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

2009

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

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

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

Use the IRS label Otherwise, print or type. See Specific Instructions.	Name of foundation THADDEUS H. WATERMAN TRUST U/W REGIONS BANK, TRUSTEE #1255000704	A Employer identification number 63-6110169		
	Number and street (or P O box number if mail is not delivered to street address) P. O. DRAWER 1628	Room/suite	B Telephone number (251) 690-1411	
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation	C If exemption application is pending, check here ► <input type="checkbox"/> D 1. Foreign organizations, check here ► <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 953,172.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>		
Part I Analysis of Revenue and Expenses (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
1 Contributions, gifts, grants, etc., received				N/A
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B Interest on savings and temporary cash investments				
3 Dividends and interest from securities	34,366.	34,366.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10 Gross sales price for all assets on line 6a	1,161.			
7 Capital gain net income (from Part IV, line 2)		1,161.		
8 Net short-term capital gain				
9 Income modifications Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income	755.	0.		STATEMENT 2
12 Total. Add lines 1 through 11	36,282.	35,527.		
13 Compensation of officers, directors, trustees, etc	10,130.	10,130.		0.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees	950.	0.		950.
c Other professional fees				
17 Interest				
18 Taxes	36.	36.		0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses				
24 Total operating and administrative expenses. Add lines 13 through 23	11,116.	10,166.		950.
25 Contributions, gifts, grants paid	43,667.			43,667.
26 Total expenses and disbursements. Add lines 24 and 25	54,783.	10,166.		44,617.
27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements	<18,501. >			
b Net investment income (if negative, enter -0-)		25,361.		
c Adjusted net income (if negative, enter -0-)			N/A	

THADDEUS H. WATERMAN TRUST U/W

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REGIONS BANK, TRUSTEE

#1255000704

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Assets	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	
1	Cash - non-interest-bearing			
2	Savings and temporary cash investments		233,143.	10,325.
3	Accounts receivable ►			
	Less: allowance for doubtful accounts ►			
4	Pledges receivable ►			
	Less: allowance for doubtful accounts ►			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons			
7	Other notes and loans receivable ►			
	Less: allowance for doubtful accounts ►			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments - U.S. and state government obligations	STMT 5	248,427.	125,735.
b	Investments - corporate stock	STMT 6	4,085.	4,085.
c	Investments - corporate bonds	STMT 7	312,204.	654,630.
11	Investments - land, buildings, and equipment: basis ►			
	Less accumulated depreciation ►			
12	Investments - mortgage loans			
13	Investments - other	STMT 8	141,292.	125,791.
14	Land, buildings, and equipment: basis ►			
	Less accumulated depreciation ►			
15	Other assets (describe ►)			
16	Total assets (to be completed by all filers)		939,151.	920,566.
				953,172.
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		
Net Assets or Fund Balances	22	Other liabilities (describe ►)		
	23	Total liabilities (add lines 17 through 22)	0.	0.
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted		
	25	Temporarily restricted		
	26	Permanently restricted		
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	939,151.	920,566.
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.
	29	Retained earnings, accumulated income, endowment, or other funds	0.	0.
Net Assets or Fund Balances	30	Total net assets or fund balances	939,151.	920,566.
	31	Total liabilities and net assets/fund balances	939,151.	920,566.

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	939,151.
2	Enter amount from Part I, line 27a	2	<18,501.>
3	Other increases not included in line 2 (itemize) ►	3	0.
4	Add lines 1, 2, and 3	4	920,650.
5	Decreases not included in line 2 (itemize) ► TIMING DIFFERENCES BOOK AND TAX	5	84.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	920,566.

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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 REGIONS BANK SCHEDULE ATTACHED			P	VARIOUS	/ /09
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 1,129,037.		1,127,876.	1,161.		
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			1,161.		
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	1,161.	
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	54,502.	971,816.	.056083
2007	37,595.	974,728.	.038570
2006	39,026.	961,609.	.040584
2005	36,201.	972,900.	.037209
2004	37,596.	986,448.	.038113

2 Total of line 1, column (d)

2 .210559

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 .042112

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5

4 936,982.

5 Multiply line 4 by line 3

5 39,458.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 254.

7 Add lines 5 and 6

7 39,712.

8 Enter qualifying distributions from Part XII, line 4

8 44,617.

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.

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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

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

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

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

6 Credits/Payments:

a 2009 estimated tax payments and 2008 overpayment credited to 2009

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

6a 360.

6b

6c

6d

7 Total credits and payments. Add lines 6a through 6d

8 Enter any **penalty** for underpayment of estimated tax. Check here if Form 2220 is attached9 Tax due. If the total of lines 5 and 8 is more than line 7, enter **amount owed**10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid**11 Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ►

106. Refunded ► 11 0.

Part VII-A Statements Regarding Activities

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

Yes No

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.

1c X

c Did the foundation file Form 1120-POL for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

(1) On the foundation. ► \$ 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?

2 X

*If "Yes," attach a detailed description of the activities*3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*

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?

