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

2009

Department of the Treasury
Internal Revenue Service

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

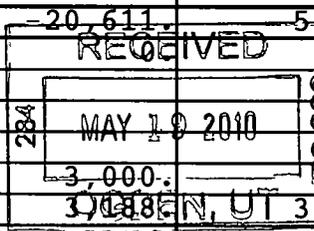
For calendar year 2009, or tax year beginning _____, and ending _____

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 GRAHAM FAMILY FOUNDATION	A Employer identification number 56-2152871
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 100 EUROPA DRIVE 190	B Telephone number 919-968-4017
	City or town, state, and ZIP code CHAPEL HILL, NC 27514-2394	C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 214,021.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received			N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	2,632.	2,632.		STATEMENT 1
4 Dividends and interest from securities	2,788.	2,788.		STATEMENT 2
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	-26,031.			
b Gross sales price for all assets on line 6a 65,273.				
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				
12 Total. Add lines 1 through 11	-20,611.	5,420.		
13 Compensation of officers, directors, trustees, etc		0.		0.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees STMT 3	3,000.	0.		3,000.
c Other professional fees STMT 4	3,188.	0.		0.
17 Interest				
18 Taxes STMT 5	26.	0.		0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses STMT 6	199.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23	6,413.	3,188.		3,000.
25 Contributions, gifts, grants paid	9,500.			9,500.
26 Total expenses and disbursements. Add lines 24 and 25	15,913.	3,188.		12,500.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-36,524.			
b Net investment income (if negative, enter -0-)		2,232.		
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	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		10,546.	4,983.	4,983.
	3	Accounts receivable ▶				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ▶				
		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 STMT 7		56,273.	45,076.	48,541.
	b	Investments - corporate stock STMT 8		173,922.	154,158.	160,497.
	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)		240,741.	204,217.	214,021.	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)		0.	0.		
Net Assets or Fund Balances	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		0.	0.	
28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.		
29	Retained earnings, accumulated income, endowment, or other funds		240,741.	204,217.		
30	Total net assets or fund balances		240,741.	204,217.		
31	Total liabilities and net assets/fund balances		240,741.	204,217.		

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	240,741.
2	Enter amount from Part I, line 27a	2	-36,524.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	204,217.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	204,217.

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 STATEMENT	P		
b SEE STATEMENT	P		
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 11,277.		12,862.	-1,585.
b 53,996.		78,442.	-24,446.
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			-1,585.
b			-24,446.
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	-26,031.
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	14,224.	244,631.	.058145
2007	16,268.	295,899.	.054978
2006	13,885.	283,762.	.048932
2005	14,901.	283,451.	.052570
2004	12,909.	291,270.	.044320

2 Total of line 1, column (d)	2	.258945
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	.051789
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	193,674.
5 Multiply line 4 by line 3	5	10,030.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	22.
7 Add lines 5 and 6	7	10,052.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.	8	12,500.

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 <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	22.
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	22.
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	22.
6	Credits/Payments:		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	0.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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	22.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X

N/A

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 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? Website address ▶ N/A	13	X	
14 The books are in care of ▶ STEVEN R. ARMSTRONG Telephone no. ▶ 919-967-0618 Located at ▶ 100 EUROPA DRIVE, SUITE 525, CHAPEL HILL, NC ZIP+4 ▶ 27515			
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(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			
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here N/A <input type="checkbox"/>	1b		
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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? <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? (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 No

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No

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

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d) N/A

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If "Yes" to 6b, file Form 8870

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes 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.

(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
LAURA PINNER GRAHAM 1 BEVERLY DRIVE DURHAM, NC	DIRECTOR 0.00	0.	0.	0.
JOHN P GRAHAM 100 EUROPA DRIVE CHAPEL HILL, NC	DIRECTOR, PRES & TREAS 0.00	0.	0.	0.
MARGARET GRAHAM CAMPBELL 108 69TH STREET VIRGINIA BEACH, VA	DIRECTOR, SECRETARY 0.00	0.	0.	0.
LAURA GRAHAM WHEDON 4520 TOWN AND COUNTRY DRIVE CHARLOTTE, NC	DIRECTOR, VICE-PRESIDENT 0.00	0.	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	
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	188,418.
b	Average of monthly cash balances	1b	8,205.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	196,623.
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	196,623.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	2,949.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	193,674.
6	Minimum investment return. Enter 5% of line 5	6	9,684.

