
4			12/23/09	184.24	46.059	46 65	186 60	2.36 ST		
76				**3,208 10**	**42 212**		**3,545 40**	337 30	3 006	109 44
48	PPG INDUSTRIES INC	PPG	12/10/09	**2,822 78**	58.808	58 54	**2,809 92**	(12.86) ST	3.689	103 68
76	PALL CORP	PLL	12/10/09	**2,583 78**	33.997	36.20	**2,751 20**	167 42 ST	1.502	44 08
15	PARKER-HANNIFIN CORP	PH	12/10/09	**805.71**	53 714	53.88	**808 20**	2 49 ST	1.855	15.00
38	PEPSICO INC	PEP	12/10/09	**2,350 57**	61.857	60.80	**2,310.40**	(40.17) ST	2 96	68.40

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
16	PFIZER INC	PFE	12/04/06	$ 402 01	$ 24 67	$ 18 19	$ 291 04	($ 110 97)* LT		
36.9746	Reinvestments to date			643 19	17 395	18 19	672 57	29.38 ST		
52 9746				1,045 20	19 73		963 61	(81.59)	3 958	38.14
36	PROCTER & GAMBLE CO	PG	09/17/98	1,388 04	37.88	60.63	2,182 68	794.64* LT		
10.5865	Reinvestments to date			602.68	56.929	60 63	641.86	39.18 ST		
46 5865				1,990.72	42.732		2,824 54	833.82	2.902	81 99
46	RAYTHEON COMPANY NEW	RTN	12/10/09	2,393.29	52.028	51 52	2,369 92	(23.37) ST	2 406	57 04
47	REED ELSEVIER PLC NEW SPONS ADR	RUK	12/10/09	1,449.95	30 85	32.79	1,541.13	91 18 ST	3 961	61.05
7	ROBERT HALF INTERNATIONAL INC	RHI	12/10/09	179.55	25 65	26.73	187 11	7 56 ST	1 795	3 36
113	SAFEWAY INC NEW	SWY	12/10/09	2,410 29	21 33	21.29	2,405.77	(4.52) ST	1 878	45 20
76	SANDISK CORP	SNDK	12/10/09	1,719 73	22 628	28.99	2,203 24	483 51 ST		
28	SCHLUMBERGER LTD	SLB	12/10/09	1,718 28	61 367	65 09	1,822.52	104 24 ST	1.29	23 52
96	SPECTRA ENERGY CORP	SE	12/10/09	1,927 40	20 077	20 51	1,968.96	41 56 ST	4.875	96.00
54	STATE STREET CORP	STT	12/10/09	2,185.76	40 477	43 54	2,351.16	165 40 ST	.091	2.16
125	TAIWAN SEMICONDUCTOR MFG CO LTD ADR	TSM	12/10/09	1,363 31	10 906	11 44	1,430.00	66 69 ST	3.181	45.50
85	TEXAS INSTRUMENTS INC	TXN	12/10/09	2,201 17	25 896	26 06	2,215.10	13.93 ST	1 841	40.80
25	3M COMPANY	MMM	08/30/06	1,813.75	71 54	82.67	2,066.75	253 00* LT		
6 1406	Reinvestments to date			409 73	66.724	82 67	507 64	97 91 ST		
31 1406				2,223 48	71 401		2,574.39	350.91	2 467	63.53
23	TOTAL S.A SPONS ADR	TOT	12/10/09	1,441.09	62.656	64.04	1,472 92	31 83 ST	4 337	63.89
76	TRAVELERS COMPANIES INC	TRV	12/10/09	3,852 33	50 688	49 86	3,789.36	(62.97) ST	2 647	100.32
27	TUTOR PERINI CORP	TPC	12/10/09	465.41	17.237	18.08	488 16	22.75 ST		
57	UNILEVER PLC SPONS ADR NEW	UL	12/10/09	1,721.83	30.207	31 90	1,818 30	96.47 ST	3.15	57 29
33	UNITED PARCEL SERVICE CL B	UPS	12/10/09	1,894.46	57.408	57 37	1,893 21	(1.25) ST	3 137	59 40
8	UNITED STATES STEEL CORP NEW	X	12/21/09	406.69	50.836	55 12	440 96	34.27 ST		
7			12/24/09	391.65	55 949	55.12	385 84	(5.81) ST		
15				798 34	53.223		826 80	28 46	362	3 00

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
35	UNITED TECHNOLOGIES CORP	UTX	12/10/09	$ 2,373 63	$ 67.818	$ 69 41	$ 2,429.35	$ 55.72 ST	2 218%	$ 53 90
207	UNITEDHEALTH GROUP INC	UNH	12/10/09	6,246.45	30.176	30 48	6,309.36	62 91 ST	098	6 21
35	VERIZON COMMUNICATIONS	VZ	01/20/95	874 98	24.42	33 13	1,159 55	284 57* LT		
37.6068	Reinvestments to date			1,152.75	30 652	33.13	1 245.91	93 16 ST		
72 6068				2,027 73	27 928		2,405 46	377 73	5.734	137 95
42	VERTEX PHARMACEUTICALS INC	VRTX	12/10/09	1,686.22	40 148	42.85	1,799.70	113.48 ST		
75	VODAFONE GROUP PLC SPONS ADR NEW	VOD	12/10/09	1,727 14	23.028	23 09	1,731 75	4.61 ST	5.591	96 83
43	WAL-MART STORES INC	WMT	12/10/09	2,347 71	54.598	53 45	2,298 35	(49.36) ST	2 039	46 87
101	WASTE MGMT INC DEL	WM	12/10/09	3,362.14	33.288	33.81	3,414 81	52 67 ST	3.43	117 16
41	WEYERHAEUSER CO	WY	12/10/09	1,693 30	41 30	43 14	1,768.74	75.44 ST	.463	8 20
22	WILLIAMS SONOMA INC	WSM	12/10/09	471.02	21 41	20 78	457 16	(13 86) ST	2.309	10.56
219	WINDSTREAM CORP	WIN	12/10/09	2,390.71	10 916	10.99	2,406.81	16 10 ST	9 099	219.00
Total common stocks and options				$ 242,373.92			$ 252,420.15	$ 6,737.01 ST	2 26	
								$ 3,309 32 LT		$ 5,712 52