4b

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

5 X

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

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

N/A

• By language in the governing instrument, or

6 X

• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

7 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

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ►

ALb 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

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Part VII-A | Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) 11 X

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12 X

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► **N/A** 13 X

14 The books are in care of ► **REGIONS BANK TRUST DEPARTMENT** Telephone no. ► **(251) 690-1416**
Located at ► **11 NORTH WATER ST., 28TH FL, MOBILE, AL** ZIP+4 ► **36602**

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

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

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

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 X No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes X No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes X No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? Yes X 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 X 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 X No

b If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?

Organizations relying on a current notice regarding disaster assistance check here ►

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 1b

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)): N/A 1c X

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 X No

If "Yes," list the years ► , , , , ,

b Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A 2b

c If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here.

► , , , ,

3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes X 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? N/A 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? N/A 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**

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

6b

X

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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
REGIONS BANK TRUST DEPARTMENT P.O. DRAWER 1628 MOBILE, AL 36633-1628	TRUSTEE 0 .25	10,130.	0.	0.

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

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

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



0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

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

0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

	Amount
1 N/A	
2	
3	
All other program-related investments. See instructions.	
4	

Total. Add lines 1 through 3 ►

0.

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REGIONS BANK, TRUSTEE #1255000704

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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	849,572.
b Average of monthly cash balances	1b	101,679.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	951,251.
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	951,251.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	14,269.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	936,982.
6 Minimum investment return. Enter 5% of line 5	6	46,849.

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	46,849.
2a Tax on investment income for 2009 from Part VI, line 5	2a	254.
b Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	254.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	46,595.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	46,595.
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	46,595.

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	44,617.
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	44,617.
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	254.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	44,363.

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.

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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				46,595.
2 Undistributed income, if any, as of the end of 2009			43,666.	
a Enter amount for 2008 only				
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: ► \$ 44,617.			43,666.	
a Applied to 2008, but not more than line 2a				
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				951.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				45,644.
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

4942(j)(3) or 4942(j)(5)

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

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

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i>				
MOBILE MENTAL HEALTH CENTER 2400 GORDON SMITH DR. MOBILE, AL 36617		PUBLIC	FOR PURPOSES DESIGNATED BY BOARD OF TRUSTEES	10,917.
UNIVERSITY OF SOUTH ALABAMA 307 UNIVERSITY BLVD. MOBILE, AL 36688		PUBLIC	FOR PROVIDING SCHOLARSHIPS	32,750.
Total			► 3a	43,667.
<i>b Approved for future payment</i>				
NONE				
Total			► 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	Unrelated business income		(e) Related or exempt function income
	(a) Business code	(b) 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	34,366.
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	1,161.
9 Net income or (loss) from special events			
10 Gross profit or (loss) from sales of inventory			
11 Other revenue:			
a <u>EXCISE TAX REFUND</u>			755.
b			
c			
d			
e			
12 Subtotal. Add columns (b), (d), and (e)	0.	35,527.	755.
13 Total Add line 12, columns (b), (d), and (e)	13	36,282.	

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

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).
11A	FEDERAL EXCISE TAX REFUND

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

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
- (2) Other assets

b Other transactions:

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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.

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		

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. **See President and Trust Officer**

Signature of officer or trustee

5/10/10
Date

► **Title**

Vice President and Trust Officer

Sign Here Signature of officer or trustee		Date	File No.
Paid Preparer's Use Only	Preparer's signature ► <i>J. Willard Jordan, Jr.</i>	Date 5/9/10	Check if self-employed ► <input type="checkbox"/>
Firm's name (or yours if self-employed), address, and ZIP code ► SMITH DUKES & BUCKALEW LLP 3800 AIRPORT BLVD MOBILE, AL 36608-1667		EIN ►	Preparer's identifying number Phone no. (251) 343-1200

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TRUST ADMINISTRATOR 738
INVESTMENT OFFICER 91

