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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2009

Department of the Treasury
Internal Revenue Service

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

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

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name changeUse the IRS
labelOtherwise,
print
or type.See Specific
Instructions.

Name of foundation

THE GUNNAR AND RUTH LIE FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)

3248 HUNTS POINT ROAD

Room/suite

City or town, state, and ZIP code

BELLEVUE, WA 98004

A Employer identification number

91-2090480

B Telephone number

425-261-1000

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

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundationI Fair market value of all assets at end of year
(from Part II, col (c), line 16)

\$ 6,161,959. (Part I, column (d) must be on cash basis)

J Accounting method:

☒ Cash☐ Accrual☐ Other (specify)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

(a) Revenue and
expenses per books(b) Net investment
income(c) Adjusted net
income(d) Disbursements
for charitable purposes
(cash basis only)

1 Contributions, gifts, grants, etc., received

1,000,000.

2 Check ☐ if the foundation is not required to attach Sch B

3 Interest on savings and temporary cash investments

50,824.

50,824.

STATEMENT 1

4 Dividends and interest from securities

46,063.

46,063.

STATEMENT 2

5a Gross rents

b Net rental income or (loss)

6a Net gain or (loss) from sale of assets not on line 10

-219,711.

b Gross sales price for all assets on line 6a 2,770,210.

7 Capital gain net income (from Part IV, line 2)

0.

8 Net short-term capital gain

9 Income modifications

10a Gross sales less returns and allowances

b Less Cost of goods sold

c Gross profit or (loss)

11 Other income

12 Total. Add lines 1 through 11

877,176.

96,887.

0.

13 Compensation of officers, directors, trustees, etc

0.

0.

0.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees

b Accounting fees

STMT 3

2,450.

735.

0.

1,715.

c Other professional fees

17 Interest

18 Taxes

STMT 4

1,195.

1,195.

0.

0.

19 Depreciation and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses

STMT 5

22,617.

22,467.

0.

150.

24 Total operating and administrative expenses Add lines 13 through 23

26,262.

24,397.

0.

1,865.

25 Contributions, gifts, grants paid

342,800.

342,800.

26 Total expenses and disbursements Add lines 24 and 25

369,062.

24,397.

0.

344,665.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

508,114.

b Net investment income (if negative, enter -0-)

72,490.

c Adjusted net income (if negative, enter -0-)

0.

10 P

Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	2,116,016.	1,041,750.	1,041,750.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 6	2,698,152.	4,282,964.	5,120,209.
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	4,814,168.	5,324,714.	6,161,959.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	4,814,168.	5,324,714.	
	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.		
30 Total net assets or fund balances	4,814,168.	5,324,714.		
31 Total liabilities and net assets/fund balances	4,814,168.	5,324,714.		

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	4,814,168.
2 Enter amount from Part I, line 27a	2	508,114.
3 Other increases not included in line 2 (itemize) ▶ PORTFOLIO EQUITY ADJUSTMENTS	3	2,432.
4 Add lines 1, 2, and 3	4	5,324,714.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	5,324,714.

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 CHARLES SCHWAB - SEE ATTACHED DETAIL		P	VARIOUS	VARIOUS
b CHARLES SCHWAB - SEE ATTACHED DETAIL		P	VARIOUS	VARIOUS
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 2,455,834.		2,628,596.	-172,762.
b 314,376.		361,325.	-46,949.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			-172,762.
b			-46,949.
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	-219,711.
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	306,192.	5,318,071.	.057576
2007	394,106.	6,385,690.	.061717
2006	242,248.	5,519,134.	.043892
2005	418,187.	4,704,656.	.088888
2004	206,871.	4,210,774.	.049129

2 Total of line 1, column (d)	2	.301202
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	.060240
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	5,190,339.
5 Multiply line 4 by line 3	5	312,666.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	725.
7 Add lines 5 and 6	7	313,391.
8 Enter qualifying distributions from Part XII, line 4	8	344,665.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	725.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	725.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	725.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	5,671.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	5,671.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	4,946.	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax <input checked="" type="checkbox"/> 4,946. Refunded <input type="checkbox"/>	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see 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		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
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.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		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.		X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> WA		
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		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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		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 ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>GUNNAR LIE</u> Telephone no. ► <u>425-261-1000</u> Located at ► <u>3248 HUNTS POINT ROAD, BELLEVUE, WA</u> ZIP+4 ► <u>98004</u>			
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	N/A	1b
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?		1c
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 ► _____	<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 instructions.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
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

