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
MICHAELS FAMILY FOUNDATION OF VA,INC

Number and street (or P O box number if mail is not delivered to street address) — Room/suite
CARMICHAEL,9132 STRADA PLACE,4TH FL

City or town, state, and ZIP code
NAPLES FL 34108-2683

A Employer identification number
59-3662847

B Telephone number (see page 10 of the instructions)

C If exemption application is pending, check here ▶ [ ]
D 1. Foreign organizations, check here ▶ [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]
E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ [ ]
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ [ ]

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 782,862

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

Part I	Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue 1	Contributions, gifts, grants, etc , received (attach schedule)				
2	Check ▶ [X] if the foundation is **not** required to attach Sch B				
3	Interest on savings and temporary cash investments	110		110	
4	Dividends and interest from securities	14,638	14,615	14,638	
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	-159,488			
b	Gross sales price for all assets on line 6a 799,912				
7	Capital gain net income (from Part IV, line 2)		319		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns & allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	-144,740	14,934	14,748	
Operating and Administrative Expenses 13	Compensation of officers, directors, trustees, etc				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) Stmt 2	635			
c	Other professional fees (attach schedule) Stmt 3	5,267			
17	Interest				
18	Taxes (attach schedule) (see page 14 of the instructions) Stmt 4	123			
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att sch)				
24	**Total operating and administrative expenses.** Add lines 13 through 23	6,025	0		0
25	Contributions, gifts, grants paid	36,781			36,781
26	**Total expenses and disbursements.** Add lines 24 and 25	42,806	0	0	36,781
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	-187,546			
b	**Net investment income** (if negative, enter -0-)		14,934		
c	**Adjusted net income** (if negative, enter -0-)			14,748	

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Form **990-PF** (2009)

DAA

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	12,877	18,601	18,601
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7	Other notes and loans receivable (att schedule) ▶			
		Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S. and state government obligations (attach schedule) Stmt 5	186,540	196,940	196,573
	b	Investments—corporate stock (attach schedule) See Stmt 6	400,014	507,059	567,688
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	599,431	722,600	782,862
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	599,431	722,600	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	599,431	722,600	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	599,431	722,600	

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	599,431
2	Enter amount from Part I, line 27a	2	-187,546
3	Other increases not included in line 2 (itemize) ▶ See Statement 7	3	374,113
4	Add lines 1, 2, and 3	4	785,998
5	Decreases not included in line 2 (itemize) ▶ See Statement 8	5	63,398
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	722,600

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	CAPITAL GAIN DISTRIBUTIONS			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	319			319
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				319
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7	2	319
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2008	42,340	617,595	0.068556
2007	44,378	470,534	0.094314
2006	42,066	387,154	0.108654
2005	20,950	2,256,997	0.009282
2004	32,300	1,694,200	0.019065

2	**Total** of line 1, column (d)	2	0.299871
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.059974
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	681,620
5	Multiply line 4 by line 3	5	40,879
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	149
7	Add lines 5 and 6	7	41,028
8	Enter qualifying distributions from Part XII, line 4	8	36,781

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	299
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	299
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	299
6	Credits/Payments				
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a			
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c			
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	
8	Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	299
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11	Enter the amount of line 10 to be **Credited to 2010 estimated tax** ▶ Refunded ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		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 ▶ $ ______ **(2)** On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		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 page 19 of the instructions) ▶ FL			
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 on page 27)? 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 page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ NONE

14 The books are in care of ▶ DR. LEWIS MICHAELS Telephone no ▶ 703-437-5655
10512 WICKENS ROAD
Located at ▶ VIENNA, VA ZIP+4 ▶ 22181

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041**—Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

				Yes	No
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	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?	N/A	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions)	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 ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2009 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	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)

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

(a) Name and address		(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
LEWIS MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	PRESIDENT 2.00	0	0	0
PAMELA MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	VICE PRES 2.00	0	0	0
THEODORE MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	TREASURER 2.00	0	0	0
STEVEN MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	SECRETARY 2.00	0	0	0

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

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

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

Part IX-A Summary of Direct Charitable Activities

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

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes				
a	Average monthly fair market value of securities			1a	676,000
b	Average of monthly cash balances			1b	16,000
c	Fair market value of all other assets (see page 24 of the instructions)			1c	0
d	**Total** (add lines 1a, b, and c)			1d	692,000
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	692,000
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)			4	10,380
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			5	681,620
6	**Minimum investment return.** Enter 5% of line 5			6	34,081

Part XI Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part)

1	Minimum investment return from Part X, line 6			1	34,081
2a	Tax on investment income for 2009 from Part VI, line 5	2a	299		
b	Income tax for 2009 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	299
3	Distributable amount before adjustments Subtract line 2c from line 1			3	33,782
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	33,782
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	33,782

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	36,781
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	36,781
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	36,781

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see page 26 of the instructions)

