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 , **and ending**

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

Use the IRS label Otherwise, print or type See Specific Instructions

Name of foundation
CRESTLEA FOUNDATION, INC.

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
100 W. 10th St., Suite 1109

City or town, state, and ZIP code
Wilmington, DE 19801

A Employer identification number
51-6015638

B Telephone number
(302) 654-2477

C If exemption application is pending, check here [ ]
D 1. Foreign organizations, check here [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation [ ]

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 12,618,944.

J Accounting method: [ ] Cash [X] Accrual
[ ] Other (specify)
(Part I, column (d) must be on cash basis)

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

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue				
1 Contributions, gifts, grants, etc., received			N/A	
2 Check ▶ [X] if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	22,603.	22,603.		Statement 1
4 Dividends and interest from securities	598,873.	598,873.		Statement 2
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	4,224,210.			
b Gross sales price for all assets on line 6a 13,797,204.				
7 Capital gain net income (from Part IV, line 2)		0.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income	700.	0.		Statement 3
12 **Total.** Add lines 1 through 11	4,846,386.	621,476.		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc	13,580.	6,790.		6,790.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees Stmt 4	5,600.	2,800.		2,800.
c Other professional fees Stmt 5	8,703.	8,703.		0.
17 Interest				
18 Taxes Stmt 6	6,702.	386.		385.
19 Depreciation and depletion				
20 Occupancy	7,350.	3,675.		3,675.
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses Stmt 7	8,620.	6,028.		2,592.
24 **Total operating and administrative expenses.** Add lines 13 through 23	50,555.	28,382.		16,242.
25 Contributions, gifts, grants paid	15,895,041.			15,895,041.
26 **Total expenses and disbursements.** Add lines 24 and 25	15,945,596.	28,382.		15,911,283.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-11099210.			
b **Net investment income** (if negative, enter -0-)		593,094.		
c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets — Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	2,901,725.	521,811.	521,811.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable	3,848,646.	4,253,390.	4,253,390.
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	37,686.	11,309.	11,309.
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock Stmt 8	17,127,862.	7,832,434.	7,832,434.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	23,915,919.	12,618,944.	12,618,944.
Liabilities	17 Accounts payable and accrued expenses		567.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	567.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	20,067,273.	8,364,987.	
	25 Temporarily restricted	3,848,646.	4,253,390.	
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [ ] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances**	23,915,919.	12,618,377.	
	31 **Total liabilities and net assets/fund balances**	23,915,919.	12,618,944.	

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	23,915,919.
2 Enter amount from Part I, line 27a	2	-11,099,210.
3 Other increases not included in line 2 (itemize) ▶ INCREASE IN GRANTS RECEIVABLE	3	673,156.
4 Add lines 1, 2, and 3	4	13,489,865.
5 Decreases not included in line 2 (itemize) ▶ UNREALIZED LOSS ON INVESTMENTS	5	871,488.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	12,618,377.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	See Attached Schedule		01/01/00	12/31/09
b	See Attached Schedule		01/01/00	12/31/09
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	6,076,799.		8,267,328.	-2,190,529.
b	7,720,405.		1,305,666.	6,414,739.
c				
d				
e				

	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	
a				-2,190,529.
b				6,414,739.
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } 2 4,224,210.

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

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	1,044,827.	27,353,240.	.038198
2007	1,307,608.	32,461,931.	.040281
2006	786,631.	28,694,040.	.027414
2005	671,726.	28,063,509.	.023936
2004	1,840,492.	26,918,666.	.068372

2	**Total** of line 1, column (d)	2	.198201
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	.039640
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	16,342,495.
5	Multiply line 4 by line 3	5	647,817.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	5,931.
7	Add lines 5 and 6	7	653,748.
8	Enter qualifying distributions from Part XII, line 4	8	741,242.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ 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 ▶ [X] and enter 1% of Part I, line 27b			1	5,931.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0.
3 Add lines 1 and 2			3	5,931.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-			5	5,931.
6 Credits/Payments:				
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	17,240.		
b Exempt foreign organizations - tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c			
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	17,240.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	11,309.
11 Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ 11,309. **Refunded** ▶			11	0.