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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

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A ☐ Yes ☒ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

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
GUNNAR LIE 3248 HUNTS POINT ROAD BELLEVUE, WA 98004	DIRECTOR 1.00	0.	0.	0.
RUTH LIE 3248 HUNTS POINT ROAD BELLEVUE, WA 98004	DIRECTOR 1.00	0.	0.	0.
KIRSTEN MILLER 2215 MERRILL CRK PKWY EVERETT, WA 98202	DIRECTOR 1.00	0.	0.	0.
ELIZABETH LIE 2215 MERRILL CRK PKWY EVERETT, WA 98202	DIRECTOR 1.00	0.	0.	0.

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

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

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

0

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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	3,690,497.
b	Average of monthly cash balances	1b	1,578,883.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	5,269,380.
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	5,269,380.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	79,041.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,190,339.
6	Minimum investment return. Enter 5% of line 5	6	259,517.

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	259,517.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	725.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	725.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	258,792.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	258,792.
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	258,792.

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	344,665.
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	344,665.
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	725.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	343,940.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				258,792.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005	184,044.			
c From 2006				
d From 2007	94,371.			
e From 2008	41,624.			
f Total of lines 3a through e	320,039.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$	344,665.			
a Applied to 2008, but not more than line 2a			0.	
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				258,792.
e Remaining amount distributed out of corpus	85,873.			
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	405,912.			
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				0.
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	405,912.			
10 Analysis of line 9:				
a Excess from 2005	184,044.			
b Excess from 2006				
c Excess from 2007	94,371.			
d Excess from 2008	41,624.			
e Excess from 2009	85,873.			

N/A

- ▶

b Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(1)(3) or ☐ 4942(1)(5)

- [illegible]

1 Information Regarding Foundation Managers:

- SEE STATEMENT 7

- NONE

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.

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

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

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

OMB No 1545-0047

2009

Name of the organization

THE GUNNAR AND RUTH LIE FOUNDATION

Employer identification number

91-2090480

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

☐ 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 foundationCheck 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).

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions
for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization

Employer identification number

THE GUNNAR AND RUTH LIE FOUNDATION

91-2090480

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	GUNNAR & RUTH LIE 3248 HUNTS POINT ROAD BELLEVUE, WA 98004	\$ 1,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

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

SOURCE	AMOUNT
ACCRUED INTEREST PAID - SCHWAB #2135	-2,844.
INTEREST INCOME - SCHWAB #2135	53,650.
INTEREST INCOME - US BANK	18.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	50,824.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS - PIPER JAFFRAY #1265	3.	0.	3.
DIVIDENDS - SCHWAB #2135	46,060.	0.	46,060.
TOTAL TO FM 990-PF, PART I, LN 4	46,063.	0.	46,063.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	2,450.	735.	0.	1,715.
TO FORM 990-PF, PG 1, LN 16B	2,450.	735.	0.	1,715.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	1,195.	1,195.	0.	0.
TO FORM 990-PF, PG 1, LN 18	1,195.	1,195.	0.	0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
BANK FEES	115.	0.	0.	115.	
INVESTMENT FEES	22,467.	22,467.	0.	0.	
LICENSE FEES	35.	0.	0.	35.	
TO FORM 990-PF, PG 1, LN 23	22,617.	22,467.	0.	150.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE	
CORPORATE STOCKS	4,282,964.		5,120,209.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	4,282,964.		5,120,209.	

FORM 990-PF	PART XV - LINE 1A LIST OF FOUNDATION MANAGERS	STATEMENT	7
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NAME OF MANAGER

GUNNAR LIE
RUTH LIE

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 8

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
CITY CHURCH 9051-132ND AVE. NE KIRKLAND, WA 98033	NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	501(C)(3)	20,000.
CITY MINISTRIES PO BOX 882194 SAN FRANCISCO, CA 94188	NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	501(C)(3)	100,000.
EVERETT GOSPEL MISSION PO BOX 423 EVERETT, WA 982060423	NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	501(C)(3)	20,000.
JUBILEE REACH CENTER 14200 SE 13TH PL BELLEVUE, WA 98007	NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	501(C)(3)	20,000.
KIDZANNA MINISTRIES 8229 44TH AVENUE WEST MUKILTEO, WA 98275	NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	501(C)(3)	10,000.
MEDICAL TEAMS INTERNATIONAL 1920 116TH AVENUE NE, SUITE 201 BELLEVUE, WA 98004	NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	501(C)(3)	50,000.
NORTH SOUND CHURCH 404 BELL STREET EDMONDS, WA 98020	NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	501(C)(3)	800.
WESTGATE CHAPEL 22901 EDMONDS WAY EDMONDS, WA 98020	NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	501(C)(3)	10,000.

