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

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

2009

For calendar year 2009, or tax year beginning

, 2009, and ending

, 20

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation MICHAEL FLOUSELYNCH CHARITABLE FOUNDATION		A Employer identification number 27-0136524
	Number and street (or P O box number if mail is not delivered to street address) 13 BRIGANTINE	Room/suite	B Telephone number (see page 10 of the instructions) 843-785-5336
	City or town, state, and ZIP code HILTON HEAD, SC 29928		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) **\$ 1,358,366**

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)	
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)					
	2 Check ☐ if the foundation is not required to attach Sch B					
	3 Interest on savings and temporary cash investments					
	4 Dividends and interest from securities	62,720	62,720			
	5a Gross rents					
	b Net rental income or (loss)					
	6a Net gain or (loss) from sale of assets not on line 10	<9,347>				
	b Gross sales price for all assets on line 6a					
	7 Capital gain net income (from Part IV, line 2)		0			
	8 Net short-term capital gain			21,732		
	9 Income modifications					
	10a Gross sales less returns and allowances					
b Less: Cost of goods sold						
c Gross profit or (loss) (attach schedule)						
11 Other income (attach schedule)						
12 Total. Add lines 1 through 11	53,379	62,720	21,732			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.					
	14 Other employee salaries and wages					
	15 Pension plans, employee benefits					
	16a Legal fees (attach schedule)					
	b Accounting fees (attach schedule)					
	c Other professional fees (attach schedule)	MANAGED ACTIVITIES	4,498	4,498		4,498
	17 Interest					
	18 Taxes (attach schedule) (see page 14 of the instructions)					
	19 Depreciation (attach schedule) and depletion					
	20 Occupancy					
	21 Travel, conferences, and meetings					
	22 Printing and publications					
	23 Other expenses (attach schedule)					
	24 Total operating and administrative expenses. Add lines 13 through 23	4,498	4,498	-0-	4,498	
	25 Contributions, gifts, grants paid	60,000				
26 Total expenses and disbursements. Add lines 24 and 25	64,498	4,498	-0-			
27 Subtract line 26 from line 12:						
a Excess of revenue over expenses and disbursements	<11,119>					
b Net investment income (if negative, enter -0-)		58,222				
c Adjusted net income (if negative, enter -0-)			21,732			

914
16

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	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	285,678	38,427	38,427
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U.S. and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	223,353	342,124	331,872
	c Investments—corporate bonds (attach schedule)	883,651	977,815	1,005,901
	11 Investments—land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶			
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	1,392,682	1,358,366	1,375,700	
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)	None	None	
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	1,392,682	1,358,366	
	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			
	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)	1,392,682	1,358,366	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,392,682	1,358,366	

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	1,392,682
2 Enter amount from Part I, line 27a	2	11,119
3 Other increases not included in line 2 (itemize) ▶	3	38,427
4 Add lines 1, 2, and 3	4	1,373,700
5 Decreases not included in line 2 (itemize) ▶ UNREALIZED GAINS ON SECURITIES HELD	5	17,334
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,358,366

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	CORPORATE BONDS & STOCKS (SEE ATTACHED SCHEDULES)			
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			<9,341>
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	<9,341>
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	21,732

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.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008			
2007			
2006			
2005			
2004			

2	Total of line 1, column (d)	2	
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	
5	Multiply line 4 by line 3	5	
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	
7	Add lines 5 and 6	7	
8	Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	

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		N/A
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2		
3	Add lines 1 and 2	3		
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		
6	Credits/Payments:			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax ☐ Refunded ☐	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		☒
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)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		☒
c Did the foundation file Form 1120-POL for this year?		☒
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☐ \$ <u>N/A</u> (2) On foundation managers. ☐ \$ <u>N/A</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☐ \$ <u>N/A</u>		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		☒
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? <i>If "Yes," attach a conformed copy of the changes.</i>		☒
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		☒
b If "Yes," has it filed a tax return on Form 990-T for this year?		☒
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		☒
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?		☒
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>		☒
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ☐ <u>SOUTH CAROLINA</u>		
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? <i>If "No," attach explanation</i>	☒	
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)? <i>If "Yes," complete Part XIV</i>		
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		☒

