Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2009

For calendar year 2009, or tax year beginning JUN 1, 2009 **, and ending** MAY 31, 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
LOATS FOUNDATION, INC.
C/O DRAPER & MCGINLEY, P.A.

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
365 W. PATRICK STREET

City or town, state, and ZIP code
FREDERICK, MD 21701-4854

A Employer identification number
52-0610535

B Telephone number
301-694-7411

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

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 2,954,778.

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), 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)
Revenue					
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	26,485.	26,485.		STATEMENT 1
4	Dividends and interest from securities	60,318.	60,318.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	500,129.			
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		500,129.		
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	39.	39.		STATEMENT 3
12	**Total**. Add lines 1 through 11	586,971.	586,971.		
Operating and Administrative Expenses					
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	4,130.	413.		0.
c	Other professional fees STMT 5	13,523.	13,523.		0.
17	Interest				
18	Taxes STMT 6	1,080.	0.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses STMT 7	2,497.	1,938.		0.
24	**Total operating and administrative expenses** Add lines 13 through 23	21,230.	15,874.		0.
25	Contributions, gifts, grants paid	144,500.			144,500.
26	**Total expenses and disbursements.** Add lines 24 and 25	165,730.	15,874.		144,500.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	421,241.			
b	**Net investment income** (if negative, enter -0-)		571,097.		
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	203,059.	115,245.	115,245.
	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 STMT 8	567,814.	0.	0.
	b	Investments - corporate stock STMT 9	1,550,497.	2,902,292.	2,839,533.
	c	Investments - corporate bonds STMT 10	274,926.	0.	0.
	11	Investments - land, buildings and equipment basis ▶ Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other			
	14	Land, buildings, and equipment: basis ▶ Less accumulated depreciation ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers)	2,596,296.	3,017,537.	2,954,778.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	2,596,296.	3,017,537.	
	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			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances**	2,596,296.	3,017,537.	
	31	**Total liabilities and net assets/fund balances**	2,596,296.	3,017,537.	

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	2,596,296.
2	Enter amount from Part I, line 27a	2	421,241.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	3,017,537.
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	3,017,537.

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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	SEE ATTACHED BB&T SCHEDULE		VARIOUS	VARIOUS
b	SEE ATTACHED BB&T SCHEDULE		VARIOUS	VARIOUS
c	SEE ATTACHED MORGAN STANLEY SCHEDULE		VARIOUS	VARIOUS
d	SEE ATTACHED BB&T SCHEDULE		VARIOUS	VARIOUS
e	SEE ATTACHED BB&T SCHEDULE		VARIOUS	VARIOUS

	(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				23,385.
b				99,014.
c				101,502.
d				275,605.
e				623.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				23,385.
b				99,014.
c				101,502.
d				275,605.
e				623.

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** 500,129.

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	212,044.	3,200,388.	.066256
2007	208,700.	3,793,053.	.055022
2006	196,500.	3,715,741.	.052883
2005	191,694.	3,509,577.	.054620
2004	191,694.	3,463,535.	.055346

2	**Total** of line 1, column (d)	2	.284127
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	.056825
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	2,867,694.
5	Multiply line 4 by line 3	5	162,957.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	5,711.
7	Add lines 5 and 6	7	168,668.
8	Enter qualifying distributions from Part XII, line 4	8	144,500.

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	11,422.
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	11,422.
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	11,422.
6	Credits/Payments:				
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	7,104.		
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	7,104.
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	4,318.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	
11	Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶		**Refunded** ▶	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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		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?	1c		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*	2		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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		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?	6		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*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MD			
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*	8b	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*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ C. RICHARD MILLER Telephone no. ▶301-898-4000

Located at ▶5 N. MAIN STREET WOODSBORO, MD ZIP+4 ▶21798

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)? N/A	1b		
	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? ☐ Yes ☒ No If "Yes," list the years ▶ ______, ______, ______, ______			
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		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

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Part VII-B **Statements Regarding Activities for Which Form 4720 May Be Required** *(continued)*

5a During the year did the foundation pay or incur any amount to:			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No			
b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A	**5b**		
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? 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 11		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

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 THE LOATS FOUNDATION MAKES CONTRIBUTES TO VARIOUS NON-PROFIT ORGANIZATIONS AND CONTRIBUTES SCHOLARSHIP FUNDS TO COLLEGES AND UNIVERSITIES.	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 THE LOATS FOUNDATION DOESN'T HAVE ANY PROGRAM RELATED INVESTMENTS. THE FOUNDATION CONTRIBUTES FUNDS TO NON-PROFIT ORGANIZATIONS, COLLEGES AND UNIVERSITIES.	0.
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	2,772,100.
b	Average of monthly cash balances			1b	139,264.
c	Fair market value of all other assets			1c	
d	**Total** (add lines 1a, b, and c)			1d	2,911,364.
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	2,911,364.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)			4	43,670.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4			5	2,867,694.
6	**Minimum investment return.** Enter 5% of line 5			6	143,385.

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	143,385.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	11,422.		
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	11,422.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	131,963.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	131,963.
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	131,963.

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	144,500.
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	144,500.
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	144,500.

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				131,963.
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 20,365.				
b From 2005 20,034.				
c From 2006 14,885.				
d From 2007 26,094.				
e From 2008 54,137.				
f **Total** of lines 3a through e	135,515.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 144,500.				
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) **	144,500.			
d Applied to 2009 distributable amount				0.
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).)	131,963.			131,963.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	148,052.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2010.** Subtract lines 7 and 8 from line 6a	148,052.			
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008 3,552.				
e Excess from 2009 144,500.				

** SEE STATEMENT 12

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

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

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			
	(a) 2009	**(b)** 2008	**(c)** 2007	**(d)** 2006	**(e) Total**
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
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).)

NONE

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

NONE

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

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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:

LOATS FOUNDATION, INC.
35 E. CHURCH STREET, FREDERICK, MD 21701

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

c Any submission deadlines:

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

Part XV ` **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient 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				
CONTRIBUTIONS TO VARIOUS NON-PROFIT ORGANIZATIONS PROVIDING SERVICES TO BENEFIT CHILDREN. SEE ATTACHED SCHEDULE #3				15,000.
SCHOLARSHIPS TO VARIOUS COLLEGES AND UNITERSITIES TO BENEFIT STUDENTS. SEE ATTACHED SCHEDULE #2				129,500.
Total			▶ 3a	144,500.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					26,485.
4 Dividends and interest from securities					60,318.
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					39.
8 Gain or (loss) from sales of assets other than inventory					500,129.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		0.	586,971.

13 Total Add line 12, columns (b), (d), and (e) 13 586,971.

(See worksheet in line 13 instructions to verify calculations.)

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

Line No ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).
3	INTEREST EARNED ON OPERATING CASH ACCOUNT NECESSARY TO DIST. FUNDS.
4	DIVIDENDS EARNED ON INVESTMENTS HELD FOR SCHOLARSHIPS AND CONT.
7	NET GAIN ON SALE OF INVESTMENTS HELD FOR SCHOLARSHIPS AND CONT.

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Treas 10/14/10 ▶ Treasurer

Signature of officer or trustee Date Title

Paid Preparer's Use Only

Preparer's signature ▶ James E. Draper CPA

Date 08/05/10

Check if self-employed ▶ ☐

Preparer's identifying number

Firm's name (or yours if self-employed), address, and ZIP code ▶
DRAPER & MCGINLEY, P.A.
365 W. PATRICK ST.
FREDERICK, MD 21701

EIN ▶

Phone no. (301)694-7411

Form **990-PF** (2009)

923622
02-02-10

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

SOURCE	AMOUNT
BB&T	20,903.
MORGAN STANLEY	5,565.
WOODSBORO BANK	17.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	26,485.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BB&T	35,312.	0.	35,312.
MORGAN STANLEY	25,006.	0.	25,006.
TOTAL TO FM 990-PF, PART I, LN 4	60,318.	0.	60,318.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MISC. SETTLEMENT	39.	39.	
TOTAL TO FORM 990-PF, PART I, LINE 11	39.	39.	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	4,130.	413.		0.
TO FORM 990-PF, PG 1, LN 16B	4,130.	413.		0.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MANAGEMENT FEES	13,523.	13,523.		0.
TO FORM 990-PF, PG 1, LN 16C	13,523.	13,523.		0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
990-PF TAX PAID	1,080.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,080.	0.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
POSTAGE/ADMINISTRATIVE	7.	0.		0.
INSURANCE	2,422.	1,938.		0.
SAFE DEPOSIT BOX RENTAL	68.	0.		0.
TO FORM 990-PF, PG 1, LN 23	2,497.	1,938.		0.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 8

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US GOV'T OBILGATIONS	X		0.	0.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			0.	0.