THE GUNNAR AND RUTH LIE FOUNDATION

91-2090480

YOUTH FOR CHRIST

NONE

501(C)(3)

112,000.

3827 14TH AVE. W. SEATTLE, WA
98119

TO ASSIST ORG. IN
CARRYING OUT
CHARITABLE PURPOSES

TOTAL TO FORM 990-PF, PART XV, LINE 3A

342,800.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-09 Through 12-31-09

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
04-11-08	01-15-09	85	Procter & Gamble	5,992		4,842	-1,150	
04-18-08	01-15-09	49	Procter & Gamble	3,286		2,791	-495	
04-17-08	01-22-09	124	3M Corporation	10,034		6,626	-3,409	
05-02-08	01-22-09	191	3M Corporation	15,113		10,206	-4,907	
05-20-08	01-22-09	71	3M Corporation	5,515		3,794	-1,721	
12-24-08	02-05-09	1,557	Financial Select Sector SPDR Fund	18,117		14,418	-3,699	
02-05-09	02-20-09	900	Hartford Financial Svcs Grp	13,937		5,436	-8,501	
04-18-08	03-09-09	282	Nestle SA ADR	14,160		8,537	-5,623	
04-21-08	03-09-09	38	Nestle SA ADR	1,908		1,150	-757	
05-13-08	03-09-09	340	Roche Holdings AG Ltd - Spons ADR	13,894		9,647	-4,247	
05-02-08	03-09-09	360	Teva Pharmaceutical	16,981		15,547	-1,435	
01-06-09	03-09-09	510	Select Emerging Markets ETF- Vngd	13,119		10,105	-3,014	
02-25-09	03-09-09	190	iShares China 25 Index Fund	4,928		4,494	-433	
04-21-08	03-09-09	226	America Movil - ADR Series L	14,914		5,388	-9,526	
04-17-08	03-09-09	134	America Movil - ADR Series L	8,766		3,194	-5,571	
04-11-08	03-09-09	50	America Movil - ADR Series L	3,169		1,192	-1,977	
05-05-08	03-09-09	524	Comcast Corp Class A	11,537		5,883	-5,654	
04-18-08	03-09-09	156	Comcast Corp Class A	3,184		1,752	-1,433	
04-18-08	03-09-09	680	Starbucks Corporation	12,410		5,622	-6,788	
01-06-09	03-09-09	200	Target Corp	7,414		5,063	-2,351	
04-18-08	03-09-09	392	Campbell Soup Co	13,792		10,080	-3,712	
04-21-08	03-09-09	68	Campbell Soup Co	2,377		1,749	-628	
04-11-08	03-09-09	84	PepsiCo Inc	6,019		3,852	-2,167	
04-18-08	03-09-09	156	PepsiCo Inc	10,932		7,153	-3,779	
04-18-08	03-09-09	165	Procter & Gamble	11,065		7,288	-3,777	
05-19-08	03-09-09	35	Procter & Gamble	2,342		1,546	-796	
05-15-08	03-09-09	396	Walgreen Co	14,463		8,510	-5,953	
04-17-08	03-09-09	24	Walgreen Co	862		516	-347	
05-15-08	03-09-09	135	Chevron Corp	13,228		7,865	-5,363	
04-21-08	03-09-09	35	Chevron Corp	3,244		2,039	-1,205	
05-20-08	03-09-09	37	ConocoPhillips	3,472		1,339	-2,133	
05-05-08	03-09-09	203	ConocoPhillips	17,773		7,345	-10,428	
04-18-08	03-09-09	182	National Oilwell Varco Inc	13,644		4,723	-8,921	
04-11-08	03-09-09	87	National Oilwell Varco Inc	5,893		2,258	-3,635	
05-02-08	03-09-09	101	National Oilwell Varco Inc	6,720		2,621	-4,099	
04-17-08	03-09-09	151	Peabody Energy	10,111		3,339	-6,772	
04-25-08	03-09-09	89	Peabody Energy	5,592		1,968	-3,624	
01-22-09	03-09-09	270	Schlumberger Ltd	10,456		9,922	-533	
12-18-08	03-09-09	140	iShares Russell 2000 Index Fund	6,832		4,807	-2,025	
04-11-08	03-09-09	1	Berkshire Hathaway Class B	4,367		2,311	-2,056	
04-18-08	03-09-09	1	Berkshire Hathaway Class B	4,307		2,311	-1,996	
04-17-08	03-09-09	2	Berkshire Hathaway Class B	8,609		4,622	-3,987	
04-21-08	03-09-09	3	Berkshire Hathaway Class B	12,849		6,933	-5,915	
04-25-08	03-09-09	1	Berkshire Hathaway Class B	4,233		2,311	-1,922	
05-19-08	03-09-09	2	Berkshire Hathaway Class B	8,266		4,622	-3,644	