		(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7					33,782
2 Undistributed income, if any, as of the end of 2009					
a Enter amount for 2008 only					
b Total for prior years 20 ____ , 20 ____ , 20 ____					
3 Excess distributions carryover, if any, to 2009					
a From 2004					
b From 2005					
c From 2006					
d From 2007	2,841				
e From 2008	11,876				
f **Total** of lines 3a through e		14,717			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ $ 36,781					
a Applied to 2008, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)					
d Applied to 2009 distributable amount					33,782
e Remaining amount distributed out of corpus		2,999			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))					
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		17,716			
b Prior years' undistributed income Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions					
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions					
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)					
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)					
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a		17,716			
10 Analysis of line 9					
a Excess from 2005					
b Excess from 2006					
c Excess from 2007	2,841				
d Excess from 2008	11,876				
e Excess from 2009	2,999				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

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

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

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

1 **Information Regarding Foundation Managers:**

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

N/A

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

N/A

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

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

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

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 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				
ALZHEIMER'S ASSOCIATION MIAMI FL			TO PROVIDE SUPPORT FOR RESEARCH	1,000
ANIMAL WELFARE SOCIETY MIAMI FL			TO PROVIDE SUPPORT ANIMALS WELFARE	1,000
CHILDREN RESOURCES MIAMI FL			TO PROVIDE EDUCATION TO THE HANDICAP	9,500
FLORIDA GRAND OPERA MIAMI FL			TO PROVIDE SUPPORT FOR THE ARTS	15,008
SAINT SOPHIA DC VA			TO PROVIDE EDUCATION TO THE NEEDY	4,225
MIAMI CITY BALLET MIAMI FL			TO PROVIDE SUPPORT FOR THE ARTS	6,048
Total			▶ 3a	36,781
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(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					110
4 Dividends and interest from securities					14,638
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					-159,488
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		0	-144,740

13 **Total.** Add line 12, columns (b), (d), and (e) 13 -144,740

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)
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

Lewis Michaels 7/30/10 President

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's signature Albert R. Cohen CPA ALBERT R. COHEN , C.P.A.	Date 07/06/10	Check if self-employed ☐	Preparer's identifying number (see Signature on page 30 of the instructions) 232-72-9114
Firm's name (or yours if self-employed), address, and ZIP code	Wald and Cohen, P.A. 11420 N. Kendall Dr., Ste 203 Miami, FL 33176-1039		EIN 20-1226851 Phone no 305-271-3666

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description: Whom Sold	Date Acquired	Date Sold	How Received / Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
SEE ATTACHED STATEMENT			Purchase				
	7/20/09	9/22/09	$ 199,372	$ 187,469	$	$	$ 11,903
SEE ATTACHED STATEMENT			Purchase				
	Various	6/26/09	600,221	771,931			-171,710
Total			$ 799,593	$ 959,400	$ 0	$ 0	$ -159,807

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING	$ 635	$	$	$
Total	$ 635	$ 0	$ 0	$ 0

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INVESTMENT ADVISORS FEES	$ 5,235	$	$	$
BROKER SERVICE CHARGES	32			
Total	$ 5,267	$ 0	$ 0	$ 0

Account Name:

MICHAELS FAMILY FOUNDATION OF VA INC

BB&T

FIDUCIARY TAX SERVICES

Account Number: 1850003415

Tax I.D. Number: 59-3662847

DETAIL OF SHORT-TERM CAPITAL GAINS AND LOSSES

Units	Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Short-term Gain/Loss
	SHORT-TERM SALES REPORTED ON FORM 1099-B:					
170.000	AGILENT TECHNOLOGIES INC	07/20/2009	09/22/2009	4,855.36	3,666.54	1,188.82
50.000	APACHE CORPORATION COMMON	06/26/2009	12/18/2009	4,990.86	3,633.50	1,357.36
110.000	BNP PARIBAS SPONSORED ADR REPSTG 1/4 SH		11/09/2009	108.39	NONE	108.39
120.000	BALLY TECHNOLOGIES INC COMMON	07/07/2009	12/18/2009	4,980.69	3,437.99	1,542.70
13.000	CME GROUP INC COMMON	09/22/2009	12/18/2009	4,186.67	4,044.56	142.11
60.000	CAPELLA EDUCATION COMPANY COMMON	07/20/2009	12/18/2009	4,422.48	3,730.20	692.28
210.000	EBAY INC	06/26/2009	09/22/2009	5,100.76	3,660.28	1,440.48
250.000	HUDSON CITY BANCORP INC	07/20/2009	12/18/2009	3,337.41	3,665.00	-327.59
130.000	J. B. HUNT	08/05/2009	09/22/2009	4,239.92	3,712.32	527.60
32.000	INTERCONTINENTALEXCHANGE INC COMMON	06/26/2009	08/05/2009	3,001.84	3,745.60	-743.76
740.000	ISHARES MSCI EAFE SMALL CAP INDEX FUND	08/05/2009	09/22/2009	27,207.16	24,517.23	2,689.93
396.000	ISHARES LEHMAN 1-3 YEAR CREDIT BOND FD	08/05/2009	09/22/2009	41,230.12	41,298.13	-68.01
92.000	ISHARES LEHMAN 1-3 YEAR CREDIT BOND FD	08/05/2009	09/24/2009	9,592.58	9,594.51	-1.93
11.000	MARKEL CORPORATION COMMON	08/05/2009	12/18/2009	3,678.19	3,875.60	-197.41
140.000	MICROCHIP TECHNOLOGY INC	07/20/2009	09/22/2009	3,834.21	3,653.43	180.78
200.000	NTELOS HOLDINGS CORP COMMON	07/07/2009	08/05/2009	2,991.80	3,487.98	-496.18
95.000	O'REILLY AUTOMOTIVE	06/26/2009	09/22/2009	3,544.04	3,601.45	-57.41
170.000	PACTIV CORP COM	06/26/2009	08/05/2009	4,295.78	3,569.98	725.80
120.000	PENN NATIONAL GAMING INC.	06/26/2009	09/22/2009	3,379.11	3,573.59	-194.48
280.000	AMEX FINANCIAL SELECT SPDR	08/05/2009	09/22/2009	4,279.29	3,864.00	415.29
70.000	SILGAN HOLDINGS INC.	07/07/2009	12/18/2009	3,762.40	3,375.40	387.00
140.000	SMITH INTL INC COMMON	06/26/2009	09/22/2009	4,109.54	3,656.80	452.74
3,965.626	TCW TOTAL RETURN BOND FUND # 728	VAR	12/18/2009	40,171.80	38,689.00	1,482.80
140.000	UNITED HEALTH GROUP INC	08/05/2009	12/18/2009	4,366.89	3,718.20	648.69
232.725	VANGUARD SHORT TERM TAX EXEMPT FD #41 CL	08/05/2009	09/22/2009	3,704.98	3,698.00	6.98
	TOTAL SHORT-TERM SALES REPORTED ON 1099-B			199,372.27	187,469.29	11,902.98
	TOTAL SHORT-TERM SALES			199,372.27	187,469.29	11,902.98