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	9,684.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	22.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	22.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	9,662.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	9,662.
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	9,662.

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	12,500.
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	12,500.
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	22.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	12,478.

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				9,662.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			9,476.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 12,500.				
a Applied to 2008, but not more than line 2a			9,476.	
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				3,024.
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))	0.			0.
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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				6,638.
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	0.			
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		(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
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).)

LAURA PINNER GRAHAM
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:
N/A

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

c Any submission deadlines:
N/A

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

Part XV Supplementary Information (continued)

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)				
<i>a Paid during the year</i> SCHEDULE	NONE	PUBLIC	ANNUAL BUDGET	9,500.
Total				9,500.
<i>b Approved for future payment</i>				
NONE				
Total				0.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
SMITH BARNEY- 132-01581-14	0.
SMITH BARNEY- 132-02052-12	2,632.
<hr/>	
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	2,632.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
SMITH BARNEY - 121-01581-14	2.	0.	2.
SMITH BARNEY - 132-02052-12	2,786.	0.	2,786.
<hr/>			
TOTAL TO FM 990-PF, PART I, LN 4	2,788.	0.	2,788.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STEVEN R. ARMSTRONG, CPA	3,000.	0.		3,000.
<hr/>				
TO FORM 990-PF, PG 1, LN 16B	3,000.	0.		3,000.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SOLOMON SMITH BARNEY	3,188.	3,188.		0.
<hr/>				
TO FORM 990-PF, PG 1, LN 16C	3,188.	3,188.		0.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL TAX	26.	0.		0.
TO FORM 990-PF, PG 1, LN 18	26.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OTHER	199.	0.		0.
TO FORM 990-PF, PG 1, LN 23	199.	0.		0.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	7
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
GOVERNMENT BONDS	X		45,076.	48,541.
TOTAL U.S. GOVERNMENT OBLIGATIONS			45,076.	48,541.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			45,076.	48,541.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MARKETABLE SECURITIES - SCH	154,158.	160,497.
TOTAL TO FORM 990-PF, PART II, LINE 10B	154,158.	160,497.

Graham Family Foundation
YE 12/31/2009
Employer ID 56-2152871
GRANTS MADE

<i>Recipient</i>	<i>Fnd Status</i>	<i>Purpose of Grant</i>	<i>Amount</i>
American Red Cross - Central NC Chap PO Box 52509 Durham, NC 27717-2509	Public	Annual Operations	\$ 536.00
Caring House 2625 Pickett Road Durham NC 27705	Public	Annual Operations	122.00
Children's Home Society Of NC PO Box 14608 Greensboro, NC 27415	Public	Annual Operations	156.00
Christ Episcopal Church 1412 Providence Road Charlotte, NC 28207	Public	Annual Operations	1,188.00
Duke HomeCare & Hospice PO Box 2997 Durham, NC 27704	Public	Hospice Care	790.00
Durham County Habitat For Humanity 215 N. Church Street Durham, NC 27702	Public	Annual Operations	114.00
Durham County Library Foundation PO Box 3809 Durham NC 27702	Public	Annual Operations	156.00
Durham Rescue Mission PO Box 11368 Durham, NC 27703-0368	Public	Annual Operations	198.00
First Presbyterian Church Of Atlanta 1328 Peachtree Street, NE Atlanta, GA 30309	Public	Annual Giving - Operations	188.00
Hollins University PO Box 9629 Roanoke, VA 24020	Public	Hollins Fund	156.00