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-09 Through 12-31-09

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-02-08	03-09-09	88	Goldman Sachs	17,678		6,511	-11,168	
05-15-08	03-09-09	43	Goldman Sachs	8,047		3,181	-4,866	
04-18-08	03-09-09	59	Goldman Sachs	10,686		4,365	-6,321	
05-05-08	03-09-09	158	PNC Financial Services Group Inc	11,146		3,097	-8,049	
05-20-08	03-09-09	136	PNC Financial Services Group Inc	9,073		2,666	-6,407	
05-22-08	03-09-09	212	PNC Financial Services Group Inc	14,125		4,156	-9,969	
04-17-08	03-09-09	4	PNC Financial Services Group Inc	257		78	-178	
04-17-08	03-09-09	231	Amgen Inc	9,974		10,694	720	
04-21-08	03-09-09	9	Amgen Inc	383		417	34	
05-02-08	03-09-09	53	Celgene Corp	3,403		2,116	-1,288	
04-11-08	03-09-09	95	Celgene Corp	5,951		3,792	-2,159	
05-19-08	03-09-09	52	Celgene Corp	3,182		2,076	-1,106	
05-15-08	03-09-09	213	Cerner Corp	10,170		8,193	-1,978	
04-21-08	03-09-09	107	Cerner Corp	4,413		4,116	-297	
06-05-08	03-09-09	170	Genzyme Corp	11,817		9,380	-2,436	
04-14-08	03-09-09	121	Medtronic Inc	5,998		2,944	-3,054	
04-17-08	03-09-09	181	Medtronic Inc	8,956		4,404	-4,552	
05-20-08	03-09-09	8	Medtronic Inc	396		195	-201	
04-14-08	03-09-09	128	Varian Medical Sys	6,024		3,505	-2,519	
04-17-08	03-09-09	162	Varian Medical Sys	7,497		4,436	-3,060	
01-06-09	03-09-09	370	Aecom Technology Corp	11,618		8,044	-3,573	
05-19-08	03-09-09	48	Caterpillar	4,111		1,143	-2,967	
04-21-08	03-09-09	160	Caterpillar	13,229		3,810	-9,419	
05-05-08	03-09-09	132	Caterpillar	10,883		3,144	-7,739	
05-19-08	03-09-09	141	Cooper Industries PLC	6,626		2,678	-3,948	
04-18-08	03-09-09	179	Cooper Industries PLC	7,937		3,400	-4,537	
05-02-08	03-09-09	256	General Electric	8,575		1,894	-6,680	
04-18-08	03-09-09	356	General Electric	11,714		2,634	-9,080	
04-21-08	03-09-09	238	General Electric	7,746		1,761	-5,985	
05-05-08	03-09-09	160	ITT Industries Inc	10,276		5,143	-5,133	
04-18-08	03-09-09	70	ITT Industries Inc	4,063		2,250	-1,812	
05-02-08	03-09-09	234	Accenture PLC Cl A	9,135		6,322	-2,813	
05-19-08	03-09-09	140	Accenture PLC Cl A	5,429		3,782	-1,646	
04-21-08	03-09-09	16	Accenture PLC Cl A	611		432	-179	
05-20-08	03-09-09	113	Adobe Systems Inc	4,666		1,898	-2,768	
05-05-08	03-09-09	176	Adobe Systems Inc	7,123		2,956	-4,167	
04-21-08	03-09-09	273	Adobe Systems Inc	9,990		4,585	-5,405	
04-18-08	03-09-09	38	Adobe Systems Inc	1,383		638	-745	
05-19-08	03-09-09	67	Apple Computer	12,581		5,554	-7,027	
05-05-08	03-09-09	50	Apple Computer	9,255		4,145	-5,111	
04-25-08	03-09-09	23	Apple Computer	3,872		1,907	-1,965	
05-05-08	03-09-09	137	Cisco Systems Inc	3,664		1,885	-1,779	
05-15-08	03-09-09	371	Cisco Systems Inc	9,714		5,105	-4,609	
04-21-08	03-09-09	232	Cisco Systems Inc	5,748		3,192	-2,556	
08-19-08	03-09-09	910	EMC Corporation	13,772		8,910	-4,862	
05-15-08	03-09-09	15	Google Inc	8,713		4,378	-4,335	
04-25-08	03-09-09	15	Google Inc	8,239		4,378	-3,861	
04-21-08	03-09-09	466	Microsoft	14,180		7,068	-7,112	
05-05-08	03-09-09	159	Microsoft	4,782		2,412	-2,371	