IMPORTANT TAX RETURN DOCUMENT ENCLOSED

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Account Name:

MICHAELS FAMILY FOUNDATION OF VA INC

BB&T
FIDUCIARY TAX SERVICES

Account Number: 1850003415

Tax I.D. Number: 59-3662847

DETAIL OF LONG-TERM CAPITAL GAINS AND LOSSES

Units	Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
	15% MAXIMUM RATE SALES REPORTED ON FORM 1099-B:					
5,706.390	BB&T MID CAP VALUE FUND TRUST CLASS #63	VAR	06/26/2009	49,930.92	78,653.44	-28,722.52
992.548	BB&T MID CAP VALUE FUND TRUST CLASS #63	01/29/2008	07/07/2009	8,347.33	11,473.86	-3,126.53
652.742	BB&T MID CAP VALUE FUND TRUST CLASS #63	01/29/2008	07/20/2009	5,881.21	7,545.70	-1,664.49
4,560.289	BB&T EQUITY INCOME CL I FUND # 0322	06/13/2006	06/26/2009	47,609.42	56,593.18	-8,983.76
3,611.229	BB&T EQUITY INCOME CL I FUND # 0322	VAR	07/07/2009	36,617.86	50,000.00	-13,382.14
389.711	BB&T EQUITY INCOME CL I FUND # 0322	04/20/2006	07/20/2009	4,146.52	5,000.00	-853.48
901.685	BB&T EQUITY INCOME CL I FUND # 0322	VAR	08/05/2009	9,954.60	12,606.82	-2,652.22
3,950.024	FEDERATED INTERMEDIATE FUND 303	VAR	08/05/2009	37,525.23	39,799.00	-2,273.77
236.328	FEDERATED INTERMEDIATE FUND 303	08/23/2005	09/22/2009	2,301.84	2,394.00	-92.16
1,361.894	FEDERATED U.S. GOVERNMENT SECURITIES FUND #47: 2-5 YEARS	VAR	08/05/2009	15,988.64	15,000.00	988.64
789.634	FEDERATED U.S. GOVERNMENT SECURITIES FUND #47: 2-5 YEARS	08/23/2005	12/18/2009	9,365.06	8,757.04	608.02
664.837	FEDERATED TOTAL RETURN GOV'T BOND FUND #647	09/15/2004	07/07/2009	7,519.31	7,286.61	232.70
313.627	FEDERATED TOTAL RETURN GOV'T BOND FUND #647	09/15/2004	07/20/2009	3,525.17	3,437.35	87.82
4,708.237	FEDERATED TOTAL RETURN GOV'T BOND FUND #647	VAR	08/05/2009	52,638.09	51,064.91	1,573.18
789.889	FIDELITY ADV SMALL CAP I(298)	12/20/2007	07/20/2009	15,458.13	20,000.00	-4,541.87
1,168.233	FIDELITY ADV SMALL CAP I(298)	VAR	08/05/2009	23,831.95	30,000.00	-6,168.05
1,268.887	FIDELITY ADVISOR STRATEGIC INC FD CLASS I	VAR	08/05/2009	14,769.84	14,896.73	-126.89
876.960	HARBOR INTERNATIONAL FUND	VAR	07/07/2009	36,209.68	52,263.56	-16,053.88
463.689	HARBOR INTERNATIONAL FUND	VAR	07/20/2009	20,977.28	33,500.00	-12,522.72
434.708	HARBOR INTERNATIONAL FUND	VAR	08/05/2009	21,313.73	28,736.44	-7,422.71
76.220	LAZARD EMERGING MKTS PORTFOLIO INST CLAS	12/20/2007	12/18/2009	1,372.72	2,000.00	-627.28
2,123.799	PIMCO LOW DURATION FUND	01/29/2008	08/05/2009	21,237.99	21,790.18	-552.19
376.999	PIMCO LOW DURATION FUND	01/29/2008	09/22/2009	3,841.62	3,868.01	-26.39
1,588.053	T ROWE PRICE GROWTH STK FD INC	VAR	07/20/2009	36,572.87	49,394.68	-12,821.81
1,230.142	T ROWE PRICE GROWTH STK FD INC	VAR	08/05/2009	29,523.41	35,073.76	-5,550.35
756.968	VANGUARD MID CAP GROWTH FUND FUND 301	VAR	07/07/2009	8,917.08	12,656.63	-3,739.55
1,467.865	VANGUARD MID CAP GROWTH FUND FUND 301	VAR	07/20/2009	18,862.07	29,000.00	-10,137.93
1,044.776	VANGUARD MID CAP GROWTH FUND FUND 301	01/29/2008	08/05/2009	14,167.16	17,500.00	-3,332.84
79.567	VANGUARD WINDSOR II FUND # 73	12/28/2007	07/20/2009	1,594.52	2,500.00	-905.48
1,451.501	VANGUARD WINDSOR II FUND # 73	VAR	08/05/2009	30,757.31	55,000.00	-24,242.69
190.000	VANGUARD EMERGING MARKET VIPERS	01/29/2008	06/26/2009	6,060.84	8,954.69	-2,893.85
110.000	VANGUARD EMERGING MARKET VIPERS	01/29/2008	07/07/2009	3,401.11	5,184.30	-1,783.19
	TOTAL 15% MAXIMUM RATE SALES REPORTED ON 1099-B			600,220.51	771,930.89	-171,710.38
	TOTAL LONG-TERM SALES			600,220.51	771,930.89	-171,710.38

