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
AHB FOUNDATION, INC.
C/O STEINER & ELLIS, PLLC

Number and street (or P O box number if mail is not delivered to street address): 5516 LONAS DRIVE — Room/suite: 260

City or town, state, and ZIP code: KNOXVILLE, TN 37909

A Employer identification number 62-1867424

B Telephone number (865) 212-3800

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)* ▶$ 1,751,528.

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	33,735.	32,620.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<149,936.>			
	b Gross sales price for all assets on line 6a 1,315,606.				
	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	<116,201.>	32,620.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 2	9,074.	9,074.		0.
	c Other professional fees				
	17 Interest	32.	1.		31.
	18 Taxes STMT 3	274.	274.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 4	6,263.	6,198.		65.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	15,643.	15,547.		96.
	25 Contributions, gifts, grants paid	79,700.			79,700.
	26 **Total expenses and disbursements.** Add lines 24 and 25	95,343.	15,547.		79,796.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<211,544.>			
	b **Net investment income** (if negative, enter -0-)		17,073.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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10161115 130770 AHBFOUNDATIO 2009.04040 AHB FOUNDATION, INC. C/O ST AHBFOUN1

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	14,515.	75,376.	75,376.
	2 Savings and temporary cash investments	851,133.	392.	392.
	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			
	b Investments - corporate stock	822,862.		
	c Investments - corporate bonds	162,905.		
	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 ▶ STATEMENT 5)	0.	1,562,803.	1,675,760.
	16 **Total assets** (to be completed by all filers)	1,851,415.	1,638,571.	1,751,528.
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 ▶ ☐ 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 ▶ [X] 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	1,851,415.	1,638,571.	
	30 **Total net assets or fund balances**	1,851,415.	1,638,571.	
	31 **Total liabilities and net assets/fund balances**	1,851,415.	1,638,571.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,851,415.
2	Enter amount from Part I, line 27a	2	<211,544.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	1,639,871.
5	Decreases not included in line 2 (itemize) ▶ OTHER EXPENSE ADJUSTMENT	5	1,300.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,638,571.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	SEE ATTACHED STATEMENT	P		
b	FROM K-1 HASLAM FOUNDATIONS PARTNERSHIP	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	1,315,606.		1,467,437.	<151,831.>
b				1,895.
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				<151,831.>
b				1,895.
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 <149,936.>

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	108,441.	2,092,267.	.051829
2007	54,500.	2,550,829.	.021366
2006	121,172.	2,240,026.	.054094
2005	83,500.	2,297,445.	.036345
2004	111,764.	2,345,050.	.047660

2	**Total** of line 1, column (d)	2	.211294
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	.042259
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	1,621,031.
5	Multiply line 4 by line 3	5	68,503.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	171.
7	Add lines 5 and 6	7	68,674.
8	Enter qualifying distributions from Part XII, line 4	8	79,796.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b		1	171.
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	171.
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	171.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a 4,009.		
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	4,009.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	3,838.
11 Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ 3,838. **Refunded** ▶		11	0.

Part VII-A **Statements Regarding Activities**

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

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

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

Website address ▶ N/A

14 The books are in care of ▶ STEINER & ELLIS, PLLC Telephone no. ▶ (865) 212-3800
Located at ▶ 5516 LONAS DRIVE, STE. 260, KNOXVILLE, TN ZIP+4 ▶ 37909

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

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? ☒ Yes ☐ No			
	If "Yes," list the years ▶ 2008 , , ,			
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.)	2b	X	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 2008 , , ,			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2009 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ 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)? 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** No: X

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

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ANN HASLAM BAILEY 806 SCENIC DRIVE KNOXVILLE, TN 37919	PRESIDENT & DIRECTOR 0.00	0.	0.	0.
STEPHEN W. BAILEY 806 SCENIC DRIVE KNOXVILLE, TN 37919	VICE PRESIDENT & DIRECTOR 0.00	0.	0.	0.
J. TODD ELLIS 5516 LONAS DRIVE, STE. 260 KNOXVILLE, TN 37909	SECRETARY, TREASURER & DIR 0.00	0.	0.	0.
WHITFIELD BAILEY 806 SCENIC DRIVE KNOXVILLE, TN 37909	DIRECTOR 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
NO COMPENSATED EMPLOYEES	0.00	0.	0.	0.

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 NO DIRECT CHARITABLE ACTIVITIES DURING 2009	0.
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 NO PROGRAM RELATED INVESTMENTS DURING 2009	0.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	1,624,934.
b	Average of monthly cash balances	1b	20,783.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	1,645,717.
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	1,645,717.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	24,686.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,621,031.
6	**Minimum investment return.** Enter 5% of line 5	6	81,052.

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	81,052.
2a	Tax on investment income for 2009 from Part VI, line 5 — 2a: 171.		
b	Income tax for 2009. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	171.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	80,881.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	80,881.
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	80,881.

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	79,796.
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	79,796.
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	171.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	79,625.