**Graham Family Foundation
YE 12/31/2009
Employer ID 56-2152871
GRANTS MADE**

<i>Recipient</i>	<i>Fnd Status</i>	<i>Purpose of Grant</i>	<i>Amount</i>
Paralyzed Veterans Of America 7 Mill Brook Road Wilton, NH 03086-0907	Public	Annual Operations	439.00
Penick Village PO Box 2001 Southern Pines, NC 28388	Public	Annual Operations	156.00
Preservation Durham PO Box 25411 Durham, NC 27702	Public	Annual Operations	114.00
Saint Mary's School 900 Hillsborough Street Raleigh, NC 27603	Public	Annual Operations	156.00
Saint Philips Episcopal Church PO Box 218 Durham, NC 27702	Public	Annual Ministry	452.00
St. Stephen's Episcopal Church 82 Kimberly Drive Durham, NC 27707	Public	Annual Operations	1,188.00
The Salvation Army PO Box 1330 Durham,A5 NC 27702-1330	Public	Annual Operations	502.00
Triangle United Way PO Box 110387 Research Triangle Park, NC 27709-9996	Public	Durham Area Operations	486.00
UNC - Lineberger Comp Cancer Center Campus Box 7293 (Plaza Level) UNC Chapel Hill Chapel Hill NC 27599-7295	Public	Annual Operations	215.00
Virginia Beach Foundation PO Box 4629 Virginia Beach, VA 23455	Public	Hampton Rd Leadership Fund	1,188.00
Westminster Schools 1424 West Paces Ferry Road Atlanta, GA 30327-9830	Public	Class 2009 Faculty Salary Fund	1,000.00
			<u><u>\$ 9,500.00</u></u>

**Reserved Client
Financial Management Account
2009 Year End Summary**

**MorganStanley
SmithBarney**

Ref: 00030322 00027034

GRAHAM FAMILY FOUNDATION
Account Number 132-01581-14 156

2 0 0 9 Y E A R E N D S U M M A R Y

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than \$20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor. For additional information regarding this section see enclosed brochure.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000050	90	CELGENE CORP	02/27/09	04/01/09	\$ 3,403.78	\$ 4,101.12 \$ 4,101.12	(\$ 697.34) (\$ 697.34)	\$ 0.00 \$ 0.00
125000100	90	ISHARES NASDAQ BIOTECHNOLOGY INDEX FD MorganStanley SmithBarney LLC acted as your agent	06/04/09	10/28/09	6,672.95	6,333.03 6,333.03	339.92 339.92	0.00 0.00
125000140	150	PRINCIPAL FINANCIAL GROUP INC	01/27/09	02/27/09	1,200.07	2,428.05 2,428.05	(1,227.98) (1,227.98)	0.00 0.00
Total					\$ 11,276.80	\$ 12,862.20 \$ 12,862.20	(\$ 1,585.40) (\$ 1,585.40)	\$ 0.00 \$ 0.00

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than \$20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor. For additional information regarding this section see enclosed brochure.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000010	250	ADOBE SYSTEMS INC (DE) Morgan Stanley Sml	09/25/07	06/03/09	\$ 7,202.34	\$ 10,840.00 \$ 10,840.00	(\$ 3,437.66) (\$ 3,437.66)	\$ 0.00 \$ 0.00
	60	th Barney LLC acted as your agent in this transa	01/22/08		1,728.56	2,054.40 2,054.40	(325.84) (325.84)	0.00 0.00

