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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

(77)

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

Mar 01, 2009, and ending

Feb 28, 2010

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 MALONE FAMILY FOUNDATION

Number/street (or P.O. box no. if mail is not delivered to street add.)

PO BOX 531085

Room/suite

City or town, state, and ZIP code

BIRMINGHAM AL 35253-

A Employer identification number

20-4596031

B Telephone number (see the instructions)

205-423-0901

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 computationE If private foundation status was  
terminated under section  
507(b)(1)(A), check hereF If the foundation is in a 60-month  
termination under section  
507(b)(1)(B), check hereH 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)

\$ 5,516,677.

J Accounting method: ☒ Cash ☐ Accrual☐ Other (specify)

(Part I, column (d) must be on cash basis.)

**Part I Analysis of Revenue and Expenses**(The total of amounts in columns (b),  
(c), & (d) may not necessarily equal the  
amounts in column (a) (see instr.).)

	(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 (attach schedule)	191,485.			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temp. cash investments	9,355.	9,355.		
4 Dividends and interest from securities	97,559.	97,559.		
5a Gross rents				
b (Net rental income or (loss)) 5.				
6a Net gain/(loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a				
7 Capital gain net income (from Part IV, line 2)		5.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less rets. & allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	298,399.	106,919.		
13 Compensation of officers, directors, trustees, etc.	75,000.			56,250.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)	5,100.			1,000.
c Other professional fees (attach schedule)				
17 Interest				
18 Taxes (attach schedule) (see instructions)	7,848.			4,597.
19 Depreciation (attach sch.) and depletion	14,622.			
20 Occupancy	17,486.			13,115.
21 Travel, conferences, and meetings	942.			42.
22 Printing and publications				
23 Other expenses (attach schedule)	12,161.			8,461.
24 Total operating and administrative expenses. Add lines 13 through 23	133,159.			83,465.
25 Contributions, gifts, grants paid	834,980.			834,980.
26 Total exp. & disbursements. Add lines 24 and 25	968,139.			918,445.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	(669,740.)			
b Net investment income (if neg., enter -0-)		106,919.		
c Adjusted net income (if neg., enter -0-)				

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

Form 990-PF (2009) 13

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only. (See inst.)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing		139,549.	18,580.	18,580.
	2	Savings and temporary cash investments		551,330.	39,381.	39,381.
	3	Accounts receivable				
		Less: allowance for doubtful accts.				
	4	Pledges receivable				
		Less: allowance for doubtful accts.				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)				
	7	Other notes and loans receivable (attach schedule)				
		Less: allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state govt. obligations (attach schedule)				
	b	Investments - corporate stock (attach schedule)		2,434,846.	5,444,788.	5,444,788.
	c	Investments - corporate bonds (attach schedule)				
	Liabilities	11	Investments - land, buildings, and equipment basis			
		Less: accumulated depreciation (attach schedule)				
12		Investments - mortgage loans				
13		Investments - other (attach schedule)				
14		Land, buildings, and equipment basis	49,945.			
		Less: accumulated depreciation (attach schedule)	36,017.	28,550.	13,928.	13,928.
15		Other assets (describe)				
16		Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		3,154,275.	5,516,677.	5,516,677.
17		Accounts payable and accrued expenses		1,678.	5,193.	
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 (attach schedule)				
	22	Other liabilities (describe)				
23	Total liabilities (add lines 17 through 22)		1,678.	5,193.		
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, ck. here <input checked="" type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		3,152,597.	5,511,484.	
30	Total net assets or fund balances (see the instructions)		3,152,597.	5,511,484.		
31	Total liabilities and net assets/fund balances (see the instructions)		3,154,275.	5,516,677.		

## 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	3,152,597.
2	Enter amount from Part I, line 27a	2	(669,740.)
3	Other increases not included in line 2 (itemize) <b>OTHER INCREASES</b>	3	3,028,627.
4	Add lines 1, 2, and 3	4	5,511,484.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	5,511,484.