IMPORTANT TAX RETURN DOCUMENT ENCLOSED

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Federal Statements

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$ 123	$	$	$
Total	$ 123	$ 0	$ 0	$ 0

Statement 5 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FEDERATED US GOVT SECURITIES FUND	$ 35,059	$ 8,777	Market	$ 8,243
FEDERATED TOTAL RETURN GOVT BOND FUN	72,069	5,833	Market	5,609
FIDELITY ADVISOR STRATEGIC INC	12,524		Market	
FEDERATED INTERMEDIATE CORP BOND	37,049		Market	
PIMCO DURATION FUND CLASS 1	29,839	6,862	Market	6,842
BB&T SHORT U S GOVT CL 1 FUND#0340		51,368	Market	51,473
FEDERATED SHORT TERM INCOME FUND CL		43,916	Market	43,352
FEDERATED MORTGAGE INTITUTIONAL		27,851	Market	28,134
NUVEEN LIMITED TERM MUNICIPAL		11,825	Market	11,950
VANGUARD GNMA FUND#36 CL INV		40,508	Market	40,970
Total	$ 186,540	$ 196,940		$ 196,573

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
BB&T MID CAP VALUE CL I FUND	$ 60,137	$	Market	$
VANGUARD EMERGING MARKET VIPERS	7,071		Market	
BB&T EQUITY INCOME CL I FUND	95,575		Market	
FIDELITY ADVISORY SMALL CAPITAL FD	35,070		Market	
HARBOR INTERNATIONAL FUND INST CL II	71,227		Market	
T ROWE PRICE GROWTH STOCK FUND	54,222		Market	
VANGUARD MID CAP GROWTH FUND	36,325		Market	
LAZARD EMERGING MKTS PORTFOLIO INST	11,128		Market	
VANGUARD WINDSOR II FUND #73 CL INV	29,259		Market	
ISHARES LEHMAN 1-3 YEAR CREDIT BOND		43,663	Market	43,801
CREDIT SUISSE COMMODITY RETURN		20,656	Market	19,454

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments (continued)

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
BB&T WEALTH MANAGEMENT-SEE ATTACHED	$	$	Market	$
SCHEDULE		442,740	Market	504,433
Total	$ 400,014	$ 507,059		$ 567,688

Statement 7 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
	$ 374,113
Total	$ 374,113

Statement 8 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
CHANGE IN INVESTMENT EQUITY	$ 62,698
FEDERAL INCOME TAXES	700
Total	$ 63,398

Federal Statements

Tax-Exempt Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
	$ 110			
Total	$ 110			

Tax-Exempt Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
	$ 23			
Total	$ 23			

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
DIVIDENDS	$ 14,615			VA
Total	$ 14,615			