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶ <u>NA</u>				
14	The books are in care of ▶ <u>MICHAEL D. LYNCH</u>	Telephone no. ▶ <u>843-785-5336</u>		
Located at ▶ <u>13 BRIGANTINE HILTON HEAD, SC</u>		ZIP+4 ▶ <u>29928-5027</u>		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here.	▶ ☐		
and enter the amount of tax-exempt interest received or accrued during the year		15		

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required**File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.**

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b	
Organizations relying on a current notice regarding disaster assistance check here ☐		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☐ 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	X
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	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☒ No(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **5b**Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

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

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

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b****Part VIII** Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
LOUISE L. LYNCH 13 BRIGANTINE HILTON HEAD, SC 29928	PRES	0	0	0
MICHAEL D. LYNCH 13 BRIGANTINE HILTON HEAD, SC 29928	VP/TREA	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
No EMPLOYEES - NONE				

Total number of other employees paid over \$50,000 **None**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services** (see 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

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

NONE

Part IX-A Summary of Direct Charitable Activities

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

Expenses

1	FOUNDATION MADE DIRECT CHARITABLE CONTRIBUTIONS TO NINE (9) OTHER 501(C)(3) CHARITABLE ORGANIZATIONS TOTALING \$ 60,000	NONE
2		
3		
4		

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1	NONE	
2		
3	All other program-related investments. See page 24 of the instructions	

Total. Add lines 1 through 3

NONE

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	NONE
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	NONE
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	NONE
3	Subtract line 2 from line 1d	3	NONE
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	NONE
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	NONE
6	Minimum investment return. Enter 5% of line 5	6	NONE

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

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	60,000
b	Program-related investments—total from Part IX-B	1b	NONE
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	60,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	60,000

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				N/A
2 Undistributed income, if any, as of the end of 2009:				
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				
f Total of lines 3a through e				
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ _____				
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				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				
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				
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part 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 N/A

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

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

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

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

MICHAEL D. LYNCH

- 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.

N/A 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:

MICHAEL D. LYNCH (843-785-5336)
13 BRIGHTLINE HILTON HEAD, SC 29928

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

COMPLETE INFORMATION ON CHARITABLE PURPOSE; PROVIDE EVIDENCE OF 50(C)(3) STATUS;
PERCENTAGE OF GIFTS USED EXCLUSIVELY FOR SPECIFIC CHARITABLE PURPOSE NOT INCLUDING ADMIN OR GENERAL OR MARKETING & (DETAILED FINANCIAL INFORMATION) ALONG WITH REFERENCES.

- c** Any submission deadlines:

NONE

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

NONE

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue:					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments					
4	Dividends and interest from securities					
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)					
13	Total. Add line 12, columns (b), (d), and (e)					

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

13 None

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

[illegible]

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 | | X |
| | (2) Other assets | | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | | X |
| | (2) Purchases of assets from a noncharitable exempt organization | | X |
| | (3) Rental of facilities, equipment, or other assets | | X |
| | (4) Reimbursement arrangements | | X |
| | (5) Loans or loan guarantees | | X |
| | (6) Performance of services or membership or fundraising solicitations | | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | X |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

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

(a) Name of organization	(b) Type of organization	(c) Description of relationship

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) is based on all information of which preparer has any knowledge.

Signature of officer or trustee VP/TREAS Date 8/13/2010 Title VP/TREASURER

Sign Here

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

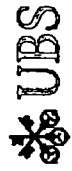
Michael & Louise Lynch Charitable Foundation, Inc.

EIN 27-0136524

31-Dec-09

Capital Gain & Loss Analysis:

	Master	Cincinnati	Ex-Kanawha	
Short Term Capital Gain	\$2,645.06	22,043.75	-2,956.31	\$21,732.50
Long Term Capital Gain	0	-26,367.45	-4,705.71	\$ (31,073.16)
	\$2,645.06	-4,323.70	-7,662.02	(\$9,340.66)



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 (MV 26547) Foundatn-Master

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2009 Realized Gain/Loss Summary for (MV 26547) Foundatn-Master

Short Term	Gain	Loss
Long Term	\$2,645.06	\$0.00
Portfolio Total*:	\$0.00	\$0.00
	\$2,645.06	