FORM 990-PF CORPORATE STOCK STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	2,902,292.	2,839,533.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,902,292.	2,839,533.

FORM 990-PF CORPORATE BONDS STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10C	0.	0.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 11

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
HELEN HAHN FREDERICK, MD 21701	SECRETARY/DIRECTOR 0.00	0.	0.	0.
C. RICHARD MILLER,JR. FREDERICK, MD 21701	TREASURER/DIRECTOR 0.00	0.	0.	0.
LORRAINE PRETE FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
KATHLEEN A. COSTLOW FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
W. PHILLIP FOGARTY FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
MARION D. CARMACK, JR. FREDERICK, MD 21701	VICE PRESIDENT/DIRECTOR 0.00	0.	0.	0.
BARBARA BRITTAIN FREDERICK, MD 21701	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

ELECTION UNDER REGULATIONS SECTION 53.4942(A)-3(D)(2) TO TREAT EXCESS QUALIFYING DISTRIBUTIONS AS DISTRIBUTIONS OUT OF CORPUS

STATEMENT 12

CONSISTENT WITH REGULATION SECTION 53.4942(A)-3(D)(2), THE TRUST ELECTS TO TREAT 2009 DISTRIBUTIONS AS DISTRIBUTIONS OUT OF THE CORPUS.

Loats Foundation Inc. 52-0610535 - Year ended 5-31-2010
c/o Evangelical Lutheran Church
35 E. Church Street
Frederick, MD 21701

Summary of Direct Charitable Activities - Part IX - A Line 1 - Schedule #2
Undesignated Scholarships:

University of Maryland - College Park	$ 12,100
University of Maryland - Baltimore County	$ 6,000
Frederick Community College Fund, Inc.	$ 30,000
Hood College	$ 17,900
Towson State University Foundation	$ 14,000
Shepherd University Foundation	$ 12,100
Mount St. Mary's University	$ 7,400
Frostburg State University Foundation	$ 12,100
McDaniel College	$ 10,800
Salisbury State University Foundation	$ 3,300
Trinity School	$ 3,800
Total Undesignated Scholarships:	$ 129,500

Summary of Direct Charitable Activities - Part IX - A Line 2 - Schedule #3
Contributions:

Big Brothers/Big Sisters	$ 2,000
Heartly House for Battered Spouses	$ 2,600
Maryland Sheriff's Youth Ranch	$ 1,300
YMCA of Frederick County	$ 1,300
Francis Scott Key Center	$ 1,300
Frederick County Youth Hot Line	$ 2,000
Families Plus	$ 4,500
Total Contributions:	$ 15,000

Part XV - Supplementary Information - 2b - Schedule #8

Loats Foundation, Inc.
c/o Evangelical Lutheran Church
35 E. Church Street
Frederick, MD 21701
C. Richard Miller - 301-663-6361

Portfolio Valuation By Taxlot
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2010
Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type
Security Type

Shares or Face Value	*Security Description*	*Acquisition Date*	*Book Price*	*Book Cost*	*Market Price*	*Market Value*	*Unrealized Gain (Loss)*	*Div or YTM@purch*	*% of *** Portfolio*	*Acct Type*
500 000	FIFTH THIRD CAPITAL TRUST VI 7 2 5% PFD 15 NOV 2067	02/02/2010	22 70	11,350.00	21 80	10,900 00	(450 00)	1 81	0 37	C
1,000 000	**Total Position**			22,324.95		21,800 00	(524 95)		0 74	
	PREFERRED STOCKS			80,964 90		79,345.00	(1,619 90)		2 70	
	EQUITIES			1,757,871 63		1,685,010.82	(72,860 81)		57 35	
	TOTAL PORTFOLIO			**3,009,330.46**		**2,938,022.98**	**(71,307.48)**		**100.00**	
	ACCRUED FIXED INCOME					**0.00**				
	OTHER ACCRUED INCOME					**8,549.07**				
	TOTAL MARKET VALUE					**2,946,572.05**				
	CASH WOODSBORO BANK					8206.31				
	TOTAL MARKET VALUE					# 2954,778.36				

Securities not purchased through Morgan Stanley PWM may not reflect original acquisition date and book cost This information is not available or supplied by others and may not be accurate
Undefined Classification - At the present time these securities are not classified by GICS
***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund. The yield shown represents the SEC 7-day yield.*
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Portfolio Valuation By Taxlot
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Sort Order: Asset Type

Security Type

Shares or Face Value	*Security Description*	*Acquisition Date*	*Book Price*	*Book Cost*	*Market Price*	*Market Value*	*Unrealized Gain (Loss)*	*Div or YTM@purch*	*% of *** Portfolio*	*Acct Type*
				CASH AND CASH ALTERNATIVES						
CURRENCIES										
3,016 850	US DOLLAR			3,016 85		3,016 85			0 10	C
MONEY MARKET FUNDS**										
104,021 980	MORGAN STANLEY LIQ MMKT-INST L		1 00	104,021 98	1 00	104,021 98		0 16	3 54	H
	CASH AND CASH ALTERNATIVES			107,038 83		107,038 83	0 00		3 64	
				FIXED INCOME						
12,345 679	EATON VANCE STRATEGIC INC I	01/15/2010	8 10	100,000 00	8 11	100,123 46	123 46	0 44	3 41	C
5,000 000	EATON VANCE STRATEGIC INC I	02/02/2010	8 09	40,450 00	8 11	40,550 00	100 00	0 44	1 38	C
17,345 679	**Total Position**			140,450 00		140,673 46	223 46		4 79	
7,561 644	JP MORGAN STRATEGC INC OPP CL SEL MF	01/15/2010	11 68	88,320 00	11 59	87,639 45	(680.55)	0 42	2 98	C
4,000 000	JP MORGAN STRATEGC INC OPP CL SEL MF	02/02/2010	11 63	46,520 00	11 59	46,360 00	(160 00)	0 42	1 58	C
3,000 000	JP MORGAN STRATEGC INC OPP CL SEL MF	02/17/2010	11 58	34,740 00	11 59	34,770 00	30 00	0 42	1 18	C
5,000 000	JP MORGAN STRATEGC INC OPP CL SEL MF	03/10/2010	11 64	58,200 00	11 59	57,950 00	(250 00)	0 42	1 97	C
19,561 644	**Total Position**			227,780 00		226,719 45	(1,060.55)		7.72	
7,299 270	LOOMIS SAYLES FDS BD FD INSTL CL OPEN END FUND	01/15/2010	13 70	100,000 00	13 50	98,540 15	(1,459 85)	0 89	3.35	C
5,000 000	LOOMIS SAYLES FDS BD FD INSTL CL OPEN END FUND	02/02/2010	13 47	67,350 00	13 50	67,500 00	150 00	0 89	2.30	C
3,000 000	LOOMIS SAYLES FDS BD FD INSTL CL OPEN END FUND	02/17/2010	13 41	40,230 00	13 50	40,500 00	270 00	0 89	1.38	C
15,299 270	**Total Position**			207,580 00		206,540 15	(1,039 85)		7 03	
9,132 420	PIMCO FDS TOTAL RETURN FUND-IN	01/15/2010	10.95	100,000 00	11 10	101,369 86	1,369 86	0 61	3 45	C
5,000 000	PIMCO FDS TOTAL RETURN FUND-IN	02/02/2010	10 96	54,800 00	11 10	55,500 00	700.00	0 61	1 89	C