Exchange traded & closed end funds

Citi Investment Research & Analysis (CIRA) ratings may be shown for certain closed-end funds All research ratings represent the 'opinions' of the research provider and are not representations or guarantees of performance Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. CIRA closed-end fund recommendations include an investment rating and a risk rating. The Investment Rating code (1,2, 3) is based upon CIRA's expectation of the security's performance relative to its peer group of closed-end funds The Risk Rating (L, M, H or S) represents the fund's expected risk, taking into account the quality and liquidity of the underlying securities, financial leverage and foreign currency exposure. Please refer to the end of this statement for a guide describing CIRA ratings.

Closed end investment companies are grouped below by portfolio designations Gain/Loss is provided to assist in tax preparation It is not intended to calculate investment returns or performance.

Consulting Group Research (CGR) rating codes (FL, AL or NL) may be shown for certain exchange-traded funds. Please refer to the "Guide to Investment Ratings" at the end of this statement for a description of these rating codes. All research ratings represent the "opinions" of Consulting Group Research and are not representations or guarantees of performance

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2,111	ISHARES MSCI EMERGING MKTS INDEX FD Equity portfolio **Rating** CG RESEARCH - AL	EEM	12/10/09	$ 86,736 77	$ 41.088	$ 41 50	$ 87,606 50	$ 869.73 ST	.057%	$ 50.66

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
100	ISHARES COHEN & STEERS REALTY MAJORS	ICF	09/01/09	$ 4,400.00	$ 44 00	$ 52 52	$ 5,252 00	$ 852.00 ST		
100	Equity portfolio		09/22/09	5,188 20	51.882	52 52	5,252 00	63.80 ST		
100	Rating. CG RESEARCH . AL		10/01/09	4,664 40	46 644	52.52	5,252.00	587.60 ST		
80			12/10/09	4,001.28	50 016	52 52	4,201.60	200 32 ST		
1.7769	Reinvestments to date			87.28	49 119	52 52	93 32	6.04 ST		
381.7769				**18,341.16**	**48 042**		**20,050 92**	**1,709.76**	**3 686**	**739.12**
367	ISHARES BARCLAYS US AGGR BOND FD Taxable bond portfolio Rating. CG RESEARCH : AL	AGG	12/10/09	**38,457 01**	104 787	103.19	**37,870 73**	**(586 28)** ST	**3 886**	**1,471.67**
Total closed end fund equity allocation							**$ 107,657 42**			
Total closed end fund taxable bond allocation							**$ 37,870.73**			
Total exchange traded funds and closed end funds				**$ 143,534.94**			**$ 145,528.15**	**$ 1,993.21 ST** **$ 0 00 LT**	**1.55**	**$ 2,261.45**

Mutual funds

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency Although money market funds seek to preserve the value of your investment at $1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Certain mutual funds may not be transferable to other broker-dealers For further information, please refer to the fund's Prospectus or call your Financial Advisor

Consulting Group Research (CGR) rating codes (FL, AL or NL) may be shown for certain mutual funds Please refer to the "Guide to Investment Ratings' at the end of this statement for a description of these rating codes. All research ratings represent the 'opinions" of Consulting Group Research and are not representations or guarantees of performance

Yield is the current distribution annualized, divided by the fund's net asset value at the end of the statement period. Distributions may consist of income, capital gains or the return of capital. Distributions and current dividend for funds are based upon information provided by an outside vendor and are not verified by us ***"Tax-Based Cost vs. Current Value"*** *is being provided for information purposes only* ***"Cash Distributions (since inception)"*** *when shown, may reflect distributions on positions no longer held in the account, and may not reflect all distributions received in cash due to but not limited to the following investments made prior to 1/1/89, asset transfers, recent activity and certain adjustments made in your account* ***"Total Purchases vs. Current Value"*** *is provided to assist you in comparing your* ***"Total purchases"*** *excluding reinvested distributions, with the current value of the fund's shares in your account.* ***"Fund Value Increase/Decrease"*** *reflects the difference between your total purchases and the current value of the fund's shares, plus cash distributions since inception.*

