



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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 KENNETH O. MELBY FAMILY FOUNDATION	A Employer identification number 87-0517013	
	Number and street (or P O box number if mail is not delivered to street address) 4725 SOUTH HOLLADAY BLVD, #210	Room/suite	B Telephone number (see page 10 of the instructions)
	City or town, state, and ZIP code SALT LAKE CITY UT 84117		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"/> 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"/>
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			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ 772,140	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	(Part I, column (d) must be on cash basis)	

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue		1 Contributions, gifts, grants, etc., received (attach schedule)	45,000		
		2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B			
		3 Interest on savings and temporary cash investments	88	88	
		4 Dividends and interest from securities	21,570	21,570	
		5 a Gross rents		0	
		b Net rental income or (loss) 0			
		6 a Net gain or (loss) from sale of assets not on line 10 b Gross sales price for all assets on line 6a 158,532	15,256		
		7 Capital gain net income (from Part IV, line 2)		15,256	
		8 Net short-term capital gain			0
		9 Income modifications			
		10 a Gross sales less returns and allowances 0			
		b Less Cost of goods sold 0			
		c Gross profit or (loss) (attach schedule) 0			
		11 Other income (attach schedule)	3,097	3,097	0
		12 Total. Add lines 1 through 11	85,011	40,011	0
Operating and Administrative Expenses		13 Compensation of officers, directors, trustees, etc	0		
		14 Other employee salaries and wages			
		15 Pension plans, employee benefits			
		16 a Legal fees (attach schedule) RECEIVED	144	115	0
		b Accounting fees (attach schedule) RSOSC	1,238	990	0
		c Other professional fees (attach schedule) 0	0	0	0
		17 Interest 153 JUL 09 2010 RSOSC			
		18 Taxes (attach schedule) (see page 14 of the instructions)	0	0	0
		19 Depreciation (attach schedule) 0	0	0	0
		20 Occupancy			
		21 Travel, conferences, and meetings			
		22 Printing and publications			
		23 Other expenses (attach schedule)	81	65	0
		24 Total operating and administrative expenses.			16
		Add lines 13 through 23	1,463	1,170	0
		25 Contributions, gifts, grants paid	34,700		34,700
		26 Total expenses and disbursements. Add lines 24 and 25	36,163	1,170	0
		27 Subtract line 26 from line 12			
		a Excess of revenue over expenses and disbursements 48,848			
		b Net investment income (if negative, enter -0-) 38,841			
		c Adjusted net income (if negative, enter -0-) 0			

1461e

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	1,142	8,189	8,189
	2	Savings and temporary cash investments			
	3	Accounts receivable ►	0		
		Less allowance for doubtful accounts ►	0		
	4	Pledges receivable ►	0		
		Less allowance for doubtful accounts ►	0		
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ►	0		
		Less allowance for doubtful accounts ►	0		
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10	a Investments—U S and state government obligations (attach schedule)	0	0	0
	b	Investments—corporate stock (attach schedule)	315,610	473,652	508,245
	c	Investments—corporate bonds (attach schedule)	0	0	0
Liabilities	11	Investments—land, buildings, and equipment basis ►	0		
		Less accumulated depreciation (attach schedule) ►	0		
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	416,578	138,743	255,706
	14	Land, buildings, and equipment basis ►	0		
		Less accumulated depreciation (attach schedule) ►	0		
	15	Other assets (describe ►)	0	0	0
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	733,330	620,584	772,140
Net Assets or Fund Balances	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	0
	21	Mortgages and other notes payable (attach schedule)	0	0	0
	22	Other liabilities (describe ►)	0	0	0
	23	Total liabilities (add lines 17 through 22)	0	0	0
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.		<input type="checkbox"/>		
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.		<input checked="" type="checkbox"/>		
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	733,330	620,584	733,330
	30	Total net assets or fund balances (see page 17 of the instructions)	733,330	620,584	733,330
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	733,330	620,584	733,330

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	733,330
2	Enter amount from Part I, line 27a	2	48,848
3	Other increases not included in line 2 (itemize) ►	3	0
4	Add lines 1, 2, and 3	4	782,178
5	Decreases not included in line 2 (itemize) ► Unrealized investment loss	5	161,594
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	620,584

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 MORGANSTANLEY (SEE SCH)		P	1/1/2009	12/31/2009
b MORGANSTANLEY (SEE SCH)		P	10/10/2008	12/31/2009
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 118,266	0	105,155	13,111	
b 40,266	0	38,121	2,145	
c 0	0	0	0	
d 0	0	0	0	
e 0	0	0	0	
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 0	0	0	13,111	
b 0	0	0	2,145	
c 0	0	0	0	
d 0	0	0	0	
e 0	0	0	0	
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	15,256
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			3	13,111

