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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<br>THE PALMER FOUNDATION  |  | A Employer identification number<br>36-3700897  |
|  | Number and street (or P O box number if mail is not delivered to street address)<br>734 15TH STREET NW SUITE 600 | Room/suite   | B Telephone number (see page 10 of the instructions)<br>(202) 595-1026  |
|  | City or town, state, and ZIP code<br>WASHINGTON, DC 20005  |  | C If exemption application is pending, check here <input type="checkbox"/><br>D 1. Foreign organizations, check here <input type="checkbox"/><br>2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/><br>E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/><br>F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |
| H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation<br><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation |  |  |   |
| I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 12,451,612   |  | J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify)<br>(Part I, column (d) must be on cash basis.) |   |

| Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions) ) |  | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|--|------------------------------------|---------------------------|-------------------------|---|
| Revenue  | 1 Contributions, gifts, grants, etc , received (attach schedule)                                     |                                    |                           |                         |   |
|  | 2 Check <input checked="" type="checkbox"/> if the foundation is <b>not</b> required to attach Sch B |                                    |                           |                         |   |
|  | 3 Interest on savings and temporary cash investments   |                                    |                           |                         |   |
|  | 4 Dividends and interest from securities. . . . .  | 347,611                            | 347,611                   |                         |   |
|  | 5a Gross rents . . . . .   |                                    |                           |                         |   |
|  | b Net rental income or (loss) _____  |                                    |                           |                         |   |
|  | 6a Net gain or (loss) from sale of assets not on line 10   | -479,028                           |                           |                         |   |
|  | b Gross sales price for all assets on line 6a 3,252,214  |                                    |                           |                         |   |
|  | 7 Capital gain net income (from Part IV , line 2) . . . .  |                                    |                           |                         |   |
|  | 8 Net short-term capital gain . . . . .  |                                    |                           |                         |   |
|  | 9 Income modifications . . . . .   |                                    |                           |                         |   |
|  | 10a Gross sales less returns and allowances  |                                    |                           |                         |   |
| Operating and Administrative Expenses  | b Less Cost of goods sold . . . . .  |                                    |                           |                         |   |
|  | c Gross profit or (loss) (attach schedule) . . . . .   |                                    |                           |                         |   |
|  | 11 Other income (attach schedule) . . . . .  |                                    |                           |                         |   |
|  | 12 <b>Total.</b> Add lines 1 through 11 . . . . .  | -131,417                           | 347,611                   |                         |   |
|  | 13 Compensation of officers, directors, trustees, etc  |                                    |                           |                         |   |
|  | 14 Other employee salaries and wages . . . . .   | 13,956                             |                           |                         | 13,956  |
|  | 15 Pension plans, employee benefits . . . . .  |                                    |                           |                         |   |
|  | 16a Legal fees (attach schedule) . . . . .   |                                    |                           |                         |   |
|  | b Accounting fees (attach schedule) . . . . .  | 16,140                             |                           |                         | 16,140  |
|  | c Other professional fees (attach schedule) . . . . .  | 33,518                             | 33,518                    |                         |   |
|  | 17 Interest . . . . .  |                                    |                           |                         |   |
|  | 18 Taxes (attach schedule) (see page 14 of the instructions)   | 4,001                              | 1,579                     |                         | 1,067   |
|  | 19 Depreciation (attach schedule) and depletion . . . .  | 14                                 |                           |                         |   |
|  | 20 Occupancy . . . . .   | 6,600                              |                           |                         | 6,600   |
|  | 21 Travel, conferences, and meetings . . . . .   | 22,242                             |                           |                         | 22,242  |
|  | 22 Printing and publications . . . . .   |                                    |                           |                         |   |
|  | 23 Other expenses (attach schedule) . . . . .  | 51,261                             |                           |                         | 51,231  |
|  | 24 <b>Total operating and administrative expenses.</b>   |                                    |                           |                         |   |
|  | Add lines 13 through 23 . . . . .  | 147,732                            | 35,097                    |                         | 111,236   |
|  | 25 Contributions, gifts, grants paid . . . . .   | 446,833                            |                           |                         | 446,833   |
|  | 26 <b>Total expenses and disbursements.</b> Add lines 24 and 25                                      | 594,565                            | 35,097                    |                         | 558,069   |
|  | 27 Subtract line 26 from line 12   |                                    |                           |                         |   |
|  | a <b>Excess of revenue over expenses and disbursements</b>   | -725,982                           |                           |                         |   |
|  | b <b>Net investment income</b> (if negative, enter -0-)  |                                    | 312,514                   |                         |   |
|  | c <b>Adjusted net income</b> (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  | End of year   |                       |
|-----------------------------|-----|--|--|---|-----------------------|
|                             |     |  | (a) Book Value   | (b) Book Value  | (c) Fair Market Value |
| Assets                      | 1   | Cash—non-interest-bearing . . . . .  |  |   |                       |
|                             | 2   | Savings and temporary cash investments . . . . .   | 611,413  | 402,695   | 402,695               |
|                             | 3   | Accounts receivable ▶ _____<br>Less allowance for doubtful accounts ▶ _____  |  |   |                       |
|                             | 4   | Pledges receivable ▶ _____<br>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) ▶ _____<br>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)   | 199,969  |   |                       |
|                             | b   | Investments—corporate stock (attach schedule) . . . . .  | 6,945,142  |  6,918,714 | 8,019,950             |
|                             | c   | Investments—corporate bonds (attach schedule). . . . .   | 3,199,113  |  3,204,913 | 3,338,051             |
|                             | 11  | Investments—land, buildings, and equipment basis ▶ _____<br>Less accumulated depreciation (attach schedule) ▶ _____                              |  |   |                       |
|                             | 12  | Investments—mortgage loans . . . . .   |  |   |                       |
|                             | 13  | Investments—other (attach schedule) . . . . .  | 1,015,928  |  719,079   | 690,916               |
|                             | 14  | Land, buildings, and equipment basis ▶ _____ 11,758<br>Less accumulated depreciation (attach schedule) ▶ _____ 11,758                            | 14   |   |                       |
| Liabilities                 | 15  | Other assets (describe ▶ _____)  |  741 |   |                       |
|                             | 16  | Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)   | 11,972,320   | 11,245,401  | 12,451,612            |
|                             | 17  | Accounts payable and accrued expenses . . . . .  | 937  |   |                       |
|                             | 18  | Grants payable . . . . .   |  |   |                       |
|                             | 19  | Deferred revenue . . . . .   |  |   |                       |
|                             | 20  | Loans from officers, directors, trustees, and other disqualified persons   |  |   |                       |
|                             | 21  | Mortgages and other notes payable (attach schedule) . . . . .  |  |   |                       |
| Net Assets or Fund Balances | 22  | Other liabilities (describe ▶ _____)   |  |   |                       |
|                             | 23  | Total liabilities (add lines 17 through 22) . . . . .  | 937  | 0   |                       |
|                             |     | Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> 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 ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.                      |  |   |                       |
|                             | 27  | Capital stock, trust principal, or current funds . . . . .   | 11,971,383   | 11,245,401  |                       |
|                             | 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) . . . . .  | 11,971,383   | 11,245,401  |                       |
|                             | 31  | Total liabilities and net assets/fund balances (see page 17 of the instructions) . . . . .   | 11,972,320   | 11,245,401  |                       |

Part III Analysis of Changes in Net Assets or Fund Balances

|   |  |   |            |
|---|--|---|------------|
| 1 | Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year’s return) . . . . . | 1 | 11,971,383 |
| 2 | Enter amount from Part I, line 27a . . . . .   | 2 | -725,982   |
| 3 | Other increases not included in line 2 (itemize) ▶ _____   | 3 |            |
| 4 | Add lines 1, 2, and 3 . . . . .  | 4 | 11,245,401 |
| 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 | 11,245,401 |