Reserved Client Financial Management Account 2009 Year End Summary

MorganStanley
SmithBarney

Ref: 00003022 00027036

GRAHAM FAMILY FOUNDATION

Account Number 132-01581-14 156

2 0 0 9 Y E A R E N D S U M M A R Y

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000080	45	COMCAST CORP CL A - SPL Morgan Stanley Sml th Barney LLC acted as yo ur agent in this transa	10/17/03	07/20/09	\$ 814.32	\$ 947.68 \$ 947.68	(\$ 333.36) (\$ 333.36)	\$ 0.00 \$ 0.00
	30		08/18/07		409.55	740.10	(330.55)	0.00
	125		10/17/07		1,708.45	2,965.94	(1,289.49)	0.00
						2,895.94	(1,289.49)	0.00
125000090	11,000	FEDERAL NATL MTG ASSN GLOBAL DEBS-BK/ENTRY DTD 08/08/1999 DUE 08/15/2009 RATE 6.376	07/27/07	08/15/09	11,000.00	11,274.01	(274.01)	0.00
						11,000.00	0.00	0.00
125000110	30	JPMORGAN CHASE & CO Morgan Stanley Sml th Barney LLC acted as yo ur agent in this transa	06/17/02	09/03/09	1,251.62	966.89	284.73	0.00
	15		08/18/07		625.81	868.89	284.73	0.00
						843.95	(18.14)	0.00
						843.95	(18.14)	0.00
125000120	50	MARRIOTT INTL INC NEW CL A	08/18/07	04/09/09	957.84	2,033.00	(1,076.16)	0.00
	50		09/10/07		957.84	2,033.00	(1,076.16)	0.00
	150		10/18/07		2,873.52	2,094.50	(1,136.86)	0.00
	50		11/08/07		957.84	2,084.50	(1,136.86)	0.00
						6,200.93	(3,327.41)	0.00
						6,200.93	(3,327.41)	0.00
						1,840.76	(882.92)	0.00
						1,840.76	(882.92)	0.00
125000130	175	MOTOROLA INC DE	04/10/02	04/24/09	985.22	2,221.04	(1,235.82)	0.00
	5		02/07/07		28.15	2,221.04	(1,235.82)	0.00
	15		05/18/07		84.45	98.00	(70.85)	0.00
						279.29	(70.85)	0.00
						279.29	(194.84)	0.00
						279.29	(194.84)	0.00
125000140	60	PRINCIPAL FINANCIAL GROUP INC	08/18/07	02/27/09	400.03	2,652.50	(2,252.47)	0.00
	50		09/10/07		400.03	2,652.50	(2,252.47)	0.00
						2,729.00	(2,328.97)	0.00
						2,729.00	(2,328.97)	0.00
125000150	.0837	TIME WARNER INC	08/18/02	03/27/09	1.40	1.82	(.42)	0.00
	.049	REVSPLT 03/27/09 887317105000	01/24/03		1.07	1.82	(.42)	0.00
	.1863		07/19/05		4.08	1.57	(.60)	0.00
						6.95	(2.87)	0.00
						6.95	(2.87)	0.00

Reserved Client Financial Management Account 2009 Year End Summary

MorganStanley
SmithBarney

Ref: 00003022 00027037

GRAHAM FAMILY FOUNDATION

Account Number 132-01581-14 156

2 0 0 9 Y E A R E N D S U M M A R Y

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
	.0245		08/16/05		\$.54	\$ 1.02	(\$.48)	\$ 0.00
	.0088		08/02/07		.22	.41	(.19)	0.00
					.41	.41	(.19)	0.00
125000160	21.6029	TIME WARNER INC	08/16/02	08/27/09	609.44	618.50	(9.06)	0.00
		Morgan Stanley Sml			488.80	530.96	(62.16)	0.00
	18.8176	th Barney LLC acted as yo	01/24/03		1,781.45	530.96	(62.16)	0.00
	63.1471	ur agent in this transa	07/19/05		2,356.79	2,356.79	(576.34)	0.00
	8.3088		08/16/05		234.40	345.21	(110.81)	0.00
	3.3236		08/02/07		93.76	139.44	(45.68)	0.00
125000170	.0868	TIME WARNER CABLE INC	08/16/02	03/30/09	2.34	3.22	(.88)	0.00
	.0668	CASH IN LIEU OF .44780	01/24/03		1.80	2.76	(.96)	0.00
	.2502	FROM: 887317105000 (SPINOFF)	07/19/05		6.85	12.28	(5.41)	0.00
	.0329		08/16/05		.90	1.80	(.90)	0.00
	.0133		08/02/07		.36	.73	(.37)	0.00
125000180	5.3529	TIME WARNER CABLE INC	08/16/02	04/23/09	143.35	201.17	(57.82)	0.00
	4.1176		01/24/03		110.27	172.70	(62.43)	0.00
	15.6471		07/19/05		419.02	766.56	(347.54)	0.00
	2.0588		08/16/05		56.13	112.28	(56.15)	0.00
	.8236		08/02/07		22.05	45.35	(23.30)	0.00
					45.35	45.35	(23.30)	0.00