Mutual funds *continued*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
1,264 675	BARON PARTNERS FUND **Rating:** CG RESEARCH : FL	BPTRX	12/10/09	**$ 19,261.00**	$ 15.23	$ 15 64	**$ 19,779 52**	$ 518 52 ST			
	Total Purchases vs. Current Value			**19,261.00**			**19,779 52**		518 52		
	Fund Value Increase/Decrease								518 52		
3,742.515	BLACKROCK HIGH YIELD BOND PORT	BHYIX	09/30/09	25,000.00	6.68	7 00	26 197.61	1,197 61 ST			
3,208 721	INSTL CL **Rating:** CG RESEARCH : FL		12/10/09	22,076 00	6.88	7 00	22,461.05	385.05 ST			
6,951.236	**Total Purchases**			**47,076 00**	**6 77**	**7.00**	**48,658 66**	1,582 66			
53.124	Reinvestments to date			361.02	6 795	7.00	371.87	10 85 ST			
7,004.36	**Tax-based Cost vs. Current Value**			**47,437.02**	**6 772**		**49,030 53**	1,593 51		8 685	4,258 65
	Total Purchases vs Current Value			**47,076 00**			**49,030.53**		1,954 53		
	Fund Value Increase/Decrease								1,954 53		
1,059.461	BLACKROCK GLOBAL ALLOCATION FD INC CL INSTITUTIONAL **Rating:** CG RESEARCH : AL	MALOX	12/10/09	**19,261 00**	18.18	17 96	**19,027 92**	(233 08) ST		1.948	370.81
	Cash distributions (since inception)								271.27		
	Total Purchases vs Current Value			**19,261.00**			**19,027 92**		(233 08)		
	Fund Value Increase/Decrease								38 19		
8,770.856	EATON VANCE INCOME FUND OF BOSTON CLASS I **Rating:** CG RESEARCH : FL	EIBIX	12/10/09	**48,152.00**	5 49	5 54	**48,590 54**	438 54 ST		9.386	4,560.84
	Total Purchases vs Current Value			**48,152.00**			**48,590 54**		438.54		
	Fund Value Increase/Decrease								438.54		
764.325	NATIXIS FDS GATEWAY FUND CL Y **Rating.** CG RESEARCH . AL	GTEYX	12/10/09	**19,261.00**	25.20	25.24	**19,291.56**	30.56 ST		2 107	406 62
	Cash distributions (since inception)								78.80		
	Total Purchases vs. Current Value			**19,261 00**			**19,291 56**		30 56		
	Fund Value Increase/Decrease								109.36		
1,300.54	ING GLOBAL REAL ESTATE FD CL I **Rating** CG RESEARCH · FL	IGLIX	12/10/09	**19,261.00**	14 81	14.67	**19,078 92**	(182 08) ST		2 801	534.52
	Total Purchases vs. Current Value			**19,261 00**			**19,078.92**		(182 08)		
	Fund Value Increase/Decrease								(182 08)		
865 663	IVY ASSET STRATEGY FUND CLASS I **Rating:** CG RESEARCH : FL	IVAEX	12/10/09	**19,261 00**	22.25	22.43	**19,416 82**	155 82 ST		.57	110 80
	Total Purchases vs. Current Value			**19,261.00**			**19,416 82**		155.82		
	Fund Value Increase/Decrease								155.82		

Mutual funds *continued*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
4,783.333	LAZARD EMERGING MARKETS PORT FUND Rating: CG RESEARCH FL	LZEMX	12/10/09	$ 86,674.00	$ 18.12	$ 18.01	$ 86,147 83	($ 526 17) ST		2 581 %	$ 2,224.24
	Cash distributions (since inception)								2,222.96		
	Total Purchases vs Current Value			86,674 00			86,147 83		(526.17)		
	Fund Value Increase/Decrease								1,696.79		
3 875 453	METROPOLITAN WEST TOTAL RETURN BOND FUND CLASS I Rating CG RESEARCH . FL	MWTIX	12/10/09	38,522.00	9 94	9 90	38,366 98	(155.02) ST		6.181	2,371 77
	Total Purchases vs Current Value			38,522 00			38,366 98		(155 02)		
	Fund Value Increase/Decrease								(155 02)		
2,380 841	NUVEEN TRADEWINDS GLOBAL ALL CAP FUND CLASS I Rating CG RESEARCH : AL	NWGRX	12/10/09	57,783.00	24 27	24.13	57,449.69	(333 31) ST		472	271 41
	Cash distributions (since inception)								270.94		
	Total Purchases vs Current Value			57,783.00			57,449 69		(333 31)		
	Fund Value Increase/Decrease								(62 37)		
7,295 758	OPPENHEIMER INTL BD FD CL Y Rating CG RESEARCH AL	OIBYX	12/10/09	48,152 00	6.60	6.40	46,692.85	(1,459 15) ST		3.937	1,838.53
	Cash distributions (since inception)								84.72		
	Total Purchases vs Current Value			48,152 00			46,692.85		(1,459.15)		
	Fund Value Increase/Decrease								(1,374.43)		
1,923 771	THORNBURG INTERNATIONAL VALUE FUND CL I Rating CG RESEARCH : FL	TGVIX	12/10/09	48,152.00	25 03	25 37	48,806.07	654 07 ST		1.21	590 59
	Total Purchases vs. Current Value			48,152.00			48,806 07		654 07		
	Fund Value Increase/Decrease								654.07		
2,345 089	WASHINGTON MUTUAL INVESTORS FUND CLASS F Rating: CG RESEARCH AL	WSHFX	12/10/09	57,783 00	24.64	24 58	57,642 29	(140 71) ST		2.868	1,653.28
	Cash distributions (since inception)								406.87		

Mutual funds *continued*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
	WASHINGTON MUTUAL INVESTORS FUND CLASS F	WSHFX										
	Total Purchases vs Current Value			$ 57,783 00			$ 57,642.29			($ 140 71)		
	Fund Value Increase/Decrease									266.16		
Total mutual funds (Tax based)				$ 528,960.02			$ 529,321.52	$ 361.50	ST		3.62	
								$ 0.00	LT			$ 19,192.06
Total Fund Value Increase/Decrease										$ 4,058.08		
Total portfolio value				$ 959,511 49			$ 971,912.43	$ 9,061 72	ST		2.79	$ 27,197.27
								$ 3,339 22	LT			

*Based on information supplied by client or other financial institution, not verified by us

Unsettled purchases/sales

This section only displays transactions that have not settled during this statement period. The "Portfolio details" section includes any securities purchased and omits any securities sold or sold short as of the trade-date

Trade Date	Settlement Date	Activity	Description	Quantity	Price	Amount
12/31/09	01/06/10	Bought	MORGAN STANLEY MorganStanley SmithBarney LLC acted as your agent in this transaction.	3	$ 29.6436	$ -88 93
12/30/09	01/05/10	Bought	CONOCOPHILLIPS MorganStanley SmithBarney LLC acted as your agent in this transaction	13	50 8808	-661.45

MorganStanley SmithBarney

Ref 00000462 00016491

Reserved Client Statement
December 1 - December 31, 2009

L09000000462 309365AA01 APWMFL04A
THE DANIEL & FLAVIA GERNATT
FAMILY FOUNDATION
2698 GOWANDA ZOAR RD
GOWANDA NY 14070-9767

Account number 475-80578-16 002

Morgan Stanley Smith Barney LLC. Member SIPC.
Your Financial Advisor
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Account carried by Citigroup Global Markets Inc. Member SIPC.