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				80,881.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			83,054.	
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: ▶ $ 79,796.				
a Applied to 2008, but not more than line 2a			79,796.	
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				0.
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:**				
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.			3,258.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				80,881.
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			
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

SEE STATEMENT 6

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

NONE

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

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

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

SEE STATEMENT 7

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
SEE ATTACHED STATEMENT				79,700.
Total			▶ 3a	79,700.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	33,735.	
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			18	<149,936.>	
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.		<116,201.>	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 <116,201.>

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).
	NOT APPLICABLE

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee: A. H. Ba[illegible] Date: 11-15-10 Title: President

Paid Preparer's Use Only

Preparer's signature: J R Shelby Date: 11-15-10 Check if self-employed ☒ Preparer's identifying number: P01085895

Firm's name (or yours if self-employed), address, and ZIP code: JIM R. SHELBY, CPA
P.O. BOX 789
KNOXVILLE, TN 37901-0789

EIN: 62-0823966

Phone no. (865) 971-1902

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
ACCRUED BOND INTEREST	1,115.	0.	1,115.
BARCLAYS	243.	0.	243.
HASLAM FOUNDATIONS PARTNERSHIP	16,838.	0.	16,838.
MORGAN STANLEY	15,539.	0.	15,539.
TOTAL TO FM 990-PF, PART I, LN 4	33,735.	0.	33,735.

FORM 990-PF ACCOUNTING FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TRACKING INVESTMENT ACTIVITY AND PREPARATION OF TAX RETURN	9,074.	9,074.		0.
TO FORM 990-PF, PG 1, LN 16B	9,074.	9,074.		0.

FORM 990-PF TAXES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN	274.	274.		0.
TO FORM 990-PF, PG 1, LN 18	274.	274.		0.

FORM 990-PF — OTHER EXPENSES — STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	45.	0.		45.
INVESTMENT EXPENSES	6,198.	6,198.		0.
LICENSES	20.	0.		20.
TO FORM 990-PF, PG 1, LN 23	6,263.	6,198.		65.

FORM 990-PF — OTHER ASSETS — STATEMENT 5

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
HASLAM FOUNDATIONS PARTNERSHIP	0.	1,562,803.	1,675,760.
TO FORM 990-PF, PART II, LINE 15	0.	1,562,803.	1,675,760.

FORM 990-PF — PART XV - LINE 1A LIST OF FOUNDATION MANAGERS — STATEMENT 6

NAME OF MANAGER

ANN HASLAM BAILEY
STEPHEN W. BAILEY

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION STATEMENT 7
PART XV, LINES 2A THROUGH 2D

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

J. TODD ELLIS, C/O STEINER & ELLIS PLLC, 5516 LONAS DRIVE, STE. 260
P.O. BOX 52206
KNOXVILLE, TN 37950

TELEPHONE NUMBER

865-212-3800

FORM AND CONTENT OF APPLICATIONS

WRITTEN REQUEST STATING AMOUNT AND PURPOSE OF REQUEST, MOST RECENT AUDITED FINANCIAL STATEMENTS, AND COPY OF TAX EXEMPT RULING

ANY SUBMISSION DEADLINES

JUNE 30, DECEMBER 31

RESTRICTIONS AND LIMITATIONS ON AWARDS

ONLY TO 501(C)(3) ORGANIZATIONS; PREFERENCE GIVEN TO ORGANIZATIONS IN THE EAST TENNESSEE AREA.

AHB Foundation, Inc.
FEIN: 62-1867424
Form 990PF, Part IV
Line 1a
FYE 12/31/2009

(a) List and describe the kinds of property sold | (b) How Acquired | (c) Date Acquired | (d) Date Sold | (e) Gross Sales Price | (g) Cost or Other Basis | (h) Gain or (Loss)