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<br>P—Purchase<br>D—Donation | (c) Date acquired<br>(mo , day, yr ) | (d) Date sold<br>(mo , day, yr ) |
| 1a  | See Additional Data Table |  |                                      |                                  |
| b   |                           |  |                                      |                                  |
| c   |                           |  |                                      |                                  |
| d   |                           |  |                                      |                                  |
| e   |                           |  |                                      |                                  |

|                       |  |   |  |
|-----------------------|--|---|--|
| (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(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) Gains (Col (h) gain minus col (k), but not less than -0-) or<br>Losses (from col (h)) |
| (i) F M V as of 12/31/69  | (j) Adjusted basis<br>as of 12/31/69 | (k) Excess of col (i)<br>over col (j), if any |   |
| 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<br>If (loss), enter -0- in Part I, line 7 } | 2 | -479,028 |
| 3 | Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)<br><br>If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions)<br>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)<br>Base period years Calendar<br>year (or tax year beginning in)   | (b)<br>Adjusted qualifying distributions | (c)<br>Net value of noncharitable-use assets | (d)<br>Distribution ratio<br>(col (b) divided by col (c)) |
| 2008   | 633,688                                  | 12,680,180                                   | 0 04998   |
| 2007   | 743,202                                  | 14,717,694                                   | 0 05050   |
| 2006   | 668,672                                  | 13,659,096                                   | 0 04895   |
| 2005   | 659,166                                  | 13,193,218                                   | 0 04996   |
| 2004   | 591,057                                  | 12,739,296                                   | 0 04640   |

|   |  |   |            |
|---|--|---|------------|
| 2 | Total of line 1, column (d). . . . .   | 2 | 0 24578    |
| 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 04916    |
| 4 | Enter the net value of noncharitable-use assets for 2009 from Part X, line 5. . . . .  | 4 | 11,329,901 |
| 5 | Multiply line 4 by line 3. . . . .   | 5 | 556,944    |
| 6 | Enter 1% of net investment income (1% of Part I, line 27b). . . . .  | 6 | 3,125      |
| 7 | Add lines 5 and 6. . . . .   | 7 | 560,069    |
| 8 | Enter qualifying distributions from Part XII, line 4. . . . .  | 8 | 558,069    |

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 VIExcise 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 . . . . .

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-)

3

Add lines 1 and 2. . . . .

4

Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)

5

Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0- . . . . .

6

Credits/Payments

a

2009 estimated tax payments and 2008 overpayment credited to 2009

6a

3,800

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. . . . .

8

Enter any penalty for underpayment of estimated tax Check here ☐ if Form 2220 is attached

9

Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed . . . . .

10

Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid. . . . .

11

Enter the amount of line 10 to be Credited to 2010 estimated tax 0 Refunded

Part VII-AStatements Regarding Activities

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)? . . . . .

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?. . . . .

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.

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 . . . . .

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? . . . . .

If "Yes," attach the statement required by General Instruction T.

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? If "Yes," complete Part II, col (c), and Part XV

8a

Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) IL

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 .

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 . . . . .

10

Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

Form 990-PF (2009)

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 |     | 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?<br>Website address ▶THEPALMERFOUNDATION.ORG   | 13 | Yes |    |
| 14 | The books are in care of ▶JAY L OWEN TREASURER Telephone no ▶(847) 735-8670<br>Located at ▶1691 YALE COURT LAKE FOREST IL ZIP+4 ▶60045  |    |     |    |
| 15 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here . . . . . ▶ <input type="checkbox"/><br>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)<br>(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?. . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?. . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>(6) Agree to pay money or property to a government official? ( <b>Exception.</b> Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days ). . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |    |     |    |
| b   | If any answer is "Yes" to 1a(1)–(6), did <b>any</b> of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?. . . Organizations relying on a current notice regarding disaster assistance check here. . . . . ▶ <input type="checkbox"/>  | 1b |     | No |
| 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?. . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>If "Yes," list the years ▶ 20____, 20____, 20____, 20____   |    |     |    |
| b   | Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer "No" and attach statement—see page 20 of the instructions ). . . . .   | 2b |     | No |
| c   | If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____  |    |     |    |
| 3a  | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?. . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |    |     |    |
| b   | If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? ( <i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.</i> ). . . . .   | 3b |     | No |
| 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))?   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |    |
|    | (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |    |
|    | (3) Provide a grant to an individual for travel, study, or other similar purposes?  | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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).   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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?   | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |    |
| b  | If any answer is "Yes" to 5a(1)–(5), did <b>any</b> 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)? Organizations relying on a current notice regarding disaster assistance check here. | 5b                           |  | No |
| 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?<br><i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>   |                              |  |    |
|    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |                              |  |    |
| 6a | Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?   |                              |  |    |
|    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |                              |  |    |
| b  | Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?<br><i>If "Yes" to 6b, file Form 8870.</i>  | 6b                           |  | No |
| 7a | At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?  |                              |  |    |
|    | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |                              |  |    |
| b  | If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?   | 7b                           |  | No |

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.   |   |   |   |                                       |

Part VIII

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

| 3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE". |                     |                  |
|---|---------------------|------------------|
| (a) Name and address of each person paid more than \$50,000   | (b) Type of service | (c) Compensation |
| NONE  |                     |                  |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |
| Total number of others receiving over \$50,000 for professional services. . . . .   |                     |                  |

Part IX-A

Summary of Direct Charitable Activities

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

Part IX-B

Summary of Program-Related Investments (see page 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 | 11,082,086 |
| b | Average of monthly cash balances. . . . .  | 1b | 420,352    |
| c | Fair market value of all other assets (see page 24 of the instructions). . . . .   | 1c | 0          |
| d | Total (add lines 1a, b, and c). . . . .  | 1d | 11,502,438 |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation). . . . .               | 1e | 0          |
| 2 | Acquisition indebtedness applicable to line 1 assets. . . . .  | 2  |            |
| 3 | Subtract line 2 from line 1d. . . . .  | 3  | 11,502,438 |
| 4 | Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions). . . . . | 4  | 172,537    |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4                              | 5  | 11,329,901 |
| 6 | Minimum investment return. Enter 5% of line 5. . . . .   | 6  | 566,495    |

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  | 566,495 |
| 2a | Tax on investment income for 2009 from Part VI, line 5. . . . .   | 2a | 6,250   |
| b  | Income tax for 2009 (This does not include the tax from Part VI ). . . . .                                | 2b |         |
| c  | Add lines 2a and 2b. . . . .  | 2c | 6,250   |
| 3  | Distributable amount before adjustments Subtract line 2c from line 1. . . . .                             | 3  | 560,245 |
| 4  | Recoveries of amounts treated as qualifying distributions. . . . .  | 4  |         |
| 5  | Add lines 3 and 4. . . . .  | 5  | 560,245 |
| 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  | 560,245 |

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 | 558,069 |
| 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  | 558,069 |
| 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  | 558,069 |
| 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)<br>Corpus | (b)<br>Years prior to 2008 | (c)<br>2008 | (d)<br>2009 |
| 1  | Distributable amount for 2009 from Part XI, line 7  |               |                            |             | 560,245     |
| 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. . . . .  |               |                            |             | 12,319      |
| e  | From 2008. . . . .  |               |                            |             | 5,445       |
| f  | Total of lines 3a through e. . . . .  | 17,764        |                            |             |             |
| 4  | Qualifying distributions for 2009 from Part XII, line 4 ➤ \$ 558,069  |               |                            |             |             |
| 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). . .   | 0             |                            |             |             |
| d  | Applied to 2009 distributable amount. . . . .   |               |                            |             | 558,069     |
| e  | Remaining amount distributed out of corpus  |               |                            |             |             |
| 5  | Excess distributions carryover applied to 2009<br>(If an amount appears in column (d), the same amount must be shown in column (a).)  | 2,176         |                            |             | 2,176       |
| 6  | Enter the net total of each column as indicated below:  |               |                            |             |             |
| a  | Corpus Add lines 3f, 4c, and 4e Subtract line 5   | 15,588        |                            |             |             |
| 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.<br>Subtract lines 7 and 8 from line 6a . . . . .  | 15,588        |                            |             |             |
| 10 | Analysis of line 9  |               |                            |             |             |
| a  | Excess from 2005. . . .   |               |                            |             |             |
| b  | Excess from 2006. . . .   |               |                            |             |             |
| c  | Excess from 2007. . . .   |               |                            |             | 10,143      |
| d  | Excess from 2008. . . .   |               |                            |             | 5,445       |
| 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.