Account value

Account value	Last period	This period	%
Cash balance	$ 0 00	**$ 5,503 82**	77
Money fund	44,096 40	**89.980 41**	12.58
Common stocks & options	777,581.84	**346.111.84**	48 39
Exchange traded & closed end funds	14.998 31	**0 00**	
Preferred stocks	21 197.03	**21.945.16**	3 07
Accrued interest on bonds/CDs	2 564.37	**2,706.45**	.38
Mortgage and asset backed securities	11,043.67	**10,885.27**	1 52
Mutual funds	383,784 45	**59,567 98**	8.33
Corporate bonds	128,247.00	**128,020.00**	17.90
Certificates of deposit	50,788.00	**50,529.50**	7.06
Unsettled purchases/sales	385 502 64	**0 00**	
Total value	**$ 1.819,803.71**	**$ 715,250.43**	**100.00**
Total value (excluding accrued interest)	$ 1,817,239 34	$ 712.543 98	

Unsettled purchases/sales are reflected in the 'Portfolio details' section.

Cash, money fund, bank deposits

Cash, money fund, bank deposits	This period	This year
Opening balance	**$ 44,096 40**	
Securities bought and other subtractions	(44 027 53)	
Securities sold and other additions	622,142.39	
Prior transactions settling/cancelled	344,004.39	
Deposits	503.95	50,503.95
Withdrawals	(587,806.89)	(595.084.34)
Interest credited	860.63	
Dividends credited	3,448.23	
Money fund earnings credited	1.04	
Money fund earnings reinvested	2 36	
Money fund transfers	(287,760 92)	(287.760.92)
Other income credited	20 18	
Closing balance	**$ 95,484 23**	

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

Portfolio summary	This period	This year
Beginning total value (excl. accr. int.)	**$ 1,817,239.34**	**$ 99.318.43**
Net security deposits/withdrawals	(241,810.51)	1.128,516.54
Net cash deposits/withdrawals	(875,063.86)	(832,341.31)
Beginning value net of deposits/withdrawals	**700,364 97**	**395,493.66**
Total value as of 12/31/2009 (excl. accr int)	**$ 712,543.98**	**$ 712,543 98**
Change in value	**$ 12,179 01**	**$ 317,050.32**

Earnings summary	This period Taxable	This period Non-taxable	This year Taxable	This year Non-taxable
Interest	$ 860.63	$ 0.00	$ 11,628.67	$ 0.00
Accrued interest received	0.00	0.00	390.61	0 00
Qualified dividends	2,250 06	0 00	12,855.00	0 00
Other dividends	1,074.57	123.60	4,085 80	274 16
Money fund earnings	3.40	0.00	308 94	0 00
Cap gains distributions-ST	0 00	0.00	1.52	0.00
Cap. gains distributions-LT	0.00	0.00	0.00	0.00
Total	**$ 4,188 66**	**$ 123 60**	**$ 29,270.54**	**$ 274.16**

Additional summary information	This period	This year
Other income	$ 20.18	$ 40.75

Gain/loss summary		This period	This year
Original Realized gain or (loss)		($ 10,876.25)	($ 48,044 92) LT $ 41,930 41 ST
Adjusted Realized gain or (loss)		(10,876.25)	(48,044.92) LT 41,930.41 ST
Capital gain or (loss) (realized)		(10,876.25)	(6,114.51)
Unrealized gain or (loss) to date	114,237.69		

PORTFOLIO DETAILS

Your holdings are valued using the most current prices available to Citigroup Global Markets Inc. (CGMI). In most cases, these values are as of 12/31/09, but in some cases CGMI's sources are unable to provide timely information. To see the date of the most recent price update, please view your account online at www.smithbarney.com.

Securities purchased or sold are included or excluded in this section as of the trade-date This section may include securities that have not settled as of this statement closing date Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income, assuming the current dividend divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold
Please Note: *unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor*

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency Although money market funds seek to preserve the value of your investment at $1 00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1.00 per share In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated income (annualized)
89,980 41	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 89,980 41		07 %	$ 62.98
Total money fund		$ 89,980 41	$ 0.00	.07 %	$ 62.98

Common stocks & options

Citi Investment Research & Analysis (CIRA), Morgan Stanley & Co. Incorporated (Morgan Stanley) and Standard & Poor's research ratings may be shown for certain securities All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance Because the research report contains more complete information regarding the analyst's opinions analysis and rating, you should read the entire research report and not infer its contents from the rating Where a particular company is covered by both CIRA and Morgan Stanley, you can and should view both research reports. CIRA and Morgan Stanley research reports may contain different or conflicting information about the subject companies of such research reports because they are prepared separately from each other CIRA stock recommendations include an investment rating and a risk rating. The Investment Rating Code (1 2 or 3) is a function of CIRA's expectation of total return (forecast price appreciation and dividend yield within the next twelve months) and a Risk Rating The Risk Rating (L, M, H or S) represents the stock's expected risk taking into account price volatility and fundamental criteria. Please refer to the end of this statement for a guide describing CIRA ratings. Morgan Stanley and Standard & Poor's research ratings have been normalized by these providers to a 1 (Buy), 2 (Hold), and 3 (Sell). Morgan Stanley Smith Barney is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared by Standard & Poor's