2009 Realized Gain/Loss Summary for (MV 26547) Foundatn-Master

Description	Ticker/Cusip	Quantity	Purchase Amount	Sale Amount	Realized Gain/Loss	Mon Info
ASTRAZENECA PLC SPON ADR	AZN	250,000	\$11,303.65	\$11,501.95	\$198.30	1 75% Cos
ISHARES TRUST DOW JONES	IYG	343,000	\$10,002.25	\$12,449.01	\$2,446.76	24.46% Cos
Portfolio Totals*:			\$21,305.90	\$23,950.96	\$2,645.06	12.41%

*Total realized gain/loss does not include positions without a cost basis

Please Note The "Realized Gain/Loss" information may include calculations based upon non-UBS Financial Services Inc cost basis information. The Firm does not independently verify or guarantee the validity of any information provided by sources other than UBS Financial Services Inc. In addition, if this report contains positions with unavailable cost basis, the realized gain/loss for these positions are calculation for the Total Realized Gain/Loss. As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return.

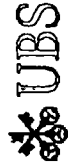
Monday, August 2, 2010

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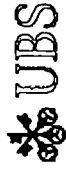
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2009 Realized Gain/Loss Summary for (MV 26572) Foundtn Kanawha

Short Term	Gain	Loss
Long Term	\$1,411.58	\$-4,367.89
Portfolio Total*:	\$4,642.20	\$-9,347.91
		\$-13,715.80

2009 Realized Gain/Loss Summary for (MV 26572) Foundtn Kanawha

Description	Ticker/Cusip	Quantity	Purchase Amount	Sale Amount	Realized Gain/Loss	Mo: Info
AIR PROD & CHEMICAL INC	APD	75.000	\$3,719.25	\$4,715.87	\$996.62	26 80% <u>CoS</u>
AMERICAN INTL GROUP INC	AIG	0.500	\$612.89	\$9.38	\$-603.51	-98.47% <u>CoS</u>
BAKER HUGHES INC	BHI	100.000	\$6,531.00	\$3,703.93	\$-2,827.07	-43 29% <u>CoS</u>
CERNER CORP	CERN	160.000	\$6,401.60	\$8,571.00	\$2,169.40	33.89% <u>CoS</u>
CISCO SYSTEMS INC	CSCO	100.000	\$2,430.00	\$2,154.97	\$-275.03	-11.32% <u>CoS</u>
CONS ENERGY INC	CNX	100.000	\$3,964.00	\$4,738.12	\$774.12	19.53% <u>CoS</u>
ENSCO INTL INC **MERGER	26874Q100	100.000	\$3,817.75	\$4,217.50	\$399.75	10.47% <u>CoS</u>
EMC CORP MASS	EMC	600.000	\$6,162.00	\$7,522.75	\$1,360.75	22.08% <u>CoS</u>
HARRIS STRATEX NETWORKS	41457P106	24.841	\$133.29	\$148.33	\$15.04	11.28% <u>CoS</u>
HEINZ H J CO	HNZ	150.000	\$5,923.28	\$6,261.21	\$337.93	5.71% <u>CoS</u>
JOHNSON CONTROLS INC	JCI	200.000	\$7,155.70	\$2,787.98	\$-4,367.72	-61.04% <u>CoS</u>
JOHNSON & JOHNSON COM	JNJ	50.000	\$3,129.00	\$3,040.53	\$-88.47	-2.83% <u>CoS</u>
NORFOLK STHN CORP	NSC	100.000	\$4,350.00	\$3,547.10	\$-802.90	-18.46% <u>CoS</u>
PFIZER INC	PFE	350.000	\$9,142.00	\$4,655.65	\$-4,486.35	-49.07% <u>CoS</u>
3M CO	MMM	80.000	\$5,650.40	\$5,568.65	\$-81.75	-1.45% <u>CoS</u>
WELLS FARGO & CO NEW	WFC	0.775	\$204.31	\$21.48	\$-182.83	-89.49% <u>CoS</u>
Portfolio Totals*:			\$69,326.47	\$61,664.45	\$-7,662.02	-11.05%


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2009 Realized Gain/Loss Summary for (MV 26627) Foundation -CAM

Short Term	Gain	Loss
Long Term	\$22,043.75	\$0.00
Portfolio Total*:	\$11,338.80	\$-37,706.25
	\$33,382.55	\$-37,706.25