Account	Security	No. Shares	How Acquired	Date Purchased	Date Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	691 192	P	12/30/2008	8/21/2009	7,955 62	6,759 88	1,195 76
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	691 192	P	4/19/2006	8/21/2009	7,955 63	9,448 59	(1,492.96)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	362 948	P	4/19/2006	8/21/2009	4,177 53	4,961 50	(783 97)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	260 842	P	4/19/2006	8/21/2009	3,002.29	3,565 71	(563 42)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	315 316	P	4/19/2006	8/21/2009	3,629.29	4,310 37	(681 08)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	110 552	P	4/19/2006	8/21/2009	1,272.45	1,511.25	(238 80)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	144.36	P	4/19/2006	8/21/2009	1,661 58	1,973 40	(311 82)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	16 364	P	4/19/2006	8/21/2009	188 35	223 70	(35 35)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	181 474	P	12/31/2007	8/21/2009	2,088 77	3,110 47	(1,021 70)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	157 658	P	12/31/2007	8/21/2009	1,814 64	2,702 25	(887 61)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	130 421	P	12/31/2007	8/21/2009	1,501 15	2,235 41	(734.26)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	5,413 43	P	4/19/2006	8/21/2009	62,308 53	74,001 53	(11,693 00)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	10,814 00	P	4/21/2006	8/21/2009	124,469 14	149,990 18	(25,521 04)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	72.16	P	12/27/2006	8/21/2009	830 79	1,089 19	(258 40)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	55.276	P	12/27/2006	8/21/2009	636.23	834 12	(197 89)
Morgan Stanley (10-02713)	Artio Global Invt Fds Intl Eqty II	8 182	P	12/27/2006	8/21/2009	94 17	123 46	(29.29)
TOTAL Morgan Stanley (10-02718)						**223,586.16**	**266,840.99**	**(43,254.83)**
Morgan Stanley (690014192)	Accenture Ltd Hamilton	170	P	12/23/2008	8/11/2009	6,038 92	5,442 72	596.20
Morgan Stanley (690014192)	Adobe Systems	260	P	12/23/2008	2/3/2009	5,056 58	5,547 88	(491 30)
Morgan Stanley (690014192)	Amazon com Inc	110	P	12/23/2008	8/11/2009	9,107 76	5,633 76	3,474 00
Morgan Stanley (690014192)	Apache Corp	70	P	3/3/2009	8/11/2009	6,083 54	3,771 12	2,312.42
Morgan Stanley (690014192)	Apple Inc	65	P	12/23/2008	8/11/2009	10,646 07	5,686 20	4,959 87
Morgan Stanley (690014192)	AT&T Corp	195	P	12/23/2008	8/11/2009	4,972.76	5,533 71	(560 95)
Morgan Stanley (690014192)	Becton Dickinson & Co Com	85	P	12/23/2008	8/11/2009	5,603 90	5,697 55	(93 65)
Morgan Stanley (690014192)	Canadian Natl Railway Co	145	P	6/16/2009	8/11/2009	6,975.19	6,200 35	774 84
Morgan Stanley (690014192)	Caterpillar Inc Com	130	P	12/23/2008	7/31/2009	5,744 36	5,493 80	250 56
Morgan Stanley (690014192)	Cisco Sys Inc	335	P	12/23/2008	8/11/2009	7,122.81	5,503 38	1,619 43
Morgan Stanley (690014192)	Colgate Palmolive Co	85	P	12/23/2008	8/11/2009	6,095 19	5,585 35	509 84
Morgan Stanley (690014192)	Costco Wholesale Corp	105	P	12/23/2008	8/11/2009	5,169 04	5,481 84	(312.80)
Morgan Stanley (690014192)	Ecolab Inc Com	160	P	12/23/2008	8/11/2009	6,639 08	5,441 28	1,197 80
Morgan Stanley (690014192)	Emerson Elec Co Com	160	P	12/23/2008	8/11/2009	5,675 37	5,523 20	152.17
Morgan Stanley (690014192)	Exelon Corp	105	P	8/1/2008	5/27/2009	4,981 99	8,108 77	(3,126 78)
Morgan Stanley (690014192)	Expeditors Intl Wash Inc	175	P	12/23/2008	8/11/2009	5,676 50	5,504 80	171 70
Morgan Stanley (690014192)	Gilead Sciences Inc	110	P	12/23/2008	8/11/2009	5,005 53	5,569 08	(563 55)
Morgan Stanley (690014192)	Google	15	P	2/5/2009	8/11/2009	6,822.72	5,155 07	1,667 65
Morgan Stanley (690014192)	Hewlett Packard Co USD1 Com	160	P	12/23/2008	8/11/2009	6,966.24	5,607 68	1,358 56
Morgan Stanley (690014192)	Intercontinental Exchange	68	P	8/3/2009	8/11/2009	6,346.27	6,490 68	(144 41)
Morgan Stanley (690014192)	Intl Business Machs Corp	56	P	5/18/2009	8/11/2009	6,591 03	5,792 89	798 14
Morgan Stanley (690014192)	Johnson & Johnson	95	P	12/30/2008	8/11/2009	5,745 45	5,623 05	122.40
Morgan Stanley (690014192)	JPMorgan Chase & Co	185	P	8/4/2008	8/11/2009	7,768 01	7,318 16	449 85
Morgan Stanley (690014192)	Juniper Networks Inc	245	P	5/27/2009	8/11/2009	6,100 73	5,993 09	107 64
Morgan Stanley (690014192)	Kraft Foods Inc.	205	P	8/14/2008	8/11/2009	5,834 56	6,691.20	(856 64)
Morgan Stanley (690014192)	Kroger Co Com	215	P	12/23/2008	8/11/2009	4,513 16	5,484 65	(971 49)
Morgan Stanley (690014192)	Lowe's Cos Inc Com	255	P	12/23/2008	8/11/2009	5,936 32	5,431 50	504 82
Morgan Stanley (690014192)	McDonald's Corp	90	P	12/23/2008	8/11/2009	5,037 17	5,550 30	(513 13)
Morgan Stanley (690014192)	Medcohealth Solutions Inc.	130	P	12/23/2008	3/2/2009	4,973 37	5,560 10	(586 73)
Morgan Stanley (690014192)	Procter & Gamble	90	P	8/1/2008	6/15/2009	4,623 76	5,834 54	(1,210 78)