b

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

☐ 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 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) )

MARY P ENROTH

b

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

2

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

Check here ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a

The name, address, and telephone number of the person to whom applications should be addressed

b

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

c

Any submission deadlines

d

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

Part XV

Supplementary Information (continued)

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

| Recipient   | If recipient is an individual,<br>show any relationship to<br>any foundation manager<br>or substantial contributor | Foundation<br>status of<br>recipient | Purpose of grant or<br>contribution | Amount  |
|---|--|--------------------------------------|-------------------------------------|---------|
| Name and address (home or business)                 |  |                                      |                                     |         |
| a Paid during the year<br>See Additional Data Table |  |                                      |                                     |         |
| Total . . . . .                                     |  |                                      | ▶ 3a                                | 446,833 |
| b Approved for future payment                       |  |                                      |                                     |         |
| Total . . . . .                                     |  |                                      | ▶ 3b                                |         |

| Enter gross amounts unless otherwise indicated                             | Unrelated business income |               | Excluded by section 512, 513, or 514 |               | (e)<br>Related or exempt<br>function income<br>(See page 28 of<br>the instructions ) |
|--|---------------------------|---------------|--------------------------------------|---------------|--|
|  | (a)<br>Business code      | (b)<br>Amount | (c)<br>Exclusion code                | (d)<br>Amount |  |
| <b>1</b> Program service revenue   |                           |               |                                      |               |  |
| <b>a</b> _____   |                           |               |                                      |               |  |
| <b>b</b> _____   |                           |               |                                      |               |  |
| <b>c</b> _____   |                           |               |                                      |               |  |
| <b>d</b> _____   |                           |               |                                      |               |  |
| <b>e</b> _____   |                           |               |                                      |               |  |
| <b>f</b> _____   |                           |               |                                      |               |  |
| <b>g</b> Fees and contracts from government agencies                       |                           |               |                                      |               |  |
| <b>2</b> Membership dues and assessments. . . .                            |                           |               |                                      |               |  |
| <b>3</b> Interest on savings and temporary cash investments                |                           |               |                                      |               |  |
| <b>4</b> Dividends and interest from securities. . . .                     |                           |               | 14                                   | 347,611       |  |
| <b>5</b> Net rental income or (loss) from real estate                      |                           |               |                                      |               |  |
| <b>a</b> Debt-financed property. . . . .                                   |                           |               |                                      |               |  |
| <b>b</b> Not debt-financed property. . . . .                               |                           |               |                                      |               |  |
| <b>6</b> Net rental income or (loss) from personal property                |                           |               |                                      |               |  |
| <b>7</b> Other investment income. . . . .                                  |                           |               |                                      |               |  |
| <b>8</b> Gain or (loss) from sales of assets other than inventory          |                           |               | 18                                   | -479,028      |  |
| <b>9</b> Net income or (loss) from special events                          |                           |               |                                      |               |  |
| <b>10</b> Gross profit or (loss) from sales of inventory. .                |                           |               |                                      |               |  |
| <b>11</b> Other revenue <b>a</b> _____                                     |                           |               |                                      |               |  |
| <b>b</b> _____   |                           |               |                                      |               |  |
| <b>c</b> _____   |                           |               |                                      |               |  |
| <b>d</b> _____   |                           |               |                                      |               |  |
| <b>e</b> _____   |                           |               |                                      |               |  |
| <b>12</b> Subtotal Add columns (b), (d), and (e). .                        |                           |               |                                      | -131,417      |  |
| <b>13 Total.</b> Add line 12, columns (b), (d), and (e). . . . . <b>13</b> |                           |               |                                      |               | -131,417   |

[illegible]

|          |  |              |            |           |
|----------|--|--------------|------------|-----------|
| <b>1</b> | 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?  |              | <b>Yes</b> | <b>No</b> |
|          |  |              |            |           |
| <b>a</b> | Transfers from the reporting foundation to a noncharitable exempt organization of  |              |            |           |
|          | <b>(1)</b> Cash. . . . .   | <b>1a(1)</b> |            | <b>No</b> |
|          | <b>(2)</b> Other assets. . . . .   | <b>1a(2)</b> |            | <b>No</b> |
| <b>b</b> | Other transactions   |              |            |           |
|          | <b>(1)</b> Sales of assets to a noncharitable exempt organization. . . . .   | <b>1b(1)</b> |            | <b>No</b> |
|          | <b>(2)</b> Purchases of assets from a noncharitable exempt organization. . . . .   | <b>1b(2)</b> |            | <b>No</b> |
|          | <b>(3)</b> Rental of facilities, equipment, or other assets. . . . .   | <b>1b(3)</b> |            | <b>No</b> |
|          | <b>(4)</b> Reimbursement arrangements. . . . .   | <b>1b(4)</b> |            | <b>No</b> |
|          | <b>(5)</b> Loans or loan guarantees. . . . .   | <b>1b(5)</b> |            | <b>No</b> |
|          | <b>(6)</b> Performance of services or membership or fundraising solicitations. . . . .   | <b>1b(6)</b> |            | <b>No</b> |
| <b>c</b> | Sharing of facilities, equipment, mailing lists, other assets, or paid employees. . . . .  | <b>1c</b>    |            | <b>No</b> |
| <b>d</b> | If the answer to any of the above is "Yes," complete the following schedule. Column <b>(b)</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 <b>(d)</b> 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 or fiduciary) is based on all information of which preparer has any knowledge. |  |  |            |       |
| *****   |  |  | 2010-04-19 | ***** |
| Signature of officer or trustee   |  |  | Date       | Title |

|                                |   |      |   |   |
|--------------------------------|---|------|---|---|
| Paid<br>Preparer's<br>Use Only | Preparer's Signature  JAMES D SEYMOUR CPA                                     | Date | Check if self-employed <input checked="checked" type="checkbox"/> | Preparer's identifying number (see <b>Signature</b> on page 30 of the instructions) |
|                                | Firm's name (or yours if self-employed), address, and ZIP code                |      | EIN   |   |
|                                | Seymour & Associates SC<br>600 52nd Street Suite 210<br>Kenosha, WI 531403424 |      | Phone no  |   |

Additional Data

Software ID: 09000047

Software Version:

EIN: 36-3700897

Name: THE PALMER 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<br>P—Purchase<br>D—Donation | (c) Date acquired<br>(mo , day, yr ) | (d) Date sold<br>(mo , day, yr ) |
|---|--|--------------------------------------|----------------------------------|
| 1 SHS PIMCO COMMODITY RR CAPITAL GAIN DIVIDEND  | P  | 2001-01-01                           | 2009-01-01                       |
| 1 SHS TENET HEALTHCARE CLASS ACTION SETTLEMENT  | P  | 2001-01-01                           | 2009-08-11                       |
| 1 SHS SEARS ROEBUCK & CO CLASS ACTION SETTLEME  | P  | 2001-01-01                           | 2009-07-14                       |
| 1 SHS AIG INTL GRP CLASS ACTION SETTLEMENT  | P  | 2001-01-01                           | 2009-06-25                       |
| 1 SHS TYCO INTL LTD CLASS ACTION SETTLEMENT   | P  | 2001-01-01                           | 2009-03-13                       |
| 4500 SHS UNILEVER N V SPONSORED ADR   | P  | 2007-09-04                           | 2009-07-28                       |
| 350 SHS ACCENTURE PLC CL A ADR  | P  | 2006-04-17                           | 2009-11-10                       |
| 4500 SHS WESTERN DIGITAL CORP   | P  | 2008-02-07                           | 2009-02-19                       |
| 800 SHS WELLPOINT INC   | P  | 2004-03-11                           | 2009-02-19                       |
| 2700 SHS VALERO REFNG & MARKETING CO  | P  | 2004-03-11                           | 2009-07-01                       |
| 2225 SHS V F CORP   | P  | 2007-07-30                           | 2009-07-28                       |
| 50M UNILEVER CAP CORP NOTES   | P  | 2007-02-05                           | 2009-04-14                       |
| 4450 SHS US BANCORP   | P  | 2005-10-28                           | 2009-08-24                       |
| 4300 SHS TEXAS INSTRUMENTS INC  | P  | 2006-04-17                           | 2009-07-01                       |
| 2100 SHS TESORO PETROLEUM CORP  | P  | 2006-07-12                           | 2009-04-13                       |
| 1900 SHS SECTOR SPDR TR SHS BEN INT-UTILITIES   | P  | 2007-03-30                           | 2009-11-10                       |
| 750 SHS SECTOR SPDR TR SHS BEN INT- ENERGY  | P  | 2008-02-07                           | 2009-08-24                       |
| 650 SHS SECTOR SPDR TR SHS BEN INT-BASIC INDS   | P  | 2008-03-26                           | 2009-11-10                       |
| 4350 SHS SCHWAB CHARLES CORP  | P  | 2006-04-17                           | 2009-06-04                       |
| 3075 SHS REPUBLIC SERVICES INC  | P  | 2004-03-11                           | 2009-06-04                       |
| 175 SHS PROCTER & GAMBLE CO   | P  | 2001-10-17                           | 2009-08-14                       |
| 2800 SHS METLIFE INC  | P  | 2006-04-17                           | 2009-04-13                       |
| 1900 SHS LAM RESEARCH CORP  | P  | 2006-10-03                           | 2009-04-13                       |
| 3500 SHS ISHARES TR DOW JONES US TELE-COMMS   | P  | 2007-11-30                           | 2009-06-04                       |
| 3000 SHS ISHARES TR DOW JONES US TELE-COMMS   | P  | 2007-09-04                           | 2009-02-19                       |
| 675 SHS HUMANA INC  | P  | 2004-03-11                           | 2009-04-13                       |
| 400 SHS HEWLETT PACKARD CO  | P  | 2006-04-17                           | 2009-11-10                       |
| 500 SHS HEWLETT PACKARD CO  | P  | 2006-04-17                           | 2009-08-14                       |
| 525 SHS GOLDMAN SACHS GROUP INC   | P  | 2006-07-12                           | 2009-07-01                       |
| 525 SHS GOLDMAN SACHS GROUP INC   | P  | 2006-07-12                           | 2009-04-13                       |

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

| (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|-----------------------|--|---|--|
| 3,469                 |  |   | 3,469  |
| 1,165                 |  |   | 1,165  |
| 14                    |  |   | 14   |
| 1,060                 |  |   | 1,060  |
| 1,080                 |  |   | 1,080  |
| 118,463               |  | 137,822   | -19,359                                      |
| 13,809                |  | 10,300  | 3,509  |
| 65,070                |  | 122,624   | -57,554                                      |
| 33,148                |  | 34,696  | -1,548                                       |
| 46,981                |  | 39,347  | 7,634  |
| 145,789               |  | 154,114   | -8,325                                       |
| 53,587                |  | 52,949  | 638  |
| 96,939                |  | 130,617   | -33,678                                      |
| 93,544                |  | 121,992   | -28,448                                      |
| 31,656                |  | 77,180  | -45,524                                      |
| 56,164                |  | 74,046  | -17,882                                      |
| 39,704                |  | 51,405  | -11,701                                      |
| 20,371                |  | 26,593  | -6,222                                       |
| 79,388                |  | 75,907  | 3,481  |
| 69,558                |  | 54,665  | 14,893                                       |
| 9,300                 |  | 6,093   | 3,207  |
| 79,238                |  | 138,172   | -58,934                                      |
| 47,501                |  | 84,871  | -37,370                                      |
| 63,033                |  | 104,654   | -41,621                                      |
| 44,710                |  | 102,374   | -57,664                                      |
| 20,014                |  | 14,017  | 5,997  |
| 19,872                |  | 13,073  | 6,799  |
| 22,349                |  | 16,341  | 6,008  |
| 77,936                |  | 77,684  | 252  |
| 68,298                |  | 77,684  | -9,386                                       |



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) FMV as of 12/31/69  | (j) Adjusted basis as of 12/31/69 | (k) Excess of col (i) over col (j), if any |  |
|   |                                   |  | 3,469  |
|   |                                   |  | 1,165  |
|   |                                   |  | 14   |
|   |                                   |  | 1,060  |
|   |                                   |  | 1,080  |
|   |                                   |  | -19,359  |
|   |                                   |  | 3,509  |
|   |                                   |  | -57,554  |
|   |                                   |  | -1,548   |
|   |                                   |  | 7,634  |
|   |                                   |  | -8,325   |
|   |                                   |  | 638  |
|   |                                   |  | -33,678  |
|   |                                   |  | -28,448  |
|   |                                   |  | -45,524  |
|   |                                   |  | -17,882  |
|   |                                   |  | -11,701  |
|   |                                   |  | -6,222   |
|   |                                   |  | 3,481  |
|   |                                   |  | 14,893   |
|   |                                   |  | 3,207  |
|   |                                   |  | -58,934  |
|   |                                   |  | -37,370  |
|   |                                   |  | -41,621  |
|   |                                   |  | -57,664  |
|   |                                   |  | 5,997  |
|   |                                   |  | 6,799  |
|   |                                   |  | 6,008  |
|   |                                   |  | 252  |
|   |                                   |  | -9,386   |

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<br>P—Purchase<br>D—Donation | (c) Date acquired<br>(mo , day, yr ) | (d) Date sold<br>(mo , day, yr ) |
|---|--|--------------------------------------|----------------------------------|
| 1900 SHS GLAXO PLC SPONSORED ADR  | P  | 2006-10-24                           | 2009-06-04                       |
| 1200 SHS FREEPORT-MCMORAN COPPER & GOLD CL B  | P  | 2008-02-07                           | 2009-06-04                       |
| 900 SHS FEDEX CORP  | P  | 2002-09-30                           | 2009-04-13                       |
| 100M FHLB 5 00 9/18/09  | P  | 2007-03-08                           | 2009-09-18                       |
| 100M FFCB 4 75 8/3/09   | P  | 2006-03-02                           | 2009-08-03                       |
| 400 SHS EXXON MOBIL CORP  | P  | 2008-02-07                           | 2009-08-24                       |
| 400 SHS EXXON MOBIL CORP  | P  | 2008-02-07                           | 2009-07-28                       |
| 1700 SHS ENERGEN CORP   | P  | 2007-03-30                           | 2009-06-04                       |
| 1700 SHS ENSCO INTERNATIONAL INC  | P  | 2008-11-07                           | 2009-11-10                       |
| 700 SHS DUN & BRADSTREET CORP DEL NEW   | P  | 2005-03-31                           | 2009-11-10                       |
| 800 SHS DUN & BRADSTREET CORP DEL NEW   | P  | 2005-03-31                           | 2009-08-24                       |
| 500 SHS DUN & BRADSTREET CORP DEL NEW   | P  | 2006-04-17                           | 2009-02-19                       |
| 1200 SHS WALT DISNEY CO   | P  | 2007-03-07                           | 2009-11-10                       |
| 1000 SHS DIAGEO PLC SPONSORED ADR   | P  | 2007-01-11                           | 2009-07-28                       |
| 1750 SHS DIAGEO PLC SPONSORED ADR   | P  | 2007-03-30                           | 2009-06-04                       |
| 400 SHS COLGATE-PALMOLIVE CO  | P  | 2007-09-04                           | 2009-07-01                       |
| 400 SHS COLGATE-PALMOLIVE CO  | P  | 2007-09-04                           | 2009-02-19                       |
| 1800 SHS CITIGROUP INC  | P  | 2006-10-24                           | 2009-02-19                       |
| 50M CATERPILLAR FIN 4 50 6/15/09  | P  | 2005-10-19                           | 2009-06-15                       |
| 1000 SHS BECKMAN COULTER INC  | P  | 2005-03-31                           | 2009-07-01                       |
| 1900 SHS BANK AMERICA CORP  | P  | 2001-10-17                           | 2009-02-19                       |
| 250 SHS APPLE COMPUTER INC  | P  | 2007-11-30                           | 2009-11-10                       |
| 1400 SHS WAL-MART STORES INC  | P  | 2009-07-28                           | 2009-11-10                       |
| 2650 SHS SECTOR SPDR TR SHS BEN INT-INDUSTRIAL  | P  | 2009-04-13                           | 2009-07-01                       |
| 1075 SHS PROCTER & GAMBLE CO  | P  | 2009-07-01                           | 2009-08-24                       |
| 2500 SHS PERRIGO CO   | P  | 2009-02-19                           | 2009-08-24                       |
| 1500 SHS MICROSOFT CORP   | P  | 2009-06-04                           | 2009-08-24                       |
| 1650 SHS LIFE TECHNOLOGIES CORP   | P  | 2008-11-07                           | 2009-07-01                       |
| 2600 SHS LIFE TECHNOLOGIES CORP   | P  | 2008-11-07                           | 2009-06-04                       |
| 600 SHS HEWITT ASSOCS INC   | P  | 2009-07-01                           | 2009-11-10                       |