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	29,615	706,321	0 041929
2007	27,500	638,351	0 043080
2006	25,357	571,469	0 044372
2005	24,006	534,209	0 044937
2004	16,831	452,319	0 037210

2 Total of line 1, column (d)	2	0 211528
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 042306
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	726,018
5 Multiply line 4 by line 3	5	30,715
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	388
7 Add lines 5 and 6	7	31,103
8 Enter qualifying distributions from Part XII, line 4	8	34,993

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

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

1 a 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	6a	1,454
b Exempt foreign organizations—tax withheld at source	6b	
c Tax paid with application for extension of time to file (Form 8868)	6c	0
d Backup withholding erroneously withheld	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 attached

9 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 ► 1,066 Refunded ►

1 2 3 4 5	1	388
	2	0
	3	388
	4	
	5	388
6a 6b 6c 6d	6a	1,454
	6b	
	6c	0
	6d	
	7	1,454
8 9 10 11	8	0
	9	0
	10	1,066
	11	0

Part VII-A Statements Regarding Activities

1 a 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?

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?

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?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year
 (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?
If "Yes," attach a detailed description of the activities

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*

4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

b If "Yes," has it filed a tax return on Form 990-T for this year?

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

- 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?

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*

8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ► UT

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*

9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2009 or the taxable year beginning in 2009 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*

10 Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*

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

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 page 20 of the instructions)	11	X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X
14	The books are in care of ► SERVICE SPECIALTIES Telephone no ► (801) 272-5214 Located at ► 4725 SO. HOLLADAY BLVD, #210 SALT LAKE CITY UT ZIP+4 ► 84117		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A		

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	N/A
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? If "Yes," list the years ► 20 , 20 , 20 , 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	3b	N/A
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))?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	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?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
b	If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here			5b	N/A
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945–5(d)			6b	X
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?			7b	N/A
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?				
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?				

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
KENNETH MELBY 4725 Holladay Blvd Salt Lake UT 84117	PRES MINIMAL	0	0	0
CHERYL MELBY 4725 Holladay Blvd Salt Lake UT 84117	VP MINIMAL	0	0	0
KAREN TEERLINK 4725 Holladay Blvd Salt Lake UT 84117	SEC MINIMAL	0	0	0
ALAN MELBY 4725 Holladay Blvd Salt Lake UT 84117	TREAS MINIMAL	0	0	0

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

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

Total number of other employees paid over \$50,000 ► 1

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)		
3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		0
		0
		0
		0
		0
		0
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 (see page 24 of the instructions)		
Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	NONE	
2		
All other program-related investments. See page 24 of the instructions		
3		
Total. Add lines 1 through 3		► 0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	732,408
b	Average of monthly cash balances	1b	4,666
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	737,074
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	737,074
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	11,056
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	726,018
6	Minimum investment return. Enter 5% of line 5	6	36,301

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

1	Minimum investment return from Part X, line 6	1	36,301
2a	Tax on investment income for 2009 from Part VI, line 5	2a	388
b	Income tax for 2009 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	388
3	Distributable amount before adjustments Subtract line 2c from line 1	3	35,913
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	35,913
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	35,913

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	34,993
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	0
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	34,993
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	388
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	34,605

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

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

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				35,913
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only				34,640
b Total for prior years 20 20 20		0		
3 Excess distributions carryover, if any, to 2009.				
a From 2004	0			
b From 2005	0			
c From 2006	0			
d From 2007	0			
e From 2008	0			
f Total of lines 3a through e	0			
4 Qualifying distributions for 2009 from Part XII, line 4 ► \$ 34,993				
a Applied to 2008, but not more than line 2a				34,640
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2009 distributable amount				353
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 page 27 of the instructions		0		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				0
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				35,560
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)	0			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions)		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	0			
b Excess from 2006	0			
c Excess from 2007	0			
d Excess from 2008	0			
e Excess from 2009	0			

Part XIV Private Operating Foundations (see page 27 of the 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)

	Tax year	Prior 3 years			(e) Total
		(a) 2009	(b) 2008	(c) 2007	
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	0	0	0	0
b	85% of line 2a	0	0	0	0
c	Qualifying distributions from Part XII, line 4 for each year listed	0	0	0	0
d	Amounts included in line 2c not used directly for active conduct of exempt activities				0
e	Qualifying distributions made directly for active conduct of exempt activities				
	Subtract line 2d from line 2c	0	0	0	0
3	Complete 3a, b, or c for the alternative test relied upon.				
a	"Assets" alternative test—enter				
(1)	Value of all assets			N/A	0
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)				0
b	"Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	0	0	0	0
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)				0
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii)				0
(3)	Largest amount of support from an exempt organization				0
(4)	Gross investment income				0

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)**1 Information Regarding Foundation Managers:**

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

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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