**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.)
1 a WELLS FARGO FRACTIONAL SHARE OF STOCK	D	03/06/2006	12/17/2009
b			
c			
d			
e			

  

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 5.			5.
b			
c			
d			
e			

  

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			5.
b			
c			
d			
e			

  

2 Capital gain net income or (net capital loss) . . . . .	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	5.
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	

**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 beg. in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	2,423,149.	16,684,036.	0.1452
2007	2,001,813.	49,127,210.	0.0407
2006	18,063.	42,102,848.	0.0004
2005			
2004			

  

2 Total of line 1, column (d) . . . . .	2	0.1863
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	0.0621
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5 . . . . .	4	5,506,306.
5 Multiply line 4 by line 3 . . . . .	5	341,942.
6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .	6	1,069.
7 Add lines 5 and 6 . . . . .	7	343,011.
8 Enter qualifying distributions from Part XII, line 4 . . . . . 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.	8	918,445.

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

1a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> & 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b. . . . .		1	1,069.
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	1,069.
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	1,069.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009 . . . . .	6a	1,200.	
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	1,200.	
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	131.	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax <input checked="" type="checkbox"/> 131. Refunded <input type="checkbox"/> . . . . .	11		

**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 the instructions for definition)? . . . . . If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		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"/> \$ _____ (2) On foundation managers. <input checked="" type="checkbox"/> \$ _____		
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"/> \$ _____		
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 the instructions) <input checked="" type="checkbox"/> AL DE		
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 in instructions)? 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	

Form 990-PF (2009)

**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>themalonefamilyfoundation.org</u>	13	X	
14	The books are in care of ► <u>ALYSON M BAGBY</u> Telephone no. ► <u>205-423-0901</u> Located at ► <u>PO BOX 531085</u> <u>AL BIRMINGHAM</u> ZIP+4 ► <u>35253-</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		

**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 checked="" type="checkbox"/> Yes <input 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? <b>Exception.</b> 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 the instructions)?	1b	X
Organizations relying on a current notice regarding disaster assistance check here		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009?	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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
If "Yes," list the years ► 20 __, 20 __, 20 __, 20 __		
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	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20 __, 20 __, 20 __, 20 __		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2009?	4b	X

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 ☒ 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 the instructions)?

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? ☐ 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 ☒ Nob Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No  
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?

**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 the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred comp.	(e) Expense account, other allowances
SEE ATTACHED SCHEDULE		75,000.		

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

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

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

Form 990-PF (2009)





**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
a	Average monthly fair market value of securities	1a 4,910,740.
b	Average of monthly cash balances	1b 665,490.
c	Fair market value of all other assets (see the instructions)	1c 13,928.
d	Total (add lines 1a, b, and c)	1d 5,590,158.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e
2	Acquisition indebtedness applicable to line 1 assets	2
3	Subtract line 2 from line 1d	3 5,590,158.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see the instructions)	4 83,852.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 5,506,306.
6	Minimum investment return. Enter 5% of line 5	6 275,315.

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

1	Minimum investment return from Part X, line 6	1 275,315.
2a	Tax on investment income for 2009 from Part VI, line 5	2a 1,069.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b
c	Add lines 2a and 2b	2c 1,069.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3 274,246.
4	Recoveries of amounts treated as qualifying distributions	4 91,485.
5	Add lines 3 and 4	5 365,731.
6	Deduction from distributable amount (see the instructions)	6
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7 365,731.

**Part XII Qualifying Distributions** (see the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
a	Expenses, contributions, gifts, etc.-total from Part I, column (d), line 26	1a 918,445.
b	Program-related investments-total from Part IX-B	1b
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	4 918,445.
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 the instructions)	5 1,069.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6 917,376.

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.