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Undefined Classification - At the present time these securities are not classified by GICS
***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund The yield shown represents the SEC 7-day yield.*
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05/31/2010
Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type

Security Type

Shares or Face Value	Security Description	Acquisition Date	Book Price	Book Cost	Market Price	Market Value	Unrealized Gain (Loss)	Div or YTM@purch	% of *** Portfolio	Acct Type
3,000 000	PIMCO FDS TOTAL RETURN FUND-IN	02/17/2010	10 92	32,760 00	11 10	33,300 00	540 00	0 61	1 13	C
17,132 420	**Total Position**			187,560 00		190,169 86	2,609 86		6 47	
13,673 655	PIMCO UNCONSTRAINED INST CL MF	03/25/2010	10 97	150,000 00	11 03	150,820 41	820 41	0 38	5 13	C
5,000 000	TEMPLETON GLOBAL BD FD	05/04/2010	13 48	67,400 00	12 94	64,700 00	(2,700 00)	0 57	2 20	C
15,000 000	WA CORE BOND PORT I	03/10/2010	10 91	163,650 00	11 09	166,350 00	2,700 00	0 56	5 66	C
	FIXED INCOME			1,144,420 00		1,145,973.33	1,553 33		39 00	

EQUITIES

COMMON STOCKS

Energy

Integrated Oil & Gas

Shares or Face Value	Security Description	Acquisition Date	Book Price	Book Cost	Market Price	Market Value	Unrealized Gain (Loss)	Div or YTM@purch	% of *** Portfolio	Acct Type
250 000	CHEVRON CORPORATION	01/19/1999	40 42	10,103.75	73 87	18,467 50	8,363 75	2 88	0 63	C
250 000	CHEVRON CORPORATION	02/17/2010	72 74	18,184 00	73 87	18,467 50	283 50	2 88	0 63	C
500 000	**Total Position**			28,287 75		36,935.00	8,647 25		1 26	
300 000	CONOCOPHILLIPS	04/14/2003	0 01	2 61	51 86	15,558 00	15,555 39	2 20	0 53	C
200 000	CONOCOPHILLIPS	01/15/2010	52 69	10,537 56	51 86	10,372 00	(165 56)	2 20	0 35	C
500 000	CONOCOPHILLIPS	04/12/2010	55 93	27,964 95	51 86	25,930 00	(2,034 95)	2 20	0 88	C
1,000 000	**Total Position**			38,505 12		51,860 00	13,354 88		1 77	
300 000	TOTAL S A ADR	03/09/2010	57 81	17,341 86	46 63	13,989 00	(3,352 86)	2 78	0 48	C
300 000	TOTAL S A. ADR	03/25/2010	56 61	16,982 22	46 63	13,989.00	(2,993 22)	2 78	0 48	C
600 000	**Total Position**			34,324 08		27,978 00	(6,346 08)		0 95	
	Integrated Oil & Gas			101,116 95		116,773 00	15,656 05		3.97	

Oil & Gas Exploration & Production

Shares or Face Value	Security Description	Acquisition Date	Book Price	Book Cost	Market Price	Market Value	Unrealized Gain (Loss)	Div or YTM@purch	% of *** Portfolio	Acct Type
600 000	ENCANA CORPORATION	01/15/2010	34 54	20,724 00	31 77	19,059 63	(1,664 37)	0 80	0 65	C

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Undefined Classification - At the present time these securities are not classified by GICS
***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund. The yield shown represents the SEC 7-day yield.*
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W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2010

Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type

Security Type

Shares or Face Value	Security Description	Acquisition Date	Book Price	Book Cost	Market Price	Market Value	Unrealized Gain (Loss)	Div or YTM@purch	% of *** Portfolio	Acct Type
300 000	ENCANA CORPORATION	02/02/2010	32 38	9,713 97	31 77	9,529 82	(184 15)	0 80	0 32	C
900 000	**Total Position**			30,437 97		28,589 45	(1,848 52)		0 97	
	Oil & Gas Exploration & Production			30,437 97		28,589 45	(1,848 52)		0 97	
Oil & Gas Storage & Transportation										
700 000	WILLIAMS COS THE COM	01/15/2010	21 53	15,070 93	19 75	13,825.00	(1,245 93)	0 44	0 47	C
300 000	WILLIAMS COS THE COM	02/02/2010	21 90	6,569 97	19 75	5,925.00	(644 97)	0 44	0 20	C
500 000	WILLIAMS COS THE COM	04/12/2010	24 29	12,144 95	19 75	9,875 00	(2,269 95)	0 44	0 34	C
1,500 000	**Total Position**			33,785 85		29,625 00	(4,160 85)		1 01	
	Oil & Gas Storage & Transportation			33,785 85		29,625 00	(4,160 85)		1.01	
	Energy			165,340 77		174,987 45	9,646 68		5 96	
Materials										
Fertilizers & Agricultural Chemicals										
150 000	MONSANTO COMPANY COM STK	07/24/2009	83 64	12,546 00	50 87	7,630.50	(4,915 50)	1 06	0.26	C
300 000	MONSANTO COMPANY COM STK	04/12/2010	69 07	20,722 17	50 87	15,261 00	(5,461 17)	1 06	0 52	C
450 000	**Total Position**			33,268 17		22,891 50	(10,376 67)		0.78	
500 000	SYNGENTA AG	04/12/2010	53 37	26,684 95	44 08	22,040 00	(4,644 95)	0 90	0 75	C
	Fertilizers & Agricultural Chemicals			59,953.12		44,931 50	(15,021 62)		1 53	
Industrial Gases										
400 000	AIR PRODS & CHEMS INC COM	04/12/2010	75 25	30,099 96	69 06	27,624 00	(2,475 96)	1 96	0 94	C
Steel										
400 000	VALE S A ADR	02/02/2010	27 47	10,987 96	27 19	10,876 00	(111 96)	0 23	0 37	C
	Materials			101,041 04		83,431 50	(17,609 54)		2 84	

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Portfolio Valuation By Taxlot
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2010
Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type
Security Type

Shares or Face Value	Security Description	Acquisition Date	Book Price	Book Cost	Market Price	Market Value	Unrealized Gain (Loss)	Div or YTM@purch	% of *** Portfolio	Acct Type
Industrials										
Aerospace & Defense										
300 000	LOCKHEED MARTIN CORP COM	04/12/2010	83 05	24,914 97	79 92	23,976.00	(938 97)	2 52	0 82	C
Electrical Components & Equipment										
350 000	EMERSON ELEC CO COM	07/24/2009	36.66	12,831 00	46 44	16,254.00	3,423 00	1 34	0 55	C
250 000	EMERSON ELEC CO COM	03/25/2010	49 88	12,469 98	46 44	11,610 00	(859 98)	1 34	0 40	C
400 000	EMERSON ELEC CO COM	04/19/2010	51 12	20,446 40	46 44	18,576 00	(1,870 40)	1 34	0 63	C
1,000 000	**Total Position**			45,747 38		46,440 00	692 62		1 58	
	Electrical Components & Equipment			45,747 38		46,440 00	692 62		1 58	
Environmental Services										
300 000	WASTE MANAGEMENT INC	01/15/2010	33 91	10,172 97	32 51	9,753 00	(419 97)	1 26	0 33	C
500 000	WASTE MANAGEMENT INC	03/09/2010	33 62	16,809 95	32 51	16,255 00	(554 95)	1 26	0 55	C
200 000	WASTE MANAGEMENT INC	04/12/2010	34 94	6,987 20	32 51	6,502 00	(485 20)	1 26	0 22	C
1,000 000	**Total Position**			33,970 12		32,510.00	(1,460 12)		1 11	
	Environmental Services			33,970 12		32,510 00	(1,460 12)		1 11	
Air Freight & Couriers										
300 000	UNITED PARCEL SERVICE INC CL B	02/17/2010	57 41	17,221 80	62 76	18,828 00	1,606 20	1 88	0 64	C
200 000	UNITED PARCEL SERVICE INC CL B	03/25/2010	64 18	12,835 98	62 76	12,552 00	(283 98)	1 88	0 43	C
200 000	UNITED PARCEL SERVICE INC CL B	04/12/2010	64 89	12,977.98	62 76	12,552 00	(425 98)	1 88	0 43	C
700 000	**Total Position**			43,035 76		43,932.00	896 24		1 50	
	Air Freight & Couriers			43,035 76		43,932.00	896 24		1 50	
	Industrials			147,668.23		146,858.00	(810.23)		5 00	