**Reserved Client
Financial Management Account
2009 Year End Summary**

**MorganStanley
SmithBarney**

Ref: 00003022 00027038

GRAHAM FAMILY FOUNDATION

Account Number 132-01581-14 156

2 0 0 9 Y E A R E N D S U M M A R Y

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted	Original Gain/(Loss) Adjusted	Ordinary Income Capital Gain/(Loss)
125000190	15	UNITEDHEALTH GROUP INC	03/03/08	01/22/09	\$ 404.97	\$ 861.28	(\$ 456.31)	\$ 0.00
	5		03/28/08		134.99	266.25	(131.26)	0.00
	1		08/15/07		27.00	266.25	(131.26)	0.00
	25		08/16/07		674.95	48.85	(21.85)	0.00
	54		09/10/07		1,457.89	48.85	(21.85)	0.00
						1,210.25	(536.30)	0.00
						1,210.25	(536.30)	0.00
						2,662.74	(1,204.86)	0.00
						2,662.74	(1,204.86)	0.00
125000200	23	WEYERHAEUSER CO	05/22/02	01/14/09	634.57	1,520.17	(885.60)	0.00
	27		08/29/07		744.93	1,620.17	(885.60)	0.00
						1,776.25	(1,030.32)	0.00
	25		09/08/07		689.74	1,776.25	(1,030.32)	0.00
						1,717.25	(1,027.51)	0.00
						1,717.25	(1,027.51)	0.00
Total					\$ 53,995.67	\$ 78,716.73	(\$ 24,720.06)	\$ 0.00
						\$ 78,441.72	(\$ 24,448.05)	\$ 0.00

Ref: 00001695 00055550

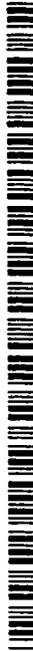
GRAHAM FAMILY FOUNDATION

Account number 132-01581-14 156

Common stocks & options

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

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
150	TYCO INTL LTD CHF	TYC	10/01/09	\$ 5,095.01	\$ 33.966	\$ 35.68	\$ 5,352.00	\$ 256.99	ST	
60	Rating: Citigroup : 1M Morgan Stanley : 1		11/11/09	2,093.79	34.896	35.68	2,140.80	47.01	ST	
210	S&P : 2			7,188.80	34.232		7,492.80	304.00	2.242	168.00
130	AUTOMATIC DATA PROCESSING INC.	ADP	08/20/09	4,917.65	37.828	42.82	5,566.60	648.95	ST	
70	Rating: Citigroup : 1L S&P : 2		08/27/09	2,697.10	38.53	42.82	2,997.40	300.30	ST	
200				7,614.75	38.074		8,564.00	949.25	3.176	272.00
38.25	BANK OF AMERICA CORP	BAC	08/16/05	2,598.31	68.688	15.06	576.05	(2,022.26)	LT	
12.75	Rating: Citigroup : 1H Morgan Stanley : 1		06/14/06	971.20	77.023	15.06	192.02	(779.18)	LT	
12.75	S&P : 1		06/30/06	1,033.65	81.976	15.06	192.02	(841.63)	LT	
21.25			09/10/07	1,778.62	84.635	15.06	320.03	(1,458.59)	LT	3.40
85				6,381.78	75.08		1,280.12	(5,101.66)	.265	
100	BAXTER INTL INC	BAX	06/24/09	5,076.75	50.767	58.68	5,868.00	791.25	ST	116.00
	Rating: Citigroup : 1M Morgan Stanley : 1									
340	BRISTOL MYERS SQUIBB CO	BMJ	04/29/09	6,428.04	18.906	25.25	8,585.00	2,156.96	ST	435.20
	Rating: Citigroup : 1H Morgan Stanley : 2									
90	CISCO SYS INC	CSCO	03/24/05	1,625.59	18.062	23.94	2,154.60	529.01	LT	
180	Rating: Citigroup : 1M S&P : 1		07/19/05	3,586.03	19.922	23.94	4,309.20	723.17	LT	
50			08/16/05	887.59	17.751	23.94	1,197.00	309.41	LT	
320				6,099.21	19.06		7,660.80	1,561.59		
165	COGNIZANT TECH SOLUTIONS CL A	CTSH	09/17/07	5,955.02	36.091	45.33	7,479.45	1,524.43	LT	
45	Rating: Citigroup : 1H S&P : 1		11/08/07	1,488.96	33.088	45.33	2,039.85	550.89	LT	
210				7,443.98	35.448		9,519.30	2,075.32		
425	CORNING INC	GLW	08/18/09	6,719.08	15.809	19.31	8,206.75	1,487.67	ST	85.00
	Rating: Citigroup : 1H S&P : 1									