Part VII-A Statements Regarding Activities

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

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ STEPHEN A. MARTINENZA Telephone no. ▶ 302-654-2477

Located at ▶ 100 WEST 10TH STREET, SUITE 1109, WILMINGTON, DE ZIP+4 ▶ 19801-1694

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 | N/A

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			**Yes**	**No**
1a During the year did the foundation (either directly or indirectly):				
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	N/A	1b		
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?		1c		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ Yes ☒ No			
If "Yes," list the years ▶ ______, ______, ______, ______				
b Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	N/A	2b		
c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ______, ______, ______, ______				
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b If "Yes," did it have excess business holdings in 2009 as a result of (**1**) any purchase by the foundation or disqualified persons after May 26, 1969; (**2**) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (**3**) the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)*	N/A	3b		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?		4b		X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? [ ] Yes [X] No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? [ ] Yes [X] No

(3) Provide a grant to an individual for travel, study, or other similar purposes? [ ] Yes [X] 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)? [X] Yes [ ] No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? [ ] Yes [X] No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? — 5b: Yes X

Organizations relying on a current notice regarding disaster assistance check here ▶ [ ]

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? See Statement 9 [X] Yes [ ] No

If "Yes," attach the statement required by Regulations section 53 4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? [ ] Yes [X] No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? — 6b: No X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? [ ] Yes [X] No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A — 7b

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
STEPHEN A. MARTINENZA 100 WEST 10TH STREET, SUITE 1109 WILMINGTON, DE 19801	PRESIDENT 16.00	12,080.	0.	0.
SANDRA S. DREW 100 WEST 10TH STREET, SUITE 1109 WILMINGTON, DE 19801	VP / TREASURER 5.00	1,000.	0.	0.
JOANNE S. REILLY 100 WEST 10TH STREET, SUITE 1109 WILMINGTON, DE 19801	SECRETARY 5.00	500.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ 0

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

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

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

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	0.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	0.

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see instructions)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:			
a	Average monthly fair market value of securities		1a	14,009,919.
b	Average of monthly cash balances		1b	2,581,446.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	16,591,365.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2	Acquisition indebtedness applicable to line 1 assets		2	0.
3	Subtract line 2 from line 1d		3	16,591,365.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	248,870.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	16,342,495.
6	**Minimum investment return**. Enter 5% of line 5		6	817,125.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6		1	817,125.
2a	Tax on investment income for 2009 from Part VI, line 5	2a 5,931.		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	5,931.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	811,194.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	811,194.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	811,194.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	741,242.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions**. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	741,242.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	5,931.
6	**Adjusted qualifying distributions**. Subtract line 5 from line 4	6	735,311.

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 instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				811,194.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004 124,074.				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f **Total** of lines 3a through e	124,074.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 741,242.				
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				741,242.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	69,952.			69,952.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	54,122.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	54,122.			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

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

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

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see 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).)

None

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

None

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

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

See Statement 10

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SEE ATTACHED SCHEDULE	None	Publicly Supported 501(c)(3)	See Attached Schedule	725,000.
Nor'Easter Foundation P.O. Box 3568 Wilmington, DE 19807	None	501(c)(3) Private Foundation	See Attached Private Letter Ruling	7363053.
E. Newbold and Margaret du Pont Smith Foundation Station Square One Paoli, PA 19301	None	501(c)(3) Private Foundation	See Attached Private Letter Ruling	7806988.
Total			▶ 3a	15,895,041.
b Approved for future payment				
None				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	22,603.	
4 Dividends and interest from securities			14	598,873.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	700.	
8 Gain or (loss) from sales of assets other than inventory			18	4,224,210.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		4,846,386.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 4,846,386.

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

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

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

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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

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

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

Signature of officer or trustee — Date 7/1/10 — Title PRESIDENT

Paid Preparer's Use Only

Preparer's signature	Date 05/17/10	Check if self-employed ☐	Preparer's identifying number P00571422
Firm's name (or yours if self-employed), address, and ZIP code: Cover & Rossiter, P.A. 62 Rockford Road Wilmington, DE 19806	EIN ▶ 51-0232475	Phone no. (302) 656-6632

923622
02-02-10

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

Source	Amount
INTEREST INCOME	22,603.
Total to Form 990-PF, Part I, line 3, Column A	22,603.

Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
DIVIDEND INCOME	598,873.	0.	598,873.
Total to Fm 990-PF, Part I, ln 4	598,873.	0.	598,873.

Form 990-PF Other Income Statement 3

Description	(a) Revenue Per Books	(b) Net Investment Income	(c) Adjusted Net Income
Trust Distribution	700.	0.	
Total to Form 990-PF, Part I, line 11	700.	0.	

Form 990-PF Accounting Fees Statement 4

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ACCOUNTING FEES	5,600.	2,800.		2,800.
To Form 990-PF, Pg 1, ln 16b	5,600.	2,800.		2,800.

Form 990-PF — Other Professional Fees — Statement 5

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
INVESTMENT ADVISORY FEES	8,703.	8,703.		0.
To Form 990-PF, Pg 1, ln 16c	8,703.	8,703.		0.

Form 990-PF — Taxes — Statement 6

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
EXCISE TAX	5,931.	0.		0.
PAYROLL TAXES	771.	386.		385.
To Form 990-PF, Pg 1, ln 18	6,702.	386.		385.

Form 990-PF — Other Expenses — Statement 7

Description	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
MISCELLANEOUS EXPENSES	1,151.	576.		575.
DIRECTORS AND OFFICERS INSURANCE	4,034.	2,017.		2,017.
BANK SERVICE FEES	3,435.	3,435.		0.
To Form 990-PF, Pg 1, ln 23	8,620.	6,028.		2,592.