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

| (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|-----------------------|--|---|--|
| 63,480                |  | 103,341   | -39,861                                      |
| 65,903                |  | 104,944   | -39,041                                      |
| 45,278                |  | 43,606  | 1,672  |
| 100,000               |  | 100,533   | -533   |
| 100,000               |  | 99,436  | 564  |
| 28,499                |  | 32,900  | -4,401                                       |
| 28,543                |  | 32,900  | -4,357                                       |
| 63,657                |  | 86,536  | -22,879                                      |
| 78,284                |  | 70,093  | 8,191  |
| 56,684                |  | 43,056  | 13,628                                       |
| 59,480                |  | 49,206  | 10,274                                       |
| 37,379                |  | 37,901  | -522   |
| 34,817                |  | 40,711  | -5,894                                       |
| 59,193                |  | 77,769  | -18,576                                      |
| 95,772                |  | 138,798   | -43,026                                      |
| 28,788                |  | 24,840  | 3,948  |
| 24,285                |  | 26,406  | -2,121                                       |
| 4,540                 |  | 44,073  | -39,533                                      |
| 50,000                |  | 49,766  | 234  |
| 57,105                |  | 58,765  | -1,660                                       |
| 7,547                 |  | 54,663  | -47,116                                      |
| 50,468                |  | 45,593  | 4,875  |
| 72,966                |  | 68,401  | 4,565  |
| 58,779                |  | 54,615  | 4,164  |
| 57,126                |  | 55,636  | 1,490  |
| 73,436                |  | 57,948  | 15,488                                       |
| 36,901                |  | 32,730  | 4,171  |
| 67,755                |  | 45,261  | 22,494                                       |
| 103,686               |  | 71,320  | 32,366                                       |
| 23,950                |  | 17,990  | 5,960  |

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<br>Losses (from col (h)) |
|---|--------------------------------------|---|---|
| (i) FMV as of 12/31/69  | (j) Adjusted basis<br>as of 12/31/69 | (k) Excess of col (i)<br>over col (j), if any |   |
|   |                                      |   | -39,861   |
|   |                                      |   | -39,041   |
|   |                                      |   | 1,672   |
|   |                                      |   | -533  |
|   |                                      |   | 564   |
|   |                                      |   | -4,401  |
|   |                                      |   | -4,357  |
|   |                                      |   | -22,879   |
|   |                                      |   | 8,191   |
|   |                                      |   | 13,628  |
|   |                                      |   | 10,274  |
|   |                                      |   | -522  |
|   |                                      |   | -5,894  |
|   |                                      |   | -18,576   |
|   |                                      |   | -43,026   |
|   |                                      |   | 3,948   |
|   |                                      |   | -2,121  |
|   |                                      |   | -39,533   |
|   |                                      |   | 234   |
|   |                                      |   | -1,660  |
|   |                                      |   | -47,116   |
|   |                                      |   | 4,875   |
|   |                                      |   | 4,565   |
|   |                                      |   | 4,164   |
|   |                                      |   | 1,490   |
|   |                                      |   | 15,488  |
|   |                                      |   | 4,171   |
|   |                                      |   | 22,494  |
|   |                                      |   | 32,366  |
|   |                                      |   | 5,960   |

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<br>P—Purchase<br>D—Donation | (c) Date acquired<br>(mo , day, yr ) | (d) Date sold<br>(mo , day, yr ) |
|---|--|--------------------------------------|----------------------------------|
| 2350 SHS HANSEN NATURAL CORP  | P  | 2009-07-28                           | 2009-11-10                       |
| 1200 SHS GENERAL MILLS INC  | P  | 2009-04-13                           | 2009-07-01                       |
| 350 SHS CATERPILLAR INC   | P  | 2009-06-04                           | 2009-11-10                       |
| 500 SHS CATERPILLAR INC   | P  | 2009-06-04                           | 2009-08-24                       |

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

| (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|-----------------------|--|---|--|
| 80,979                |  | 69,690  | 11,289                                       |
| 69,099                |  | 60,824  | 8,275  |
| 20,825                |  | 13,082  | 7,743  |
| 23,800                |  | 18,689  | 5,111  |

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 |  |
|   |                                   |  | 11,289   |
|   |                                   |  | 8,275  |
|   |                                   |  | 7,743  |
|   |                                   |  | 5,111  |

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 |
|---|---|---|---|---------------------------------------|
| CARL ENROTH   | DIRECTOR<br>0 00  | 0   |   |                                       |
| 734 15TH STREET NW SUITE 600<br>WASHINGTON,DC 20005 |   |   |   |                                       |
| SUSAN L ENROTH                                      | DIRECTOR<br>0 00  | 0   |   |                                       |
| 735 15TH STREET NW SUITE 600<br>WASHINGTON,DC 20005 |   |   |   |                                       |
| KAREN E LISCHICK                                    | VICE PRES<br>0 00   | 0   |   |                                       |
| 734 15TH STREET NW SUITE 600<br>WASHINGTON,DC 20005 |   |   |   |                                       |
| JAY L OWEN  | SEC /TREAS<br>0 00  | 0   |   |                                       |
| 734 15TH STREET NW SUITE 600<br>WASHINGTON,DC 20005 |   |   |   |                                       |
| MATHEW LISCHICK                                     | Director<br>0 00  | 0   |   |                                       |
| 734 15TH STREET NW SUITE 600<br>WASHINGTON,DC 20005 |   |   |   |                                       |
| MARY P ENROTH                                       | PRESIDENT<br>0 00   | 0   |   |                                       |
| 734 15TH STREET NW SUITE 600<br>WASHINGTON,DC 20005 |   |   |   |                                       |



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

| Recipient   | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount  |
|---|---|--------------------------------|----------------------------------|---------|
| Name and address (home or business)   |   |                                |                                  |         |
| a Paid during the year  |   |                                |                                  |         |
| PARTNERS FOR SURGERY INC6804 MELROSE DRIVE MCLEAN,VA 22101                    | N/A   | PUBLIC                         | GENERAL                          | 25,000  |
| WOMANS INTL NETWORK-GUATEMALAN SOLU793 ASHBURY STREET SAN FRANCISCO,CA 94117  | N/A   | PUBLIC                         | GENERAL                          | 6,000   |
| TOUCH OF RELIEF INC1500 HADDEN MANOR COURT SILVER SPRINGS,MD 20904            | N/A   | PUBLIC                         | GENERAL                          | 10,000  |
| THE POTOMAC SCHOOL1301 POTOMAC SCHOOL ROAD MCLEAN,VA 22101                    | N/A   | PUBLIC                         | GENERAL                          | 1,000   |
| THE NATL FDN FOR TEACHING ENTREPREN3717 RAVENSWOOD SUITE 209 CHICAGO,IL 60613 | N/A   | PUBLIC                         | GENERAL                          | 20,000  |
| THE FOUNDATION OF FIRSTHEALTH INC150 APPLECROSS ROAD PINEHURST,NC 28374       | N/A   | PUBLIC                         | GENERAL                          | 37,000  |
| SAN CARLOS FOUNDATION-FOTOKIDS1065 CRESTON ROAD BERKELEY,CA 94708             | N/A   | PUBLIC                         | GENERAL                          | 2,500   |
| RAWHIDE INCE7475 RAWHIDE ROAD NEW LONDON,WI 54961                             | N/A   | PUBLIC                         | GENERAL                          | 5,000   |
| RAGDALE FOUNDATION1260 N GREEN BAY ROAD LAKE FOREST,IL 60045                  | N/A   | PUBLIC                         | GENERAL                          | 10,000  |
| PROJECT QUETZAL93 RATTLING VALLEY ROAD DEEP RIVER,CT 06417                    | N/A   | PUBLIC                         | GENERAL                          | 2,500   |
| PRESBYTERIAN CHURCH USA100 WITHERSPOON STREET LOUISVILLE,KY 40202             | N/A   | PUBLIC                         | GENERAL                          | 20,000  |
| MEDICAL COLLEGE OF WISCONSIN INC8701 WATERTOWN PLANK ROAD MILWAUKEE,WI 53226  | N/A   | PUBLIC                         | GENERAL                          | 10,000  |
| KIDS OF HONOR INCPO BOX 1131 SALISBURY,MD 21801                               | N/A   | PUBLIC                         | GENERAL                          | 35,000  |
| KENOSHA DAY SCHOOL INC DBA ARMITAGE6032 8TH AVENUE KENOSHA,WI 53143           | N/A   | PUBLIC                         | GENERAL                          | 12,500  |
| INTERNATIONAL ACTION808 L STREET SE WASHINGTON,DC 20003                       | N/A   | PUBLIC                         | GENERAL                          | 28,500  |
| Total . . . . . 3a  |   |                                |                                  | 446,833 |