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
500	AMGEN INC **Rating** Citigroup : 2H Morgan Stanley . 1 S&P 1	AMGN	06/25/01	**$ 16,452 50**	$ 32.90	$ 56.57	**$ 28,285.00**	**$ 11,832 50**' LT		
-5	CALL AMQ JAN 10 @ 52 50 AMGEN INC 100 SHS EXP 01/16/2010 SHORT CALL Covered		06/25/09	**-2,599.93** Short sale proceeds	5.20	4.45	**-2,225 00** Cost to close	**374.93** ST		
1,000	CISCO SYS INC **Rating** Citigroup 1M S&P 1	CSCO	10/30/07	**32,904 00**	32 38	23 94	**23,940 00**	**(8,964 00)**' LT		
-10	CALL CYO JAN 10 @ 20.00 CISCO SYS INC 100 SHS EXP 01/16/2010 SHORT CALL Covered		06/25/09	**-1,649.95** Short sale proceeds	1.65	3 975	**-3,975.00** Cost to close	**(2,325 05)** ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
500	COLGATE PALMOLIVE CO	CL	08/19/03	$ 27,786 64	$ 54.70	$ 82.15	$ 41,075 00	$ 13,286 36* LT		
100	**Rating:** Citigroup . 2L S&P . 1		01/26/05	5.112 52	50.07	82.15	8 215 00	3,102 48* LT		
6 9634	Reinvestments to date			529.64	76 06	82 15	572 04	42 40 ST		
606.9634				**33,430 80**	**55 079**		**49,862.04**	**16,431 24**	2 142	1,068 26
500	COLUMBIA SPORTSWEAR CO **Rating:** Citigroup : 3H S&P*Quantitative : 1	COLM	01/26/05	**27,349 43**	53.83	39 04	**19,520 00**	**(7,829 43)*** LT	1.844	360 00
-5	CALL TQQ JAN 10 @ 35.00 COLUMBIA SPORTSWEAR CO 100 SHS EXP: 01/16/2010 SHORT CALL Covered		06/25/09	**-1,199 96** Short sale proceeds	2 40	4 15	**-2,075 00** Cost to close	**(875.04)** ST		
160	DISCOVER FINANCIAL SVCS **Rating** Citigroup . 2H S&P . 1	DFS	01/20/95	487.31	3 04	14 71	2,353.60	1 866 29* LT		
2.0078	Reinvestments to date			26.42	13 158	14 71	29 53	3.11 ST		
162 0078				**513.73**	**3 171**		**2,383 13**	**1,869.40**	543	12 96
-1	CALL DFS JAN 10 @ 10 00 DISCOVER FINANCIAL SVCS 100 SHS EXP. 01/16/2010 SHORT CALL Covered		06/25/09	**-184 03** Short sale proceeds	1.84	4.70	**-470 00** Cost to close	**(285 97)** ST		
793.6228	DONALDSON CO INC	DCI	08/04/05	26,238 31	32 55	42 54	33,760 71	7,522.40* LT		
200	**Rating.** S&P*Quantitative 2		08/04/05	6,606 10	32.49	42.54	8.508 00	1,901 90* LT		
9.1056	Reinvestments to date			345 36	37 928	42.54	387 35	41 99 ST		
1,002 7284				**33,189.77**	**33.099**		**42,656 06**	**9,466.29**	1 081	461 28
-10	CALL DCI FEB 10 @ 35 00 DONALDSON CO INC 100 SHS EXP: 02/20/2010 SHORT CALL Covered		06/25/09	**-3,799.90** Short sale proceeds	3 80	7 80	**-7,800.00** Cost to close	**(4,000 10)** ST		
620	EXXON MOBIL CORP	XOM	01/11/94	10,161.88	16.16	68 19	42 277 80	32 115.92* LT		
200	**Rating** Citigroup 1M Morgan Stanley . 2 S&P · 1		02/18/03	6,960.17	34 02	68 19	13,638.00	6,677 83* LT		
11 7224	Reinvestments to date			842.49	71 87	68.19	799 35	(43.14) ST		
831.7224				**17,964.54**	**21.599**		**56,715 15**	**38,750 61**	2 463	1,397 29
2,600	INTERNATIONAL PAPER CO **Rating** S&P . 1	IP	03/17/09	17,282 15	6.48	26 78	69,628.00	52,345 85* ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1 000	INTERNATIONAL PAPER CO	IP	03/17/09	$ 6,648 10	$ 6 48	$ 26.78	$ 26,780.00	$ 20,131.90* ST		
400			03/17/09	2,666.72	6 49	26.78	10.712 00	8 045.28* ST		
7.8958	Reinvestments to date			200.10	25.342	26 78	211.45	11 35 ST		
4,007.8958				**26,797.07**	**6.686**		**107,331.45**	**80,534.38**	**373**	**400.79**
-40	CALL IP JAN 10 @ 15.00 INTERNATIONAL PAPER CO 100 SHS EXP 01/16/2010 SHORT CALL Covered		06/25/09	**-9,519 75** Short sale proceeds	2.38	11.80	**-47,200 00** Cost to close	**(37,680 25)** ST		
1,000	PATTERSON COMPANIES INC **Rating** S&P · 1	PDCO	06/25/03	**22,831.13**	22 44	27.98	**27,980 00**	**5,148 87*** LT		
-10	CALL DOU JAN 10 @ 22.50 PATTERSON COMPANIES INC 100 SHS EXP. 01/16/2010 SHORT CALL Covered		06/25/09	**-1,399 96** Short sale proceeds	1.40	5 50	**-5,500.00** Cost to close	**(4,100 04)** ST		
200	QUALCOMM INC	QCOM	12/15/98	652.53	3 20	46 26	9.252 00	8 599 47* LT		
800	**Rating.** Citigroup . 1M S&P : 3		06/01/00	28 552.08	35 18	46 26	37.008.00	8,455.92* LT		
11 2151	Reinvestments to date			511 90	45.643	46 26	518.81	6 91 ST		
1,011.2151				**29,716.51**	**29.387**		**46,778 81**	**17,062 30**	**1.469**	**687 63**
-10	CALL AAO JAN 10 @ 47.50 QUALCOMM INC 100 SHS EXP 01/16/2010 SHORT CALL Covered		06/25/09	**-4,349 88** Short sale proceeds	4 35	.305	**-305 00** Cost to close	**4,044 88** ST		
	SIMPSON MFG CO INC	SSD								
7.8*71	Reinvestments to date			**200 41**	25 637	26 89	**210.20**	**9 79** ST	**1 487**	**3 13**
500	WHOLE FOODS MKT INC **Rating.** Citigroup · 2M Morgan Stanley · 2 S&P · 3	WFMI	05/14/07	**20.275 20**	39 81	27.45	**13,725 00**	**(6,550.20)***LT		
-5	CALL FMQ JAN 10 @ 20 00 WHOLE FOODS MKT INC 100 SHS EXP. 01/16/2010 SHORT CALL Covered		06/25/09	**-1,219 96** Short sale proceeds	2.44	7 45	**-3,725.00** Cost to close	**(2,505 04)** ST		
Total common stocks and options				**$ 235,701.77**			**$ 346,111.84**	**$ 33,243.76 ST** **$ 77,166.31 LT**	**1.26**	**$ 4,391.32**