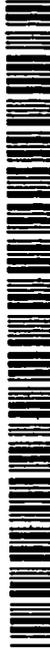


Ref: 00001695 00055551

GRAHAM FAMILY FOUNDATION Account number 132-01581-14 156

Common stocks & options continued

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % Yield	Anticipated Income (annualized)
70	EOG RESOURCES INC Rating: Citigroup : 1M Morgan Stanley : 1 S&P : 1	EOG	01/12/09	\$ 4,489.45	\$ 64.277	\$ 97.30	\$ 6,811.00	\$ 2,311.55	.586%	\$ 40.60
20	EXXON MOBIL CORP Rating: Citigroup : 1M Morgan Stanley : 2 S&P : 1	XOM	03/13/03	686.92	34.345	68.19	1,363.80	676.88	LT	
20			11/03/03	735.83	36.791	68.19	1,363.80	627.97	LT	
40				1,422.75	35.569		2,727.60	1,304.85	2.463	67.20
100	HCC INSURANCE HOLDINGS INC Rating: S&P : 2	HCC	08/16/07	2,675.00	26.75	27.97	2,797.00	122.00	LT	
100			09/10/07	2,683.00	26.83	27.97	2,797.00	114.00	LT	
200				5,368.00	26.78		5,594.00	236.00	1.93	108.00
5	HONEYWELL INTL INC Rating: Citigroup : 2M Morgan Stanley : 1 S&P : 1	HON	09/16/02	120.80	24.16	39.20	196.00	75.20	LT	
40			01/30/03	938.62	23.465	39.20	1,568.00	628.38	LT	
5			07/24/06	182.94	36.588	39.20	196.00	13.06	LT	
90			06/16/08	5,043.51	56.039	39.20	3,528.00	(1,515.51)	LT	
10			01/27/09	337.77	33.777	39.20	392.00	54.23	ST	
150				6,623.64	44.168		5,880.00	(743.64)	3.088	181.50
200	INTEL CORP Rating: Citigroup : 1M Morgan Stanley : 2 S&P : 1	INTC	07/19/05	5,710.60	28.553	20.40	4,080.00	(1,630.60)	LT	
50			07/20/05	1,357.48	27.149	20.40	1,020.00	(337.48)	LT	
190			03/28/06	3,751.55	19.745	20.40	3,876.00	124.45	LT	
440				10,819.63	24.59		8,976.00	(1,843.63)	2.745	246.40
5	JPMORGAN CHASE & CO Rating: Citigroup : 2H Morgan Stanley : 1 S&P : 1	JPM	08/16/07	214.65	42.93	41.67	208.35	(6.30)	LT	
150			06/25/08	5,765.24	38.434	41.67	6,250.50	485.26	LT	
15			01/27/09	372.14	24.809	41.67	625.05	252.91	ST	
170				6,352.03	37.385		7,083.90	731.87	.479	34.00
5	JOHNSON & JOHNSON Rating: Citigroup : 1L Morgan Stanley : 1 S&P : 1	JNJ	04/15/04	272.48	54.496	64.41	322.05	49.57	LT	
20			03/01/07	1,249.36	62.467	64.41	1,288.20	38.84	LT	
5			03/23/07	302.05	60.41	64.41	322.05	20.00	LT	
5			07/27/07	300.51	60.102	64.41	322.05	21.54	LT	
65			09/24/07	4,244.50	65.30	64.41	4,186.65	(57.85)	LT	
100				6,368.90	63.689		6,441.00	72.10	3.043	196.00
100	KIMBERLY CLARK CORP Rating: Citigroup : 1L S&P : 2	KMB	09/18/08	6,499.99	64.999	63.71	6,371.00	(128.99)	LT	
15			10/09/08	925.46	61.697	63.71	955.65	30.19	LT	
115				7,425.45	64.589		7,326.65	(98.80)	3.767	276.00