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Security Type

Shares or Face Value	*Security Description*	*Acquisition Date*	*Book Price*	*Book Cost*	*Market Price*	*Market Value*	*Unrealized Gain (Loss)*	*Div or YTM@purch*	*% of *** Portfolio*	*Acct Type*
Consumer Discretionary										
Publishing & Printing										
1,000 000	PEARSON PLC 25P SPONSORED ADR	01/15/2010	14 75	14,748 00	13 76	13,760 00	(988 00)	0 55	0 47	C
500 000	PEARSON PLC 25P SPONSORED ADR	03/09/2010	15.06	7,529 95	13 76	6,880 00	(649 95)	0 55	0 23	C
1,500 000	**Total Position**			22,277 95		20,640 00	(1,637 95)		0 70	
	Publishing & Printing			22,277 95		20,640 00	(1,637 95)		0 70	
Distributors										
300 000	GENUINE PARTS CO COM	01/15/2010	38 91	11,673 00	40 61	12,183 00	510 00	1 64	0 41	C
300 000	GENUINE PARTS CO COM	02/02/2010	39 11	11,732 97	40 61	12,183 00	450 03	1 64	0 41	C
100 000	GENUINE PARTS CO COM	03/25/2010	42 43	4,242 60	40 61	4,061 00	(181 60)	1 64	0 14	C
300 000	GENUINE PARTS CO COM	04/12/2010	43 23	12,968 82	40 61	12,183 00	(785 82)	1.64	0 41	C
1,000 000	**Total Position**			40,617 39		40,610 00	(7 39)		1 38	
	Distributors			40,617 39		40,610 00	(7 39)		1 38	
Home Improvement Retail										
400 000	HOME DEPOT INC COM	02/17/2010	29 98	11,990 52	33 86	13,544 00	1,553 48	0 95	0 46	C
300 000	HOME DEPOT INC COM	03/09/2010	31 70	9,509 97	33 86	10,158 00	648 03	0 95	0 35	C
100 000	HOME DEPOT INC COM	03/25/2010	32 80	3,279 99	33 86	3,386 00	106 01	0 95	0 12	C
800 000	**Total Position**			24,780 48		27,088 00	2,307 52		0 92	
	Home Improvement Retail			24,780 48		27,088 00	2,307 52		0 92	
	Consumer Discretionary			87,675 82		88,338 00	662 18		3 01	
Consumer Staples										
Food Distributors										
500 000	SYSCO CORP	07/24/2009	22 88	11,440 00	29 81	14,905.00	3,465 00	0 96	0 51	C

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Security Type

Shares or Face Value	*Security Description*	*Acquisition Date*	*Book Price*	*Book Cost*	*Market Price*	*Market Value*	*Unrealized Gain (Loss)*	*Div or YTM@purch*	*% of *** Portfolio*	*Acct Type*
1,000 000	SYSCO CORP	03/09/2010	28 72	28,717 00	29 81	29,810 00	1,093 00	0 96	1 01	C
1,500 000	**Total Position**			40,157 00		44,715 00	4,558 00		1.52	
	Food Distributors			40,157 00		44,715.00	4,558 00		1 52	
Brewers										
500 000	ANHEUSER BUSCH INBEV SA SPON	05/07/2010	46 05	23,025 15	47 91	23,955 00	929 85	0 39	0 82	C
Packaged Foods										
200 000	CAMPBELL SOUP CO USD 0375 COM	02/17/2010	33 70	6,739 98	35 81	7,162 00	422 02	1 10	0 24	C
300 000	CAMPBELL SOUP CO USD .0375 COM	03/25/2010	34 87	10,460 97	35 81	10,743 00	282 03	1 10	0 37	C
500 000	CAMPBELL SOUP CO USD 0375 COM	04/12/2010	35 44	17,719 95	35 81	17,905 00	185 05	1 10	0 61	C
1,000 000	**Total Position**			34,920 90		35,810 00	889 10		1 22	
300 000	MCCORMICK & CO INC COM NON VTG	02/02/2010	36 98	11,094 60	38 57	11,571 00	476 40	1 04	0 39	C
300 000	MCCORMICK & CO INC COM NON VTG	03/25/2010	38 09	11,425 80	38 57	11,571 00	145.20	1 04	0 39	C
400 000	MCCORMICK & CO INC COM NON VTG	04/12/2010	38 43	15,370 40	38 57	15,428 00	57 60	1 04	0 53	C
1,000 000	**Total Position**			37,890 80		38,570 00	679 20		1 31	
300 000	NESTLE SA CHF10 SPONS ADR 20 ADRS - 1 REG'D)	03/25/2010	50 36	15,108 00	45 36	13,607 40	(1,500 60)	1 16	0 46	C
300 000	NESTLE SA CHF10 SPONS ADR 20 ADRS - 1 REG'D)	04/12/2010	50 26	15,078 00	45 36	13,607 40	(1,470 60)	1 16	0 46	C
500 000	NESTLE SA CHF10 SPONS ADR 20 ADRS - 1 REG'D)	05/04/2010	47 71	23,855 00	45 36	22,679 00	(1,176 00)	1 16	0 77	C
1,100 000	**Total Position**			54,041 00		49,893.80	(4,147 20)		1 70	
400 000	UNILEVER PLC SPON ADR	07/24/2009	25 41	10,163 44	27 04	10,816 00	652 56	1 01	0 37	C
	Packaged Foods			137,016 14		135,089 80	(1,926 34)		4 60	
Household Products										
300 000	COLGATE PALMOLIVE CO COM	04/12/2010	84 83	25,448 97	78 09	23,427 00	(2,021 97)	2 12	0 80	C
250 000	PROCTER & GAMBLE CO COM	04/14/2003	32 52	8,130 77	61 09	15,272 50	7,141 73	1 93	0 52	C