Form 990-PF	Corporate Stock	Statement 8

Description	Book Value	Fair Market Value
See attached schedule	7,832,434.	7,832,434.
Total to Form 990-PF, Part II, line 10b	7,832,434.	7,832,434.

Form 990-PF Expenditure Responsibility Statement Statement 9
Part VII-B, Line 5c

Grantee's Name

Nor'Easter Foundation

Grantee's Address

P.O. Box 3568
Wilmington, DE 19807

Grant Amount	Date of Grant	Amount Expended	Verification Date
7,363,053.	08/18/09	0.	05/31/10

Purpose of Grant

Distribution of corpus - see attached private letter ruling.

Dates of Reports by Grantee

April 30, 2010

Any Diversion by Grantee

None.

Results of Verification

The funds are to be used to establish endowments for grantmaking to qualified charities. Based upon reports received, it appears that this purpose is being fulfilled.

Grantee's Name

E. Newbold & Margaret du Pont Smith Fdn

Grantee's Address

Station Square One
Paoli, PA 19301

Grant Amount	Date of Grant	Amount Expended	Verification Date
7,806,988.	10/19/09	0.	05/31/10

Purpose of Grant

Distribution of corpus - see attached private letter ruling.

Dates of Reports by Grantee

March 1, 2010

Any Diversion by Grantee

None.

Results of Verification

The funds are to be used to establish endowments for grantmaking to qualified charities. Based upon reports received, it appears that this purpose is being fulfilled.

Form 990-PF | Grant Application Submission Information Part XV, Lines 2a through 2d | Statement 10

Name and Address of Person to Whom Applications Should be Submitted

STEPHEN A. MARTINENZA
100 WEST 10TH STREET
WILMINGTON, DE 19801

Telephone Number

302-654-2477

Form and Content of Applications

TWO PAGE LETTER DESCRIBING REQUEST FOR GRANT, PERTINENT FINANCIAL STATEMENTS AND COPY OF IRS EXEMPTION LETTER.

Any Submission Deadlines

NOVEMBER 1

Restrictions and Limitations on Awards

SOME GRANTS ARE MADE AT THE DISCRETION OF THE BOARD OF TRUSTEES REGARDLESS OF GEOGRAPHIC LOCATION. SOLICITATIONS FOR GRANTS ARE ONLY CONSIDERED FROM ORGANIZATIONS WITHIN 50 MILES OF WILMINGTON, DE.

Crestlea Foundation, Inc EIN 51-6015638
Schedule of Realized Gains for Part IV
990-PF For the Year Ended December 31, 2009

Investment	Proceeds	Cost	Realized Gain (Loss)
Glenmede Trust Portfolio	4,283,458	5,618,681	(1,335,223)
Brandywine Fund	1,793,341	2,648,647	(855,306)
Taxable Subtotal	6,076,799	8,267,328	(2,190,529)
Du Pont Stock Distribution (non-taxable)	7,720,405	1,305,666	6,414,739
Total	13,797,204	9,572,994	4,224,210
	to Part I, Line 6b		to Part I, Line 6a

Note
Shares of stock were distributed to successor foundations Gain was not realized and is not taxable for excise tax purposes
Please see attached Private Letter Ruling issued for Crestlea by the IRS on June 2, 2009.

Crestlea Foundation, Inc EIN 51-6015638
Schedule of Investment Holdings for Statement #8
990-PF For the Year Ended December 31, 2009

	Cost	Fair Market Value
Common Stock - E.I. du Pont de Nemours	652,839	4,234,372
Glenmede Managed Common Stock portfolio	2,505,477	2,585,600
Glenmede Managed Fixed Income portfolio	950,620	1,012,462
	4,108,936	7,832,434
		to Part II, line 10b

Crestlea Foundation, Inc.
EIN 51-6015638
Form 990-PF for Year Ended December 31, 2009
Schedule of Grants Paid During 2009

Grant Recipient		Amount
Academy of Music	$	5,000
Academy of Natural Sciences		1,000
Agnes Irwin School		5,000
Brandywine Conservancy, Inc.		10,000
Bryn Mawr Hospital Foundation		5,000
Bryn Mawr Rehabilitation Hospital		5,000
Camp Tecumsch		2,000
Centreville School		5,000
Chesapeake Bay Girl Scout Council		5,000
Children's Beach House		10,000
Church Farm School		3,000
Church of the Redeemer		36,000
Delaware Association for the Blind		5,000
Delaware Museum of Natural History		7,000
Episcopal Academy		40,000
Episcopal Community Services		10,000
Fort Mifflin on the Delaware		1,000
Foxcroft School		10,000
Friends of Acadia		5,000
Hagley Museum & Library		180,000
Historical Society of Pennsylvania		3,000
HMS School for Cerebral Palsay		10,000
Independence Seaport Museum		10,000
Lankenau Hospital		3,000
Library Company		3,000
Literacy Volunteers of America-Wilmington Library Affiliate		5,000
Maine Coast Heritage Trust		5,000
Millbrook School		5,000
Mount Desert Island Hospital		5,000
Mystic Seaport Museum, Inc.		3,000
National Constitution Center		5,000
Natural Land Trust, Inc.		5,000
FORWARD	$	412,000

