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

OMB No 1545-0052

2009Department 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 change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation THE MARNELL FOUNDATION		A Employer identification number 94-3252819
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 222 VIA MARNELL WAY		B Telephone number 702-739-2000
	City or town, state, and ZIP code LAS VEGAS, NV 89119		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 ☐
	H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		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 ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 3,778,617.		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		0.		N/A	
2 Check ☒ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		121,431.	121,431.		STATEMENT 1
4 Dividends and interest from securities		649.	649.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		20,258.			
b Gross sales price for all assets on line 6a		622,223.			
7 Capital gain net income (from Part IV, line 2)			20,258.		
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		30.	0.		STATEMENT 3
12 Total. Add lines 1 through 11		142,368.	142,338.		
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 4		875.	0.		0.
c Other professional fees					
17 Interest					
18 Taxes STMT 5		6,000.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences and meetings					
22 Printing and publications					
23 Other expenses STMT 6		7,559.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		14,434.	0.		0.
25 Contributions, gifts, grants paid		824,750.			824,750.
26 Total expenses and disbursements. Add lines 24 and 25		839,184.	0.		824,750.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		<696,816.>			
b Net investment income (if negative, enter -0-)			142,338.		
c Adjusted net income (if negative, enter -0-)				N/A	

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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	3,229,814.	2,540,313.	2,540,313.
	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 7	40,765.	44,399.	30,100.
	c Investments - corporate bonds STMT 8	1,104,480.	1,102,515.	1,195,938.
Liabilities	11 Investments - land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 9)	21,250.	12,266.	12,266.
	16 Total assets (to be completed by all filers)	4,396,309.	3,699,493.	3,778,617.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	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.	
	Foundations that follow SFAS 117, check here ▶ ☐			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	4,396,309.	3,699,493.	
	30 Total net assets or fund balances	4,396,309.	3,699,493.	
	31 Total liabilities and net assets/fund balances	4,396,309.	3,699,493.	

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	4,396,309.
2 Enter amount from Part I, line 27a	2	<696,816.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	3,699,493.
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	3,699,493.

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 GAIN REPORTED ON CROSSTEX ENERGY, LP	P		
b 350,000 SHARES OED CORP	P	12/11/06	09/08/09
c 200,000 SHARES OED CORP	P	12/13/06	09/08/09
d 50,000 SHARES PINNACLE ENT	P	09/22/03	08/10/09
e SECURITIES SETTLEMENTS	P		

(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 4,085.			4,085.
b 360,210.		351,765.	8,445.
c 205,834.		201,015.	4,819.
d 51,584.		49,185.	2,399.
e 510.			510.

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			4,085.
b			8,445.
c			4,819.
d			2,399.
e			510.

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	20,258.
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	244,850.	4,037,153.	.060649
2007	272,250.	4,123,278.	.066028
2006	346,000.	3,758,494.	.092058
2005	4,085,973.	3,886,370.	1.051360
2004	939,903.	4,575,738.	.205410

2 Total of line 1, column (d)	2	1.475505
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	.295101
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	3,755,463.
5 Multiply line 4 by line 3	5	1,108,241.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,423.
7 Add lines 5 and 6	7	1,109,664.
8 Enter qualifying distributions from Part XII, line 4	8	824,750.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	2,847.
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	2,847.
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	2,847.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009	6a	7,161.	
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	7,161.	
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	4,314.	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax ☐ 4,314. Refunded ☐ 0.	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. ☐ \$ 0. (2) On foundation managers. ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☐ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		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) ☐ NV		
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

N/A

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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>SMITH & FRANCIS, CPA</u> Telephone no. ► <u>702-798-1919</u> Located at ► <u>6700 VIA AUSTI PARKWAY SUITE C, LAS VEGAS, NV</u> ZIP+4 ► <u>89119</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?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? 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 ► _____	☐ Yes ☒ 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?	☐ Yes ☒ No	
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
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)?

Organizations relying on a current notice regarding disaster assistance check here

☐**5b** **X****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?**SEE STATEMENT 11**☒ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

6b **X****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
SEE STATEMENT 10		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**Form **990-PF** (2009)

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	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	1,267,880.
b	Average of monthly cash balances	1b	2,528,015.
c	Fair market value of all other assets	1c	16,758.
d	Total (add lines 1a, b, and c)	1d	3,812,653.
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	3,812,653.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	57,190.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,755,463.
6	Minimum investment return. Enter 5% of line 5	6	187,773.

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	187,773.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	2,847.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,847.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	184,926.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	184,926.
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	184,926.

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	824,750.
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	824,750.
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	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	824,750.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				184,926.
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	720,560.			
b From 2005	3,902,708.			
c From 2006	163,754.			
d From 2007	72,076.			
e From 2008	48,233.			
f Total of lines 3a through e	4,907,331.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$ 824,750.				
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				184,926.
e Remaining amount distributed out of corpus	639,824.			
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	5,547,155.			
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	720,560.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	4,826,595.			
10 Analysis of line 9:				
a Excess from 2005	3,902,708.			
b Excess from 2006	163,754.			
c Excess from 2007	72,076.			
d Excess from 2008	48,233.			
e Excess from 2009	639,824.			