Morgan Stanley (690014192)	Microsoft Corp USD 001 Com	285	P	12/23/2008	8/11/2009	6,574 78	5,514 18	1,060 60
Morgan Stanley (690014192)	Monsanto Co/New	80	P	12/23/2008	8/11/2009	6,707 82	5,428 00	1,279 82
Morgan Stanley (690014192)	Nike Inc Cl B Com Stk	115	P	12/23/2008	8/11/2009	6,526 54	5,554 04	972.50
Morgan Stanley (690014192)	Northern Trust Corp	110	P	12/23/2008	8/11/2009	6,723 05	5,523 54	1,199 51
Morgan Stanley (690014192)	Nucor Corp Com	130	P	12/23/2008	8/11/2009	6,004 80	5,538 00	466 80
Morgan Stanley (690014192)	Oracle Corp Com Stk	315	P	12/23/2008	8/11/2009	6,656 40	5,508 72	1,147 68
Morgan Stanley (690014192)	Praxair Inc Com	100	P	12/23/2008	8/11/2009	7,607 55	5,721 00	1,886 55
Morgan Stanley (690014192)	Qualcomm Inc Com	155	P	12/23/2008	8/11/2009	7,046 53	5,381 29	1,665.24
Morgan Stanley (690014192)	Schlumberger Ltd USD 0 01 Com (Curacao)	140	P	12/23/2008	8/11/2009	7,427 08	5,439 56	1,987 52
Morgan Stanley (690014192)	St Jude Med Inc Com	170	P	12/23/2008	8/11/2009	6,490 77	5,509 70	981 07
Morgan Stanley (690014192)	Thermo Fisher Scientific Inc	170	P	9/4/2008	4/30/2009	6,041 15	9,907 33	(3,866 18)
Morgan Stanley (690014192)	T Rowe Price Group Inc	170	P	12/23/2008	8/11/2009	7,935 76	5,538 94	2,396 82
Morgan Stanley (690014192)	United Technologies Corp Com	110	P	12/23/2008	8/11/2009	6,100 55	5,651 58	448 97
Morgan Stanley (690014192)	Visa Inc CL A Common Stock	70	P	3/3/2009	8/11/2009	4,829 87	3,842 97	986 90
Morgan Stanley (690014192)	XTO Energy	160	P	8/1/2008	8/11/2009	6,560.23	7,631 42	(1,071 19)
TOTAL Morgan Stanley (690014192)						**283,086.26**	**259,947.97**	**23,138.29**
Morgan Stanley (690014193)	ABB Ltd	700	P	8/1/2008	1/26/2009	8,569.07	18,051 04	(9,481 97)
Morgan Stanley (690014193)	Aetna Inc	400	P	8/1/2008	1/26/2009	11,655.93	15,778 56	(4,122.63)
Morgan Stanley (690014193)	Bed Bath and Beyond	700	P	8/1/2008	1/26/2009	17,466 02	19,235 02	(1,769 00)
Morgan Stanley (690014193)	Charles River Laboratories International Inc	300	P	8/5/2008	1/26/2009	7,400 95	19,878 66	(12,477 71)
Morgan Stanley (690014193)	Covance Inc	100	P	8/6/2008	1/26/2009	3,443 78	9,495 75	(6,051 97)
Morgan Stanley (690014193)	Dresser Rand Group Inc	500	P	8/5/2008	1/26/2009	9,573 94	17,995 00	(8,421 06)
Morgan Stanley (690014193)	Encore Acquisition Co	250	P	8/1/2008	1/26/2009	6,974 96	15,334 80	(8,359 84)
Morgan Stanley (690014193)	General Elec Co	52	P	8/1/2008	1/26/2009	641 15	1,469 99	(828 84)
Morgan Stanley (690014193)	Kendle International Inc	250	P	8/1/2008	1/26/2009	4,330 00	10,227 50	(5,897 50)
Morgan Stanley (690014193)	Key Energy Services Inc	600	P	8/4/2008	1/26/2009	2,945 02	13,005 84	(10,060 82)
Morgan Stanley (690014193)	Lorillard Inc	200	P	8/1/2008	1/26/2009	12,239 53	13,446 40	(1,206 87)
Morgan Stanley (690014193)	Metlife Inc	350	P	8/1/2008	1/26/2009	9,251 84	17,746 61	(8,494 77)
Morgan Stanley (690014193)	Northeast Utilities	600	P	8/1/2008	1/26/2009	14,544 15	15,079.20	(535 05)
Morgan Stanley (690014193)	Pactiv Corp	600	P	8/1/2008	1/26/2009	12,924 88	14,446 32	(1,521 44)
Morgan Stanley (690014193)	Phillip Morris International Inc	116	P	9/3/2008	1/26/2009	4,855 96	6,249.26	(1,393 30)
Morgan Stanley (690014193)	Prudential Financial Inc	300	P	8/1/2008	1/26/2009	7,429 75	20,645 97	(13,216.22)
Morgan Stanley (690014193)	Range Resources Corp	200	P	8/1/2008	1/26/2009	7,047 16	9,822 00	(2,774 84)
Morgan Stanley (690014193)	Rockwell Automation Inc	500	P	8/5/2008	1/26/2009	14,044 92	22,330 10	(8,285 18)
Morgan Stanley (690014193)	SBA Communications Corp	400	P	8/1/2008	1/26/2009	7,596 99	15,006 88	(7,409 89)
Morgan Stanley (690014193)	Silgan Holdigns Inc	250	P	8/1/2008	1/26/2009	11,525 83	13,032 08	(1,506.25)
Morgan Stanley (690014193)	Visa Inc CL A Common Stock	100	P	8/1/2008	1/26/2009	4,305 17	7,292 00	(2,986 83)
Morgan Stanley (690014193)	Wabco Holdings Inc	350	P	8/1/2008	1/26/2009	5,219.17	15,039 40	(9,820.23)
Morgan Stanley (690014193)	Pfizer Inc	492	P	1/26/2009	2/2/2009	7,375.28	7,713 77	(338 49)
Morgan Stanley (690014193)	Wyeth SHS	121	P	1/27/2009	2/2/2009	5,244 17	5,355.22	(111 05)
Morgan Stanley (690014193)	PNC Financial Services GRP COM Stk	64	P	1/26/2009	2/3/2009	1,815 36	1,947 78	(132.42)
Morgan Stanley (690014193)	US Bancorp Com	146	P	1/26/2009	2/3/2009	2,051 35	1,890 41	160 94
Morgan Stanley (690014193)	Wells Fargo Co	144	P	1/27/2009	2/3/2009	2,597 06	2,331 07	265.99
Morgan Stanley (690014193)	Gallagher Arthur J & Co	121	P	1/26/2009	2/5/2009	2,263 81	2,860 92	(597.11)
Morgan Stanley (690014193)	General Elec Co	548	P	8/1/2008	3/2/2009	4,203.84	15,491 41	(11,287 57)
Morgan Stanley (690014193)	Windstream Corp	443	P	1/27/2009	3/2/2009	3,067 31	3,987 31	(920 00)
Morgan Stanley (690014193)	Frontier Communications Co	433	P	1/26/2009	3/5/2009	2,600 88	3,640 84	(1,039 96)
Morgan Stanley (690014193)	NY Community Bancorp Inc	214	P	1/26/2009	3/5/2009	1,703.75	2,655 44	(951 69)
Morgan Stanley (690014193)	Avon Prods Inc	97	P	3/5/2009	6/5/2009	2,630.22	1,523 82	1,106 40