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-09 Through 12-31-09

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
05-02-08	03-09-09	15	Microsoft	441		227	-214	
05-05-08	03-09-09	4	Qualcomm Inc	177		132	-46	
04-25-08	03-09-09	88	Qualcomm Inc	3,782		2,894	-888	
04-21-08	03-09-09	258	Qualcomm Inc	10,964		8,484	-2,480	
04-21-08	03-09-09	115	EQT Corp	7,811		3,298	-4,512	
04-18-08	03-09-09	101	EQT Corp	6,830		2,897	-3,934	
04-17-08	03-09-09	129	EQT Corp	8,660		3,700	-4,960	
05-02-08	03-09-09	65	EQT Corp	4,293		1,864	-2,429	
06-13-08	03-20-09	100,000	U S Treasury N/B dtd 05/31/08 AAA	98,967		108,472	9,505	
			3 500% Due 05-31-13					
06-12-08	03-20-09	100,000	Federal Home Loan Bank Bonds dtd 06/16/08 AAA	99,572		107,743	8,171	
			4 875% Due 06-12-15					
04-21-08	04-16-09	224	Campbell Soup Co	7,829		5,852	-1,977	
04-14-08	04-16-09	179	Campbell Soup Co	6,000		4,676		-1,324
06-06-08	04-16-09	500	Campbell Soup Co	16,424		13,062	-3,362	
04-02-09	04-28-09	1,000	S&P 500 Depository Receipt	83,945		84,970	1,024	
03-24-09	04-28-09	1,000	Financial Select Sector SPDR Fund	9,629		10,383	754	
04-02-09	04-28-09	4,000	Financial Select Sector SPDR Fund	38,449		41,534	3,085	
04-06-09	05-08-09	1,236	iShares MSCI EAFE Value Inx	43,997		52,030	8,033	
07-25-08	05-19-09	100,000	Federal Farm Credit Bank dtd 06/09/08 c06/10*100 AAA	99,729		103,490	3,761	
			5 050% Due 06-09-15					
04-02-09	05-19-09	4,000	Financial Select Sector SPDR Fund	37,440		49,152	11,711	
03-25-09	05-19-09	1,000	Financial Select Sector SPDR Fund	8,798		12,288	3,490	
04-06-09	05-21-09	1,225	iShares MSCI EAFE Growth Index Fund	48,757		55,918	7,162	
04-06-09	05-29-09	1,070	iShares S&P Mid Cap 400/Value	50,114		55,163	5,049	
04-06-09	05-29-09	1,757	iShares Russell 1000 Value	75,191		83,201	8,010	
04-02-09	06-01-09	1,000	S&P 500 Depository Receipt	83,945		94,700	10,754	
04-06-09	06-02-09	905	iShares S&P Mid Cap 400/Growth	49,997		58,131	8,135	
04-02-09	06-10-09	500	S&P 500 Depository Receipt	41,973		47,125	5,152	
05-20-08	06-19-09	614	Medtronic Inc	30,361		20,696		-9,664
04-14-09	06-19-09	522	Medtronic Inc	16,498		17,595	1,097	
04-02-09	06-23-09	500	MSCI Emerging Markets iShares	13,610		15,251	1,640	
04-06-09	06-23-09	2,725	iShares Russell 1000 Growth	100,071		108,620	8,549	
04-02-09	06-23-09	500	MSCI Emerging Markets iShares	13,610		15,207	1,596	
04-02-09	06-23-09	1,500	S&P 500 Depository Receipt	125,918		134,030	8,112	
04-02-09	06-23-09	500	S&P 500 Depository Receipt	41,581		44,677	3,095	
04-18-08	06-25-09	525	Comcast Corp Class A	10,716		7,544		-3,172
04-21-08	06-25-09	500	Comcast Corp Class A	10,133		7,185		-2,948

