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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

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 , 2009, 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.

HOBART & LOTTIE FAULKNER FOUNDATION
1-08802-00-T
UNION BANK, P.O. BOX 45174
SAN FRANCISCO, CA 94145-0174

A Employer identification number
95-4446743

B Telephone number (see the instructions)
(415) 705-7664

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 ☐

Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

Fair market value of all assets at end of year (from Part II, column (c), line 16) ☒ Accounting method. ☒ Cash ☐ Accrual
☐ Other (specify) _____

\$ 3,466,336. (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 the instructions).)

	(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 (att sch)				
2 Ck ☒ if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments	909.	909.	909.	
4 Dividends and interest from securities	116,431.	116,431.	116,431.	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	-5,772.			
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)		0.		
8 Net short-term capital gain			0.	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule)				
12 Total (Add lines 1 through 11)	111,568.	117,340.	117,340.	
13 Compensation of officers, directors, trustees, etc	26,527.	13,263.		13,264.
14 Other employee salaries and wages				
15 Pension plan and employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch)				
c Other professional fees (attach sch)	See St 1			
17 Interest	2,125.	1,062.		1,063.
18 Taxes (attach schedule (see instr))	See Stm 2			
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	See Statement 3			
24 Total operating and administrative expenses. Add lines 13 through 23	246.	93.		153.
25 Contributions, gifts, grants paid Part XV	34,036.	14,418.		14,480.
26 Total expenses and disbursements. Add lines 24 and 25	130,000.			130,000.
27 Subtract line 26 from line 12:	164,036.	14,418.	0.	144,480.
a Excess of revenue over expenses and disbursements	-52,468.			
b Net investment income (if negative, enter -0-)		102,922.		
c Adjusted net income (if negative, enter -0-)			117,340.	

Postmark Missing

REVENUE

OPERATING AND ADMINISTRATIVE EXPENSES

SCANNED APR 29 2010

ONE

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a COMMON TRUST FUND		P	Various	Various
b COMMON TRUST FUND		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		2,508.	-2,508.
b		3,264.	-3,264.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			-2,508.
b			-3,264.
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	-5,772.
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 the instructions) If (loss), enter -0- in Part I, line 8		3	-2,508.

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 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 (column (b) divided by column (c))
2008	191,445.	3,608,913.	0.053048
2007	107,193.	3,928,939.	0.027283
2006	250,304.	3,679,592.	0.068025
2005	402,412.	3,707,349.	0.108544
2004	120,829.	3,776,020.	0.031999

2 Total of line 1, column (d)	2	0.288899
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	0.057780
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	3,104,502.
5 Multiply line 4 by line 3	5	179,378.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,029.
7 Add lines 5 and 6	7	180,407.
8 Enter qualifying distributions from Part XII, line 4	8	144,480.

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 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 instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	2,058.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	2,058.
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	2,058.
6 Credits/Payments			
a 2009 estimated tax pmts and 2008 overpayment credited to 2009	6a	3,720.	
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	3,720.	
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	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,662.	
11 Enter the amount of line 10 to be Credited to 2010 estimated tax 1,662. Refunded	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		
c Did the foundation file Form 1120-POL for this year?		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
4 a 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?		N/A
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, column (c), and Part XV	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) CA		
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

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>UNION BANK</u> Telephone no <u>(415) 705-7667</u> Located at <u>350 CALIFORNIA ST, STE 1700 SAN FRANCISCO CA</u> ZIP + 4 <u>94104</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			

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
1 a 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here ☐	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 <u>20__ , 20__ , 20__ , 20__</u>	☐ 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 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 <u>20__ , 20__ , 20__ , 20__</u>		
3 a 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.)	3b	N/A
4 a 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

BAA

Form 990-PF (2009)

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)? (see instructions)

☐ 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 ☒ Nob 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)?