LEGEND: F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
7000.0000 ALABAMA POWER CO SERIES	07-D DTD 12/12/ - 010392EY0	- MINOR = 45				
SOLD	07/07/2009	7478 45				
ACQ	7000 0000	02/11/2009	7478 45	7290 36	188.09	ST
932 0910 AMERICAN CENTURY LARGE CO	VALUE FD INV C - 025076795	- MINOR = 62				
SOLD	11/06/2009	4595 21				
ACQ	932 0910	01/10/2007	4595 21	7000.00	-2404.79	LT15
25000.0000 BANK OF AMERICA CORP	5 375% 06/15/2014 - 060505BMS	- MINOR = 45				
SOLD	02/05/2009	22375 00				
ACQ	25000 0000	03/07/2006	22375 00	24976 25	-2601 25	LT15
7000 0000 CREDIT SUISSE FB USA	4 875% 08/15/2010 - 22541LBH5	- MINOR = 45				
SOLD	02/27/2009	7004 83				
ACQ	7000 0000	02/05/2009	7004 83	7089 56	-84 73	ST
8000 0000 CREDIT SUISSE FB USA	4 875% 08/15/2010 - 22541LBH5	- MINOR = 45				
SOLD	07/07/2009	8271 12				
ACQ	8000 0000	02/05/2009	8271 12	8077 93	193 19	ST
7000 0000 DEERE JOHN CAPITAL CORP SERIES	MTN DTD 12/17/07 4 95% 12/17/2012 - 24422EQM4	- MINOR = 45				
SOLD	05/27/2009	7226 03				
ACQ	7000 0000	02/09/2009	7226 03	7220 27	5 76	ST
1000 0000 JOHN DEERE CAPITAL CORP	INSD FDIC DTD 12/19/08 2.875% 06/19/2012 - 24424DAA7	- MINOR = 30				
SOLD	12/14/2009	1036 89				
ACQ	1000 0000	11/09/2009	1036.89	1035 94	0 95	ST
9000 0000 WALT DISNEY CO	DTD 12/22/08 4.5% 12/15/2 - 254687AW6	- MINOR = 45				
SOLD	08/12/2009	9463 50				
ACQ	7000.0000	02/05/2009	7360 50	7248.51	111 99	ST
	2000 0000	07/07/2009	2103 00	2102.68	0 32	ST
8000.0000 DOMINION RES INC VA NEW SERIES	C 5 15% - 25746UAW9	- MINOR = 45				
SOLD	07/01/2009	8165 60				
ACQ	8000 0000	02/26/2009	8165 60	7728 72	436.88	ST
1818 1820 EATON VANCE LARGE-CAP VAL-I	- 277905642	- MINOR = 62				
SOLD	11/06/2009	29454 55				
ACQ	1818.1820	06/17/2009	29454 55	25000 00	4454.55	ST
1229.1800 FEDERAL HOME LOAN MTG	CORP POOL #G02384 - 3128LXUH1	- MINOR = 35				
SOLD	03/16/2009	1229 18				
ACQ	1229 1800	02/05/2009	1229 18	1269 13	-39 95	ST
1219 1000 FEDERAL HOME LOAN MTG	CORP POOL #G02384 - 3128LXUH1	- MINOR = 35				
SOLD	04/15/2009	1219 10				
ACQ	1219 1000	02/05/2009	1219.10	1258 72	-39 62	ST
982 9600 FEDERAL HOME LOAN MTG	CORP POOL #G02384 - 3128LXUH1	- MINOR = 35				
SOLD	05/15/2009	982.96				
ACQ	982 9600	02/05/2009	982.96	1014 91	-31 95	ST
967 3800 FEDERAL HOME LOAN MTG	CORP POOL #G02384 - 3128LXUH1	- MINOR = 35				
SOLD	06/15/2009	967.38				
ACQ	967 3800	02/05/2009	967.38	998 82	-31.44	ST
978 1500 FEDERAL HOME LOAN MTG	CORP POOL #G02384 - 3128LXUH1	- MINOR = 35				
SOLD	07/15/2009	978 15				
ACQ	978.1500	02/05/2009	978 15	1009 94	-31.79	ST
860 7700 FEDERAL HOME LOAN MTG	CORP POOL #G02384 - 3128LXUH1	- MINOR = 35				
SOLD	08/17/2009	860 77				
ACQ	860 7700	02/05/2009	860 77	888 75	-27 98	ST
655 1600 FEDERAL HOME LOAN MTG	CORP POOL #G02384 - 3128LXUH1	- MINOR = 35				
SOLD	09/15/2009	655 16				
ACQ	655 1600	02/05/2009	655 16	676 45	-21 29	ST
476 3800 FEDERAL HOME LOAN MTG	CORP POOL #G02384 - 3128LXUH1	- MINOR = 35				
SOLD	10/15/2009	476 38				
ACQ	476 3800	02/05/2009	476 38	491 86	-15 48	ST
534 9900 FEDERAL HOME LOAN MTG	CORP POOL #G02384 - 3128LXUH1	- MINOR = 35				
SOLD	11/16/2009	534 99				
ACQ	534 9900	02/05/2009	534 99	552 38	-17.39	ST
477 8200 FEDERAL HOME LOAN MTG	CORP POOL #G02384 - 3128LXUH1	- MINOR = 35				
SOLD	12/15/2009	477.82				
ACQ	477 8200	02/05/2009	477 82	493 35	-15 53	ST
4498 1000 FEDERAL HOME LOAN MTG	CORP POOL #G13076 - 3128MBT98	- MINOR = 35				
SOLD	03/16/2009	4498 10				
ACQ	4498 1000	02/05/2009	4498 10	4605.63	-107 53	ST
2983 1100 FEDERAL HOME LOAN MTG	CORP POOL #G13076 - 3128MBT98	- MINOR = 35				
SOLD	04/15/2009	2983 11				
ACQ	2983.1100	02/05/2009	2983 11	3054 43	-71 32	ST
3170 8200 FEDERAL HOME LOAN MTG	CORP POOL #G13076 - 3128MBT98	- MINOR = 35				
SOLD	05/15/2009	3170 82				
ACQ	3170 8200	02/05/2009	3170 82	3246 62	-75 80	ST
3346 3300 FEDERAL HOME LOAN MTG	CORP POOL #G13076 - 3128MBT98	- MINOR = 35				
SOLD	06/15/2009	3346 33				
ACQ	3346.3300	02/05/2009	3346 33	3426 33	-80 00	ST
2788 2400 FEDERAL HOME LOAN MTG	CORP POOL #G13076 - 3128MBT98	- MINOR = 35				
SOLD	07/15/2009	2788 24				
ACQ	2788 2400	02/05/2009	2788 24	2854.90	-66 66	ST
2160 7600 FEDERAL HOME LOAN MTG	CORP POOL #G13076 - 3128MBT98	- MINOR = 35				
SOLD	08/17/2009	2160.76				
ACQ	2160 7600	02/05/2009	2160.76	2212 42	-51 66	ST
1826 8700 FEDERAL HOME LOAN MTG	CORP POOL #G13076 - 3128MBT98	- MINOR = 35				
SOLD	09/15/2009	1826 87				
ACQ	1826 8700	02/05/2009	1826 87	1870 54	-43 67	ST
1414 4600 FEDERAL HOME LOAN MTG	CORP POOL #G13076 - 3128MBT98	- MINOR = 35				
SOLD	10/15/2009	1414 46				
ACQ	1414 4600	02/05/2009	1414 46	1448 27	-33 81	ST