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GRAHAM FAMILY FOUNDATION Account number 132-01581-14 156

Common stocks & options continued

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
140	MEDTRONIC INC Rating: Citigroup : 1M Morgan Stanley : 2 S&P : 1	MDT	10/22/08	\$ 5,774.24	\$ 41.244	\$ 43.98	\$ 6,157.20	\$ 382.96 LT	1.864%	\$ 114.80
40	MICROSOFT CORP	MSFT	12/17/03	1,081.38	27.034	30.48	1,219.20	137.82 LT		
65	Rating: Morgan Stanley : 1		03/10/04	1,669.04	25.677	30.48	1,981.20	312.16 LT		
45	S&P : 2		12/01/04	1,227.41	27.275	30.48	1,371.60	144.19 LT		
40			01/25/05	1,045.04	26.125	30.48	1,219.20	174.16 LT		
145			07/19/05	3,762.56	25.948	30.48	4,419.60	657.04 LT		
335				8,785.43	26.225		10,210.80	1,425.37	1.706	174.20
50	MORGAN STANLEY	MS	08/16/07	2,794.00	55.88	29.60	1,480.00	(1,314.00) LT	.675	10.00
80	NUCOR CORP Rating: Citigroup : 1H Morgan Stanley : 2 S&P : 2	NUE	09/18/09	3,888.00	49.862	46.65	3,732.00	(257.00) ST	3.086	115.20
45	PEPSICO INC	PEP	07/31/02	1,922.20	42.715	60.80	2,736.00	813.80 LT		
15			09/05/02	559.82	37.321	60.80	912.00	352.18 LT		
60				2,482.02	41.367		3,648.00	1,165.98	2.96	108.00
125	SEMPRA ENERGY Rating: Citigroup : 1M Morgan Stanley : 2 S&P : 1	SRE	01/08/09	5,451.94	43.615	55.98	6,997.50	1,545.56 ST	2.786	185.00
75	STAPLES INC	SPLS	08/16/07	1,726.50	23.02	24.59	1,844.25	117.75 LT		
100	Rating: Citigroup : 1M		09/10/07	2,221.80	22.218	24.59	2,459.00	237.20 LT		
175	Morgan Stanley : 1 S&P : 3			3,948.30	22.562		4,303.25	354.95	1.342	57.75
65	TEXAS INSTRUMENTS INC	TXN	12/17/01	1,940.28	29.85	26.06	1,693.90	(246.38) LT		
40	Rating: Citigroup : 1M		12/20/01	1,048.69	26.217	26.06	1,042.40	(6.29) LT		
95	Morgan Stanley : 2 S&P : 1		07/19/05	2,951.99	31.073	26.06	2,475.70	(476.29) LT		
25			03/03/06	817.65	32.706	26.06	651.50	(166.15) LT		
50			03/28/06	1,569.00	31.38	26.06	1,303.00	(266.00) LT		
275				8,327.61	30.282		7,166.50	(1,161.11)	1.841	132.00
50	WAL-MART STORES INC	WMT	03/03/06	2,268.23	45.364	53.45	2,672.50	404.27 LT		
10	Rating: Citigroup : 2M		05/02/06	461.00	46.10	53.45	534.50	73.50 LT		
5	Morgan Stanley : 1 S&P : 1		08/11/06	222.30	44.46	53.45	267.25	44.95 LT		
10			02/07/07	485.90	48.59	53.45	534.50	48.60 LT		
25			09/10/07	1,058.50	42.34	53.45	1,336.25	277.75 LT		
100				4,485.93	44.858		5,345.00	849.07	2.039	109.00



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Common stocks & options continued