Form 990-PF (2009)

**Part XIII Undistributed Income** (see the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
<b>1</b> Distributable amount for 2009 from Part XI, line 7				365,731.
<b>2</b> Undistributed Income, if any, as of the end of 2009				
<b>a</b> Enter amount for 2008 only			817,053.	
<b>b</b> Total for prior yrs.: 20____, 20____, 20____				
<b>3</b> Excess distribs. carryover, if any, to 2009:				
<b>a</b> From 2004				
<b>b</b> From 2005				
<b>c</b> From 2006				
<b>d</b> From 2007				
<b>e</b> From 2008				
<b>f</b> Total of lines 3a through e				
<b>4</b> Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 918,445.				
<b>a</b> Applied to 2008, but not more than line 2a			817,053.	
<b>b</b> Applied to undistributed income of prior years (Election required - see the instr.)				
<b>c</b> Treated as distributions out of corpus (Election required - see the instructions)				
<b>d</b> Applied to 2009 distributable amount				101,392.
<b>e</b> Remaining amt. distributed out of corpus				
<b>5</b> Excess distribs. carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in col. (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, & 4e. Subtract line 5				
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b				
<b>c</b> 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				
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see the instructions				
<b>e</b> Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see the instructions				
<b>f</b> Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				264,339.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see the instructions)				
<b>8</b> Excess distributions carryover from 2004 not applied on line 5 or line 7 (see the instructions)				
<b>9</b> Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a				
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2005				
<b>b</b> Excess from 2006				
<b>c</b> Excess from 2007				
<b>d</b> Excess from 2008				
<b>e</b> Excess from 2009				

**Part XIV Private Operating Foundations** (see the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling . . . . .

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
b 85% of line 2a . . . . .					
c Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
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. Subtract line 2d from line 2c . . . . .					
3 Complete 3a, b, or c for the alternative test relied upon:					
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(j)(3)(B)(iii) . . . . .					
(3) Largest amount of support from an exempt organization . . . . .					
(4) Gross investment income . . . . .					

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

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

WALLACE D MALONE JR

- 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 the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

ALYSON M BAGBY 205-423-0901 PO BOX 531085 BIRMINGHAM AL 35253-

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

INITIAL LETTER OF INQUIRY THEN THE OFFICIAL GRANT APPLICATION

- c Any submission deadlines:

MAY 15 FOR JUNE DECISIONS AND OCTOBER 15 FOR DECEMBER DECISIONS

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

TAX EXEMPT ORGANIZATIONS LOCATED IN AL, FL OR GA

**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
a Paid during the year SCHEDULE			SCHEDULE	834,980.
<b>Total</b>				<b>834,980.</b>
b Approved for future payment				
<b>Total</b>				



## US990P13 Rev 1

## Schedule of Contributors

OMB No. 1545-0047

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

**2009**

Name of the organization

THE MALONE FAMILY FOUNDATION

Employer identification number

20-4596031

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 foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

### General Rule

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

### Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/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 Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests 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 Form 990-EZ, that received from any one contributor, during the year, some 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.** Organization that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.  
These instructions will be issued separately.

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

Name of organization

THE MALONE FAMILY FOUNDATION

Employer identification number

20-4596031

**Part I** Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>	WALLACE D MALONE JR PO BOX 531085 BIRMINGHAM AL 35253-	\$ <u>100,000.</u>	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.)



US 990PF

## Substantial Contributors

2009

Name	Address (Enter street, zip code, state, and city, in that order)
WALLACE D MALONE JR	PO BOX 531085 35253- ALBIRMINGHAM
MR MALONE IS A PREVIOUS SUBSTANTIAL CONTRIBUTOR	

## Detail Sheet

2009

**Name:** THE MALONE FAMILY FOUNDATION

ID: 20-4596031

Description: CONTRIBUTIONS, GIFTS, GRANTS, ETC. REC'D

[illegible]



US 990

## Taxes

2009

Description	Expenses per books	Net investment income	Adjusted net income	Charitable purposes
JEFFERSON COUNTY BUSINESS LICENS	71.			
JEFFERSON COUNTY OCCUPATIONAL TX	223.			167.
US TREASURY 2008 TAX	187.			
US TREASURY 2009 ES TAX PAYMENT	1,200.			
US TREASURY NOTICE	261.			
PAYROLL TAXES	5,906.			4,430.
	7,848.			4,597.