Crestlea Foundation, Inc.
EIN 51-6015638
Form 990-PF for Year Ended December 31, 2009
Schedule of Grants Paid During 2009

Grant Recipient		Amount
FORWARDED FROM PREVIOUS PAGE	$	412,000
Naval Academy Alumni Assoc.		3,000
Neighborhood House		2,000
Northeast Harbor Library		10,000
Paoli Memorial Hospital		5,000
Pennsylvania Academy of Fine Arts		10,000
Philadelphia Museum of Art		20,000
Philadelphia Orchestra Association		20,000
Planned Parenthood - Southeast PA		10,000
Ronald McDonald House of Delaware		5,000
Salvation Army		2,000
St. Patrick's Center, Inc.		10,000
STEHM		3,000
The Parish of St. Mary and St. Jude		5,000
Thuya Gardens		2,000
Tower Hill School		150,000
The University of Pennsylvania Medical Center		10,000
Ulster Project Delaware		6,000
United Negro College Fund		3,000
United Way of DE		20,000
Winterthur Museum		10,000
Woods Hole Oceanographic Institute		2,000
Zoological Society of Philadelphia		5,000
Total Grants	**$**	**725,000**

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Date: JUN 02 2009

Contact Person:
Lee Phaup
Identification Number:
50-16075
Telephone Number:
(202) 283.8935
Employer Identification Number:
51-6015638

Crestlea Foundation, Inc.
100 West 10th Street
Suite 1109
Wilmington, DE 19801-1694

Legend:

X	=	Henry B. DuPont, Jr.
Successor Foundation A	=	The E. Newbold and Margaret DuPont Smith Foundation
Successor Foundation B	=	Nor'easter Foundation

Dear Sir or Madam:

We have considered your ruling request dated April 7, 2008, concerning the federal income and excise tax consequences under section 507, and certain sections of Chapter 42 of the Internal Revenue Code of 1986, as amended ("Code"), relating to a proposed transfer of assets, in the manner and for the purposes described below.

Facts:

You are exempt from federal income tax under section 501(c)(3) of the Code and are a private foundation within the meaning of section 509(a). Your purposes are to make grants to other organizations exempt from federal income tax under section 501(c)(3).

Historically, your major donors have been X and his three children. Only two of X's children served as trustees. Both X and one of the trustees passed away approximately 35 years ago. The other remaining trustee resigned from the board of trustees in the early 1990's and has not been involved in your governance since that time.

Your three trustees also serve as your four corporate officers. You represent that none of the current trustees has any family relationship with the descendants of X. You have determined that it is in your best interests to divide your endowment between you and two other established private foundations that share your philanthropic traditions and objectives.

You propose to distribute part of your endowment to Successor Foundation A and Successor Foundation B (collectively "Successors"). Both of the Successors are exempt from federal income tax under section 501(c)(3) of the Code and are private foundations within the meaning of section 509(a). The majority of the trustees of Successor Foundation A comprise of X's child and members of her immediate family. The sole trustee of Successor Foundation B is X's grandchild.

While you share a mutual heritage with the Successors through your historical association with X's family, you have no common trustees or officers with Successors. You represent that neither you nor the Successors have any intention to appoint such common trustees or officers in the future.

To accomplish your proposed division of your endowment, you intend to transfer approximately two-thirds of your assets to Successors in equal shares. Prior to the transfers, you will enter into expenditure responsibility agreements with Successors under which each Successor agrees to use the transferred assets to create an endowment for grant making consistent with its charitable mission.

You represent that, to the best of your knowledge, neither you nor the Successors have committed either willful repeated acts (or failures to act) or a willful and flagrant act (or failure to act) giving rise to liability for tax under Chapter 42 of the Code. You represent that no distribution of your assets will be made to Successors until the rulings requested herein are granted.

Rulings Requested:

You have requested the following rulings:

1. The proposed transfer of two-thirds of your assets to Successors will constitute a transfer described in section 507(b)(2) of the Code.

2. The proposed transfer of two-thirds of your assets to Successors will not result in a termination of your private foundation status under section 507(a) of the Code and will not result in the imposition of the termination tax under section 507(c).

3. The proposed transfer of two-thirds of your assets to Successors will not give rise to any net investment income or tax under section 4940 of the Code.