Account	Security	No. Shares	How Acquired	Date Purchased	Date Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
Morgan Stanley (690014193)	Conagra Foods Inc	133	P	1/26/2009	7/16/2009	2,533 49	2,351 17	182.32
Morgan Stanley (690014193)	Deutsche Telekom Ag Bonn Sponsored ADR	87	P	1/26/2009	7/16/2009	1,000.24	1,164 93	(164 69)
Morgan Stanley (690014193)	ENTE NAZIONALEIDROCARBURI SPA ENI SPONS ADR (E)	151	P	1/26/2009	8/4/2009	7,041 66	6,730 37	311.29
Morgan Stanley (690014193)	3M Company	30	P	7/16/2009	8/11/2009	2,114 94	1,889 80	225 14
Morgan Stanley (690014193)	AGL Resources Inc.	76	P	1/26/2009	8/11/2009	2,561 89	2,377 43	184 46
Morgan Stanley (690014193)	Altria Group Inc.	241	P	1/26/2009	8/11/2009	4,248 74	4,067 60	181 14
Morgan Stanley (690014193)	AT&T Corp	266	P	1/26/2009	8/11/2009	6,785 59	7,117 73	(332.14)
Morgan Stanley (690014193)	BCE Inc New Com	87	P	1/26/2009	8/11/2009	1,996 92	1,801 54	195 38
Morgan Stanley (690014193)	BCE Inc New Com	16	P	1/26/2009	8/11/2009	367.25	331 32	35 93
Morgan Stanley (690014193)	BCE Inc New Com	87	P	3/2/2009	8/11/2009	1,996 93	1,625 16	371 77
Morgan Stanley (690014193)	BP PLC ADRC SPONS ADR (BP)	156	P	1/26/2009	8/11/2009	7,929 66	6,653 09	1,276 57
Morgan Stanley (690014193)	Bristol Myers Squibb Co USD 10	380	P	1/26/2009	8/11/2009	8,337 74	8,450 59	(112.85)
Morgan Stanley (690014193)	Centurytel Inc	73	P	1/26/2009	8/11/2009	2,321 34	2,089 11	232.23
Morgan Stanley (690014193)	Chevron Corporation	24	P	3/5/2009	8/11/2009	1,642.78	1,371 30	271 48
Morgan Stanley (690014193)	Chevron Corporation	9	P	3/5/2009	8/11/2009	616 04	514.24	101 80
Morgan Stanley (690014193)	Chevron Corporation	17	P	6/5/2009	8/11/2009	1,163 64	1,185 72	(22.08)
Morgan Stanley (690014193)	Chevron Corporation	3	P	6/5/2009	8/11/2009	205 35	209.24	(3 89)
Morgan Stanley (690014193)	Chevron Corporation	17	P	6/16/2009	8/11/2009	1,163 63	1,218 42	(54 79)
Morgan Stanley (690014193)	Chevron Corporation	9	P	6/16/2009	8/11/2009	616 04	645 05	(29 01)
Morgan Stanley (690014193)	Chevron Corporation	24	P	8/4/2009	8/11/2009	1,642.78	1,676 82	(34 04)
Morgan Stanley (690014193)	Coca Cola Co	38	P	1/26/2009	8/11/2009	1,870 01	1,639.24	230 77
Morgan Stanley (690014193)	Coca Cola Co	55	P	1/26/2009	8/11/2009	2,706 59	2,372 59	334 00
Morgan Stanley (690014193)	Coca Cola Co	38	P	3/2/2009	8/11/2009	1,870 00	1,513 51	356 49
Morgan Stanley (690014193)	Conocophillips	76	P	2/3/2009	8/11/2009	3,329 47	3,511 36	(181 89)
Morgan Stanley (690014193)	Deutsche Telekom Ag Bonn Sponsored ADR	432	P	1/26/2009	8/11/2009	5,525 17	5,784 48	(259 31)
Morgan Stanley (690014193)	Diageo Plc-Sponsored Adr New Repstg 4 Ord Shs	37	P	2/2/2009	8/11/2009	2,288 76	1,958 30	330 46
Morgan Stanley (690014193)	Diageo Plc-Sponsored Adr New Repstg 4 Ord Shs	1	P	2/2/2009	8/11/2009	61 86	52 93	8 93
Morgan Stanley (690014193)	Diageo Plc-Sponsored Adr New Repstg 4 Ord Shs	37	P	2/3/2009	8/11/2009	2,288 76	2,032 41	256 35
Morgan Stanley (690014193)	Dominion Res Inc.	53	P	2/2/2009	8/11/2009	1,769.20	1,923 77	(154 57)
Morgan Stanley (690014193)	Dominion Res Inc.	55	P	2/2/2009	8/11/2009	1,835 98	1,996 38	(160 40)
Morgan Stanley (690014193)	Dominion Res Inc.	53	P	2/3/2009	8/11/2009	1,769.20	1,933 36	(164 16)
Morgan Stanley (690014193)	Duke Energy Corp New Com Stk	414	P	1/26/2009	8/11/2009	6,421 80	6,272 10	149 70
Morgan Stanley (690014193)	Eli Lilly & Co Com	50	P	1/26/2009	8/11/2009	1,698 09	1,873 40	(175 31)
Morgan Stanley (690014193)	Eli Lilly & Co Com	61	P	1/26/2009	8/11/2009	2,071 66	2,285 55	(213 89)
Morgan Stanley (690014193)	Eli Lilly & Co Com	50	P	2/2/2009	8/11/2009	1,698 09	1,867 85	(169 76)