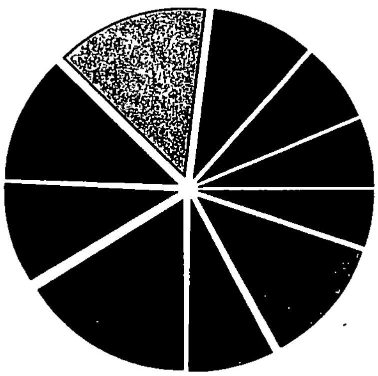
DECEMBER 01, 2009 TO DECEMBER 31, 2009

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER: 1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	RATING	PAR VALUE	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	YIELD CURRENT/ MATURITY
FIXED INCOME MUTUAL FUNDS						
693390304 PIMCO LOW DURATION FUND CLASS I #36		666 843	6,861 81 6,841 81	10 29 10.26	248 07 20 67	3 62
922031307 VANGUARD GNMA FUND #36 CL INV		3,807 126	40,507 82 40,970.00	10 64 10 76	1,629 45 135.79	4 02
**** TOTAL FIXED INCOME MUTUAL FUNDS**		**SUB-TOTAL**	240,602.67 240,373.95		9,073.81 688.76	3.77
*** TOTAL FIXED INCOME**			240,602.67 240,373.95		9,073.81 688.76	3.77

EQUITY DIVERSIFICATION SUMMARY



INDUSTRY SECTOR	MARKET VALUE	PERCENT
CONSUMER DISCRETIONARY	31, 814. 30	6 3%
CONSUMER STAPLES	36, 747. 90	7. 3%
ENERGY	47, 797. 30	9. 5%
FINANCIALS	72, 406. 36	14. 3%
HEALTH CARE	59, 789. 90	11 9%
INDUSTRIALS	48, 045. 45	9 5%
INFORMATION TECHNOLOGY	80, 939. 00	16. 0%
MATERIALS	39, 497. 25	7 8%
MUTUAL FUNDS	60, 950. 36	12 1%
All Others-Combined	26, 444. 70	5 3%
Total	504, 432. 52	100. 0%

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
EQUITIES						
CONSUMER DISCRETIONARY						
20030N101 COMCAST CORP CLASS A	CMCSA	250.000	4,215.00 3,584 98	16.86 14.34	94 50	2.24
254687106 THE WALT DISNEY COMPANY COMMON	DIS	150 000	4,837.50 3,810 00	32.25 25.40	52.50 52.50	1.09
25470F104 DISCOVERY COMMUNICATIONS A COMMON	DISCA	160.000	4,907.20 3,974.40	30.67 24.84		

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
CONSUMER DISCRETIONARY						
46113M108 INTERVAL LEISURE GROUP COMMON	IILG	380 000	4,738 60 3,556.76	12.47 9 36		
855030102 STAPLES INC COMMON	SPLS	180 000	4,426 20 3,425 38	24 59 19.03	59 40 14 85	1 34
968223206 JOHN WILEY & SONS INC. CLASS A	JW.A	110.000	4,606.80 3,507 90	41.88 31 89	61 60 15 40	1 34
978097103 WOLVERINE WORLD WIDE INC COMMON	WWW	150.000	4,083 00 3,864.03	27.22 25.76	66 00 16 50	1.62
** TOTAL CONSUMER DISCRETIONARY		SUB-TOTAL	31,814.30 25,723.45		334.00 99.25	1.05
CONSUMER STAPLES						
126650100 CVS CAREMARK CORP COMMON	CVS	110.000	3,543.10 3,628 19	32.21 32.98	33 55	0.95
23636T100 DANONE SPONS ADR	DANOY	350.000	4,301 50 3,500.00	12.29 10.00	80.85	1.88
343498101 FLOWERS FOOD INC WI COMMON	FLO	160 000	3,801.60 3,591.98	23.76 22.45	112.00	2.95
50075N104 KRAFT FOODS INC-A COMMON	KFT	130.000	3,533 40 3,360.49	27 18 25.85	150.80 37.70	4.27
713448108 PEPSICO INC COMMON	PEP	65 000	3,952.00 3,641 95	60.80 56.03	117 00 29 25	2.96
742718109 PROCTER AND GAMBLE COMMON	PG	70.000	4,244.10 4,026 88	60 63 57.53	123 20	2.90
781258108 RUDDICK CORPORATION COMMON	RDK	160.000	4,116.80 3,740.80	25.73 23 38	76 80 19 20	1.87
871829107 SYSCO CORPORATION COMMON	SYY	160 000	4,470.40 3,688.00	27.94 23 05	160 00 40.00	3.58
904767704 UNILEVER PLC-SPONSORED ADR	UL	150.000	4,785.00 3,613.50	31.90 24.09	150.75	3.15
** TOTAL CONSUMER STAPLES		SUB-TOTAL	36,747.90 32,791.79		1,004.95 126.15	2.73