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250 000	PROCTER & GAMBLE CO COM	03/25/2010	63 84	15,959 30	61 09	15,272 50	(686 80)	1 93	0 52	C
500 000	**Total Position**			24,090 07		30,545 00	6,454 93		1 04	
	Household Products			49,539 04		53,972 00	4,432 96		1 84	
	Consumer Staples			249,737 33		257,731 80	7,994 47		8 77	
Health Care										
Pharmaceuticals										
300 000	ABBOTT LABS USD COM NPV	07/14/2000	39 46	11,838 71	47 56	14,268 00	2,429 29	1 76	0 49	C
75 000	ABBOTT LABS USD COM NPV	08/24/2005	45 67	3,425 07	47 56	3,567.00	141 93	1 76	0 12	C
125 000	ABBOTT LABS USD COM NPV	03/25/2010	53 65	6,706 23	47 56	5,945 00	(761 23)	1 76	0 20	C
500 000	ABBOTT LABS USD COM NPV	04/12/2010	52 59	26,295 00	47 56	23,780 00	(2,515 00)	1 76	0 81	C
1,000 000	**Total Position**			48,265 01		47,560 00	(705 01)		1 62	
400 000	ASTRAZENECA PLC SPONS ADR	02/02/2010	46 92	18,768 00	42 25	16,900 00	(1,868 00)	3 00	0 58	C
200 000	ASTRAZENECA PLC SPONS ADR	02/17/2010	44 03	8,805 98	42 25	8,450 00	(355 98)	3 00	0 29	C
600 000	**Total Position**			27,573 98		25,350 00	(2,223 98)		0 86	
1,000 000	BRISTOL MYERS SQUIBBCO USD 10	03/09/2010	25 17	25,167 00	23 21	23,210 00	(1,957 00)	1 28	0 79	C
500 000	BRISTOL MYERS SQUIBBCO USD 10	04/19/2010	25 53	12,764 95	23 21	11,605 00	(1,159 95)	1 28	0 39	C
1,500 000	**Total Position**			37,931 95		34,815.00	(3,116 95)		1 18	
400 000	GLAXO SMITHKLINE SPONS PLC ADR	04/19/2010	39 23	15,691 96	33 46	13,384.00	(2,307 96)	1 80	0 46	C
375 000	JOHNSON & JOHNSON COM	01/24/1997	27 73	10,397 81	58 30	21,862 50	11,464 69	1 96	0 74	C
200 000	JOHNSON & JOHNSON COM	03/25/2010	64 62	12,923 20	58 30	11,660 00	(1,263 20)	1 96	0 40	C
425 000	JOHNSON & JOHNSON COM	04/12/2010	65 16	27,692 96	58 30	24,777 50	(2,915 46)	1 96	0 84	C
1,000 000	**Total Position**			51,013 97		58,300 00	7,286 03		1.98	
300 000	MERCK & CO	08/10/2006	41 15	12,345 00	33 69	10,107.00	(2,238 00)	1 52	0 34	C
100 000	MERCK & CO	01/31/2008	45 59	4,558 99	33 69	3,369 00	(1,189 99)	1 52	0 11	C
100 000	MERCK & CO	07/24/2009	30 97	3,097 00	33 69	3,369 00	272 00	1 52	0 11	C

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500 000	MERCK & CO	03/25/2010	37 88	18,939 95	33 69	16,845 00	(2,094 95)	1 52	0 57	C
1,000 000	**Total Position**			38,940 94		33,690 00	(5,250 94)		1 15	
400 000	NOVARTIS AG USD SPON ADR REP 1/20 REGD SHS	01/15/2010	52 88	21,152 00	45 01	18,004 00	(3,148 00)	1 30	0 61	C
300 000	NOVARTIS AG USD SPON ADR REP 1/20 REGD SHS	04/12/2010	53 44	16,031 97	45 01	13,503 00	(2,528 97)	1 30	0 46	C
700 000	**Total Position**			37,183 97		31,507 00	(5,676 97)		1.07	
1,000 000	PFIZER INC COM	03/09/2010	17 25	17,249 90	15 23	15,230 00	(2,019 90)	0 72	0 52	C
500 000	PFIZER INC COM	03/25/2010	17 45	8,724 95	15 23	7,615.00	(1,109 95)	0 72	0 26	C
500 000	PFIZER INC COM	04/19/2010	16 79	8,394 95	15 23	7,615 00	(779 95)	0 72	0 26	C
2,000 000	**Total Position**			34,369 80		30,460 00	(3,909 80)		1 04	
400 000	SANOFI-AVENTIS ADR	04/19/2010	36 47	14,587 28	29 91	11,964 00	(2,623 28)	1 22	0 41	C
600 000	SANOFI-AVENTIS ADR	05/04/2010	33 31	19,984 38	29 91	17,946 00	(2,038 38)	1 22	0 61	C
1,000 000	**Total Position**			34,571 66		29,910 00	(4,661 66)		1 02	
	Pharmaceuticals			325,543 24		304,976 00	(20,567 24)		10 38	
	Health Care			325,543 24		304,976 00	(20,567 24)		10 38	
Financials										
Banks										
400 000	HSBC HOLDINGS PLC ADR	04/12/2010	53 49	21,394 48	45 36	18,144 00	(3,250 48)	1 70	0 62	C
200 000	HSBC HOLDINGS PLC ADR	05/04/2010	49 86	9,971 98	45 36	9,072 00	(899 98)	1 70	0 31	C
600 000	**Total Position**			31,366 46		27,216 00	(4,150 46)		0 93	
	Banks			31,366 46		27,216 00	(4,150 46)		0 93	
Asset Management & Custody Banks										
400 000	BANK NEW YORK MELLON CORP	03/25/2010	31 15	12,459 96	27 20	10,880 00	(1,579 96)	0 36	0 37	C
600 000	BANK NEW YORK MELLON CORP	04/12/2010	32 50	19,499 94	27 20	16,320 00	(3,179 94)	0 36	0 56	C
1,000 000	**Total Position**			31,959 90		27,200 00	(4,759 90)		0 93	

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300 000	STATE STREET CORP COM	05/04/2010	42 71	12,812 25	38.17	11,451 00	(1,361 25)	0 04	0 39	C
	Asset Management & Custody Banks			44,772 15		38,651.00	(6,121 15)		1 32	
Life & Health Insurance										
2,000 000	MANULIFE FINANCIAL CORP CAD NPV COM	03/25/2010	19.96	39,919 80	17 19	34,384 56	(5,535 24)	0 50	1 17	C
Property & Casualty Insurance										
300 000	CHUBB CORP COM	03/25/2010	52 27	15,680 97	50 24	15,072 00	(608 97)	1 48	0.51	C
200 000	CHUBB CORP COM	04/12/2010	51 47	10,293 42	50 24	10,048 00	(245 42)	1 48	0 34	C
500 000	**Total Position**			25,974 39		25,120.00	(854 39)		0 85	
	Property & Casualty Insurance			25,974 39		25,120 00	(854 39)		0 85	
1,000 000	ANNALY CAPITAL MGMT INC	03/25/2010	17 86	17,859 90	16 96	16,960 00	(899 90)	2 60	0 58	C
1,000 000	ANNALY CAPITAL MGMT INC	05/06/2010	15 35	15,350 00	16 96	16,960 00	1,610 00	2 60	0 58	C
2,000 000	**Total Position**			33,209 90		33,920 00	710 10		1 15	
				33,209 90		33,920 00	710 10		1 15	
	Financials			175,242 70		159,291 56	(15,951 14)		5 42	
Information Technology										
IT Consulting & Services										
300 000	INTL BUSINESS MACHS CORP	05/04/2010	127 48	38,243 97	125 26	37,578 00	(665 97)	2 00	1 28	C
Data Processing & Outsourced Services										
400 000	AUTOMATIC DATA PROCESSING INC COM	02/17/2010	41 44	16,576 00	40 88	16,352.00	(224 00)	1 36	0 56	C

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400 000	AUTOMATIC DATA PROCESSING INC COM	05/04/2010	42 71	17,082 40	40 88	16,352 00	(730 40)	1 36	0 56	C
800 000	**Total Position**			33,658 40		32,704 00	(954 40)		1 11	
500 000	PAYCHEX INC	01/15/2010	30 79	15,393 55	28 54	14,270 00	(1,123 55)	1 24	0 49	C
200 000	PAYCHEX INC	02/17/2010	30 11	6,022 00	28 54	5,708 00	(314 00)	1 24	0 19	C
300 000	PAYCHEX INC	03/25/2010	31 09	9,326 97	28 54	8,562 00	(764 97)	1 24	0.29	C
1,000 000	**Total Position**			30,742 52		28,540 00	(2,202 52)		0 97	
	Data Processing & Outsourced Services			64,400 92		61,244.00	(3,156 92)		2 08	
Computer Storage & Peripherals										
500 000	EMC CORP MASS COM STK	04/12/2010	19 21	9,605 00	18 62	9,310 00	(295 00)		0 32	C
500 000	CORNING INC COM	07/24/2009	17 01	8,505 00	17 43	8,715 00	210 00	0 20	0 30	C
500 000	CORNING INC COM	04/12/2010	19 95	9,974 20	17 43	8,715 00	(1,259 20)	0 20	0 30	C
1,000 000	**Total Position**			18,479 20		17,430 00	(1,049 20)		0 59	
				18,479 20		17,430 00	(1,049 20)		0 59	
Semiconductors										
1,000 000	TAIWAN SEMICONDUCTOR MANUFACTU ADR	05/04/2010	10 07	10,069 90	9 75	9,750 00	(319 90)	0 36	0 33	C
	Information Technology			140,798 99		135,312 00	(5,486 99)		4 61	
Telecommunication Services										
Integrated Telecommunication Services										
8,000 000	TELSTRA CORPORATION ORDS	01/27/2010	3 11	24,900 00	2 48	19,847 35	(5,052 65)		0 68	C