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
100	YAHOO INC	YHOO	03/03/06	\$ 3,172.71	\$ 31.727	\$ 16.78	\$ 1,678.00	(\$ 1,494.71) LT		
50	Rating: Citigroup : 1H		03/28/06	1,599.52	31.98	16.78	839.00	(760.52) LT		
5	Morgan Stanley : 1		05/19/06	145.32	29.064	16.78	83.90	(61.42) LT		
5	S&P : 1		06/14/06	148.20	29.639	16.78	83.90	(64.30) LT		
15			08/31/06	435.00	29.00	16.78	251.70	(183.30) LT		
15			01/10/07	426.59	28.439	16.78	251.70	(174.89) LT		
5			07/25/07	124.29	24.858	16.78	83.90	(40.39) LT		
10			07/27/07	238.00	23.599	16.78	167.80	(68.20) LT		
205				6,287.83	30.671		3,439.90	(2,847.93)		
Total common stocks and options				\$ 154,159.74			\$ 159,487.07	\$ 1,598.38 LT	2.1%	\$ 374.85

Bonds

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

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

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

Government & government sponsored entity (GSE) bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Shares cost/ Adjusted share cost	Current share price/Acquired Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted	Current % Yield/ Anticip. Income (annualized)	Ordinary Income/ Capital gain/(loss)
1,000	U S TREASURY NOTES SER H-2010 DTD 04/15/2005	11/23/05 912828DR8	\$ 985.86 \$ 985.86	\$ 98.585 \$ 98.585	101.078	\$ 1,010.78	\$ 24.92 LT \$ 24.92 LT		\$ 13.01 \$ 11.91
7,000	INT: 04.000% MATY: 04/15/2010	05/12/06	6,742.42 6,742.42	96.32 96.32	101.078	7,075.46	333.04 LT 333.04 LT		235.87 97.17
8,000			7,728.28 7,728.28	96.60 96.60	68.57	8,088.24	357.96 357.96	3.957 320.00	248.88 109.08
18,000	FEDERAL HOME LOAN MTG CORP GLOBAL DEB-BK/ENTRY DTD 01/14/2002	08/10/07 31344AJT2	18,508.68 18,248.58	102.826 101.381	108.875 477.25	19,597.50	1,088.82 LT 1,348.92 LT	5.261 1,035.00	0.00 1,348.92
	INT: 05.750% MATY: 01/15/2012								



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GRAHAM FAMILY FOUNDATION

Government & government sponsored entity (GSE) bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted	Current % Yield/ Anticip. Income (annualized)	Ordinary Income/ Capital gain/(loss)
4,000	FEDERAL HOME LOAN MTG CORP BK/ENTRY	11/27/06 3134A4UK8	\$ 4,016.56 \$ 4,009.88	\$ 100.414 \$ 100.242	109.438	\$ 4,377.52	\$ 360.96 LT \$ 367.84 LT		\$ 0.00 \$ 367.84
3,000	DTD 10/17/2003 INT: 04.875% MATY: 11/15/2013	05/16/07	2,984.75 2,984.75	99.491 99.491	109.438	3,283.14	298.39 LT 298.39 LT		0.00 298.39
7,000			7,001.31 6,994.43	100.00 99.90	43.60	7,660.66	659.35 668.23	4.454 341.25	0.00 668.23
12,000	U S TREASURY NOTES SER E-2016 DTD 8/15/2008 INT: 04.875% MATY: 08/15/2016	04/10/07 812828FQ8	12,139.38 12,104.64	101.161 100.872	109.968 220.86	13,186.28	1,056.90 LT 1,081.64 LT	4.433 685.00	0.00 1,081.64
Total government & government sponsored entity (GSE) bonds									
45,000			\$ 45,217.85 \$ 45,075.93		\$ 816.36	\$ 48,540.68	\$ 0.00 ST \$ 3,464.75 LT	4.68 \$ 2,261.25	\$ 248.28 \$ 3,216.97
Total portfolio value									
			\$ 304,217.26			\$ 274,920.74	\$ 1,996.38 ST \$ 207.16 LT	2.58 \$ 5,528.98	\$ 248.18 \$ 3,216.97