5b

N/A

Organizations relying on a current notice regarding disaster assistance check here

☐

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

N/A ☐ Yes ☐ No

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

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

☐ Yes ☒ No

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

6b

X

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

7b

N/A

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 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
UNION BANK TRUSTEE 9460 WILSHIRE BLVD, 8TH FLOOR BEVERLY HILLS, CA 90212	Trustee 9.00	26,527.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see 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

0

Part VIII	Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors <i>(continued)</i>
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3 Five highest-paid independent contractors for professional services – (see instructions). 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.

1	<u>N/A</u>	
2		
3		
4		

Part IX-B Summary of Program-Related Investments (see instructions)

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

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	1 a	1,673,940.
b	Average of monthly cash balances	1 b	124,204.
c	Fair market value of all other assets (see instructions)	1 c	1,353,635.
d	Total (add lines 1a, b, and c)	1 d	3,151,779.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	3,151,779.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	47,277.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,104,502.
6	Minimum investment return. Enter 5% of line 5	6	155,225.

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	155,225.
2a	Tax on investment income for 2009 from Part VI, line 5	2 a	2,058.
b	Income tax for 2009 (This does not include the tax from Part VI.)	2 b	
c	Add lines 2a and 2b	2 c	2,058.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	153,167.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	153,167.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	153,167.

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	1 a	144,480.
b	Program-related investments — total from Part IX-B	1 b	
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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	144,480.
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 instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	144,480.

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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Form 990-PF (2009)

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				153,167.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004				
b From 2005				
c From 2006	17,275.			
d From 2007				
e From 2008	14,697.			
f Total of lines 3a through e	31,972.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 144,480.				
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				144,480.
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))	8,687.			8,687.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	23,285.			
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 instructions			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) (see instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	23,285.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006	8,588.			
c Excess from 2007				
d Excess from 2008	14,697.			
e Excess from 2009				

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i> See Statement 6				
Total			3a	130,000.
<i>b Approved for future payment</i>				
Total			3b	

2009

Federal Statements

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Client FAULH

HOBART & LOTTIE FAULKNER FOUNDATION
1-08802-00-T

95-4446743

4/19/10

02 31PM

Statement 1
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
TAX PREPARATION FEES	\$ 2,125.	\$ 1,062.		\$ 1,063.
Total	\$ 2,125.	\$ 1,062.	\$ 0.	\$ 1,063.

Statement 2
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
EXCISE TAX	\$ 5,138.			
Total	\$ 5,138.	\$ 0.	\$ 0.	\$ 0.

Statement 3
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FILING FEE	\$ 60.			\$ 60.
MISC EXPENSES	186.	\$ 93.		93.
Total	\$ 246.	\$ 93.	\$ 0.	\$ 153.

Statement 4
Form 990-PF, Part II, Line 15
Other Assets

	Book Value	Fair Market Value
ACCRUED INCOME	\$ 3,040.	\$ 3,040.
COMMON TRUST FUNDS	1,390,968.	1,406,414.
Total	\$ 1,394,008.	\$ 1,409,454.

Statement 5
Form 990-PF, Part III, Line 3
Other Increases

PRIOR YR ADJUSTMENT		\$ 314.
Total		\$ 314.

2009

Federal Statements

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HOBART & LOTTIE FAULKNER FOUNDATION
1-08802-00-T

Client FAULH

95-4446743

4/19/10

02 31PM

Statement 6
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

<u>Name and Address</u>	<u>Donee Relationship</u>	<u>Found- ation Status</u>	<u>Purpose of Grant</u>	<u>Amount</u>
AMERICAN CANCER SOCIETY P.O. BOX 720366 OKLAHOMA CITY, OK 73162		PUBLIC	MEDICAL	\$ 52,000.
AMERICAN HEART ASSN 1710 GILBRETH RD BURLINGAME, CA 94010		PUBLIC	MEDICAL	32,500.
ARTHRITIS FOUNDATION 800 W SIXTH ST. SUTIE 1250 LOS ANGELES, CA 90017		PUBLIC	MEDICAL	6,500.
AZUSA PACIFIC UNIVERSITY 901 EAST ALOSTA AZUSA, CA 91702		PUBLIC	EDUCATION	6,500.
CITY OF HOPE 1500 E DUARTE RD DUARTE, CA 91010		PUBLIC	MEDICAL	16,900.
PEPPERDINE UNIVERSITY 24255 PACIFIC COAST HWY MALIBU, CA 90263		PUBLIC	EDUCATION	6,500.
L.A. BREAKFAST CLUB FDN 3201 RIVERSIDE DR LOS ANGELES, CA 90027		PUBLIC	CHARITABLE	2,600.
UNIVERSITY OF FINDLAY 1000 NORTH MAIN STREET FINDLAY, OH 45840		PUBLIC	EDUCATION	6,500.
Total				\$ <u>130,000.</u>