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Undefined Classification - At the present time these securities are not classified by GICS
***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund The yield shown represents the SEC 7-day yield*
**** Please see the general disclosures set forth at the end of this Supplemental Report*

Portfolio Valuation By Taxlot
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2010
Trade Date Reporting

Valuation Currency: USD
Sort Order: Asset Type
Security Type

Shares or Face Value	Security Description	Acquisition Date	Book Price	Book Cost	Market Price	Market Value	Unrealized Gain (Loss)	Div or YTM@purch	% of *** Portfolio	Acct Type
Integrated Telecommunication Services										
800 000	AT&T INC ISIN US00206R1023	02/02/2010	25 74	20,589 60	24 30	19,440 00	(1,149 60)	1 68	0 66	C
200 000	AT&T INC ISIN US00206R1023	02/17/2010	25 43	5,086 00	24 30	4,860 00	(226 00)	1 68	0 17	C
500 000	AT&T INC ISIN US00206R1023	04/12/2010	26 50	13,248 50	24 30	12,150 00	(1,098 50)	1 68	0 41	C
1,500 000	**Total Position**			38,924 10		36,450 00	(2,474 10)		1 24	
2,000 000	TELSTRA CORP ADR	03/25/2010	14 21	28,420 00	12 50	25,008.00	(3,412 00)	1 20	0 85	C
	Integrated Telecommunication Services			67,344 10		61,458 00	(5,886 10)		2 09	
Wireless Telecommunication Services										
800 000	ROGERS COMMUNICATIONS INC CAD CL B COM NPV NONVTG	01/15/2010	30 64	24,515 68	34 48	27,584 10	3,068 42	1 18	0 94	C
500 000	ROGERS COMMUNICATIONS INC CAD CL B COM NPV NONVTG	04/19/2010	34 14	17,069 95	34 48	17,240 06	170 11	1 18	0 59	C
1,300 000	**Total Position**			41,585 63		44,824 16	3,238 53		1 53	
700 000	VODAFONE GP PLC ADS NEW	07/24/2009	19 97	13,975 50	20 10	14,070 00	94 50	1 21	0 48	C
300 000	VODAFONE GP PLC ADS NEW	02/02/2010	21 90	6,570 00	20 10	6,030 00	(540 00)	1 21	0 21	C
500 000	VODAFONE GP PLC ADS NEW	04/19/2010	23 09	11,543 50	20 10	10,050.00	(1,493 50)	1 21	0 34	C
300 000	VODAFONE GP PLC ADS NEW	05/06/2010	20 36	6,108 00	20 10	6,030 00	(78 00)	1 21	0 21	C
1,800 000	**Total Position**			38,197.00		36,180 00	(2,017 00)		1 23	
	Wireless Telecommunication Services			79,782 63		81,004 16	1,221 53		2 76	
	Telecommunication Services			172,026 73		162,309 51	(9,717 22)		5 52	
Utilities										
Multi-Utilities										
400 000	VEOLIA ENVIRONNEMENT PARIS ADR	01/15/2010	36 48	14,591 96	25 70	10,280 00	(4,311 96)	1 38	0 35	C

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Valuation Currency: USD
Sort Order: Asset Type

Security Type

Portfolio Valuation By Taxlot
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
05/31/2010
Trade Date Reporting

Shares or Face Value	Security Description	Acquisition Date	Book Price	Book Cost	Market Price	Market Value	Unrealized Gain (Loss)	Div or YTM@purch	% of *** Portfolio	Acct Type
400 000	VEOLIA ENVIRONNEMENT PARIS ADR	02/02/2010	34 78	13,911 96	25 70	10,280 00	(3,631 96)	1 38	0 35	C
400 000	VEOLIA ENVIRONNEMENT PARIS ADR	03/25/2010	34 49	13,795 96	25 70	10,280 00	(3,515 96)	1 38	0 35	C
300 000	VEOLIA ENVIRONNEMENT PARIS ADR	05/06/2010	28 25	8,475 00	25 70	7,710 00	(765 00)	1 38	0 26	C
1,500 000	**Total Position**			50,774 88		38,550 00	(12,224 88)		1 31	
	Multi-Utilities			50,774 88		38,550.00	(12,224 88)		1 31	
	Utilities			50,774 88		38,550 00	(12,224 88)		1 31	
	COMMON STOCKS			1,615,849 73		1,551,785 82	(64,063 91)		52 82	
CONVERTIBLE PREFERRED STOCKS										
1,000 000	ARCHER DANIELS CONV PFD	03/10/2010	42 13	42,127 00	35 92	35,920 00	(6,207 00)	3 13	1 22	C
500 000	ARCHER DANIELS CONV PFD	05/04/2010	37 86	18,930 00	35 92	17,960 00	(970 00)	3 13	0 61	C
1,500 000	**Total Position**			61,057 00		53,880 00	(7,177 00)		1 83	
	CONVERTIBLE PREFERRED STOCKS			61,057 00		53,880 00	(7,177 00)		1 83	
PREFERRED STOCKS										
500 000	BANK OF AMERICA CORP 8 20% PFD PERP	01/15/2010	24 69	12,344 95	24 65	12,325 00	(19 95)	2 05	0 42	C
500 000	BANK OF AMERICA CORP 8 20% PFD PERP	02/17/2010	24 43	12,215 00	24 65	12,325 00	110 00	2 05	0 42	C
1,000 000	**Total Position**			24,559 95		24,650 00	90 05		0 84	
500 000	BARCLAYS BANK PLC 6 625% PERP PFD	01/15/2010	21 99	10,995 00	20 12	10,060 00	(935 00)	1 66	0 34	C
500 000	METLIFE INC PFD 6 5% SERIES B	01/15/2010	24 72	12,360 00	23 69	11,845 00	(515 00)	1 63	0 40	C
500 000	PRINCIPAL FINANCIAL GRP INC PFD	01/15/2010	21 45	10,725 00	21 98	10,990 00	265 00	1 63	0 37	C
500 000	FIFTH THIRD CAPITAL TRUST VI 7 2 5% PFD 15 NOV 2067	01/15/2010	21 95	10,974 95	21 80	10,900.00	(74 95)	1 81	0 37	C

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***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although the Fund seeks to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in the fund The yield shown represents the SEC 7-day yield*
**** Please see the general disclosures set forth at the end of this Supplemental Report*

Realized Gains & Losses
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
01/01/2010 to 05/31/2010
Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