Preferred stocks

Citi Investment Research & Analysis (CIRA) ratings may be shown for certain securities. In addition, Standard & Poor's research ratings may be shown for certain securities CIRA is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared by Standard & Poor's. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance CIRA stock recommendations include an investment rating and risk rating. The Investment Rating Code (1, 2 or 3) is a function of CIRA's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and a Risk Rating. The Risk Rating (L M, H or S) represents the stock's expected risk, taking into account price volatility and fundamental criteria. Please refer to the end of this statement for a guide describing CIRA ratings

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,000	MORGAN STANLEY CP TR IV 6.25% PFD Rated BBB Next call on 01/05/10	MWG	05/14/07	$ 25,224.83	$ 24 76	$ 21.12	$ 21,120 00	($ 4,104 83)*LT		
39 0699	Reinvestments to date			789 14	20 198	21.12	825.16	36 02 ST		
1,039.0699				**26,013 97**	**25 036**		**21,945.16**	**(4,068 81)**	7 398	1,623 55
Total preferred stocks				**$ 26,013.97**			**$ 21,945.16**	$ 36.02 ST ($ 4,104 83) LT	7.39	$ 1,623.55

Mortgage and asset backed securities

Current Value is calculated as follows: Original Principal Amount x Factor x Price = Current Value

Original principal amount	Description	Date acquired/ CUSIP #	Cost	Share cost	Current share price/accrued interest	Current value	Unrealized gain/(loss)	Current % yield	Anticipated Income (annualized)
11,000	FREDDIE MAC SER 2877 CL BB INT: 05.250% MATY. 04/15/2034 FACTOR: 1 0000000 Curr face $ 11,000.00 Int paid monthly	10/20/04 31395HJ68	**$ 11,001 32**	$ 100.00	$ 98.957 **$ 25 67**	**$ 10,885 27**	**($ 116 05)*LT**	5 305%	$ 577 50
Total mortgage and asset backed securities **11,000**			**$ 11,001.32**		**$ 25.67**	**$ 10,885.27**	$ 0.00 ST ($ 116 05) LT	5.30	$ 577.50

THE DANIEL & FLAVIA GERNATT **Account number 475-80578-16 002**

Mutual funds

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1 00 per share In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account

Certain mutual funds may not be transferable to other broker-dealers For further information, please refer to the fund's Prospectus or call your Financial Advisor

Yield is the current distribution annualized, divided by the fund's net asset value at the end of the statement period. Distributions may consist of income, capital gains or the return of capital Distributions and current dividend for funds are based upon information provided by an outside vendor and are not verified by us ***"Tax-Based Cost vs. Current Value"*** *is being provided for information purposes only.* ***"Cash Distributions (since inception)"*** *when shown, may reflect distributions on positions no longer held in the account, and may not reflect all distributions received in cash due to but not limited to the following. Investments made prior to 1/1/89, asset transfers, recent activity and certain adjustments made in your account* ***"Total Purchases vs. Current Value"*** *is provided to assist you in comparing your* ***"Total purchases"*** *excluding reinvested distributions, with the current value of the fund's shares in your account* ***"Fund Value Increase/Decrease"*** *reflects the difference between your total purchases and the current value of the fund's shares, plus cash distributions since inception*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
279 018	NATIXIS FDS TR I VAUGHAN	NEFJX	06/26/09	$ 5,000.00	$ 17 92	$ 22.31	$ 6,224 89	$ 1,224.89	ST			
505 306	NELSON SMALL CAP VALUE CL A		09/01/09	10,000.00	19 79	22.31	11,273 38	1,273.38	ST			
482.859			09/09/09	10,000.00	20 71	22.31	10,772 58	772 58	ST			
468.384			09/15/09	10,000.00	21 35	22 31	10,449.65	449 65	ST			
461 042			09/22/09	10,000.00	21 69	22 31	10,285.85	285 85	ST			
468 604			09/29/09	10,000 00	21 34	22 31	10,454.56	454 56	ST			
2,665.213	**Total Purchases**			**55,000 00**	**20.64**	**22 31**	**59,460 91**	**4,460.91**				
4 739	Reinvestments to date			105 00	21.879	22 31	107.07	2 07	ST			
2,670 012	**Tax-based Cost vs. Current Value**			**55,105 00**	**20.638**		**59,567 98**	**4,462 98**				
	Total Purchases vs Current Value			**55,000 00**			**59,567 98**			**4,567.98**		
	Fund Value Increase/Decrease									**4,567.98**		
Total mutual funds (Tax based)				**$ 55,105.00**			**$ 59,567.98**	**$ 4 462.98**	**ST**			
								$ 0.00	**LT**			**$ 0 00**
Total Fund Value Increase/Decrease										**$ 4,567.98**		