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

| Recipient   | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount  |
|---|---|--------------------------------|----------------------------------|---------|
| Name and address (home or business)   |   |                                |                                  |         |
| <b>a</b> Paid during the year   |   |                                |                                  |         |
| KEMPER CENTER INC6501 3RD AVENUE<br>KENOSHA, WI 53143   | N/A   | PUBLIC                         | GENERAL                          | 10,000  |
| HOFFMAN INSTITUTE FOUNDATION1299 FOURTH STREET SUITE 304<br>SAN RAFAEL, CA 94901                                      | N/A   | PUBLIC                         | GENERAL                          | 10,000  |
| HABITAT FOR HUMANITY OF NC SANDHILL2268 NC HWY 5<br>ABERDEEN, NC 28315  | N/A   | PUBLIC                         | GENERAL                          | 55,000  |
| GEORGETOWN UNIVERSITY3300 WHITEHAVEN STREET NW 4000<br>WASHINGTON, DC 20037   | N/A   | PUBLIC                         | GENERAL                          | 6,000   |
| COMMUNITIES IN SCHOOLS OF MOORE CNTPO BOX 223<br>PINEHURST, NC 28370  | N/A   | PUBLIC                         | GENERAL                          | 19,500  |
| ALLIANCE FOR THE GREAT LAKES 17 N STATE STREET SUITE 1390<br>CHICAGO, IL 60602  | N/A   | PUBLIC                         | GENERAL                          | 121,333 |
| <b>Total.</b> . . . . .  <b>3a</b> |   |                                |                                  | 446,833 |

Form

4562

Depreciation and Amortization  
(Including Information on Listed Property)

OMB No 1545-0172

2009

Attachment  
Sequence No 67

See separate instructions.

Attach to your tax return.

Department of the Treasury  
Internal Revenue Service

|  |  |                                      |
|--|--|--------------------------------------|
| Name(s) shown on return<br>THE PALMER FOUNDATION | Business or activity to which this form relates<br><br>Form 990/990-PF | Identifying number<br><br>36-3700897 |
|--|--|--------------------------------------|

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

|  |   |            |
|--|---|------------|
| 1 Maximum amount See the instructions for a higher limit for certain businesses . . . . .  | 1 | \$ 125,000 |
| 2 Total cost of section 179 property placed in service (see instructions) . . . . .  | 2 |            |
| 3 Threshold cost of section 179 property before reduction in limitation (see instructions) . . . . .   | 3 | \$ 500,000 |
| 4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0- . . . . .   | 4 |            |
| 5 Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions . . . . . | 5 |            |

|  |                              |                  |  |
|--|------------------------------|------------------|--|
| 6 (a) Description of property  | (b) Cost (business use only) | (c) Elected cost |  |
| 6  |                              |                  |  |
| 7 Listed property Enter the amount from line 29 . . . . .  | 7                            |                  |  |
| 8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7 . . . . .                                | 8                            |                  |  |
| 9 Tentative deduction Enter the smaller of line 5 or line 8 . . . . .  | 9                            |                  |  |
| 10 Carryover of disallowed deduction from line 13 of your 2008 Form 4562 . . . . .   | 10                           |                  |  |
| 11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions) . . . . . | 11                           |                  |  |
| 12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11 . . . . .                              | 12                           |                  |  |
| 13 Carryover of disallowed deduction to 2010 Add lines 9 and 10, less line 12 .  | 13                           |                  |  |

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property ) (See instructions )

|  |    |    |
|--|----|----|
| 14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 |    |
| 15 Property subject to section 168(f)(1) election . . . . .  | 15 |    |
| 16 Other depreciation (including ACRS) . . . . .   | 16 | 14 |

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

|  |    |  |
|--|----|--|
| Section A  |    |  |
| 17 MACRS deductions for assets placed in service in tax years beginning before 2009 . . . . .  | 17 |  |
| 18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here . . . . . |    |  |

Section B—Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only—see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a 3-year property            |                                      |  |                     |                |            |                            |
| b 5-year property              |                                      |  |                     |                |            |                            |
| c 7-year property              |                                      |  |                     |                |            |                            |
| d 10-year property             |                                      |  |                     |                |            |                            |
| e 15-year property             |                                      |  |                     |                |            |                            |
| f 20-year property             |                                      |  |                     |                |            |                            |
| g 25-year property             |                                      |  | 25 yrs              |                | S/L        |                            |
| h Residential rental property  |                                      |  | 27 5 yrs            | MM             | S/L        |                            |
|                                |                                      |  | 27 5 yrs            | MM             | S/L        |                            |
| i Nonresidential real property |                                      |  | 39 yrs              | MM             | S/L        |                            |
|                                |                                      |  |                     | MM             | S/L        |                            |

Section C—Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

|                |  |  |        |    |     |  |
|----------------|--|--|--------|----|-----|--|
| 20a Class life |  |  |        |    | S/L |  |
| b 12-year      |  |  | 12 yrs |    | S/L |  |
| c 40-year      |  |  | 40 yrs | MM | S/L |  |

Part IV Summary (see instructions)

|   |    |    |
|---|----|----|
| 21 Listed property Enter amount from line 28 . . . . .  | 21 |    |
| 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions . . . . . | 22 | 14 |
| 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs . . . . .  | 23 |    |

Part V

Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)  
**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete **only** 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A—Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)

|   |                               |  |                            |  |                        |  |                                |                                 |
|---|-------------------------------|--|----------------------------|--|------------------------|--|--------------------------------|---------------------------------|
| 24a Do you have evidence to support the business/investment use claimed? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                |                               |  |                            |  |                        | 24b If "Yes," is the evidence written? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |                                |                                 |
| (a)<br>Type of property (list vehicles first)   | (b)<br>Date placed in service | (c)<br>Business/ investment use percentage | (d)<br>Cost or other basis | (e)<br>Basis for depreciation (business/investment use only) | (f)<br>Recovery period | (g)<br>Method/ Convention  | (h)<br>Depreciation/ deduction | (i)<br>Elected section 179 cost |
| 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) |                               |  |                            |  |                        | 25   |                                |                                 |
| 26 Property used more than 50% in a qualified business use  |                               |  |                            |  |                        |  |                                |                                 |
| See Additional Data Table   |                               | %  |                            |  |                        |  |                                |                                 |
|   |                               | %  |                            |  |                        |  |                                |                                 |
|   |                               | %  |                            |  |                        |  |                                |                                 |
| 27 Property used 50% or less in a qualified business use  |                               |  |                            |  |                        |  |                                |                                 |
|   |                               | %  |                            |  | S/L -                  |  |                                |                                 |
|   |                               | %  |                            |  | S/L -                  |  |                                |                                 |
|   |                               | %  |                            |  | S/L -                  |  |                                |                                 |
| 28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1   |                               |  |                            |  |                        | 28   |                                |                                 |
| 29 Add amounts in column (i), line 26 Enter here and on line 7, page 1  |                               |  |                            |  |                        |  | 29                             |                                 |