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LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
2138 2200 FEDERAL HOME LOAN MTG CORP POOL #G13076 - 3128MBT98 - MINOR = 35						
SOLD 11/16/2009 2138.22						
ACQ 2138 2200 02/05/2009 2138 22			2189.34		-51.12	ST
2456.0800 FEDERAL HOME LOAN MTG CORP POOL #G13076 - 3128MBT98 - MINOR = 35						
SOLD 12/15/2009 2456.08						
ACQ 2456 0800 02/05/2009 2456.08			2514.80		-58.72	ST
25000.0000 FEDERAL HOME LOAN BANK 5.125% 08/14/20 - 3133XGVF8 - MINOR = 30						
SOLD 02/04/2009 27509.77						
ACQ 25000 0000 06/01/2007 27509.77			24822.75		2687.02	LT15
50000 0000 FEDERAL HOME LOAN BANK 5.5% 08/13/2014 - 3133XLJP9 - MINOR = 30						
SOLD 02/04/2009 56234.40						
ACQ 50000 0000 07/06/2007 56234.40			49831.00		6403.40	LT15
1000 0000 FEDERAL HOME LOAN MORTGAGE CORP 5.75% DTD 1/14/02 DUE 1/15/2012 - 3134A4JT2 - MINOR = 30						
SOLD 12/14/2009 1096.62						
ACQ 1000 0000 11/09/2009 1096.62			1094.50		2.12	ST
50000 0000 FEDERAL HOME LOAN MORTGAGE CORP 4.875% - 3134A4UK8 - MINOR = 30						
SOLD 02/04/2009 54837.90						
ACQ 50000 0000 12/07/2005 54837.90			49886.60		4951.30	LT15
50000 0000 FEDERAL NATIONAL MORTGAGE ASSN 5.125% - 3135MM26 - MINOR = 30						
SOLD 02/05/2009 53527.50						
ACQ 25000.0000 05/23/2006 26763.75			24834.50		1929.25	LT15
25000 0000 07/23/2007 26763.75			24906.75		1857.00	LT15
724.1400 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD 03/25/2009 724.14						
ACQ 724 1400 02/05/2009 724 14			741.79		-17.65	ST
660 3200 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD 04/27/2009 660.32						
ACQ 660 3200 02/05/2009 660.32			676.42		-16.10	ST
487 6400 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD 05/26/2009 487.64						
ACQ 487 6400 02/05/2009 487.64			499.53		-11.89	ST
886 1600 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD 06/25/2009 886.16						
ACQ 886.1600 02/05/2009 886.16			907.76		-21.60	ST
572 1000 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD 07/27/2009 572.10						
ACQ 572.1000 02/05/2009 572.10			586.04		-13.94	ST
370 5600 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD 08/25/2009 370.56						
ACQ 370.5600 02/05/2009 370.56			379.59		-9.03	ST
486 4900 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD 09/25/2009 486.49						
ACQ 486.4900 02/05/2009 486.49			498.35		-11.86	ST
320 9700 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD 10/26/2009 320.97						
ACQ 320.9700 02/05/2009 320.97			328.79		-7.82	ST
477 9500 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD 11/25/2009 477.95						
ACQ 477 9500 02/05/2009 477.95			489.60		-11.65	ST
339.7600 FEDERAL NATIONAL MORTGAGE ASSN POOL #257234 DTD 05/01/08 5% 06/01/2023 - 31371NV36 - MINOR = 35						
SOLD 12/28/2009 339.76						
ACQ 339 7600 02/05/2009 339.76			348.04		-8.28	ST
1620 6600 FEDERAL NATIONAL MTG ASSN POOL #357727 - 31376KLG9 - MINOR = 35						
SOLD 03/25/2009 1620.66						
ACQ 1620 6600 02/05/2009 1620.66			1659.40		-38.74	ST
1412.0400 FEDERAL NATIONAL MTG ASSN POOL #357727 - 31376KLG9 - MINOR = 35						
SOLD 04/27/2009 1412.04						
ACQ 1412 0400 02/05/2009 1412.04			1445.80		-33.76	ST
1382.0400 FEDERAL NATIONAL MTG ASSN POOL #357727 - 31376KLG9 - MINOR = 35						
SOLD 05/26/2009 1382.04						
ACQ 1382 0400 02/05/2009 1382.04			1415.08		-33.04	ST
1222 8600 FEDERAL NATIONAL MTG ASSN POOL #357727 - 31376KLG9 - MINOR = 35						
SOLD 06/25/2009 1222.86						
ACQ 1222.8600 02/05/2009 1222.86			1252.09		-29.23	ST
1045.7900 FEDERAL NATIONAL MTG ASSN POOL #357727 - 31376KLG9 - MINOR = 35						
SOLD 07/27/2009 1045.79						
ACQ 1045 7900 02/05/2009 1045.79			1070.79		-25.00	ST
910.7600 FEDERAL NATIONAL MTG ASSN POOL #357727 - 31376KLG9 - MINOR = 35						
SOLD 08/25/2009 910.76						
ACQ 910 7600 02/05/2009 910.76			932.53		-21.77	ST
406.1400 FEDERAL NATIONAL MTG ASSN POOL #357727 - 31376KLG9 - MINOR = 35						
SOLD 09/25/2009 406.14						
ACQ 406.1400 02/05/2009 406.14			415.85		-9.71	ST
573.8800 FEDERAL NATIONAL MTG ASSN POOL #357727 - 31376KLG9 - MINOR = 35						
SOLD 10/26/2009 573.88						
ACQ 573 8800 02/05/2009 573.88			587.60		-13.72	ST
493 1200 FEDERAL NATIONAL MTG ASSN POOL #357727 - 31376KLG9 - MINOR = 35						
SOLD 11/25/2009 493.12						
ACQ 493.1200 02/05/2009 493.12			504.91		-11.79	ST
36953 0700 FEDERAL NATIONAL MTG ASSN POOL #357727 - 31376KLG9 - MINOR = 35						
SOLD 12/14/2009 39233.76						
ACQ 36953 0700 02/05/2009 39233.76			37836.48		1397.28	ST
868 2000 FEDERAL NATIONAL MTG ASSN POOL #357727 - 31376KLG9 - MINOR = 35						
SOLD 12/28/2009 868.20						
ACQ 868 2000 02/05/2009 868.20			888.96		-20.76	ST