Bonds

Unrealized gains & losses have been adjusted to account for the accretion of OID (original issue discount), the amortization of premium, and/or the accretion of market discount

Call features shown indicate the next regularly scheduled call date and price Your holdings may be subject to other redemption features including sinking funds or extraordinary calls

The research rating for Moody's Investors Service and Standard & Poor's may be shown for certain fixed income securities. All research ratings represent the 'opinions' of the research provider and are not representations or guarantees of performance Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting research ratings

Corporate bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	GENERAL MTRS ACCEP CORP	03/10/05	$ 50,000.00	$ 100 00	99.578	**$ 49,789.00**	($ 211.00)*	LT	6 527	$ 0.00
	SMARTNOTES BOOK ENTRY	3704A0YC0	**$ 50,000.00**	$ 100.00	**$ 144.44**		($ 211 00)*	LT	$ 3,250 00	($ 211 00)
	DTD 03/15/2005									
	INT: 06.500% MATY: 03/15/2010									
	Int paid quarterly									
	Rating: CA/CCC									
75,000	BANK AMER CORP SUB INTERNOTES	09/07/01	75,000 00	100 00	104.308	**78,231 00**	3 231 00*	LT	5 896	0 00
	TRANCHE # SM BK/ENTRY1	06050XCK7	**75,000 00**	100 00	**1,358.12**		3,231 00*	LT	4,612.50	3 231.00
	DTD 9/13/2001									
	INT. 06.150% MATY. 09/15/2011									
	Rating. A3/A-									
Total corporate bonds			$ 125,000.00		**$ 1,502.56**	**$ 128,020.00**	**$ 0.00**	**ST**	6.14	$ 0.00
125,000			**$ 125,000.00**				$ 3 020.00	LT	$ 7,862.50	$ 3,020 00

Certificates of deposit

CDs maturing on or before December 31, 2013, are insured by the FDIC up to $250,000 Through December 31, 2013. FDIC insurance has been increased to $250,000 for all ownership categories, principal and interest combined, per depositor, per institution, for all deposits held in each insurable capacity Insurance coverage will revert to the $100,000 limit on January 1, 2014 except for IRAs and certain self-directed retirement accounts which will remain at $250,000. Any CD with a maturity date after December 31, 2013, will be FDIC insured only for $100 000 principal and interest combined, if held in an account ownership category for which the insurance limit was up to $100,000 prior to October 3, 2008 Certificates of deposit ("CDs") are insured by the FDIC up to $250 000 per account owner per depository institution (principal and accrued interest combined) when aggregated with other deposits held in the same insurable capacity at the same depository institution. The market value of any CD on this statement is estimated using a matrix based on interest rates. If a CD cannot be priced using this method, the statement will not reflect a market value for the CD. The estimated market value may not reflect the actual price you would receive if you were able to sell your CD prior to maturity FDIC insurance is based on the outstanding principal amount of the CD, or the accreted value in the case of a zero coupon CD, not the estimated market value.

Issuer names followed by a "C" indicate that issuer is an affiliate of Citigroup Global Markets Inc

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued interest	Current value/ Maturity value	Unrealized Gain/(loss) Original/Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	GREENWOOD TR CO DEL CD DTD 03/01/00 INT 07.050% MATY 03/01/2010 Int paid semi-annually	02/25/00 39739CGH6	$ 50 000 00 **$ 50,000.00**	$ 100 00 $ 100 00	101.059 **$ 1.178 22**	**$ 50,529 50** $ 50,000.00	$ 529 50* **$ 529 50***	LT LT	**6.976** **$ 3,525.00**	**$ 0.00** **$ 529 50**
Total certificates of deposit 50 000			$ 50,000.00 **$ 50,000.00**		**$ 1,178.22**	**$ 50,529.50**	**$ 0.00** **$ 529.50**	**ST** **LT**	**6.97** **$ 3.525.00**	**$ 0.00** **$ 529 50**
Total portfolio value			**$ 592,802 47**			**$ 707,040.16**	**$ 37,742.76** **$ 76,494.93**	**ST** **LT**	**2 55** **$ 18.042.85**	**$ 0.00** **$ 3,549.50**

Based on information supplied by client or other financial institution, not verified by us.

TRANSACTION DETAILS

All transactions appearing are based on trade-date.

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/01/09	Redemption	AMERICAN EAGLE OUTFITTERS INC LIQUIDATION OF FRACTIONAL SHS	- 22	$ 15.38	$ 3.24
12/01/09	Redemption	BECTON DICKINSON & CO LIQUIDATION OF FRACTIONAL SHS	- 5594	74 80	40.17
12/01/09	Reinvest	BLACKROCK HIGH YIELD BOND PORT INSTL CL WITHDRAWAL, PENDING REINVEST			-186.95
12/01/09	Reinvest	BLACKROCK HIGH YIELD BOND PORT INSTL CL REINVESTMENT SHS FOR 11/30/09 REINVESTED AMOUNT $186.95	27.412	6 82	0 00