Section B—Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person  
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

|  |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
|--|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|
| 30 Total business/investment miles driven during the year ( <b>do not</b> include commuting miles) | (a)<br>Vehicle 1 |    | (b)<br>Vehicle 2 |    | (c)<br>Vehicle 3 |    | (d)<br>Vehicle 4 |    | (e)<br>Vehicle 5 |    | (f)<br>Vehicle 6 |    |
| 31 Total commuting miles driven during the year  |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 32 Total other personal(noncommuting) miles driven   |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 33 Total miles driven during the year Add lines 30 through 32                                      |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 34 Was the vehicle available for personal use during off-duty hours?                               | Yes              | No | Yes              | No | Yes              | No | Yes              | No | Yes              | No | Yes              | No |
| 35 Was the vehicle used primarily by a more than 5% owner or related person?                       |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 36 Is another vehicle available for personal use?  |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |

Section C—Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

|   |     |    |
|---|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?  | Yes | No |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners |     |    |
| 39 Do you treat all use of vehicles by employees as personal use?   |     |    |
| 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?   |     |    |
| 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions )  |     |    |
| <b>Note:</b> If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles   |     |    |

Part VI Amortization

|   |                                 |                           |                     |   |                                    |
|---|---------------------------------|---------------------------|---------------------|---|------------------------------------|
| (a)<br>Description of costs   | (b)<br>Date amortization begins | (c)<br>Amortizable amount | (d)<br>Code section | (e)<br>A mortization period or percentage | (f)<br>A mortization for this year |
| 42 A mortization of costs that begins during your 2009 tax year (see instructions)  |                                 |                           |                     |   |                                    |
|   |                                 |                           |                     |   |                                    |
| 43 A mortization of costs that began before your 2009 tax year                      |                                 |                           |                     | 43  |                                    |
| 44 <b>Total.</b> Add amounts in column (f) See the instructions for where to report |                                 |                           |                     | 44  |                                    |

Additional Data

Software ID:  
Software Version:  
EIN: 36-3700897  
Name: THE PALMER FOUNDATION

Form 4562, Part V, Line 26, Property used more than 50% in a qualified business use (see page 8 of the instructions):

| (a)<br>Type of property<br>(list<br>vehicles first) | (b)<br>Date<br>placed in<br>service | (c)<br>Business/<br>investment<br>use<br>percentage | (d)<br>Cost or other<br>basis | (e)<br>Basis for<br>depreciation<br>(business/investment<br>use only) | (f)<br>Recovery<br>period | (g)<br>Method/<br>Convention | (h)<br>Depreciation/<br>deduction | (i)<br>Elected<br>section 179<br>cost |
|---|-------------------------------------|---|-------------------------------|---|---------------------------|------------------------------|-----------------------------------|---------------------------------------|
| PRINTER   | 2002-09-17                          | 100 000 %   | 264                           | 264   | 5                         |                              |                                   |                                       |
| DSL HOOK-UP   | 2002-08-27                          | 100 000 %   | 240                           | 240   | 5                         |                              |                                   |                                       |
| COMPUTER  | 2002-07-25                          | 100 000 %   | 2,470                         | 2,470   | 5                         |                              |                                   |                                       |
| COMPUTER SOFTWARE                                   | 2000-08-27                          | 100 000 %   | 6,136                         | 6,136   | 3                         |                              |                                   |                                       |

**TY 2009 Accounting Fees Schedule****Name:** THE PALMER FOUNDATION**EIN:** 36-3700897**Software ID:** 09000047**Software Version:** 2009v1.3

| Category                    | Amount | Net Investment<br>Income | Adjusted Net<br>Income | Disbursements for<br>Charitable<br>Purposes |
|-----------------------------|--------|--------------------------|------------------------|---|
| FEES FOR TAX<br>PREPARATION | 16,140 | 0                        | 0                      | 16,140                                      |

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2009 Depreciation Schedule

Name: THE PALMER FOUNDATION

EIN: 36-3700897

Software ID: 09000047

Software Version: 2009v1.3

| Description of Property | Date Acquired | Cost or Other Basis | Prior Years' Depreciation | Computation Method | Rate / Life (# of years) | Current Year's Depreciation Expense | Net Investment Income | Adjusted Net Income | Cost of Goods Sold Not Included |
|-------------------------|---------------|---------------------|---------------------------|--------------------|--------------------------|-------------------------------------|-----------------------|---------------------|---------------------------------|
| TELEPHONE INSTALATION   | 2002-07-08    | 144                 | 136                       | 91                 | 7 0000                   | 8                                   |                       |                     |                                 |
| TELEPHONE               | 2002-07-08    | 84                  | 78                        | 91                 | 7 0000                   | 6                                   |                       |                     |                                 |

## TY 2009 Investments Corporate Bonds Schedule

**Name:** THE PALMER FOUNDATION

**EIN:** 36-3700897

**Software ID:** 09000047

**Software Version:** 2009v1.3

| Name of Bond                             | End of Year Book Value | End of Year Fair Market Value |
|--|------------------------|-------------------------------|
| 200000 ORACLE CORP 1/15/11 5.00          | 198,590                | 207,980                       |
| 200000 JP MORGAN CHASE & CO 11/15/10 4.5 | 197,913                | 206,748                       |
| 50000 HONEYWELL INTL 11/01/11 6.125      | 54,872                 | 54,505                        |
| 250000 HEWLETT-PACKARD CO 3/01/13 4.5    | 252,175                | 265,040                       |
| 100000 HERSHEY CO 9/01/11 5.30           | 100,187                | 105,935                       |
| 250000 GENERAL ELEC CAP CORP 10/19/12    | 259,175                | 266,055                       |
| 50000 DOVER CORP 2/15/11 6.50            | 53,643                 | 52,821                        |
| 250000 WALT DISNEY CO 12/01/12 4.70      | 255,110                | 269,162                       |
| 100000 WAL MART STORES INC 8/15/10 4.75  | 99,250                 | 102,814                       |
| 200000 VERIZON GLOBAL 6/15/12 6.875      | 196,414                | 221,424                       |
| 50000 UNILEVER CAPITAL CORP 11/01/10     | 52,950                 | 52,704                        |
| 100000 PITNEY BOWES INC 10/01/12 4.625   | 100,726                | 106,372                       |
| 250000 MORGAN STANLEY 3/01/13 5.30       | 251,460                | 263,500                       |
| 100000 MCDONALDS CORP 3/01/12 5.750      | 101,920                | 107,796                       |
| 50000 HALLIBURTON CO 10/15/10 5.50       | 51,075                 | 52,035                        |
| 250000 GENERAL DYNAMICS 8/15/10 4.50     | 259,042                | 256,453                       |
| 250000 EMERSON ELECTRIC 5/01/13 4.5      | 256,763                | 265,200                       |
| 250000 CREDIT SUISSE FB USA INC 11/15/11 | 262,060                | 269,595                       |
| 100000 COSTCO WHOLESALE CORP 3/15/12 5.3 | 101,680                | 107,876                       |
| 100000 CATERPILLAR FINANCIAL 12/1/10     | 99,908                 | 104,036                       |