**The Malone Family Foundation**  
**20-4596031**  
**2009 Form 990-PF**

**Page 1, Part I, Line 19- Depreciation**

	<u>Date</u>	<u>Cost</u>	<u>Method</u>	<u>Period</u>	<u>Depreciation</u>
Furniture	Various	\$ 10,638	S. Line	7 yrs	\$ 1,520
Website creation	5/07	\$ 1,015	S. Line	3 yrs	\$ 338
System Software	7/07	\$ 37,292	S. Line	3 yrs	\$ 12,431
System Software	12/07	\$ 1,000	S. Line	3 yrs	\$ 333
		<u>\$ 49,945</u>			<u>\$ 14,622</u>

## Detail Sheet

2009

Name: THE MALONE FAMILY FOUNDATION

ID: 20-4596031

Description: TRAVEL, CONFERENCE AND MEETINGS

[illegible]

20-4596031

US 990	Other Expenses	2009		
Description	Expenses per books	Net Investment Income	Adjusted net Income	Charitable purposes
SUPPLIES	45.			33.
TELEPHONE AND INTERNET	4,257.			3,193.
WEBSITE EXPENSE	270.			270.
NETWORK HOSTING	4,740.			4,740.
POSTAGE, SHIPPING, DELIVERY	204.			22.
POSTAL BOX	110.			
QUICKBOOKS UPDATE	271.			203.
INSURANCE	2,283.			
MISCELLANEOUS OTHER	139.			
BANKING FEES	(158.)			
	12,161.			8,461.





US 990

**Land, Buildings and Equipment**  
**990-PF: Page 2, Line 14**

2009

Description	Cost or basis	Accumulated depreciation	Book value	FMV
FURNITURE	10,638.	2,280.	8,358.	8,358.
WEBSITE CREATION	1,015.	902.	113.	113.
SYSTEM SOFTWARE	37,292.	32,113.	5,179.	5,179.
SYSTEM SOFTWARE	1,000.	722.	278.	278.
BOOK VALUE ESTIMATED TO BE EQUAL TO FAIR MARKET VALUE. IN THE OPINION OF MANAGEMENT, THE ASSETS COULD NOT BE SOLD FOR AN AMOUNT IN EXCESS OF THE NET BOOK VALUE OF THE FOUNDATION'S FIXED ASSETS	49,945.	36,017.	13,928.	13,928.

US 990

## Other Increases

2009

Description	Amount
INCREASE IN VALUE OF WELLS FARGO COMMON STOCK	3,009,942.
OTHER NONCASH CHANGES	18,685.
	3,028,627.

**The Malone Family Foundation**  
**20-4596031**  
**2009 Form 990-PF**

**Page 6, Part VIII, Line 1- List of Officers, Directors Trustees and Foundation Managers**

Name and Address	Title and Avrg Hrs/Wk	Compensation	Employee Benefit Plan Contribution	Expense Account
Wallace D. Malone, Jr. PO Box 531085 Birmingham, AL 35253	Chairman of the Board- 5	\$0	0	0
Alyson M. Bagby PO Box 531085 Birmingham, AL 35253	President & Treasurer- 20	\$50,000	0	0
Ocllo S. Malone PO Box 531085 Birmingham, AL 35253	Director- 2.5	\$0	0	0
Catherine Wilson PO Box 531085 Birmingham, AL 35253	Vice President & Secretary- 15	\$25,000	0	0
Wallace D. Malone, III PO Box 531085 Birmingham, AL 35253	Director- 2.5	\$0	0	0

Note: No expense account allowances are allowed for the above listed officers and directors.  
Deminimus out-of-pocket costs are incurred on behalf of the Foundation from time- to-time that are reviewed by the President and Treasurer and, if such costs are appropriate, they are reimbursed.