Account Number
1-08802-00-T

The Private Bank

Account Statement

Account Name

FAULKNER, HOBART/LOTTIE FOUNDATION

Statement Period

December 1, 2009 through December 31, 2009

Asset Detail - Principal Portfolio

Cash & Cash Equivalents

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
HighMark Money Market Funds								
Cash Equivalents - HighMark-Money Market-Taxable								
HIGHMARK DIVERSIFIED MMKT FUND FIDUCIARY SHS	431114883S	112,775.700	112,775.70	112,775.70	1.0000 12/31/2009	3.26%	0.23%	254.18
CASH MANAGEMENT SWEEP								

Total Cash & Cash Equivalents

112,775.700	\$112,775.70	\$112,775.70	3.26%	0.23%	\$254.18
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Funds

Asset Name

Fixed Income Fds - Taxable

Funds - General Bond - Long-Term Bond

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
UNION BANK CHARITABLE INCOME FUND FOR PERSONAL TRUSTS	014009005	146,111.000	1,390,968.03	1,406,413.93	9.6257 12/31/2009	40.61%	5.58%	78,547.67

Total Funds

146,111.000	\$1,390,968.03	\$1,406,413.93	40.61%	5.58%	\$78,547.67
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Equities

Asset Name

ADR's

Telecommunication Services - Telecommunication Services

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
VODAFONE GROUP PLC NEW SPONS ADR NEW	92857W209	1,312.000	11,004.12	30,294.08	23.0900 12/31/2009	0.87%	5.59%	1,693.79



Account Number
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Account Name
FAULKNER, HOBART/LOTTIE FOUNDATION

Account Statement

Statement Period

December 1, 2009 through December 31, 2009

Asset Detail - Principal Portfolio (continued)

Equities

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Common Stock								
Energy - Energy								
BAKER HUGHES INC COM	057224107	1,500,000	57,086.25	60,720.00	40.4800 12/31/2009	1.75%	1.48%	900.00
CHEVRON CORP NEW COM	166764100	2,000,000	48,775.00	153,980.00	76.9900 12/31/2009	4.45%	3.53%	5,440.00
EXXON MOBIL CORP COM	30231G102	1,400,000	51,541.00	95,466.00	68.1900 12/31/2009	2.76%	2.48%	2,352.00
Materials - Materials								
ECOLAB INC COM	278865100	2,200,000	41,305.00	98,076.00	44.5800 12/31/2009	2.83%	1.39%	1,364.00
WEYERHAEUSER CO COM	962166104	800,000	32,884.00	34,512.00	43.1400 12/31/2009	1.00%	0.46%	160.00
Industrials - Capital Goods								
DEERE & CO COM	244199105	1,600,000	17,227.99	86,544.00	54.0900 12/31/2009	2.49%	2.07%	1,792.00
GENERAL ELECTRIC CO COM	369604103	4,500,000	31,804.69	68,085.00	15.1300 12/31/2009	1.97%	2.64%	1,800.00
Consumer Discretionary - Media								
COMCAST CORP NEW CL A	20030N101	435,000	10,571.37	7,350.96	16.8600 12/31/2009	0.21%	2.24%	164.81
DISNEY WALT CO COM DISNEY	254687106	1,700,000	50,103.51	54,825.00	32.2500 12/31/2009	1.59%	1.09%	595.00

Account Statement

Statement Period

December 1, 2009 through December 31, 2009

Asset Detail - Principal Portfolio (continued)