2009 Realized Gain/Loss Summary for (MV 26627) Foundation -CAM

Description	Ticker/Cusip	Quantity	Purchase Amount	Sale Amount	Realized Gain/Loss	Mc Inf
FORD MOTOR CREDIT CO LLC	345397SG9	25,000.000	\$23,687.50	\$25,000.00	\$1,312.50	5.54% C
ALLBRITTON COMMUNITNS	016745AJ0	20,000.000	\$20,250.00	\$13,950.00	\$-6,300.00	-31.11% C
CLEAR CHANNEL COMMUNCTNS	184502AR3	25,000.000	\$19,500.00	\$15,750.00	\$-3,750.00	-19.23% C
MORGAN STANLEY DEAN WITT	617446HC6	35,000.000	\$32,637.50	\$38,252.55	\$5,615.05	17.20% C
CSC HLDGS INC SR NTS	126304AP9	15,000.000	\$15,000.00	\$15,300.00	\$300.00	2.00% C
COTT BEVERAGES INC P/P	221643AB5	25,000.000	\$25,625.00	\$24,375.00	\$-1,250.00	-4.88% C
DEL MONTE CORP NTS B/E	245217AM6	35,000.000	\$32,550.00	\$35,656.25	\$3,106.25	9.54% C
FORTUNE BRANDS INC	349631AM3	25,000.000	\$24,657.25	\$25,843.75	\$1,186.50	4.81% C
GRAPHIC PACKAGING INTL	38869PAB0	25,000.000	\$23,875.00	\$25,187.50	\$1,312.50	5.50% C
J P MORGAN CHASE & CO	466225HGG9	25,000.000	\$24,970.75	\$26,583.00	\$1,612.25	6.46% C
IRON MTN B/E	462846AA4	35,000.000	\$32,775.00	\$35,000.00	\$2,225.00	6.79% C
JEFFERSON SMURF	47508XAB1	25,000.000	\$24,875.00	\$2,375.00	\$-22,500.00	-90.45% C
LAMAR MEDIA CORP B/E	513075AG6	35,000.000	\$31,787.50	\$33,250.00	\$1,462.50	4.60% C
MGM GRAND INC MW@+50BPS	552953AL5	30,000.000	\$23,100.00	\$26,100.00	\$3,000.00	12.99% C
MGM GRAND INC NTS	552953AE1	35,000.000	\$32,312.50	\$30,362.50	\$-1,950.00	-6.03% C
MEDIACOM LLC	58445MAJ1	25,000.000	\$25,281.25	\$25,000.00	\$-281.25	-1.11% C
TENNECO AUTOMOTIVE INC	880349AD7	45,000.000	\$36,000.00	\$46,575.00	\$10,575.00	29.38% C
Portfolio Totals*:			\$448,884.25	\$444,560.55	\$-4,323.70	-0.96%

Michael & Louise Lynch Charitable Foundation, Inc.

EIN 27-0136524

Tax Year Ended December 31, 2009

Schedule of Support or Donations:

Name	Address	Relationship	Purpose	Status	Amount
1. St. Jude's Children's Hospital	501 St. Jude Place Memphis, TN 38105	None	General Support	501(c)(3)	\$2,500
2. Michael J. Fox Foundation	Po Box 780 New York, NY 10008	None	General Support	501(c)(3)	\$1,500
3. Western Kentucky University	College Heights Foundation 1906 College Heights Blvd. Bowling Green, KY 42101	None	General Support	501(c)(3)	\$25,000
4. Marine Corps Scholarship Foundation	121 S. St. Asaph St. Alexandria, VA 22314	None	General Support	501(c)(3)	\$1500
5. Marine Corps Toys For Tots	PO Box 227 Quantico, VA 22134	None	General Support	501(c)(3)	\$1,000

6. Arts Center of Coastal Carolina	14 Shelter Cove Lane Hilton Head Island, SC 29928-3543	None	General Support	501(c)(3)	\$2,500
7. Juvenile Diabetes Research Foundation Capitol Chapter	1400 K Street NW, Suite 725 Washington, DC 20005	None	General Support	501(c)(3)	\$5,000
8. Hilton Head Humane Association	10 Humane Way Hilton Head Island, SC 29926-1430	None	General Support	501(c)(3)	\$5,000
9. Andre' Agassi Foundation	3883 Howard Hughes Parkway, 8 th Floor Las Vegas, NV 89169	None	General Support	501(c)(3)	\$16,000
i.					\$60,000