4. The proposed transfer of two-thirds of your assets to Successors will not constitute an act of self-dealing under section 4941 of the Code.

5. The proposed transfer of two-thirds of your assets to Successors will not be considered a jeopardizing investment under section 4944 of the Code.

6. The Successors tax basis in the transferred assets will be the same as your basis in those assets prior to the transfer.

7. Upon your transfer of two-thirds of your assets to Successors in equal shares, each of the Successors will succeed proportionately (i.e. in equal thirds) to your aggregate tax benefits under section 507(d) of the Code and your tax attributes and characteristics as described in section 1.507-3(a)(2), (3) and (4) of the Income Tax Regulations ("regulations").

8. Upon your transfer of assets to Successors, Successors shall not be treated as if they were you for purposes of Chapter 42 and sections 507 through 509 of the Code. As a result, Successors will not assume any of your excess qualifying distribution carryover amounts under section 4942.

9. If you exercise the expenditure responsibility for endowments set forth in section 53.4945-5(c)(2) of the Foundation and Similar Excise Tax Regulations ("Foundation regulations") with respect to the transfers of assets to Successors, the transfers will not constitute taxable expenditures under section 4945 of the Code.

10. The legal, accounting and other necessary expenses for the transfer of assets to Successors and for this ruling request, if reasonable in amount, will not be taxable expenditures under section 4945 of the Code and will be qualifying distributions under section 4942(g) to the extent that the requirements of section 4942(g)(3) are met.

Law:

Section 507(a) of the Code provides that, except as provided in section 507(b), a private foundation may terminate its private foundation status only under the specific rules set forth in section 507(a).

Section 507(b)(2) of the Code provides that in the case of a transfer of assets of any private foundation to another private foundation pursuant to any liquidation, merger, redemption, recapitalization, or other adjustment, organization or reorganization, the transferee foundation shall not be treated as a newly created organization.

Section 507(c) of the Code imposes a termination tax equal to certain defined amounts, which are generally the lower of the "aggregate tax benefit" resulting from the tax exempt status or the fair market value of the assets.

Section 507(d) of the Code, defines the term "aggregate tax benefit," which term is used in section 507(c), as one means to measure the section 507(c) tax.

Chapter 42 of the Code imposes excise taxes on private foundations for net investment income under section 4940(a), acts of self-dealing under section 4941, undistributed income under section 4942(a), excess business holdings under section 4943(a), jeopardy investments under section 4944(a) and taxable expenditures under section 4945(a).

Section 4940 of the Code provides for the imposition of a tax on the net investment income of private foundations.

Section 4941(a)(1) of the Code imposes an excise tax on each act of self-dealing between a disqualified person and a private foundation.

Section 4941(a)(2) of the Code imposes an excise tax on the participation of a foundation manager in an act of self-dealing between a disqualified person and a private foundation.

Section 4941(d)(1)(E) of the Code provides that the term "self-dealing" means any direct or indirect transfer to, or use by or for the benefit of, a disqualified person of the income or assets of a private foundation.

Section 4944(a) of the Code imposes a tax on a private foundation if it invests any amount in a manner as to jeopardize the carrying out of any of its exempt purposes.

Section 4945 of the Code imposes an excise tax on a private foundation's making of any taxable expenditure under section 4945(d).

Section 4945(a) of the Code imposes a tax on the taxable expenditures of a private foundation.

Section 4945(d)(4) of the Code provides the term "taxable expenditure" includes a grant to a private foundation unless the grantor exercises expenditure responsibility in accordance with section 4945(h).

Section 4945(d)(5) of the Code provides that the term "taxable expenditure" does not include amounts paid or incurred by a private foundation as a grant to another organization for purposes specified in section 170(c)(2)(B).

Section 4945(h) of the Code provides that the expenditure responsibility referred to in subsection (d)(4) means that the private foundation is responsible to exert all reasonable efforts and to establish adequate procedures to see that the grant is spent solely for the purpose for which made, to obtain full and complete reports from the grantee on how the funds are spent, and to make full and detailed reports with respect to such expenditures to the Secretary.

Section 4946(a) of the Code provides the term "disqualified person" with respect to a private foundation includes a substantial contributor to the foundation (including the creator of a trust), and a foundation manager (including a trustee).

Section 1.507-1(b)(6) of the regulations provides that a transfer of all or part of a private foundation's assets to one or more private foundations pursuant to a transfer described in section 507(b)(2) of the Code and section 1.507-3(c), such transferor foundation will not be deemed to have terminated its private foundation status under section 507(a)(1).

Section 1.507-1(b)(7) of the regulations provides that neither a transfer of all the assets of a private foundation nor a significant disposition of assets by a private foundation shall be deemed to result in a termination of the transferor private foundation under section 507(a) of the Code unless the transferor private foundation elects to terminate pursuant to sections 507(a)(1) or 507(a)(2).