**The Malone Family Foundation**  
**20-4596031**  
**2009 Form 990-PF**

**Page 8, Part X, Line (1)(a)- Average Monthly Fair Market Value of Securities Including Accumulated Dividends**

	<u>Change</u>	<u>Monthly Balance</u>
Beginning balance, per 2008 Form 990-PF:		
February 28, 2009		\$ 2,434,846
March 31, 2009	\$ 493,780	\$ 2,928,626
April 30, 2009	\$ 1,148,817	\$ 4,077,443
May 31, 2009	\$ 1,093,064	\$ 5,170,507
June 30, 2009	\$ (236,921)	\$ 4,933,586
July 31, 2009	\$ 39,829	\$ 4,973,415
August 31, 2009	\$ 609,247	\$ 5,582,662
September 30, 2009	\$ 141,370	\$ 5,724,032
October 31, 2009	\$ (131,396)	\$ 5,592,636
November 30, 2009	\$ 103,541	\$ 5,696,177
December 31, 2009	\$ (199,084)	\$ 5,497,093
January 31, 2010	\$ 286,714	\$ 5,783,807
February 28, 2010	\$ (339,019)	\$ 5,444,788
Total Monthly Balances		<u>\$ 63,839,618</u>
Average Monthly Balance		<u>\$ 4,910,740</u>

**The Malone Family Foundation**  
**20-4596031**  
**2009 Form 990-PF**

**Page 8, Part X, Line (1)(b)- Average of Monthly Cash Balances**

Month	Beginning of Month		End of Month		Average Monthly Balance
	Checking	Liquid CD	Checking	Liquid CD	
March 31, 2009	\$ 139,549	\$ 551,330	\$ 131,184	\$ 551,330	\$ 686,697
April 30, 2009	\$ 131,184	\$ 551,330	\$ 118,843	\$ 551,330	\$ 676,344
May 31, 2009	\$ 118,843	\$ 551,330	\$ 110,566	\$ 551,330	\$ 666,035
June 30, 2009	\$ 110,566	\$ 551,330	\$ 100,706	\$ 555,954	\$ 659,278
July 31, 2009	\$ 100,706	\$ 555,954	\$ 81,076	\$ 648,824	\$ 693,280
August 31, 2009	\$ 81,076	\$ 648,824	\$ 74,579	\$ 648,824	\$ 726,652
September 30, 2009	\$ 74,579	\$ 648,824	\$ 67,007	\$ 650,437	\$ 720,424
October 31, 2009	\$ 67,007	\$ 650,437	\$ 54,626	\$ 650,437	\$ 711,254
November 30, 2009	\$ 54,626	\$ 650,437	\$ 46,546	\$ 650,437	\$ 701,023
December 31, 2009	\$ 46,546	\$ 650,437	\$ 36,800	\$ 652,076	\$ 692,930
January 31, 2010	\$ 36,800	\$ 652,076	\$ 26,466	\$ 652,076	\$ 683,709
February 28, 2010	\$ 26,466	\$ 652,076	\$ 18,580	\$ 39,381	\$ 368,252
Total Monthly Averages					<u>\$ 7,985,874</u>
Average Monthly Balance					<u>\$ 665,490</u>

The Malone Family Foundation  
20-4596031  
2009 Form 990-PF

Page 11, Part XV . Supplementary Information - Line 3a Grants and Contributions Paid During the Year .

Recipient	Address	Purpose	SSN/Tax ID	Type	Amount
A+ Education Foundation	P O Box 4433 Montgomery, AL 36103	Powerful Conversations Network	63-1050676	501(c)(3)	\$ 250,000
Birmingham-Southern College	Birmingham, AL 35254	Greater Birmingham Mathematics Partnership	63-0288811	501(c)(3)	\$ 243,570
Dothan Rotary Foundation	P O Box 6356 Dothan, AL 36302	Dictionary Program	63-6000857	501(c)(3)	\$ 41,125
Jefferson County Schools Public Ed Foundation	2100 South 18th Street Homewood, AL 35209	New Teacher Mentoring Program	58-2099274	501(c)(3)	\$ 232,900
Walker Area Community Foundation	P O Box 171 Jasper, AL 35502	Jasper City Schools Rolling Laptop Project	63-1154984	501(c)(3)	\$ 67,385
					<u>\$ 834,880</u>