Sch 2 —

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss) Short Term	Gain (Loss) Long Term
1,350 000	ABB LTD ZUERICH ADR	07/24/2009	01/12/2010	23,813 06	27,244 95	3,431 89	
100 000	AMGEN INC	07/24/2009	01/12/2010	6,078 00	5,605 32	(472 68)	
200 000	ANADARKO PETE CORP COM	07/24/2009	01/12/2010	9,730 00	12,998 63	3,268 63	
100 000	APACHE CORP COM	07/24/2009	01/12/2010	7,904 00	10,629 87	2,725 87	
1,250 000	APPLIED MATLS INC	07/24/2009	01/12/2010	16,431 50	17,812 40	1,380 90	
300 000	ARCHER DANIELS MIDLAND CO COM	07/24/2009	01/12/2010	9,153 00	9,169 08	16 08	
827 000	AT&T INC ISIN US00206R1023	04/14/2003	01/12/2010	13,962 26	22,364 27		8,402 01
600 000	AVERY DENNISON CORP CA COM STK	07/24/2009	01/12/2010	17,083 50	22,937 76	5,854 26	
75,000 000	BANK OF AMERICA SR UNS GLOBAL 4 375% DUE 12/01/2010 @ 100 00	08/31/2005	01/12/2010	74,995.50	77,378 38		2,382 88
125 000	BAXTER INTERNATIONAL INC USD1 COM	07/24/2009	01/12/2010	6,791 25	7,465 69	674 44	
250 000	BAXTER INTERNATIONAL INC USD1 COM	05/19/2003	01/12/2010	5,665 00	14,931 38		9,266 38
10 000	BERKSHIRE HATHAWAY INC CLASS B SEE 084670702	07/24/2009	01/12/2010	30,949 70	33,211 57	2,261 87	
100 000	CHEVRON CORPORATION	01/19/1999	01/12/2010	4,041 50	8,028 90		3,987 40
1,000 000	CISCO SYSTEMS INC COM	03/31/1997	01/12/2010	5,564 44	24,389 79		18,825 35
1,250 000	COMCAST CORP CL A	07/24/2009	01/12/2010	18,081 00	20,749 73	2,668 73	
200 000	CONOCOPHILLIPS	04/14/2003	01/12/2010	1 74	10,532 66		10,530 92
50,000 000	CONOCOPHILLIPS SR UNS GLOBA 4 750% DUE 10/15/2012 @ 100 00	08/11/2008	01/12/2010	50,743 00	54,014 95		3,271 95
600 000	CORNING INC COM	07/24/2009	01/12/2010	10,206 00	12,175 64	1,969 64	
650 000	CVS CAREMARK CORP	07/24/2009	01/12/2010	22,233 51	21,802 67	(430 84)	
450 000	DU PONT E I DENEMOURS & CO COM	07/24/2009	01/12/2010	13,527 00	15,515 85	1,988 85	
825 000	EBAY INC COM STK	07/24/2009	01/12/2010	17,502 54	19,239 33	1,736 79	
400 000	EDISON INTERNATIONAL USD4 166 COM	07/24/2009	01/12/2010	13,162 00	14,061 42	899 42	

Realized Gains & Losses
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
01/01/2010 to 05/31/2010
Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss) Short Term	Gain (Loss) Long Term
100 000	EMERSON ELEC CO COM	07/24/2009	01/12/2010	3,666 00	4,469 32	803 32	
150 000	EXELON CORP COM	07/24/2009	01/12/2010	8,124 00	7,381 58	(742 42)	
700 000	EXXON MOBIL CORP COM STK	12/31/1991	01/12/2010	1,252 18	48,894 37		47,642 19
1,400 000	FINANCIAL SELECT SECTOR SPDR US ETFS	07/24/2009	01/12/2010	17,486 00	21,153 73	3,667 73	
1,375 000	GENERAL ELEC CO COM STK USD	01/24/1997	01/12/2010	23,336 04	22,989 84		(346 20)
25 000	GOOGLE	07/24/2009	01/12/2010	11,206 50	14,857 56	3,651 06	
425 000	HEWLETT PACKARD CO USD1 COM	07/24/2009	01/12/2010	17,669 50	22,206 05	4,536 55	
100 000	HOME DEPOT INC COM	01/31/2008	01/12/2010	3,039 99	2,816 15		(223 84)
400 000	HOME DEPOT INC COM	01/27/1997	01/12/2010	4,307 11	11,264 62		6,957 51
800 000	INTEL CORP COM	03/31/1997	01/12/2010	13,833 00	16,426 19		2,593 19
725 000	INTEL CORP COM	01/24/1997	01/12/2010	13,702 95	14,886 24		1,183 29
100 000	INTL BUSINESS MACHS CORP	05/20/2002	01/12/2010	8,432 00	13,049 84		4,617 84
200 000	INTL BUSINESS MACHS CORP	06/18/2001	01/12/2010	22,712 00	26,099 69		3,387 69
200 000	ISHARES S&P SMALL CAP 600 GROWTH INDEX FUND	07/10/2003	01/12/2010	7,654 00	11,621 33		3,967 33
700 000	ISHARES TR S&P SMCP 600 INDX FND US ETFS	04/18/2002	01/12/2010	29,507 33	39,117 60		9,610 27
475 000	JPMORGAN CHASE & CO COM	01/24/1997	01/12/2010	14,203 29	20,720 28		6,516 99
100 000	MEDTRONIC INC COM	09/25/2007	01/12/2010	5,652 00	4,537 95		(1,114 05)
200 000	MEDTRONIC INC COM	08/27/2002	01/12/2010	8,484 00	9,075 90		591 90
300 000	MEDTRONIC INC COM	06/18/2001	01/12/2010	13,461 00	13,613 86		152 86
500 000	MERCK & CO	08/24/2005	01/12/2010	13,930 00	18,846 26		4,916 26
50,000 000	MERRILL LYNCH SER C MTN 4 790% DUE 08/04/2010 @ 100 00	08/02/2006	01/12/2010	48,774 00	50,930 00		2,156 00
1,725 000	MICROSOFT CORP USD 0 01 COM	12/27/1995	01/12/2010	9,563 51	52,095 71		42,532 20
900 000	ORACLE CORP COM STK	07/24/2009	01/12/2010	20,169 00	22,103 80	1,934 80	
675 000	PALL CORP	07/24/2009	01/12/2010	20,134.24	25,193 65	5,059 41	
350 000	PEPSICO INC COM STK	11/05/1999	01/12/2010	10,350 49	21,531 76		11,181 27

Realized Gains & Losses
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
01/01/2010 to 05/31/2010
Trade Date Reporting

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Sort Order: Closing Date

Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss) Short Term	Gain (Loss) Long Term
175 000	POWERSHARES QQQ NASDAQ 100	03/26/2008	01/12/2010	7,799 75	8,035 92		236 17
125 000	POWERSHARES QQQ NASDAQ 100	01/31/2008	01/12/2010	5,567 49	5,739 94		172 45
250 000	POWERSHARES QQQ NASDAQ 100	11/20/2007	01/12/2010	12,677 48	11,479 88		(1,197 60)
200 000	POWERSHARES QQQ NASDAQ 100	04/14/2003	01/12/2010	5,118 00	9,183 90		4,065 90
175 000	QUALCOMM INC COM	07/24/2009	01/12/2010	8,282 75	8,496 16	213 41	
475 000	SCHLUMBERGER LTD USD 0 01 COM (CURACAO)	05/19/2003	01/12/2010	11,210 00	33,501 37		22,291 37
450 000	SMITH INTL INC	07/24/2009	01/12/2010	11,529 00	13,796 87	2,267 87	
675 000	STAPLES INC COM	07/24/2009	01/12/2010	14,424 75	16,917 31	2,492 56	
325 000	SUNCOR ENERGY INC	07/24/2009	01/12/2010	10,838 75	11,956 62	1,117 87	
200 000	SYSCO CORP	07/24/2009	01/12/2010	4,576 00	5,549 92	973 92	
175 000	TRANSOCEAN LTD	07/24/2009	01/12/2010	14,140 00	15,947 56	1,807 56	
375 000	TRAVELERS COS INC	07/24/2009	01/12/2010	16,222 50	18,385 26	2,162 76	
475 000	UNILEVER PLC SPON ADR	07/24/2009	01/12/2010	12,069 09	14,881 61	2,812 52	
600 000	UNITED TECHNOLOGIES CORP COM	01/24/1997	01/12/2010	10,437 00	42,809 51		32,372 51
500 000	UNITEDHEALTH GRP	07/24/2009	01/12/2010	13,685 00	16,101 29	2,416 29	
825 000	US BANCORP COM	07/24/2009	01/12/2010	16,368 00	20,164 14	3,796 14	
500 000	VODAFONE GP PLC ADS NEW	07/24/2009	01/12/2010	9,982 50	11,164 90	1,182 40	
200 000	WALT DISNEY CO (HOLDING COMPANY)	04/14/2003	01/12/2010	3,483 44	6,198 30		2,714 86
875 000	WALT DISNEY CO (HOLDING COMPANY)	01/24/1997	01/12/2010	20,518 57	27,117 56		6,598 99
300 000	WELLPOINT INC	07/24/2009	01/12/2010	15,669 99	19,031 75	3,361 76	
525 000	WELLS FARGO COMPANY	07/24/2009	01/12/2010	12,387 74	14,806 07	2,418 33	
50,000 000	FEDERAL HOME LOAN MORTGAGE CORP 5 750% DUE 01/15/2012 @ 100 00	05/16/2006	01/15/2010	50,362 74	54,647 40		4,284 66
100,000 000	FEDERAL HOME LOAN MORTGAGE CORP 5 750% DUE 01/15/2012 @ 100 00	04/18/2002	01/15/2010	99,809 93	109,294 80		9,484 87
75,000 000	FEDL NATL MORTGAGE ASSOCIATION 4 625% DUE 10/15/2013 @ 100 00	05/16/2006	01/15/2010	73,348 93	82,061 02		8,712 09