Sections 1.507-3(a)(1) and (2)(i) of the regulations provide, in substance, that in the transfer of assets from one private foundation to one or more private foundations in a section 507(b)(2) of the Code transfer, each transferee private foundation shall not be treated as a newly created organization, but shall succeed to the transferor's aggregate tax benefit within the meaning of section 507(d), in proportion to the assets transferred to each.

Section 1.507-3(a)(2)(ii) of the regulations provides that notwithstanding subdivision (i) of this subparagraph, a transferee organization which is not effectively controlled (within the meaning of Sec. 1.482-1(a)(3)), directly or indirectly, by the same person or persons who effectively control the transferor organization shall not succeed to an aggregate tax benefit in excess of the fair market value of the assets transferred at the time of the transfer.

Section 1.507-3(a)(4) of the regulations provides that if a private foundation incurs liability for one or more of the taxes imposed under chapter 42 (or any penalty resulting therefrom) prior to, or as a result of, making a transfer of assets described in section 507(b)(2) of the Code to one or more private foundations, in any case where transferee liability applies each transferee foundation shall be treated as receiving the transferred assets subject to such liability to the extent that the transferor foundation does not satisfy such liability.

Section 1.507-3(a)(5) of the regulations provides that except as provided in subparagraph (9) of section 1.507-3(a), a private foundation is required to meet the distribution requirements of section 4942 of the Code for any taxable year in which it makes a section 507(b)(2) transfer of all or part of its net assets to another private foundation.

Section 1.507-3(a)(8)(ii) of the regulations provides that the provisions enumerated in subparagraphs (a) through (g) of this subdivision shall apply to the transferee private foundation with respect to the assets transferred to the same extent and in the same manner that they would have applied to the transferor private foundation had the transfer described in section 507(b)(2) of the Code not been effected.

Section 1.507-3(a)(9)(i) of the regulations provides that if a private foundation transfers all or part of its net assets to one or more private foundations that are effectively controlled (within the meaning of section 1.482-1(a)(3)), directly or indirectly by the same persons who effectively control the transferor private foundation, for purposes of Chapter 42 and sections 507-509 of the Code, such a transferee private foundation shall be treated as if it were the transferor in the proportion which the fair market value of the assets (less encumbrances) transferred to the transferee foundation bears to the fair market value of the assets (less encumbrances) of the transferor foundation immediately before the transfer.

Section 1.507-3(b) of the regulations provides, in pertinent part, that a transfer of assets pursuant to any liquidation, merger, redemption, recapitalization, or other adjustment, organization or reorganization to an organization that is treated as described in section 501(c)(3) of the Code by virtue of section 4947 is not a taxable expenditure under section 4945(d).

Section 1.507-3(c)(1) of the regulations provides that as used in section 507(b)(2) of the Code, the term "other adjustment, organization or reorganization" shall include any partial liquidation or any other significant disposition of assets to one or more private foundations.

Section 1.507-3(c)(2)(ii) of the regulations provides that the term "significant disposition of assets" means the transfer of 25% or more of the net assets of the foundation at the beginning of the year, which disposition may be made in a single year or in a series of related dispositions over more than one year.

Section 1.507-3(d) of the regulations provides that unless a private foundation gives notice pursuant to section 507(a)(1) of the Code, a transfer of assets described in section 507(b)(2) will not constitute a termination of the transferor's private foundation status under section 507(a)(1).

Section 1.507-4(b) of the regulations provides that private foundations that make transfers described in section 507(b)(1)(A) or (2) of the Code are not subject to the termination tax imposed under section 507(c) with respect to such transfers.

Section 53.4945-5(c)(2) of the Foundation regulations provides that if a private foundation makes a grant described in section 4945(d)(4) of the Code to a private foundation which is exempt from taxation under section 501(a) for endowment, for the purchase of capital equipment, or for other capital purposes, the grantor foundation shall require reports from the grantee on the use of the principal and the income (if any) from the grant funds. The grantee shall make such reports annually for its taxable year in which the grant was made and the immediately succeeding 2 taxable years. Only if it is reasonably apparent to the grantor that, before the end of such second succeeding taxable year, neither the principal, the income from the grant funds, nor the equipment purchased with the grant funds has been used for any purpose, which would result in liability for tax under section 4945(d), the grantor may then allow such reports to be discontinued.

Section 53.4945-6(b)(2) of the Foundation regulations provides that expenditures for unreasonable administrative expenses, including compensation, consultant fees, and other fees for services rendered, will ordinarily be taxable expenditures under section 4945(d)(5) of the Code unless the foundation can demonstrate that such expenses were paid or incurred in the good faith belief that they were reasonable and that the payment or incurrence of such expenses in such amounts was consistent with ordinary business care and prudence.