Morgan Stanley (690014193)	France Telecom Sponsored Adr	164	P	1/26/2009	8/11/2009	4,119 16	4,035 06	84 10
Morgan Stanley (690014193)	Glaxo Smithkline Spons Plc Adr	195	P	1/26/2009	8/11/2009	7,546 79	6,886 78	660 01
Morgan Stanley (690014193)	Heinz H J Co Com	224	P	1/26/2009	8/11/2009	8,550 08	8,076 68	473 40
Morgan Stanley (690014193)	Johnson & Johnson	35	P	1/26/2009	8/11/2009	2,117 14	1,974 35	142.79
Morgan Stanley (690014193)	Johnson & Johnson	38	P	2/2/2009	8/11/2009	2,298 60	2,191 30	107 30
Morgan Stanley (690014193)	Johnson & Johnson	35	P	2/2/2009	8/11/2009	2,117 13	2,018 30	98 83
Morgan Stanley (690014193)	Kimberly Clark Corp	155	P	1/26/2009	8/11/2009	8,971 78	8,065.27	906 51
Morgan Stanley (690014193)	Kraft Foods Inc.	311	P	1/26/2009	8/11/2009	8,860 94	8,996 73	(135 79)
Morgan Stanley (690014193)	McDonald's Corp	29	P	3/5/2009	8/11/2009	1,623 67	1,491 37	132.30
Morgan Stanley (690014193)	McDonald's Corp	8	P	3/5/2009	8/11/2009	447 91	411 41	36 50
Morgan Stanley (690014193)	McDonald's Corp	29	P	8/4/2009	8/11/2009	1,623 66	1,594 66	29 00
Morgan Stanley (690014193)	Merck & Co Inc	48	P	2/5/2009	8/11/2009	1,456 41	1,439 96	16 45
Morgan Stanley (690014193)	Merck & Co Inc	27	P	2/5/2009	8/11/2009	819.23	809 98	9.25
Morgan Stanley (690014193)	Merck & Co Inc	48	P	6/5/2009	8/11/2009	1,456 41	1,244 64	211 77
Morgan Stanley (690014193)	Philip Morris International Inc	134	P	9/3/2008	8/11/2009	6,394 67	7,218 97	(824 30)
Morgan Stanley (690014193)	Procter & Gamble	85	P	3/2/2009	8/11/2009	4,421 58	4,028 18	393 40
Morgan Stanley (690014193)	Progress Energy Inc.	126	P	1/26/2009	8/11/2009	4,894.28	5,016 06	(121 78)
Morgan Stanley (690014193)	Reynolds American Inc	100	P	1/26/2009	8/11/2009	4,455 98	3,999.20	456 78
Morgan Stanley (690014193)	Royal Dutch Shell Plc	125	P	1/26/2009	8/11/2009	6,370 77	6,016 75	354 02
Morgan Stanley (690014193)	Scana Corp	63	P	1/26/2009	8/11/2009	2,114.22	2,157 37	(43 15)
Morgan Stanley (690014193)	Southern Company Com	255	P	1/26/2009	8/11/2009	7,928 76	8,973 45	(1,044 69)
Morgan Stanley (690014193)	Total Fina Elf SA	36	P	7/16/2009	8/11/2009	1,913 17	1,924 62	(11 45)
Morgan Stanley (690014193)	Total Fina Elf SA	37	P	8/4/2009	8/11/2009	1,966 32	2,056 75	(90 43)
Morgan Stanley (690014193)	Total Fina Elf SA	36	P	8/4/2009	8/11/2009	1,913 17	2,001 16	(87 99)
Morgan Stanley (690014193)	Unilever PLC Spon Adr	279	P	1/27/2009	8/11/2009	7,321 89	6,346 47	975 42
Morgan Stanley (690014193)	Verizon Communications	225	P	1/27/2009	8/11/2009	6,938 91	6,621 03	317 88
Morgan Stanley (690014193)	Vodafone Group Plc Ord	284	P	1/27/2009	8/11/2009	6,006 98	5,396 00	610 98
Morgan Stanley (690014193)	Windstream Corp	222	P	1/27/2009	8/11/2009	1,933 66	1,998 16	(64 50)
TOTAL Morgan Stanley (690014193)						429,613.74	563,484.87	(133,871.13)
Morgan Stanley (A9-78295)	US Bank NA Mtn Global 6 375 6 375% Due 08/01/2011 @ 100 00	10,000 00	P	1/23/2009	1/28/2009	10,680 00	10,657 60	22.40
Morgan Stanley (A9-78295)	United Technologies Corp Sr Uns 4 875% Callable 05/01/2014 @ 100 00	10,000 00	P	3/5/2009	4/8/2009	10,362.30	10,340 70	21 60
Morgan Stanley (A9-78295)	Campbell Soup Co Sr Uns Global 5 000% Due 12/3/2012 @ 100 00	10,000 00	P	12/17/2008	4/9/2009	10,449 40	10,391 70	57 70
Morgan Stanley (A9-78295)	Wal Mart Stores 7.250% Due 06/01/2013 @ 100 00	20,000 00	P	12/17/2008	4/9/2009	22,884 80	22,921 60	(36 80)
Morgan Stanley (A9-78295)	Amer Expr Bk Fsb Mtnsr Uns Global 3 150% Due 12/09/2011@ 100 00	15,000 00	P	12/23/2008	5/29/2009	15,523 50	15,573 00	(49 50)