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INVESTMENT OFFICER 91

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
1000 0000 FEDERAL NATIONAL MORTGAGE ASSN DTD 03/07/08 2 75% 04/11/2011 - 31398APG1 - MINOR = 30						
SOLD 12/14/2009 1028.19						
ACQ 1000 0000 11/09/2009 1028.19 1028.12 0.07 ST						
229 7100 FEDERAL NATIONAL MORTGAGE ASSN POOL #735516 DTD 04/01/05 5% 02/01/2020 - 31402RDV8 - MINOR = 35						
SOLD 12/28/2009 229 71						
ACQ 229 7100 11/09/2009 229 71 244 43 -14 72 ST						
351.1600 FEDERAL NATL MTG ASSN POOL #878201 DTD 09/01/06 6% 09/01/2036 - 31409TU22 - MINOR = 35						
SOLD 12/28/2009 351 16						
ACQ 351 1600 11/09/2009 351 16 376 07 -24.91 ST						
4112 4600 FEDERAL NATIONAL MORTGAGE ASSN POOL #889 - 31410KDU5 - MINOR = 35						
SOLD 03/25/2009 4112 46 4112 46 4255.11 -142.65 ST						
ACQ 4112.4600 02/05/2009 4112 46						
3634 9800 FEDERAL NATIONAL MORTGAGE ASSN POOL #889 - 31410KDU5 - MINOR = 35						
SOLD 04/27/2009 3634 98						
ACQ 3634 9800 02/05/2009 3634 98 3761.07 -126.09 ST						
2888 4500 FEDERAL NATIONAL MORTGAGE ASSN POOL #889 - 31410KDU5 - MINOR = 35						
SOLD 05/26/2009 2888 45 2888 45 2988 64 -100.19 ST						
ACQ 2888 4500 02/05/2009 2888 45						
2503 7400 FEDERAL NATIONAL MORTGAGE ASSN POOL #889 - 31410KDU5 - MINOR = 35						
SOLD 06/25/2009 2503 74 2503 74 2590 59 -86.85 ST						
ACQ 2503 7400 02/05/2009 2503 74						
2876 1400 FEDERAL NATIONAL MORTGAGE ASSN POOL #889 - 31410KDU5 - MINOR = 35						
SOLD 07/27/2009 2876 14 2876 14 2975 91 -99 77 ST						
ACQ 2876.1400 02/05/2009 2876 14						
2809 6300 FEDERAL NATIONAL MORTGAGE ASSN POOL #889 - 31410KDU5 - MINOR = 35						
SOLD 08/25/2009 2809 63 2809 63 2907 09 -97 46 ST						
ACQ 2809.6300 02/05/2009 2809 63						
1869 6200 FEDERAL NATIONAL MORTGAGE ASSN POOL #889 - 31410KDU5 - MINOR = 35						
SOLD 09/25/2009 1869 62 1869 62 1934 47 -64 85 ST						
ACQ 1869 6200 02/05/2009 1869 62						
2753.1300 FEDERAL NATIONAL MORTGAGE ASSN POOL #889 - 31410KDU5 - MINOR = 35						
SOLD 10/26/2009 2753 13 2753 13 2848 63 -95.50 ST						
ACQ 2753.1300 02/05/2009 2753 13						
1930.7300 FEDERAL NATIONAL MORTGAGE ASSN POOL #889 - 31410KDU5 - MINOR = 35						
SOLD 11/25/2009 1930.73 1930.73 1997.70 -66.97 ST						
ACQ 1930 7300 02/05/2009 1930 73						
1612 4700 FEDERAL NATIONAL MORTGAGE ASSN POOL #889 - 31410KDU5 - MINOR = 35						
SOLD 12/28/2009 1612 47 1612 47 1668.40 -55.93 ST						
ACQ 1612 4700 02/05/2009 1612 47						
224 4670 FIDELITY ADVISOR SER III EQUITY INCOME F - 315808402 - MINOR = 62						
SOLD 06/17/2009 3753.09 3753.09 6000.00 -2246.91 LT15						
ACQ 224 4670 06/08/2004 3753 09						