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
Name and address (home or business)				
a Paid during the year				
UNIVERSITY HOSPITAL FOUNDATION 540 ARAPEEN DR #130 SALT LAKE CITY UT 84108	NONE	501(C)(3)	DONATION	1,000
UNIVERSITY OF UTAH 540 ARAPEEN DR #250 SALT LAKE CITY UT 84108	NONE	501(C)(3)	DONATION	7,500
REDWOOD ELEMENTARY SCHOOL 2650 S. REDWOOD ROAD WEST VALLEY CITY UT	NONE	GOVERNMENT	DONATION	1,000
MALIHEH FREE CLINIC 415 EAST 3900 SOUTH SALT LAKE CITY UT 84107	NONE	501(C)(3)	DONATION	1,000
THE ROAD HOME 210 S. RIO GRANDE ST. SALT LAKE CITY UT 84101	NONE	501(C)(3)	DONATION	1,000
UTAH FOOD BANK 1025 SOUTH 700 WEST SALT LAKE CITY UT 84104	NONE	501(C)(3)	DONATION	400
DESERET FOUNDATION (IHC HOSPITAL) 8TH AVENUE AND C STREET SALT LAKE CITY UT	NONE	501(C)(3)	DONATION	1,000
UTAH SHERIFF'S ASSOCIATION SALT LAKE CITY UT	NONE	501(C)(3)	DONATION	100
UTAH SHERIFF'S ASSOC. SCHOLARSHIP FUND PO BOX 489 SANTA CLARA UT 84765	NONE	501(C)(3)	DONATION	500
WATERFORD SCHOOL GIVING FUND 1480 EAST 9400 SOUTH SANDY UT 84093	NONE	501(C)(3)	DONATION	5,000
BRYNER SCHOLARSHIP FOUNDATION 1705 CAMPUS CENTER DR SALT LAKE CITY UT 84108	NONE	501(C)(3)	DONATION	1,000
WOODS CROSS HIGH SCHOOL BOUNTIFUL UT	NONE	GOVERNMENT	DONATION	1,000
GOVERNORS HONORS ACADEMY 4051 MORNING STAR DRIVE SALT LAKE CITY UT 84117	NONE	801(C)(3)	DONATION	100
CITY OF HOLLADAY 4580 SO 2300 EAST HOLLADAY UT 84117	NONE	801(C)(3)	DONATION	2,000
BRIGHAM YOUNG UNIVERSITY 1223 ASPEN AVE PROVO UT 84604	NONE	801(C)(3)	DONATION	12,000
MUSCULAR DYSTROPHY ASSOC 10 COMMERCE WAY, STE 4 RAYNHAM MA 02767	NONE	801(C)(3)	DONATION	100
Total			► 3a	34,700
b Approved for future payment				
				0
				0
				0
				0
				0
				0
				0
				0
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 (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a		0		0	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
f		0		0	0
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	88	
4 Dividends and interest from securities			14	21,570	
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	15,256	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a Partnership investment income		0	14	3,097	0
b		0		0	0
c		0		0	0
d		0		0	0
e		0		0	0
12 Subtotal Add columns (b), (d), and (e)		0		40,011	0
13 Total Add line 12, columns (b), (d), and (e)				13	40,011
(See worksheet in line 13 instructions on page 28 to verify calculations.)					

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

Schedule B
(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

OMB No 1545-0047

► Attach to Form 990, 990-EZ, or 990-PF.

2009**Name of the organization**

KENNETH O. MELBY FAMILY FOUNDATION

Employer identification number

87-0517013

Organization type (check one):**Filers of:**

Form 990 or 990-EZ

Section:

- 501(c)() (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the General Rule or a Special Rule.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ► \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization

KENNETH O. MELBY FAMILY FOUNDATION

Employer identification number

87-0517013

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	KENNETH O MELBY 4725 HOLLADAY BLVD SALT LAKE CITY UT 84117 Foreign State or Province Foreign Country	\$ 45,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2		\$ 0	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3		\$ 0	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
4		\$ 0	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
5		\$ 0	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
6		\$ 0	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

4770 S 5600 W
P O BOX 704005
WEST VALLEY CITY, UTAH 84170
FED TAX I.D # 87-0217663

The Salt Lake Tribune

WWW.SALTAK.COM

MEDIA One
A NEWSPAPER AGENCY COMPANY
WWW.MEDIAONELIAH.COM

Deseret News

WWW.DESERETNEWS.COM

PROOF OF PUBLICATION

CUSTOMER'S COPY

CUSTOMER NAME AND ADDRESS	ACCOUNT NUMBER	DATE
SERVICE SPECIALTIES, INC. 4725 S. HOLLADAY BLVD. #230 HOLLADAY UT 84117	9001384712	6/21/2010