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)

- b 85% of line 2a**

- d** Amounts included in line 2c not used directly for active conduct of exempt activities

- e Qualifying distributions made directly for active conduct of exempt activities.

- a "Assets" alternative test - enter:
(1) Value of all assets

- (2) Value of assets qualifying under section 4942(j)(3)(B)(i)**

- b** "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

- c "Support" alternative test - enter:**

- (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

- (2) Support from general public and 5 or more exempt organizations as provided in section 4942(i)(3)(B)(iii)

- (3) Largest amount of support from an exempt organization**

- (4) Gross investment income**

[illegible]

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).)

ANTHONY A. MARNELL II

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

NONE

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

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

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

BOARD OF DIRECTORS, THE MARNELL FOUNDATION, (702) 739-2000
222 VIA MARNELL WAY, LAS VEGAS, NV 89119

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

APPLICATIONS ARE AVAILABLE UPON REQUEST

- c Any submission deadlines:**

APPLICATIONS ARE ACCEPTED AT ANY TIME

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

NONE

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				
SEE STATEMENT 12				
Total			▶ 3a	824,750.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

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

SOURCE	AMOUNT
FROM CROSSTEX ENERGY, LP	394.
US BANK	61.
US TRUST	120,976.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	121,431.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
US TRUST	649.	0.	649.
TOTAL TO FM 990-PF, PART I, LN 4	649.	0.	649.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
FROM CROSSTEX ENERGY LP	30.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	30.	0.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SMITH & FRANCIS	875.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	875.	0.		0.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL INCOME TAX	6,000.	0.		0.
TO FORM 990-PF, PG 1, LN 18	6,000.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL MEMBERSHIP DUES	495.	0.		0.
BANK FEES AND INVESTMENT EXPENSES	7,039.	0.		0.
LICENSES	25.	0.		0.
TO FORM 990-PF, PG 1, LN 23	7,559.	0.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CROSSTEX ENERGY LP	44,399.	30,100.
TOTAL TO FORM 990-PF, PART II, LINE 10B	44,399.	30,100.

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
RIVER ROCK	502,515.	471,250.
WYNN LAS VEGAS	600,000.	724,688.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,102,515.	1,195,938.

FORM 990-PF OTHER ASSETS STATEMENT 9

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ACCRUED INTEREST RECEIVABLE	21,250.	12,266.	12,266.
TO FORM 990-PF, PART II, LINE 15	21,250.	12,266.	12,266.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
ANTHONY A. MARNELL II 222 VIA MARNELL WAY LAS VEGAS, NV 89119	TRUSTEE-PRES 1.00	0.	0.	0.
JAMES A. BARRETT, JR. 222 VIA MARNELL WAY LAS VEGAS, NV 89119	TRUSTEE-TREAS 1.00	0.	0.	0.
ANTHONY A. MARNELL III 6700 VIA AUSTI PARKWAY LAS VEGAS, NV 89119	TRUSTEE 1.00	0.	0.	0.
ALISA A. WILSON 222 VIA MARNELL WAY LAS VEGAS, NV 89119	TRUSTEE 2.00	0.	0.	0.
MEREDITH C. ELLIS 222 VIA MARNELL WAY LAS VEGAS, NV 89119	TRUSTEE 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

EXPENDITURE RESPONSIBILITY STATEMENT
PART VII-B, LINE 5C

STATEMENT 11

GRANTEE'S NAME

TUSCANY RESEARCH INSTITUTE

GRANTEE'S ADDRESS

222 VIA MARNELL WAY
LAS VEGAS, NV 89119

GRANT AMOUNT	DATE OF GRANT	AMOUNT EXPENDED
600,000.	03/09/09	600,000.

PURPOSE OF GRANT

TO ASSIST, CONTRIBUTE TO AND SUPPORT OTHER 501(C)(3) ORGANIZATIONS FOR THE PURPOSE OF PROMOTING THE CONSERVATION AND PROTECTION OF OUR ENVIRONMENT AND NATURAL RESOURCES.

MAINTENANCE OF HABITAT FOR WATERFOWL.

DATES OF REPORTS BY GRANTEE

06/28/10

RESULTS OF VERIFICATION

MARNELL FOUNDATION REVIEWED THE GRANT REPORT ON JUNE 28, 2010 BUT DID NOT UNDERTAKE ANY VERIFICATION OF THE GRANTEE'S REPORTS AS THERE HAS NOT BEEN ANY REASON TO DOUBT THEIR ACCURACY OR RELIABILITY (REG. 53.4945-5(C)).