1000.0000 GENERAL ELECTRIC CO 5% 02/01/2013 - 369604AY9 - MINOR = 45						
SOLD 12/14/2009 1066 84 1066 84 1065.72 1 12 ST						
ACQ 1000 0000 11/09/2009 1066 84						
20000 0000 GENERAL ELECTRIC CAPITAL CORP SER MTNA 4 - 36962GE75 - MINOR = 45						
SOLD 02/05/2009 20109 60 20109 60 19811 89 297 71 LT15						
ACQ 20000.0000 06/22/2004 20109 60						
CHANGED 08/17/09 MDL						
25000 0000 GOLDMAN SACHS GROUP INC 5 25% 04/01/20 - 38141GDB7 - MINOR = 45						
SOLD 02/05/2009 24018 75 24018 75 -550 00 LT15						
ACQ 25000 0000 03/07/2006 24018 75 24568.75						
9000 0000 HEWLETT-PACKARD CO DTD 03/03/08 4 5% 03/ - 428236AQ6 - MINOR = 45						
SOLD 09/11/2009 9573 03 9573 03 170 37 ST						
ACQ 7000 0000 02/09/2009 7445 69 7275.32 31 98 ST						
2000 0000 07/07/2009 2127 34 2095.36						
25000 0000 LEHMAN BROS HLDGS INC SERIES MTN 5 25% - 52517PR60 - MINOR = 45						
SOLD 02/05/2009 3742 50 3742 50 -21230 00 LT15						
ACQ 25000 0000 05/16/2007 3742.50 24972.50						
20000 0000 MORGAN STANLEY CALLABLE 4 25% 05/15/2010 - 61744AAN0 - MINOR = 45						
SOLD 02/05/2009 19760 00 19760 00 439 00 LT15						
ACQ 20000 0000 06/22/2004 19760 00 19321 00						
39 4180 PIONEER MID CAP VALUE FUND CLASS Y FD #0 - 72375Q405 - MINOR = 62						
SOLD 12/08/2009 726 48 1000 00 -273 52 LT15						
ACQ 39 4180 06/08/2004 726 48 1000 00						
61 1270 PIONEER SELECT MID CAP GROWTH Y - 72387T793 - MINOR = 62						
SOLD 12/08/2009 872 89 1000 00 -127 11 LT15						
ACQ 61 1270 06/08/2004 872 89 1000 00						
571 4290 PIONEER GROWTH FUND Y - 72387T868 - MINOR = 62						
SOLD 12/08/2009 9908 57 799 35 LT15						
ACQ 571 4290 12/27/1996 9908 57 9109 22						
9000.0000 PROCTER & GAMBLE CO MAKE WHOLE 4 6% 01/1 - 742718DL0 - MINOR = 45						
SOLD 09/11/2009 9693 00 170 31 ST						
ACQ 7000 0000 02/05/2009 7539 00 7368.69 29 92 ST						
2000 0000 07/07/2009 2154 00 2124.08						
8297 1890 REGIONS FDS FIXED INCM TR - 75913Q803 - MINOR = 61						
SOLD 02/05/2009 73015 26 -10876 92 LT15						
ACQ 8297 1890 03/27/1995 73015 26 83892 18						
8000 0000 TARGET CORP CALLABLE 5 375% 05/01/2017 - 87612EAP1 - MINOR = 45						
SOLD 07/23/2009 8211 52 354.48 ST						
ACQ 7000 0000 02/09/2009 7185 08 6830 60 -9 99 ST						
1000 0000 07/07/2009 1026 44 1036 43						
50000 0000 UNITED STATES TREASURY NOTE 5 50% DTD 5/15/99 DUE 5/15/2009 - 9128275G3 - MINOR = 30						
SOLD 02/04/2009 50699 22 50027 51 671 71 LT15						
ACQ 50000 0000 05/11/2001 50699 22						

ACCT H705 1255000704
FROM 01/01/2009
TO 12/31/2009

REGIONS BANK, TRUST DEPARTMENT
STATEMENT OF CAPITAL GAINS AND LOSSES
THADDEUS H WATERMAN TRUST U/W

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TRUST YEAR ENDING 12/31/2009