Rev. Rul. 2002-28, 2002-1 C.B. 941 provides that when a private foundation transfers all of its assets to other foundations in a section 507(b)(2) of the Code transfer there are no expenditure responsibility requirements under section 4945(d)(4) or (h) with respect to the transfers because the transferee foundations are treated as the transferor.

Analysis:

Ruling 1:

Section 1.507-3(c)(1) of the regulations provides that a transfer of assets is described in section 507(b)(2) of the Code if it is made by a private foundation to another private foundation pursuant to any liquidation, merger, redemption, recapitalization, or other adjustment, organization, or reorganization. For purposes of section 507(b)(2), the terms "other adjustment, organization, or reorganization" shall include any partial liquidation or any other significant disposition of assets to one or more private foundations. A significant disposition of assets means a distribution where the aggregate value transferred is "25 percent or more of the fair market value of the net assets of the foundation..." See section 1.507-3(c)(2). Here, you and the Successors have all been recognized as private foundations. Through the proposed transaction, you intend to transfer to Successors approximately two-thirds of the fair market value of your net assets. As the aggregate amount of expected to be transferred exceeds twenty-five percent (25%), the distribution by you qualifies as a transfer under section 507(b)(2).

Ruling 2:

Regarding the termination of your private foundation status, section 507(a) of the Code provides that an exempt organization which is a private foundation can terminate its private foundation status only if it notifies the Service of its intent to terminate or if it commits acts or failures to act giving rise to tax under Chapter 42, and if it pays the termination tax imposed by section 507(c) or has the tax abated. Since you have represented that you have neither notified the Service of any intent to terminate your private foundation status, nor have you committed acts or failures to act giving rise to a tax under Chapter 42, your proposed disposition of assets under section 507(b)(2) does not terminate your private foundation status and does not result in a termination tax imposed by section 507(c).

Ruling 3:

Section 4940 imposes an excise tax on investment income received by private foundations. Investment income includes capital gains from the sale or other disposition of property. The transfer of assets by you to the Successors which lacks consideration, is considered a gift rather than a "sale or other disposition of property" and so does not generate capital gain that would be subject to the section 4940 excise tax.

Ruling 4:

Whether the distribution of a portion of your assets to Successors in a section 507(b) of the Code transaction will constitute an act of self-dealing, is governed under section 1.507-3(a) of the Regulations and section 4941. The excise tax on self-dealing is imposed where a private foundation and a disqualified person engage in prohibited transactions, such as the sale or exchange of property. Under section 4946 and section 53.4946-1(a)(8) of the Foundation Regulations, a "disqualified person" does not include an organization under section 501(c)(3). Therefore, your transfer of assets to Successors is not an act of self-dealing because each foundation has received a determination letter stating that it is a tax-exempt organization under section 501(c)(3).

Ruling 5:

Section 4944 of the Code imposes a tax on investments by private foundations which jeopardize their charitable purposes. Under Section 4944(c), a transfer pursuant to section 507(b)(2) is not considered an investment for purposes of section 4944 if the transfer of assets was made for the purpose of accomplishing a charitable purpose. Because you will distribute approximately two-thirds of your assets to Successors, the transfer will not result in the imposition of tax for a jeopardy investment under section 4944.

Ruling 6:

Under section 1.507-3(a)(8)(ii)(d) of the regulations, and as referenced to section 101(1)(3)(A) of the Tax Reform Act of 1969, transferees will succeed to the attributes related to the transferred property to the same extent and in the same manner that would have applied to the transferor had the transfer not occurred with regard to section 4940(c)(4)(B) of the Code and the regulations thereunder with respect to basis of property.

Ruling 7:

For Successors to succeed to your aggregate tax benefits in the property transferred, section 1.507-3(a)(2) of the Regulations require that the transferees are all "effectively controlled" (within the meaning of section 1.482-1(a)(3) of the Regulations, [now effectively re-titled section1.482-1A(a)(3)]), directly or indirectly by the same person or persons who effectively control the transferor organization. Section 1.507-3(a)(2)(ii) provides that a transferee organization which is not effectively controlled...directly or indirectly, by the same person or persons who effectively control the transferor organization shall not succeed to the aggregate tax benefit in excess of the fair market value of the assets transferred at the time of the transfer.

You have stated that your officers/directors are not officers/directors of Successors nor are Successors otherwise effectively controlled by you. Therefore, after the transfer of assets by you to Successors, the Successors will succeed to the aggregate tax benefits of Transferor Foundation in proportion to the net fair market value of the assets distributed under section 1.507-3(a)(2) so long as the aggregate tax benefit is not in excess of the fair market value of the assets transferred at the time of the transfer.

Ruling 8:

Because the transfer of assets herein from you to Successors qualifies as a section 507(b) of the Code transaction and because the Successors will not be treated as if they are you for purposes of Chapter 42, they will not be permitted to use any portion of your excess distributions carryover to reduce their distributable amounts under section 4942.