Investment activity *continued*

Date	Activity	Description	Quantity	Price	Amount
12/01/09	Redemption	DONALDSON CO INC LIQUIDATION OF FRACTIONAL SHS	-.3772	$ 42.50	$ 15.39
11/30/09	Cancel sell	DONALDSON CO INC TO CXL PREVIOUS SELL	1,006	42.032	-42,283 10
12/01/09	Reinvest	EATON VANCE INCOME FUND OF BOSTON CLASS A WITHDRAWAL, PENDING REINVEST			-196.82
12/01/09	Reinvest	EATON VANCE INCOME FUND OF BOSTON CLASS A REINVESTMENT SHS FOR 11/30/09 REINVESTED AMOUNT $196.82	36 18	5.44	0.00
12/01/09	Redemption	GANNETT CO INC LIQUIDATION OF FRACTIONAL SHS	-.6096	9.89	5 78
12/01/09	Reinvest	LORD ABBETT HIGH YIELD MUNICIPAL BOND FD CL A WITHDRAWAL, PENDING REINVEST			-123 60
12/01/09	Reinvest	LORD ABBETT HIGH YIELD MUNICIPAL BOND FD CL A REINVESTMENT SHS FOR 11/30/09 REINVESTED AMOUNT $123.60	11.186	11 05	0.00
12/01/09	Redemption	MORGAN STANLEY LIQUIDATION OF FRACTIONAL SHS	-.2635	31.58	7 89
12/01/09	Redemption	NATIONAL FUEL GAS CO LIQUIDATION OF FRACTIONAL SHS	-.8504	46 83	38.23
12/01/09	Reinvest	PFIZER INC WITHDRAWAL, PENDING REINVEST			-323.19
12/02/09	Redemption	GRACO INC LIQUIDATION OF FRACTIONAL SHS	-.2167	28 56	5 93
12/02/09	Redemption	MCGRAW HILL COS INC LIQUIDATION OF FRACTIONAL SHS	-.1669	30.32	4 86
12/02/09	Redemption	MEDTRONIC INC LIQUIDATION OF FRACTIONAL SHS	-.9088	42.69	37 24
12/02/09	Reinvest	PFIZER INC REINVESTMENT SHS FOR 12/01/09 REINVESTED AMOUNT $323.19	17 0369	18.97	0 00
12/02/09	Redemption	PROGRESS ENERGY INC LIQUIDATION OF FRACTIONAL SHS	-.2716	39.60	10.32
12/02/09	Redemption	TIME WARNER INC LIQUIDATION OF FRACTIONAL SHS	-.1376	31 21	4.12
11/30/09	Sold	DONALDSON CO INC TRADE AS OF 11/30/09	-6	42 032	252 18

SageRutty And Company, Inc.
Comprehensive Financial Services • Established 19 5

DAN AND FLAVIA GERNATT FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2009
ACCOUNT NUMBER: 2624-7206

Mutual Funds

Open End Mutual Funds continued

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
FRANKLIN INVS SECS TR REAL RETURN FD CL A FRRAX								
Acquired 03/17/08	5,718 .47100	10.99	62,846.00	10.8300	61,931.04	- 914.96	194.42	0.31
MUTUAL SERIES FD INC GLOBAL DISCOVERY FD CL A TEDIX								
Acquired 03/17/08	1,453 .74700	28 82	41,897 00		38,844.11	- 3,052.89		
Reinvestments	55 .78600	22 88	1,276.93		1,490.61	213 68		
Total	**1,509 .53300**		**$43,173.93**	**26.7200**	**$40,334.72**	**- $2,839.21**	**$344.17**	**0.85**
TEMPLETON GLOBAL BOND FUND CL A TPINX								
Acquired 03/17/08	4,513 .27400	12.43	56,106.00		57,408.80	1,302.80		
Acquired 03/17/08	550 90300	12.18	6,710.00		7,007 53	297.53		
Total	**5,064 .17700**		**$62.816.00**	**12.7200**	**$64,416.33**	**$1,600.33**	**$2,734.65**	**4.25**
TEMPLETON FUNDS INC FOREIGN FUND CL A TEMFX								
Acquired 10/30/07	1,124 .02700	13.56	15,242.71		7,362.37	- 7,880.34		
Reinvestments	3,097 .79100	9 01	27,934 51		20,290 53	- 7,643.98		
Total	**4,221 .81800**		**$43,177.22**	**6.5500**	**$27,652.90**	**- $15,524.32**	**$401.07**	**1.45**
Total Open End Mutual Funds			**$421,584.36**		**$383,344.22**	**- $38.240.14**	**$17,383.65**	**4.53**
Total Mutual Funds			**$421,584.36**		**$383.344.22**	**- $38,240.14**	**$17,383.65**	**4.53**

DAN AND FLAVIA GERNATT
FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2009
ACCOUNT NUMBER. 2624-7206

Additional information

	THIS PERIOD	THIS YEAR
Gross proceeds	0.00	150,023.02

Portfolio detail

Cash and Sweep Balances

Estimated Annual Yield on Money Market funds, when available, reflects the current estimated yield for the Interest Period dates displayed.

DESCRIPTION	CURRENT MARKET VALUE	ESTIMATED ANNUAL INCOME	ESTIMATED CURRENT YIELD (%)
Cash	2,574 79	N/A	N/A
EVERGREEN MONEY MKT FD CL A Interest Period 12/01/09 - 01/03/10	78,700 49	0 78	N A
Total Cash and Sweep Balances	**$81,275.28**	**$0 78**	

Mutual Funds

Mutual fund shares are priced at net asset value. Estimated Annual Income and Yield refer to Dividends and Interest Income only, and typically do not reflect Total return.

Open End Mutual Funds

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
FRANKLIN HIGH INCOME FUND CLASS A FHAIX Acquired 03/17/08	21,935 .60200	1.91	41,897 00	1.9100	41 896 99	- 0 01	3,049.04	7 27
FRANKLIN INCOME FUND CLASS A FKINX								
Acquired 03/17/08	71 012 .28800	2 36	167,589.00		146,994.73	- 20,594 27		
Reinvestments	56 .43000	1 51	85 21		117.51	32 30		
Total	**71,068 .71800**		**$167,674.21**	**2.0700**	**$147 112.24**	**- $20,561 97**	**$10,660.30**	**7.25**