TAX PREPARER 6000
TRUST ADMINISTRATOR 738
INVESTMENT OFFICER 91

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
2000 0000 UNITED STATES TREASURY NOTE 5 00% DTD 2/15/01 DUE 2/15/2011 - 9128276T4 - MINOR = 30						
SOLD 12/14/2009	2105.78					
ACQ 1000 0000 02/05/2009	1052.89	1037.46	15.43	ST		
1000 0000 07/07/2009	1052.89	1046.54	6.35	ST		
50000 0000 UNITED STATES TREAS NTS 4.375% DTD 8/15/02 DUE 8/15/2012 - 912828AJ9 - MINOR = 30						
SOLD 02/04/2009	55015.63					
ACQ 50000 0000 05/07/2004	55015.63	49620.41	5395.22	LT15		
CHANGED 08/14/09 MDL						
11000 0000 UNITED STATES TREASURY N/B 4.25% 11/15/2 - 912828BRO - MINOR = 30						
SOLD 11/09/2009	12019.22					
ACQ 10000 0000 02/05/2009	10926.56	11015.21	-88.65	ST		
1000.0000 07/07/2009	1092.66	1081.35	11.31	ST		
50000.0000 UNITED STATES TREASURY 3 875% 05/15/20 - 912828CH1 - MINOR = 30						
SOLD 02/04/2009	50474.61					
ACQ 50000 0000 05/13/2004	50474.61	49742.19	732.42	LT15		
50000 0000 UNITED STATES TREASURY 4 75% 05/15/201 - 912828CJ7 - MINOR = 30						
SOLD 02/04/2009	57208.98					
ACQ 50000 0000 03/07/2006	57208.98	49841.80	7367.18	LT15		
8000 0000 UNITED STATES TREASURY 3 5% 02/15/2010 - 912828DL1 - MINOR = 30						
SOLD 06/10/2009	8164.37					
ACQ 8000.0000 02/05/2009	8164.37	8157.79	6.58	ST		
45000 0000 UNITED STATES TREASURY 3 5% 02/15/2010 - 912828DL1 - MINOR = 30						
SOLD 07/07/2009	45840.23					
ACQ 29000 0000 02/05/2009	29541.48	29510.36	31.12	ST		
16000 0000 06/26/2009	16298.75	16304.96	-6.21	ST		
52000.0000 UNITED STATES TREASURY 3 5% 02/15/2010 - 912828DL1 - MINOR = 30						
SOLD 11/09/2009	52452.97					
ACQ 34000 0000 06/26/2009	34296.17	34531.83	-235.66	ST		
17000.0000 10/06/2009	17148.09	17203.20	-55.11	ST		
1000.0000 11/02/2009	1008.71	1000.00	8.71	ST		
49000.0000 UNITED STATES TREASURY 3 5% 02/15/2010 - 912828DL1 - MINOR = 30						
SOLD 12/11/2009	49285.20					
ACQ 49000 0000 11/02/2009	49285.20	49472.77	-187.57	ST		
50000 0000 UNITED STATES TREASURY DTD 02/28/06 4.5% - 912828EX4 - MINOR = 30						
SOLD 02/04/2009	53656.25					
ACQ 50000.0000 02/24/2006	53656.25	49705.08	3951.17	LT15		
15000 0000 UNITED STATES TREASURY 4 875% 05/15/20 - 912828FE5 - MINOR = 30						
SOLD 05/07/2009	15012.89					
ACQ 15000 0000 02/05/2009	15012.89	15176.37	-163.48	ST		
17000 0000 UNITED STATES TREASURY DTD 10/31/07 3 62 - 912828HF0 - MINOR = 30						
SOLD 10/05/2009	17040.51					
ACQ 15000 0000 05/07/2009	15035.74	15231.44	-195.70	ST		
2000 0000 07/07/2009	2004.77	2000.00	4.77	ST		
8000 0000 UNITED STATES TREASURY N/B DTD 05/15/08 - 912828HZ6 - MINOR = 30						
SOLD 10/27/2009	8286.56					
ACQ 8000 0000 02/05/2009	8286.56	8597.37	-310.81	ST		
25000 0000 UNITED STATES TREASURY N/B DTD 05/15/08 - 912828HZ6 - MINOR = 30						
SOLD 11/09/2009	25984.37					
ACQ 13000 0000 02/05/2009	13511.87	13967.19	-455.32	ST		
8000 0000 06/10/2009	8315.00	7990.00	325.00	ST		
4000.0000 07/07/2009	4157.50	4126.45	31.05	ST		
25000 0000 WELLS FARGO & CO 5 125% 09/01/2012 - 949746CL3 - MINOR = 45						
SOLD 02/05/2009	24800.75					
ACQ 25000 0000 03/07/2006	24800.75	24751.50	49.25	LT15		
TOTALS		1129037.07	1127876.06			

SUMMARY OF CAPITAL GAINS/LOSSES

FEDERAL	SHORT TERM	LONG TERM 28%	LONG TERM 15%	ST WASH SALE	LT WASH SALE	1250 GAIN
SUBTOTAL FROM ABOVE	3940.53	0.00	-2779.52	0.00	0.00	0.00*
COMMON TRUST FUND	0.00	0.00	0.00			0.00
CAPITAL GAIN DIVIDENDS	0.00	0.00	0.00			0.00
	3940.53	0.00	-2779.52	0.00	0.00	0.00
STATE						
SUBTOTAL FROM ABOVE	3940.53	0.00	-2779.52	0.00	0.00	0.00*
COMMON TRUST FUND	0.00	0.00	0.00			0.00
CAPITAL GAIN DIVIDENDS	0.00	0.00	0.00			0.00
	3940.53	0.00	-2779.52	0.00	0.00	0.00

* - 1250 GAIN DETAILED ON TRANS PAGES, NOT ABOVE

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CORPORATE DIVIDENDS	2,151.	0.	2,151.
CORPORATE INTEREST	24,117.	0.	24,117.
U.S. GOVERNMENT	8,098.	0.	8,098.
TOTAL TO FM 990-PF, PART I, LN 4	34,366.	0.	34,366.