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 12

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
BISHOP GORMAN HIGH SCHOOL 5959 SOUTH HUALAPAI WAY LAS VEGAS, NV 89148	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	20,000.
CLARK COUNTY LEGAL SERVICES (3 OF 5) 800 SOUTH EIGHTH STREET LAS VEGAS, NV 89147	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	50,000.
EPICUREAN CHARITABLE FOUNDATION 8970 W.TROPICANA AVE STE 2 LAS VEGAS, NV 89101	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	10,000.
FRIENDS OF SHADE TREE 2551 N RAMPART BOULEVARD #317 LAS VEGAS, NV 89128	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	2,000.
GREATER LAS VEGAS AFTER SCHOOL ALL-STARS 1785 EAST SAHARA, SUITE 400 LAS VEGAS, NV 89104	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	10,000.
ST. VIATOR 2461 EAST FLAMINGO ROAD LAS VEGAS, NV 89121	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	82,000.
JOHN LEGARZA NEVADA GOLF FOUNDATION 56195 RIDGEVIEW COURT, SUITE A RENO, NV 89509	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	5,000.
NATIONAL ITALIAN AMERICAN FOUNDATION 1860 19TH STREET, NW WASHINGTON, DC 20009	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	10,000.

THE MARNELL FOUNDATION

94-3252819

TUSCANY RESEARCH INSTITUTE 222 VIA MARNELL WAY LAS VEGAS, NV 89119	NONE PROGRAM SUPPORT	PRIVATE FOUNDATION	600,000.
NEVADA CANCER INSTITUTE 10000 W CHARLESTON BLVD, STE 260 LAS VEGAS, NV 89135	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	20,000.
ROGER D. GEHRING ELEMENTARY SCHOOL 1155 EAST RICHMAR AVENUE LAS VEGAS, NV 89123	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	2,750.
MAKE A WISH FOUNDATION 3885 SOUTH DECATUR BLVD, SUITE 1000 LAS VEGAS, NV 89103	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	5,000.
ST. ROSE HOSPITAL FOUNDATION 3001 ST. ROSE PARKWAY HENDERSON, NV 89052	NONE PROGRAM SUPPORT	PUBLIC FOUNDATION	8,000.

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

824,750.

**Application for Extension of Time To File an
Exempt Organization Return**

► File a separate application for each return.

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits

Type or print File by the due date for filing your return. See instructions	Name of Exempt Organization THE MARNELL FOUNDATION	Employer identification number 94-3252819
	Number, street, and room or suite no. If a P O box, see instructions. 222 VIA MARNELL WAY	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. LAS VEGAS, NV 89119	

Check type of return to be filed (file a separate application for each return):

- | | | |
|---|---|------------------------------------|
| ☐ Form 990 | ☐ Form 990-T (corporation) | ☐ Form 4720 |
| ☐ Form 990-BL | ☐ Form 990-T (sec. 401(a) or 408(a) trust) | ☐ Form 5227 |
| ☐ Form 990-EZ | ☐ Form 990-T (trust other than above) | ☐ Form 6069 |
| ☒ Form 990-PF | ☐ Form 1041-A | ☐ Form 8870 |

SMITH & FRANCIS, CPA

- The books are in the care of ► **6700 VIA AUSTI PARKWAY SUITE C, LAS VEGAS, NV - 89119**
Telephone No ► **702-798-1919** FAX No ► **702-798-3744**

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box ► ☐. If it is for part of the group, check this box ► ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1** I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2010**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
► ☒ calendar year **2009** or
► ☐ tax year beginning _____, and ending _____.

- 2** If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$	7,161.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$	7,161.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 4-2009)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II	Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed)	
Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization	Employer identification number
	THE MARNELL FOUNDATION	94-3252819
	Number, street, and room or suite no. If a P.O. box, see instructions	For IRS use only
	222 VIA MARNELL WAY	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	LAS VEGAS, NV 89119	

Check type of return to be filed (File a separate application for each return)

- ☐ Form 990 ☐ Form 990-EZ ☐ Form 990-T (sec 401(a) or 408(a) trust) ☐ Form 1041-A ☐ Form 5227 ☐ Form 8870
☐ Form 990-BL ☒ Form 990-PF ☐ Form 990-T (trust other than above) ☐ Form 4720 ☐ Form 6069

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

SMITH & FRANCIS, CPA

- The books are in the care of ▶ 6700 VIA AUSTI PARKWAY SUITE C, LAS VEGAS, NV - 89119
 Telephone No. ▶ 702-798-1919 FAX No ▶ 702-798-3744

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until NOVEMBER 15, 2010.
- 5 For calendar year 2009, or other tax year beginning _____, and ending _____
- 6 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension
ALL INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN IS NOT YET AVAILABLE

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	7,161.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$	7,161.
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions.	8c	\$	0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Judith J. Swale Title ▶ CPA

Date ▶ 08/09/10