Equities

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Common Stock								
Consumer Discretionary - Retailing								
TARGET CORP COM	87612E106	4,000,000	25,389.00	193,480.00	48.3700 12/31/2009	5.59%	1.41%	2,720.00
Consumer Staples - Food & Staples Retailing								
WAL MART STORES INC COM	93114Z103	2,000,000	38,087.50	106,900.00	53.4500 12/31/2009	3.09%	2.04%	2,180.00
Consumer Staples - Food Beverage & Tobacco								
PEPSICO INC COM	713448108	1,600,000	31,141.09	97,280.00	60.8000 12/31/2009	2.81%	2.96%	2,880.00
Health Care - Health Care Equipment&Services								
EDWARDS LIFESCIENCES CORP COM	28176E108	120,000	980.91	10,422.00	86.8500 12/31/2009	0.30%	0.00%	0.00
MEDCO HEALTH SOLUTIONS INC COM	58405U102	554,000	2,455.64	35,406.14	63.9100 12/31/2009	1.02%	0.00%	0.00
Health Care - Pharmaceutical & Biotechnology								
LIFE TECHNOLOGIES CORP COM	53217V109	1,817,000	29,538.17	94,883.74	52.2200 12/31/2009	2.74%	0.00%	0.00
Financials - Diversified Financials								
BANK OF AMERICA CORPORATION COM	060505104	3,400,000	33,959.44	51,204.00	15.0600 12/31/2009	1.48%	0.27%	136.00
JPMORGAN CHASE & CO COM	46625H100	1,850,000	33,177.50	77,089.50	41.6700 12/31/2009	2.22%	0.48%	370.00



Account Number
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Account Name
FAULKNER, HOBART/LOTTIE FOUNDATION

Account Statement

Statement Period

December 1, 2009 through December 31, 2009

Asset Detail - Principal Portfolio (continued)

Equities

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Common Stock								
Information Technology - Software & Services								
MICROSOFT CORP COM	594918104	800 000	26,856 00	24,384 00	30 4800 12/31/2009	0 70%	1 71%	416 00
Information Technology - Technology Hardware&Equipment								
AGILENT TECHNOLOGIES INC COM	00846U101	381 000	8,930 87	11,837 67	31 0700 12/31/2009	0 34%	0 00%	0 00
CISCO SYS INC COM	17275R102	2,700 000	16,875 00	64,638 00	23 9400 12/31/2009	1 87%	0 00%	0 00
HEWLETT PACKARD CO COM	428236103	2,000 000	33,684 01	103,020 00	51 5100 12/31/2009	2 97%	0 62%	640 00
INTERNATIONAL BUSINESS MACHS COM	459200101	1,100 000	26,235 00	143,990 00	130 9000 12/31/2009	4 16%	1 68%	2,420 00
Information Technology - Semiconduct & Semiequip								
INTEL CORP COM	458140100	2,400 000	17,475 00	48,960 00	20 4000 12/31/2009	1 41%	2 75%	1,344 00
Telecommunication Services - Telecommunication Services								
CENTURYTEL INC COM	156700106	1,250 000	19,302 78	45,262 50	36 2100 12/31/2009	1 31%	7 73%	3,500 00

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Account Number
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Account Name
FAULKNER, HOBART/LOTTIE FOUNDATION

Account Statement

Statement Period

December 1, 2009 through December 31, 2009

Asset Detail - Principal Portfolio (continued)

Equities

Asset Name	CUSIP	Shares/ Units Held	Cost Basis	Market Value	Price/ Date Priced	Percentage of Portfolio	Current Yield	Estimated Annual Income
Common Stock								
Utilities - Utilities								
QUESTAR CORP COM	748356102	3,500,000	23,848.12	145,495.00	41.5700 12/31/2009	4.20%	1.25%	1,820.00
Total Equities		46,920,000	\$720,238.96	\$1,944,105.59		56.13%	1.78%	\$34,687.60
Total Principal Portfolio		305,806,700	\$2,223,982.69	\$3,463,295.22		100.00%	3.28%	\$113,489.45
Total Account Values		305,806,700	\$2,223,982.69	\$3,463,295.22		100.00%	3.28%	\$113,489.45