FORM 990-PF	OTHER INCOME	STATEMENT	2
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
EXCISE TAX REFUND	755.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	755.	0.	

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAX RETURN PREPARATION	950.	0.		950.
TO FORM 990-PF, PG 1, LN 16B	950.	0.		950.

FORM 990-PF	TAXES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	36.	36.		0.
TO FORM 990-PF, PG 1, LN 18	36.	36.		0.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	5
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
17,000 US T-NOTE 5% 05/01/2037	X		18,076.	17,816.
42,103 US TREASURY INFLATION INDEX BOND	X		42,825.	42,189.
56,000 US T-NOTE .75% 11/30/11	X		55,923.	55,635.
8,000 TVA 6.79% 05/23/2012	X		8,911.	8,962.
TOTAL U.S. GOVERNMENT OBLIGATIONS			125,735.	124,602.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			125,735.	124,602.

FORM 990-PF	CORPORATE STOCK	STATEMENT	6
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CENTERPOINT ENERGY, INC.--500 SHARES	4,085.	7,255.
TOTAL TO FORM 990-PF, PART II, LINE 10B	4,085.	7,255.

FORM 990-PF	CORPORATE BONDS	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
9,000 COMCAST CORP BOND	9,100.	9,442.
9,000 TARGET CORP BOND	8,890.	9,659.
9,000 KELLOGG CO BOND	9,340.	9,767.
9,000 MCDONALDS CORP BOND	9,583.	9,650.
7,000 PEPSICO INC BOND	8,601.	8,591.
9,000 BP CAPITAL MKTS BOND	9,626.	9,803.
8,000 HESS CORP BOND	9,536.	9,648.
9,000 PETROBRAS INTL BOND	9,021.	9,156.
8,000 TALISMAN ENERGY INC BOND	9,370.	9,395.
40,000 CITIGROUP INC BOND	40,769.	40,314.
17,000 CREDIT SUISSE BOND	17,901.	18,448.
23,000 GE CAP CORP BOND	23,015.	23,322.
9,000 GOLDMAN SACHS GROUP BOND	9,256.	9,844.
23,000 GOLDMAN SACHS GROUP BOND	22,949.	23,206.
18,000 HSBC FINANCE CORP BOND	18,001.	18,447.

THADDEUS H. WATERMAN TRUST U/W REGIONS B

63-6110169

8,000 MERRILL LYNCH INC BOND	7,971.	8,620.
18,000 MORGAN STANLEY BOND	17,988.	18,669.
9,000 WACHOVIA CORP BOND	8,893.	9,360.
9,000 ABBOTT LABS BOND	9,049.	9,414.
8,000 CATERPILLAR INC BOND	8,905.	9,759.
26,000 JOHN DEERE CAP CORP BOND	26,459.	26,792.
17,000 GENERAL ELECTRIC CO BOND	17,341.	17,985.
9,000 ORACLE CORP BOND	9,492.	9,731.
9,000 TIME WARNER CABLE BOND	9,873.	9,887.
21,043 FHLMC POOL	21,727.	22,371.
72,156 FHLMC POOL	73,881.	75,509.
27,242 FHLMC POOL	27,242.	27,219.
16,858 FNMA POOL	17,269.	17,636.
10,170 FNMA POOL	10,821.	10,702.
11,127 FNMA POOL	11,917.	11,820.
96,466 FNMA POOL	99,812.	102,465.
8,000 AT & T INC BOND	8,001.	8,384.
8,000 VERIZON COMMUN BOND	8,041.	8,624.
36,000 FNMA 2.75% 04/11/2011	36,624.	36,900.
8,000 DUKE ENERGY CORP BOND	8,366.	8,649.
 TOTAL TO FORM 990-PF, PART II, LINE 10C	 654,630.	 669,188.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	8
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
ARTISAN SMALL CAP VALUE FD	COST	5,000.	6,443.
ARTISAN MID CAP VALUE FD	COST	5,000.	6,313.
BUFFALO SMALL CAP FD	COST	5,000.	5,866.
DODGE & COX #145 FD	COST	27,000.	28,047.
AMERICAN EUROPACIFIC GROWTH FD	COST	7,000.	8,651.
AMERICAN GROWTH FUND	COST	25,000.	30,013.
MUNDER M/C CORE GROWTH FD	COST	5,000.	6,210.
PIONEER GROWTH FUND	COST	14,091.	15,601.
PIONEER CULLEN VALUE FUND	COST	25,700.	26,224.
THORNBURG INTL VALUE FUND	COST	7,000.	8,434.
 TOTAL TO FORM 990-PF, PART II, LINE 13	 125,791.	 141,802.	