TY 2009 Investments Corporate  
Stock Schedule

**Name:** THE PALMER FOUNDATION

**EIN:** 36-3700897

**Software ID:** 09000047

**Software Version:** 2009v1.3

| Name of Stock                            | End of Year Book Value | End of Year Fair Market Value |
|--|------------------------|-------------------------------|
| 2300 AT & T INC                          | 53,475                 | 64,469                        |
| 1450 NOBLE CORP                          | 47,933                 | 59,015                        |
| 11125 ISHARES MSCI EMERGING MARKETS INDE | 265,427                | 461,687                       |
| 8650 ISHARES MSCI EAFE INDEX FUND        | 485,839                | 478,172                       |
| 2150 ACE LIMITED                         | 123,920                | 108,360                       |
| 4150 ACCENTURE PLC CL A                  | 116,616                | 172,225                       |
| 1000 MONSANTO CO NEW                     | 69,791                 | 81,750                        |
| 3000 MICROSOFT CORP                      | 58,823                 | 91,440                        |
| 600 MCKESSON CORP                        | 38,417                 | 37,500                        |
| 1700 HEWITT ASSOCIATES INC CL A          | 50,972                 | 71,842                        |
| 3000 HEALTH CARE SELECT SECTOR SPDR      | 78,869                 | 93,210                        |
| 4475 JP MORGAN CHASE & CO                | 178,965                | 186,473                       |
| 2900 YUM! BRANDS INC                     | 54,992                 | 101,413                       |
| 2300 WELLS FARGO & CO                    | 57,040                 | 62,077                        |
| 1975 WAL MART STORES INC                 | 96,494                 | 105,564                       |
| 9300 UTILITIES SELECT SECTOR SPDR        | 278,094                | 288,486                       |
| 1650 URS CORP NEW                        | 54,794                 | 73,458                        |
| 3200 TEVA PHARMACEUTICAL INDS LTD        | 140,427                | 179,776                       |
| 3200 SUNOCO INC                          | 88,115                 | 83,520                        |
| 4000 SNAP ON INC                         | 145,880                | 169,040                       |
| 1650 PRUDENTIAL FINL INC                 | 68,864                 | 82,104                        |
| 2600 RAYTHEON CO                         | 92,452                 | 133,952                       |
| 1325 PROCTER & GAMBLE CO                 | 46,131                 | 80,335                        |
| 8425 PFIZER INC                          | 215,954                | 153,251                       |
| 11500 ORACLE CORP                        | 157,780                | 282,095                       |
| 1300 NORTHROP GRUMMAN CORP               | 87,761                 | 72,605                        |
| 4750 NOKIA CORP SPONSORED                | 80,688                 | 61,037                        |
| 1400 MOODYS CORP                         | 90,294                 | 37,520                        |
| 8825 MATERIALS SELECT SPDR SECTOR        | 275,889                | 291,137                       |
| 1300 MANPOWER INC                        | 76,356                 | 70,954                        |

| Name of Stock                            | End of Year Book Value | End of Year Fair Market Value |
|--|------------------------|-------------------------------|
| 975 ITT EDUCATIONAL SERVICES INC         | 95,157                 | 93,561                        |
| 2700 JOHNSON & JOHNSON                   | 162,823                | 173,907                       |
| 10700 ISHARES TR DOW JONES US TELE-COMM  | 249,949                | 214,214                       |
| 2025 INTERNATIONAL BUSINESS MACHINES     | 187,027                | 265,072                       |
| 2400 HOME DEPOT INC                      | 59,086                 | 69,432                        |
| 3100 HEWLETT PACKARD CO                  | 101,316                | 159,681                       |
| 2000 GRANITE CONSTRUCTION INC            | 67,620                 | 67,320                        |
| 175 GOOGLE INC CL A                      | 60,245                 | 108,496                       |
| 9110 GENERAL ELECTRIC CORP               | 242,327                | 137,834                       |
| 20500 FINANCIAL SELECT SPDR SHS BEN INT- | 269,942                | 295,200                       |
| 4200 EXXON MOBIL CORP                    | 151,320                | 286,398                       |
| 3350 ENERGY SELECT SPDR                  | 215,007                | 190,984                       |
| 3900 DISNEY WALT CO NEW                  | 103,458                | 125,775                       |
| 2200 CVS CAREMARK CORP                   | 65,823                 | 70,862                        |
| 1600 COSTCO WHOLESALE CORP NEW           | 85,524                 | 94,672                        |
| 2856 CONOCOPHILLIPS                      | 75,627                 | 145,856                       |
| 2325 COLGATE-PALMOLIVE CO                | 124,665                | 190,999                       |
| 3000 COCA COLA ENTERPRISES INC           | 60,150                 | 63,600                        |
| 5175 CISCO SYSTEMS INC                   | 87,541                 | 123,890                       |
| 3000 CHUBB CORP                          | 143,865                | 147,540                       |
| 1150 CATERPILLAR INC                     | 42,984                 | 65,539                        |
| 3650 BJS WHSL CLUB INC                   | 124,266                | 119,392                       |
| 1200 BECKMAN COULTER INC                 | 61,188                 | 78,528                        |
| 1000 ASTRAZENECA PLC                     | 45,558                 | 46,940                        |
| 950 APPLE INC                            | 130,597                | 200,195                       |
| 2300 AMGEN INC                           | 122,983                | 130,111                       |
| 1400 AECOM TECHNOLOGY CORP               | 38,612                 | 38,500                        |
| 1500 ABBOTT LABS                         | 67,002                 | 80,985                        |

**TY 2009 Investments - Other Schedule****Name:** THE PALMER FOUNDATION**EIN:** 36-3700897**Software ID:** 09000047**Software Version:** 2009v1.3

| Category/ Item                           | Listed at Cost or<br>FMV | Book Value | End of Year Fair<br>Market Value |
|--|--------------------------|------------|----------------------------------|
| 35441.558 PIMCO COMM REALRETURN STRATEGY | AT COST                  | 263,469    | 293,456                          |
| 8071.962 WT MUT CRM MID CAP VALUE FUND   | AT COST                  | 226,000    | 195,826                          |
| 8169.952 COLUMBIA ACORN FUND             | AT COST                  | 229,610    | 201,634                          |

**TY 2009 Land, Etc. Schedule****Name:** THE PALMER FOUNDATION**EIN:** 36-3700897**Software ID:** 09000047**Software Version:** 2009v1.3

| Category / Item        | Cost / Other Basis | Accumulated Depreciation | Book Value | End of Year Fair Market Value |
|------------------------|--------------------|--------------------------|------------|-------------------------------|
| Miscellaneous          | 9,110              | 9,110                    |            |                               |
| Furniture and Fixtures | 2,648              | 2,648                    |            |                               |

**TY 2009 Other Expenses Schedule****Name:** THE PALMER FOUNDATION**EIN:** 36-3700897**Software ID:** 09000047**Software Version:** 2009v1.3

| Description               | Revenue and Expenses<br>per Books | Net Investment<br>Income | Adjusted Net Income | Disbursements for<br>Charitable Purposes |
|---------------------------|-----------------------------------|--------------------------|---------------------|--|
| WEB SITE FEES             | 580                               |                          |                     | 580                                      |
| TELEPHONE                 | 1,939                             |                          |                     | 1,939                                    |
| PAYROLL PROCESSING FEES   | 521                               |                          |                     | 521                                      |
| OFFICE SUPPLIES & POSTAGE | 4,232                             |                          |                     | 4,232                                    |
| MISCELLANEOUS             | 68                                |                          |                     | 68                                       |
| MEMBERSHIP FEES           | 3,335                             |                          |                     | 3,335                                    |
| ILLINOIS FILING FEES      | 30                                |                          |                     |  |
| DIRECTORS INSURANCE       | 1,903                             |                          |                     | 1,903                                    |
| CONSULTING SERVICES       | 38,653                            |                          |                     | 38,653                                   |

**TY 2009 Other Professional Fees Schedule****Name:** THE PALMER FOUNDATION**EIN:** 36-3700897**Software ID:** 09000047**Software Version:** 2009v1.3

| Category                  | Amount | Net Investment<br>Income | Adjusted Net<br>Income | Disbursements for<br>Charitable<br>Purposes |
|---------------------------|--------|--------------------------|------------------------|---|
| BANK INVESTMENT MNGT FEES | 33,518 | 33,518                   | 0                      | 0   |

**TY 2009 Taxes Schedule****Name:** THE PALMER FOUNDATION**EIN:** 36-3700897**Software ID:** 09000047**Software Version:** 2009v1.3

| Category      | Amount | Net Investment<br>Income | Adjusted Net<br>Income | Disbursements for<br>Charitable<br>Purposes |
|---------------|--------|--------------------------|------------------------|---|
| PAYROLL TAXES | 1,067  |                          |                        | 1,067                                       |
| FOREIGN TAX   | 1,579  | 1,579                    |                        |   |
| EXCISE TAX    | 1,355  |                          |                        |   |