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-09 Through 12-31-09

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
04-11-08	06-25-09	303	Comcast Corp Class A	6,026		4,354		-1,672
04-13-09	06-25-09	472	Comcast Corp Class A	6,758		6,783	25	
04-02-09	07-06-09	1,000	MSCI Emerging Markets iShares	27,221		31,570	4,349	
04-02-09	07-06-09	2,000	S&P 500 Depository Receipt	166,325		178,708	12,383	
05-29-09	07-08-09	804	iShares Russell 2000 Index Fund	39,838		38,189	-1,649	
12-18-08	07-08-09	110	iShares Russell 2000 Index Fund	5,368		5,225	-143	
01-28-09	07-08-09	150	iShares Russell 2000 Index Fund	7,062		7,125	63	
04-16-09	07-08-09	432	iShares Russell 2000 Index Fund	20,121		20,519	398	
04-13-09	07-08-09	276	iShares Russell 2000 Index Fund	12,752		13,110	358	
04-14-09	07-08-09	228	iShares Russell 2000 Index Fund	10,481		10,830	349	
06-12-08	07-08-09	100,000	General Electric Capital Corp MTN	98,760		100,483		1,723
06-25-08	07-16-09	100,000	5 375% Due 10-20-16 Federal Home Ln Bank Bd dtd 07/15/08 AAA CALLED 7/16/09*100	100,010		100,000		-10
04-02-09	08-04-09	500	5 000% Due 07-15-09 S&P 500 Depository Receipt	41,581		50,105	8,524	
05-05-08	08-10-09	112	Caterpillar	9,234		5,253		-3,981
04-11-08	08-10-09	80	Caterpillar	6,034		3,752		-2,281
04-30-09	08-10-09	150	Caterpillar	5,344		7,036	1,691	
04-13-09	08-10-09	570	Caterpillar	18,129		26,736	8,607	
01-29-09	08-10-09	468	Caterpillar	14,854		21,951	7,098	
04-02-09	08-28-09	800	MSCI Emerging Markets iShares	21,777		29,127	7,350	
08-10-09	08-28-09	300	iShares China 25 Index Fund	12,516		12,038	-478	
06-03-09	08-28-09	400	iShares China 25 Index Fund	15,107		16,051	943	
05-27-09	08-28-09	300	iShares China 25 Index Fund	10,888		12,038	1,150	
04-02-09	08-28-09	500	S&P 500 Depository Receipt	41,581		52,070	10,488	
03-25-09	08-28-09	500	S&P 500 Depository Receipt	39,738		52,070	12,331	
04-18-08	09-09-09	75	Starbucks Corporation	1,369		1,491		123
06-06-08	09-09-09	500	Starbucks Corporation	8,853		9,943		1,090
04-11-08	09-09-09	346	Starbucks Corporation	6,019		6,881		862
07-20-09	09-09-09	1,040	Starbucks Corporation	15,338		20,682	5,344	
07-16-09	09-09-09	1,079	Starbucks Corporation	15,617		21,458	5,840	
06-05-08	12-18-09	230	Genzyme Corp	15,988		11,245		-4,743
10-17-08	12-18-09	100	Genzyme Corp	6,348		4,889		-1,459
04-13-09	12-18-09	557	Genzyme Corp	31,217		27,232	-3,984	
04-21-08	12-18-09	79	General Electric	2,571		1,244		-1,327
04-11-08	12-18-09	184	General Electric	5,954		2,898		-3,056
04-17-08	12-18-09	376	General Electric	12,079		5,921		-6,157
05-20-08	12-18-09	391	General Electric	12,490		6,157		-6,332
10-17-08	12-18-09	620	General Electric	12,380		9,764		-2,617

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-09 Through 12-31-09

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
04-13-09	12-18-09	1,880	General Electric	21,347		29,606	8,259	
TOTAL GAINS							214,193	3,798
TOTAL LOSSES							-386,958	-50,743
							-172,765	-46,946
; TOTAL REALIZED GAIN/LOSS				-219,711				

SHORT TERM	2,626,596	2455,834	<172,762>
LONG TERM	361,325	314,376	<46,949>

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.