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
ENERGY						
00443E104 ACERGY SA SPON ADR	ACGY	270 000	4,214 70 4,076 97	15 61 15 10	54.00	1 28
032511107 ANADARKO PETE CORP COMMON	APC	80 000	4,993 60 3,788 41	62 42 47 36	28 80	0 58
13321L108 CAMECO CORP	CCJ	140.000	4,503 80 3,743 60	32 17 26.74	31 78 7 94	0.71
166764100 CHEVRON CORP COMMON	CVX	55.000	4,234.45 3,873 10	76.99 70 42	149.60	3 53
20825C104 CONOCOPHILLIPS	COP	120.000	6,128 40 4,987 19	51 07 41 56	240.00	3 92
655044105 NOBLE ENERGY INC	NBL	65 000	4,629.30 3,874.09	71.22 59 60	46.80	1.01
806857108 SCHLUMBERGER LTD COMMON	SLB	85.000	5,532 65 4,198.91	65 09 49.40	71.40 17.85	1.29
867224107 SUNCOR ENERGY, INC	SU	140.000	4,943.40 3,726.80	35.31 26.62	53.20	1.08
H5833N103 NOBLE CORPORATION	NE	110.000	4,477.00 3,799.40	40.70 34.54	17.60	0.39
H8817H100 TRANSOCEAN LTD	RIG	50.000	4,140.00 3,369.49	82.80 67.39		
**** TOTAL ENERGY**		**SUB-TOTAL**	47,797.30 39,437.96		693.18 25.79	1.45
FINANCIALS						
05565A202 BNP PARIBAS	BNPQY	110.000	4,411.11 3,589.30	40.10 32.63	57.09	1.29
06738E204 BARCLAYS PLC - SPONS ADR COMMON	BCS	200.000	3,520.00 3,556.00	17.60 17.78	13.00	0.37
084670207 BERKSHIRE HATHAWAY INC DEL CLASS B	BRK.B	2 000	6,572 00 5,629.86	3,286.00 2,814.93		
251542106 DEUSTCHE BOERSE AG ADR	DBOEY	450.000	3,744.00 3,523.50	8.32 7.83	89.10	2 38

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
FINANCIALS						
320517105 FIRST HORIZON NATIONAL CORP COMMON	FHN	300 000	4,020 00 4,004 01	13 40 13 35	60 00	1 49
404280406 HSBC HLDGS PLC SPONSORED ADR NEW	HBC	80 000	4,567.20 3,708.00	57 09 46 35	136 00 32 00	2 98
410867105 HANOVER INSURANCE GROUP INC COMMON	THG	95.000	4,220.85 3,654 19	44.43 38 47	71.25	1 69
45865V100 INTERCONTINENTALEXCHANGE INC COMMON	ICE	38.000	4,267 40 3,969.48	112.30 104 46		
46625H100 J P MORGAN CHASE & CO COMMON	JPM	100.000	4,167 00 3,704.65	41 67 37.05	20 00	0.48
59156R108 METLIFE INC COMMON	MET	120 000	4,242.00 4,226.37	35.35 35.22	88.80	2 09
65535H208 NOMURA HOLDINGS INC	NMR	410.000	3,034.00 3,567.00	7.40 8.70	49.61	1.64
754907103 RAYONIER INC COMMON	RYN	100.000	4,216.00 3,781.75	42.16 37.82	200.00	4.74
89417E109 THE TRAVELERS COMPANIES INC COMMON	TRV	90.000	4,487.40 3,636.90	49.86 40.41	118.80	2.65
902973304 US BANCORP COMMON	USB	210.000	4,727.10 3,586.78	22.51 17.08	42.00 10.50	0.89
949746101 WELLS FARGO & CO COMMON	WFC	150.000	4,048.50 3,538.49	26.99 23.59	30 00	0.74
989390109 ZENITH NATIONAL INSURANCE CORP COMMON	ZNT	130.000	3,868.80 3,887 00	29.76 29.90	260 00	6.72
G0450A105 ARCH CAPITAL GROUP LTD	ACGL	60.000	4,293.00 3,742.20	71.55 62.37		
**** TOTAL FINANCIALS**		**SUB-TOTAL**	**72,406.36** **65,305.48**		**1,235.65** **42.50**	**1.71**
HEALTH CARE						
002824100 ABBOTT LABORATORIES COMMON	ABT	85.000	4,589.15 3,764.53	53.99 44.29	136.00	2 96