Morgan Stanley (A9-78295)	Anheuser Busch Sr Uns 4 95% 4 950% Due 01/15/2014 @ 100 00	5,000 00	P	4/24/2009	5/29/2009	5,000 00	4,982 40	17 60
Morgan Stanley (A9-78295)	Anheuser Busch Sr Uns 4 95% 4 950% Due 01/15/2014 @ 100 00	5,000 00	P	4/24/2009	5/29/2009	5,000 00	4,989.24	10 76
Morgan Stanley (A9-78295)	Bank of Amer Crp Ser L Mtn Sr 3 125@ Due 06/15/2012 @ 100 00	15,000 00	P	12/23/2008	5/29/2009	15,521 55	15,597 15	(75 60)
Morgan Stanley (A9-78295)	Boeing Capital Corp 7 375% Due 09/27/2010 @ 100 00	20,000 00	P	12/17/2008	5/29/2009	21,290 80	21,256.20	34 60
Morgan Stanley (A9-78295)	BP Capital Plc Sr Uns Global 5.250% Due 11/07/2013 @ 100 00	10,000 00	P	1/12/2009	5/29/2009	10,601 97	10,805 00	(203 03)
Morgan Stanley (A9-78295)	Chevron Corp SR UNS Global 3 95% 3 950% Callable 03/03/2009 @ 100 00	10,000 00	P	2/26/2009	5/29/2009	10,224 80	9,981 60	243.20
Morgan Stanley (A9-78295)	Conocophillips SR UNS Global 4 750% Due 02/01/2014 @ 100 00	10,000 00	P	2/2/2009	5/29/2009	10,379 00	10,149 40	229 60
Morgan Stanley (A9-78295)	Deere @ Co Sr Uns Global 7 850% Due 05/15/2010 @ 100 00	20,000 00	P	12/17/2008	5/29/2009	21,194 60	20,990 40	204.20
Morgan Stanley (A9-78295)	Dell Inc Sr Uns Global 5 625% Due 04/15/2014 @ 100 00	20,000 00	P	4/8/2009	5/29/2009	21,060.90	20,411 00	649 90
Morgan Stanley (A9-78295)	General Electric Co Sec5 5 000% Due 02/01/2013 @ 100 00	10,000 00	P	1/23/2009	5/29/2009	10,255.20	10,128 00	127.20
Morgan Stanley (A9-78295)	Hasbro Inc Sr Unsglobal 6 125% Due 05/15/2014 @ 100 00	500	P	5/8/2009	5/29/2009	5,020.00	5,049 60	(29 60)
Morgan Stanley (A9-78295)	Hasbro Inc Sr Unsglobal 6 125% Due 05/15/2014 @ 100 00	500	P	5/8/2009	5/29/2009	5,020 00	5,050 70	(30 70)
Morgan Stanley (A9-78295)	HSBC Finance Corp 5 700% Due 06/01/2011 @ 100 00	20,000 00	P	12/17/2008	5/29/2009	20,157.80	20,130 00	27 80
Morgan Stanley (A9-78295)	Husky Energy Inc 5 900% Due 06/15/2014 @ 100 00	10,000 00	P	5/7/2009	5/29/2009	10,032.20	10,157 80	(125 60)
Morgan Stanley (A9-78295)	ITT Corp 4 900% Due 05/01/2014 @ 100 00	10,000 00	P	5/1/2009	5/29/2009	10,050.00	10,103 40	(53 40)
Morgan Stanley (A9-78295)	John Deere Cap Ser Dmtn 4 900% Due 09/09/2013 @ 100 00	10,000 00	P	1/22/2009	5/29/2009	10,244 10	10,278 30	(34.20)
Morgan Stanley (A9-78295)	JPMorgan Chase & Co 3.125% Due 12/01/2011 @ 100.00	15,000 00	P	12/23/2008	5/29/2009	15,523 05	15,580 50	(57 45)
Morgan Stanley (A9-78295)	JPMorgan Chase & Co 4 750% Due 05/01/2013 @ 100.00	10,000 00	P	1/28/2009	5/29/2009	10,129 40	10,056 60	72.80
Morgan Stanley (A9-78295)	Microsoft Corp Sr Uns Global 2.950% Due 06/01/2014 @ 100 00	1,000 00	P	5/8/2009	5/29/2009	9,900 00	10,076 00	(176 00)
Morgan Stanley (A9-78295)	Phillip Morris International Inc 6 875% Due 03/17/2014 @ 100 00	10,000 00	P	2/19/2009	5/29/2009	10,983 10	10,829 60	153 50
Morgan Stanley (A9-78295)	Potash Corp Sr Uns 5.250% Callable 05/15/2009 @ 100 00	20,000 00	P	4/29/2009	5/29/2009	20,300 00	20,481 80	(181 80)
Morgan Stanley (A9-78295)	SBC Communicatio Sr Uns Global 6.250% Due 03/15/2011 @ 100 00	20,000 00	P	12/17/2008	5/29/2009	21,223 45	20,464 60	758 85
Morgan Stanley (A9-78295)	Vale Overseas Sr Unsglobal 6.25% 6.250% Callable 01/23/2016 @ 100 00	10,000 00	P	1/22/2009	5/29/2009	9,907 70	9,440 00	467 70
Morgan Stanley (A9-78295)	Verizon Pennsylvania 5 650% Due 11/15/2011 @ 100 00	10,000 00	P	3/3/2009	5/29/2009	10,400 00	10,187 40	212.60
Morgan Stanley (A9-78295)	Goldman Sachs GP Sr Uns Fm Floater Due 12/05/2011 @ 0 00	10,000 00	P	1/9/2009	6/1/2009	10,000 00	10,102 10	(102.10)
TOTAL Morgan Stanley (A9-78295)						379,319.62	377,163.39	2,156.23
Grand Total						1,315,606	1,487,437	(151,831)