Ruling 9:

The transfer of assets by you to Successors does not result in the imposition of tax for a taxable expenditure under section 4945 of the Code, because you have represented that you will exercise your endowment grant expenditure responsibility as required by section 4945(h) and section 53.4945-5(c)(2) of the Foundation regulations.

Ruling 10:

Following section 53.4945-6(b)(2), legal and other expenses incurred by you in preparation of this ruling request, assuming such expenses are incurred in the good faith belief that they are reasonable and consistent with ordinary care and prudence, will not constitute taxable expenditures. Accordingly, no self- dealing transaction or taxable expenditure will occur within the meaning of sections 4941 and 4945 respectively, to the extent that the expenses are reasonable and proportionate to your tax risk.

Accordingly, based upon the information submitted in your ruling request, we rule as follows:

1. The proposed transfer of two-thirds of your assets to Successors will constitute a transfer described in section 507(b)(2) of the Code.

2. The proposed transfer of two-thirds of your assets to Successors will not result in a termination of your private foundation status under section 507(a) of the Code and will not result in the imposition of the termination tax under section 507(c).

3. The proposed transfer of two-thirds of your assets to Successors will not give rise to any net investment income or tax under section 4940 of the Code.

4. The proposed transfer of two-thirds of your assets to Successors will not constitute an act of self-dealing under section 4941 of the Code.

5. The proposed transfer of two-thirds of your assets to Successors will not be considered a jeopardizing investment under section 4944 of the Code.

6. The Successors will be treated as possessing your tax attributes prior to the transfer to the extent provided in section 1.507-3(a)(8)(ii) of the regulations.

7. Upon your transfer to two-thirds of your assets to Successors in equal shares, each of the Successors will succeed proportionately (i.e. in equal thirds) to your aggregate tax benefits under section 507(d) of the Code and your tax attributes and characteristics as described in section 1.507-3(a)(2), (3) and (4) of the regulations so long as the aggregate tax benefit is not in excess of the fair market value of the assets transferred at the time of the transfer.

8. Upon your transfer of assets to Successors, Successors shall not be treated as if they were you for purposes of Chapter 42 and sections 507 through 509 of the Code. As a result,

Successors will not assume any of your excess qualifying distribution carryover amounts under section 4942.

9. If you exercise the expenditure responsibility for endowments set forth in section 53.4945-5(c)(2) of the Foundation regulations with respect to the transfers of assets to Successors, the transfers will not constitute taxable expenditures under section 4945 of the Code for "effectively controlled" situations.

10. With respect to the legal fees and filing fees incurred in the preparation of this ruling request, payment by you of a portion of such fees that reasonably represents the portion of this ruling request that is intended to protect you, will not be an act of self-dealing under section 4941 and will not be taxable expenditures under section 4945 of the Code.

This ruling will be made available for public inspection under section 6110 of the Code after certain deletions of identifying information are made. For details, see enclosed Notice 437, *Notice of Intention to Disclose*. A copy of this ruling with deletions that we intend to make available for public inspection is attached to Notice 437. If you disagree with our proposed deletions, you should follow the instructions in Notice 437.

This ruling is directed only to the organization that requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited by others as precedent.

This ruling is based on the facts as they were presented and on the understanding that there will be no material changes in these facts. This ruling does not address the applicability of any section of the Code or regulations to the facts submitted other than with respect to the sections described. Because it could help resolved questions concerning your federal income tax status, this ruling should be kept in your permanent records.

If you have any questions about this ruling, please contact the person whose name and telephone number are shown in the heading of this letter.

In accordance with the Power of Attorney currently on file with the Internal Revenue Service, we are sending a copy of this letter to your authorized representative.

Sincerely,

Ronald J. Shoemaker

Ronald J. Shoemaker
Manager, Exempt Organizations
Technical Group 2

Enclosure
Notice 437

Form **8868** (Rev. April 2009) Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

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

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

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

Type or print	Name of Exempt Organization	Employer identification number
	CRESTLEA FOUNDATION, INC.	51-6015638
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 100 W. 10th St., Suite 1109	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Wilmington, DE 19801	

Check type of return to be filed(file a separate application for each return):

[ ] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T (sec. 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[X] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- The books are in the care of ▶ STEPHEN A. MARTINENZA - 100 WEST 10TH STREET, SUITE 1109, WILMINGTON, DE - 19801-1694

  Telephone No ▶ 302-654-2477 FAX No. ▶
- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ . If this is for the whole group, check this box ▶ [ ] . If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3 month (6-months for a corporation required to file Form 990-T) extension of time until August 15, 2010 , to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ [X] calendar year 2009 or

▶ [ ] tax year beginning ______ , and ending ______ .

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

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 5,931.
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 17,240.
c	**Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

APR 30 2010 51-0232475 COVER & ROSSITER, P.A. 62 ROCKFORD RD., WILMINGTON, DE 19806-1004 (302) 656-6632

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