DECEMBER 01, 2009 TO DECEMBER 31, 2009

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER:1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
HEALTH CARE						
031162100 AMGEN INC COMMON	AMGN	70 000	3,959 90 3,678 46	56.57 52.55		
071813109 BAXTER INTERNATIONAL INC COMMON	BAX	65 000	3,814 20 3,435 20	58 68 52.85	75 40 18 85	1 98
45168D104 INDEX LABORATORIES COMMON	IDXX	80 000	4,276.00 3,638.40	53.45 45.48		
478160104 JOHNSON & JOHNSON COMMON	JNJ	60 000	3,864 60 3,629.17	64.41 60.49	117 60	3 04
50540R409 LABORATORY CORP OF AMERICAN HOLDINGS COMMON	LH	55 000	4,116 20 3,701 50	74.84 67.30		
58155Q103 MCKESSON CORPORATION	MCK	80.000	5,000.00 3,566 40	62.50 44.58	38.40 9.60	0.77
585055106 MEDTRONIC INC COMMON	MDT	110 000	4,837.80 3,824.15	43.98 34.77	90 20	1 86
58933Y105 MERCK & CO INC COMMON	MRK	140.000	5,115.60 3,733.79	36.54 26.67	212.80 53 20	4 16
589584101 MERIDIAN BIOSCIENCE INC COMMON	VIVO	160.000	3,448.00 3,567.98	21.55 22.30	108.80	3.16
670100205 NOVO-NORDISK A S ADR	NVO	60.000	3,831.00 3,939.60	63.85 65.66	46 92	1.22
71721R406 PHASE FORWARD INC COMMON	PFWD	260.000	3,988.40 3,832.40	15.34 14.74		
83175M205 SMITH & NEPHEW PLC - SPON ADR	SNN	95.000	4,868.75 3,503.09	51.25 36.87	64.51	1.32
94973V107 WELLPOINT INC COMMON	WLP	70.000	4,080.30 3,572.10	58.29 51.03		
**** TOTAL HEALTH CARE**		**SUB-TOTAL**	**59,789.90 51,386.77**		**890.63 81.65**	**1.49**
INDUSTRIALS						
000375204 ABB LTD SPONS ADR	ABB	460.000	8,786.00 6,985.47	19.10 15.19	198.26	2 26

DECEMBER 01, 2009 TO DECEMBER 31, 2009

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER:1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
INDUSTRIALS						
031100100 AMETEK INC COMMON	AME	100 000	3,824.00 3,627.00	38.24 36 27	24.00	0 63
053611109 AVERY DENNISON CORP COMMON	AVY	140 000	5,108 60 3,798.20	36.49 27 13	112 00	2 19
291011104 EMERSON ELECTRIC COMPANY COMMON	EMR	110.000	4,686 00 3,853.30	42.60 35 03	147 40	3 15
369604103 GENERAL ELECTRIC COMPANY COMMON	GE	300 000	4,539 00 3,333 00	15.13 11.11	120 00 30 00	2 64
451734107 IHS INC COMMON	IHS	75.000	4,110 75 3,585 38	54.81 47.81		
696429307 PALL CORPORATION COMMON	PLL	130 000	4,706.00 3,681 60	36.20 28.32	75 40	1 60
776696106 ROPER INDS INC COMMON	ROP	75.000	3,927 75 3,898 50	52 37 51.98	28.50	0.73
858912108 STERICYCLE INC COMMON	SRCL	75.000	4,137.75 3,833.05	55.17 51.11		
879360105 TELEDYNE TECHNOLOGIES INC COM	TDY	110.000	4,219.60 3,652.80	38.36 33.21		
**** TOTAL INDUSTRIALS**		**SUB-TOTAL**	**48,045.45** **40,248.30**		**705.56** **30.00**	**1.47**
INFORMATION TECHNOLOGY						
032095101 AMPHENOL CORP CL A	APH	110.000	5,079.80 3,642.76	46.18 33 12	6.60 1.65	0.13
038222105 APPLIED MATERIALS COMMON	AMAT	280 000	3,903.20 3,581.12	13.94 12.79	67 20	1 72
042068106 ARM HOLDINGS PLC -SPONS ADR	ARMH	580.000	4,964.80 3,920.80	8.56 6.76	55 68	1.12
11133T103 BROADRIDGE FINANCIAL SOLUTIONS LLC COMMON	BR	220 000	4,963 20 3,834.60	22.56 17.43	123.20 30.80	2.48
17275R102 CISCO SYSTEMS COMMON	CSCO	190.000	4,548.60 3,480.78	23.94 18.32		

DECEMBER 01, 2009 TO DECEMBER 31, 2009

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER:1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
INFORMATION TECHNOLOGY						
205826209 COMTECH TELECOMMUNICATIONS CORP COMMON	CMTL	110 000	3,854 40 3,430 90	35.04 31 19		
219350105 CORNING INC COMMON	GLW	230 000	4,441 30 3,325 78	19.31 14 46	46 00	1 04
25659T107 DOLBY LABORATORIES INC CL A COMMON	DLB	100 000	4,773 00 3,963 00	47.73 39 63		
337738108 FISERV COMMON	FISV	80 000	3,878.40 3,550.40	48 48 44 38		
428236103 HEWLETT PACKARD COMPANY COMMON	HPQ	90.000	4,635.90 3,864 60	51.51 42 94	28 80 7 20	0 62
456788108 INFOSYS TECHNOLOGIES SP ADR	INFY	100 000	5,527 00 3,552.00	55 27 35 52	45 70	0.83
458140100 INTEL COMMON	INTC	220.000	4,488.00 3,605.78	20.40 16 39	123 20	2 75
459200101 INTERNATIONAL BUSINESS MACHINES COMMON	IBM	32.000	4,188.80 3,777.60	130.90 118 05	70.40	1 68
594918104 MICROSOFT CORP COMMON	MSFT	300.000	9,144 00 6,931.48	30.48 23.10	156 00	1.71
68389X105 ORACLE SYS CORP COMMON	ORCL	190.000	4,660.70 4,042.29	24.53 21 28	38.00	0.82
779376102 ROVI CORPORATION COMMON	ROVI	130.000	4,143.10 4,000.31	31.87 30 77		
803054204 SAP AKTIENGESELLSCHAFT ADR	SAP	80 000	3,744.80 3,818.80	46.81 47.74	88 80	2.37
**** TOTAL INFORMATION TECHNOLOGY**		**SUB-TOTAL**	**80,939.00** **66,323.00**		849.58 39.65	1.05
MATERIALS						
088606108 BHP BILLITON LIMITED	BHP	70.000	5,360.60 3,487.49	76.58 49 82	114 80	2.14
263534109 E. I DUPONT DE NEMOURS COMPANY COMMON	DD	120 000	4,040.40 3,820.80	33.67 31.84	196 80	4 87