AHB FOUNDATION, INC.
FEIN: 62-1867424
FORM 990, PART XV, LINE 3a
FYE 12/31/2008

Name and Address	Relationship to Foundation Manager or Substantial Contributor	Status of Recipient	Purpose of Grant or Contribution	IRS BMF	Amount
Boys & Girls Club of the Tennessee Valley 220 Carrick Street, Suite 318 Knoxville, TN 37921	N/A	Public Charity - an organization described in section 501(c)(3)	To promote & enhance the development of boys & girls by instilling a sense of competence, usefulness, belonging & influence	509(a)(1)	2,500
East Tennessee Children's Hospital 2018 Clinch Avenue Knoxville, TN 37901-5010	N/A	Public Charity - an organization described in section 501(c)(3)	To improve the health of children	509(a)(1)	10,000
Friends of Tennessee's Babies with Special Needs P O Box 544 Alcoa, TN 37701	N/A	Public Charity - an organization described in section 501(c)(3)	To provide support to families of infants with disabilities	509(a)(1)	2,500
Great Smoky Mountain Council Boy Scouts of America Trust PO Box 51885 Knoxville, TN 37950	N/A	Public Charity - an organization described in section 501(c)(3)	To prepare young people to make ethical choices over their lifetime through a youth program of character development and values-based leadership training	509(a)(3) Type 1	20,000
Knox Youth Sports PO Box 52363 Knoxville, TN 37950	N/A	Public Charity - an organization described in section 501(c)(3)	To provide boys and girls an opportunity to learn the fundamental skills for success in all sports	509(a)(2)	13,500
Knoxville Museum of Art 1050 World's Fair Park Drive Knoxville, TN 37916	N/A	Public Charity - an organization described in section 501(c)(3)	To present art displays which represent diverse cultures, periods, styles and medias	509(a)(2)	25,000
Second Harvest Food Bank of Northeast Tennessee 127 Dillon Court Gray, TN 37615	N/A	Public Charity - an organization described in section 501(c)(3)	To eliminate hunger by providing food, education and services in the area	509(a)(1)	2,500
Tulane University Tulane Athletics Fund James W Wilson Jr Center New Orleans, LA 70118-5698	N/A	Public Charity - an organization described in section 501(c)(3)	To support excellence in academics, community service, and athletic competition for all Tulane University's student-athletes by raising annual, unrestricted funds	509(a)(1)	3,700
Total Contributions					79,700