ACCOUNT NAME	
SERVICE SPECIALTIES, INC	
TELEPHONE	ADORDER# / INVOICE NUMBER
8012725213	0000588469 /
SCHEDULE	
Start 06/18/2010	End 06/18/2010
CUST. REF. NO.	
Melby Memorial	
CAPTION	
Public notice is hereby given that the a	
SIZE	
18 Lines	1 00 COLUMN
3	RATE
ADS CHARGES	AD CHARGE
	TOTAL CHARGE
	27.50

AFFIDAVIT OF PUBLICATION

Public notice is hereby given that the annual report of the Kenneth O Melby Family Foundation is available for inspection at its principal office during regular business hours by any citizen who requests inspection within 180 days after the date this notice is published. The address and phone number of the Foundation's principal office is 4725 S Holladay Blvd #230, Holladay, UT 84117, 801-272-5213. The person to contact for inspection is Denise Geurtz. 588469 UPAXLP

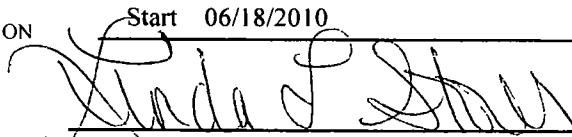
AS NEWSPAPER AGENCY CORPORATION LEGAL BOOKER, I CERTIFY THAT THE ATTACHED ADVERTISEMENT OF Public notice is hereby given that the a FOR SERVICE SPECIALTIES, INC. WAS PUBLISHED BY THE NEWSPAPER AGENCY CORPORATION, AGENT FOR THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH. NOTICE IS ALSO POSTED ON UTAHLEGALS.COM ON THE SAME DAY AS THE FIRST NEWSPAPER PUBLICATION DATE AND REMAINS ON UTAHLEGALS.COM INDEFINATELY

PUBLISHED ON

Start 06/18/2010

End 06/18/2010

SIGNATURE



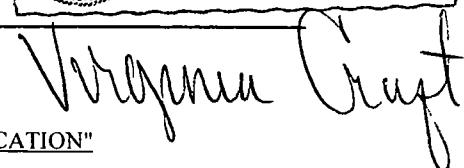
DATE

6/21/2010



VIRGINIA CRAFT
Notary Public, State of Utah
Commission # 581469
My Commission Expires
January 12, 2014

THIS IS NOT A STATEMENT BUT A "PROOF OF PUBLICATION"
PLEASE PAY FROM BILLING STATEMENT



CLIENT STATEMENT | For the Period December 1-31, 2009

**MorganStanley
SmithBarney**

Activity

**KENNETH O MELBY FAMILY FOUNDATION
4725 HOLLOWAY BLVD STE 230**

REALIZED GAIN/(LOSS) DETAIL

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig. Adj Total Cost	Realized Gain/(Loss)	Comments
ISHARES BARCLAYS AGG.BD FD	12/31/07	10/13/09	154.000	\$16,090.24	\$15,608.70	\$481.54	
ISHARES BOXX \$ H/Y CORP BND	01/28/09	05/11/09	181.000	13,758.74	13,670.89	87.85	
ISHARES LEHMAN AGGREGATE	12/31/07	01/02/09	58.000	6,008.51	5,878.60	129.91	
KINDER MORGAN ENERGY PTRS LP	03/12/09	11/12/09	268.000	14,931.90	11,921.18	3,010.72	
PROSHARES ULTRASHORT MCAP 400	03/02/09	03/04/09	165.000	13,647.32	13,312.32	335.00	
PROSHARES ULTRASHORT RUSSELL20	03/02/09	03/04/09	68.000	7,027.61	6,656.03	371.58	
PROSHARES ULTRASHORT S&P500	03/02/09	03/04/09	64.000	6,756.34	6,610.25	146.09	
QUESTAR CORP	05/14/09	07/23/09	282.000	13,882.44	16,919.44	(3,037.00)	
S&P NORTH AMER NAT RES SECTOR	10/10/08	10/13/09	179.000	6,943.93	3,966.75	2,977.18	
SPDR KBW BANK ETF	03/10/09	06/17/09	91.000	2,558.14	1,965.46	592.68	
THE FINANCIAL SEL SECT SPDR FD	10/10/08	12/08/09	522.000	11,223.49	12,667.27	(1,443.78)	
UNITED STATES OIL FUND	03/10/09	03/25/09	1,202.000	11,268.32	8,178.17	3,090.15	
	03/10/09	09/01/09	728.000	10,273.63	4,953.17	5,320.46	
	01/13/09	06/03/09	668.000	24,161.60	20,968.05	3,193.55	
Net Realized Gain/(Loss) This Period				\$11,223.49	\$12,667.27	\$(1,443.78)	
Net Realized Gain/(Loss) Year to Date				\$158,532.21	\$143,276.28	\$15,255.93	

Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

Security Mark
at Right

1441
1441
1441
1441