DECEMBER 01, 2009 TO DECEMBER 31, 2009

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER:1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
MATERIALS						
61166W101 MONSANTO CO COMMON	MON	48 000	3,924.00 3,483 35	81.75 72 57	50.88	1 30
772739207 ROCK-TENN COMPANY "A"	RKT	80 000	4,032 80 3,941 01	50.41 49.26	48 00	1 19
834376501 SOLUTIA INC COMMON	SOA	320 000	4,064 00 3,948.38	12 70 12.34		
858119100 STEEL DYNAMICS INC COMMON	STLD	230.000	4,075.60 3,932 01	17 72 17.10	69.00 17.25	1.69
87160A100 SYNGENTA AG ADR	SYT	75 000	4,220.25 4,130 25	56.27 55 07	65.33	1 55
91912E204 VALE SA SP PREF ADR	VALE.P	230 000	5,708 60 3,765.10	24 82 16 37	51.75	0.91
920355104 VALSPAR CORP COMMON	VAL	150.000	4,071 00 3,886.50	27.14 25.91	96.00 24.00	2.36
**** TOTAL MATERIALS**		**SUB-TOTAL**	**39,497.25** **34,394.89**		**692.56** **41.25**	**1.75**
MUTUAL FUNDS						
349913822 FORWARD INTERNATIONAL SMALL COMPANIES FD INST CL FUND # 111	PTSCX	1,251.218	15,214.81 15,415.00	12.16 12.32	225.22	1.48
46428Q109 ISHARES SILVER TRUST	SLV	260.000	4,300.14 3,764.80	16.54 14.48		
52106N889 LAZARD EMERGING MKTS PORTFOLIO INST CLASS FUND # 638	LZEMX	2,062 355	37,143.01 40,396.00	18.01 19.59	959.00	2.58
78463V107 SPDR GOLD TRUST	GLD	40.000	4,292.40 3,633.60	107.31 90.84		
**** TOTAL MUTUAL FUNDS**		**SUB-TOTAL**	**60,950.36** **63,209.40**		**1,184.22** **0.00**	**1.94**
TELECOMMUNICATIONS SERVICES						
00206R102 AT&T INC COMMON	T	150.000	4,204.50 3,669.84	28.03 24.47	252.00	5.99

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
TELECOMMUNICATIONS SERVICES						
64128B108 NEUTRAL TANDEM INC COMMON	TNDM	190 000	4,322 50 4,108 92	22 75 21 63		
879382208 TELEFONICA S A	TEF	50 000	4,176 00 3,700 50	83 52 74 01	172 35	4 13
92857W209 VODAFONE GROUP PLC COMMON	VOD	230 000	5,310.70 4,273 40	23 09 18 58	296 93	5 59
** TOTAL TELECOMMUNICATIONS SERVICES		SUB-TOTAL	18,013.70 15,752.66		721.28 0.00	4.00
UTILITIES						
281020107 EDISON INTL COM	EIX	130 000	4,521.40 4,058.26	34.78 31 22	163 80 40.95	3.62
30161N101 EXELON CORP	EXC	80 000	3,909.60 4,108.50	48 87 51 36	168.00	4.30
** TOTAL UTILITIES		SUB-TOTAL	8,431.00 8,166.76		331.80 40.95	3.94
* TOTAL EQUITIES			504,432.52 442,740.46		8,643.41 527.19	1.71
ALTERNATIVE INVESTMENTS						
22544R305 CREDIT SUISSE COMMODITY RETURN STRATEGY FUND # 2156 OPEN TO EXISTING ONLY 3/11/09	CRSOX	2,404.697	20,656.35 ✓ 19,454.00 ✓	8 59 8 09	120.23	0.58
* TOTAL ALTERNATIVE INVESTMENTS			20,656.35 19,454.00		120.23 0.00	0.58
TOTAL PRINCIPAL ASSETS			784,292.73 721,169.60		17,839.28 1,216.10	2.27

INCOME PORTFOLIO STATEMENT

DESCRIPTION	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
CASH AND CASH EQUIVALENTS				
05527P685 BB&T PRIME MONEY MARKET CL I FUND # 0350	79.70 79.70	1.00 1.00	0.01	0.01

Federal Statements

Tax-Exempt Interest on Investments

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
	$ 110			
Total	$ 110			

Tax-Exempt Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
	$ 23			
Total	$ 23			

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code
DIVIDENDS	$ 14,615			VA
Total	$ 14,615			