Realized Gains & Losses
W2-78026 : THE LOATS FOUNDATION INC C/O EVANGELICAL LUTHERAN CHURCH ATTN HELEN HAHN
01/01/2010 to 05/31/2010
Trade Date Reporting

Valuation Currency: USD
Sort Order: Closing Date

	Shares or Face Value	Security Description	Purchase Date	Sale Date	Cost	Proceeds	Gain (Loss) Short Term		Gain (Loss) Long Term
	75,000 000	FEDL NATL MORTGAGE ASSOCIATION 4 625% DUE 10/15/2013 @ 100 00	08/31/2005	01/15/2010	75,780 26	82,061 03			6,280 77
	125,000 000	FHLB 4 625% 18 FEB 2011 4 625% DUE 02/18/2011 @ 100 00	03/31/2006	01/15/2010	124,366 35	130,610 00			6,243 65
	50,000 000	FREDDIE MAC 4 125% DUE 07/12/2010 @ 100 00	03/31/2006	01/15/2010	49,778 27	50,932 00			1,153 73
	4,708 652	GOLDMAN SACHS TR GROWTH OPPORTUNITIES FD INSTL	7-28-2009	02/02/2010	80,000.00	95,114 77 S	~~95,114 77~~ 15114 77		
>	3,492 608	HARBOR FD INTL FD	1.31.2008	02/02/2010	227,194 17	185,841 67 L	~~185,841 67~~		(41,352.50)
	100,000 000	FEDL NATL MORTGAGE ASSOCIATION 4 125% DUE 04/15/2014 @ 100 00	3-25-04	02/17/2010	99,050.10	107,438 60 L	~~107,438 60~~		5388.50
	300 000	SYNGENTA AG	01/15/2010	02/22/2010	16,355 58	15,754 38	(601 20)		
	3 958	FED TOTAL RET GV@INSTL MF	02/26/2010	03/09/2010	44 81	44 69	(0 12)		
>	4,824 561	FED TOTAL RET GV@INSTL MF	9-29-09	03/09/2010	55,000 00	54,469 29 S	~~54,469 29~~	(530 71)	
	3 216	FIDELITY STRAT INCM I MF	03/01/2010	03/09/2010	39 46	39 75	0 29		
>	4,505 108	FIDELITY STRAT INCM I MF	LT	03/09/2010	53,517 74	55,683 13 L	~~55,683 13~~		2165.39
	4,895 739	AIM INTL GRW CL I MF	7-28-09	03/25/2010	108,000	122,785 13 S	~~122,785 13~~	14,785.13	
	700 000	KRAFT FOODS INC	07/24/2009	04/12/2010	19,640 53	21,204 11	1,563 58		
	300 000	BP PLC ADRC SPONS ADR	03/25/2010	04/30/2010	17,031 00	15,547 92	(1,483 08)		
	300 000	BP PLC ADRC SPONS ADR	03/09/2010	04/30/2010	16,812 00	15,547 93	(1,264 07)		
	1,000 000	JP MORGAN STRATEGC INC OPP CL SEL MF	01/15/2010	05/12/2010	11,680 00	11,690 00	10 00		
		TOTAL PORTFOLIO			**1,520,307.29** 2,143,069.30	**2,520,176.98**	**693,465.68** 101,502.28		**306,404.01** 275,605 40

ACCOUNT # 1552001053
TAX ID # 52-0610535
FROM 06/01/2009
TO 05/31/2010

BRANCH BANKING & TRUST COMPANY
TAX WORKSHEET FOR THE ACCOUNT OF
BRANCH BANKING AND TRUST COMPANY
THE LOATS FOUNDATION INC
INVESTMENT MANAGEMENT

DETAIL	PRINCIPAL	INCOME	BOOK VALUE	REG
*** TOTAL OTHER INTEREST	6,728 76	0 00	0 00	

SHORT TERM CAPITAL GAIN/LOSS

CODE 482 SHORT TERM CAPITAL GAIN

ARTISAN MID CAP VALUE #1464 CLD
TO NEW INV EFF 7/10/2009
04/01/2010 SHORT TERM CAPITAL GAIN 23,384 86 40
7,567 917 SHS PROCEEDS
__________________140,384 86
BOT 07/27/2009______117,000 00
____________________23,384 86

DETAIL	PRINCIPAL	INCOME	BOOK VALUE	REG
** TOTAL CODE 482	23,384 86	0 00	0 00	
*** TOTAL SHORT TERM CAPITAL GAIN/LOSS	23,384 86	0 00	0.00	

LONG TERM CAPITAL GAIN/LOSS

CODE 36 LONG TERM CAP GAINS DIV

FEDERATED TOTAL RTN GOV'T BD FD
#647 CL IS
11/17/2009 4,824 561 SHS 140 68 40
EX DATE = 11/12/2009
RATE PER SHARE = 02916

DETAIL	PRINCIPAL	INCOME	BOOK VALUE	REG
TOTAL CUSIP	140.68	0 00	0 00	

SCH I

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         DETAIL                 PRINCIPAL     INCOME       BOOK    REG
         =====                                  VALUE

        PIMCO FOREIGN BOND (US DOLLAR
        HEDGED) FUND CLASS I #103
  12/10/2009     7,309 941 SHS          482 46                40
  RATE PER SHARE =  066
                          ------------- ------------- -------------
   TOTAL CUSIP                    482 46       0 00       0 00
                          ------------- ------------- -------------

 ** TOTAL CODE 36                   623 14       0 00       0 00
                          ------------- ------------- -------------


  CODE 480   LONG TERM CAPITAL GAIN
        ---------------------
        ALLIANZ NFJ SMALL CAP
        VALUE-CLOSED TO NEW FD 4630 CL I
  05/19/2010 LONG TERM CAPITAL GAIN 3,685 661     26,416 89              40
        SHS PROCEEDS__________96,416.89
        BOT 01/01/2009________70,000 00
        ______________________26,416 89

        BB&T TOTAL RETURN BOND CL I FUND
        # 0342
  09/29/2009 LONG TERM CAPITAL GAIN 5,025 125      4,271 35              40
        SHS PROCEEDS__________54,271.35
        BOT 05/20/2002________50,000 00
        _______________________4,271 35

        PIMCO FOREIGN BOND (US DOLLAR
        HEDGED) FUND CLASS I #103
  04/01/2010 LONG TERM CAPITAL GAIN 7,309 941        365 50              40
        SHS PROCEEDS__________75,365 50
        BOT 01/01/2009________75,000 00
        __________________________365 50

        AT&T INC COMMON
  07/29/2009 LONG TERM CAPITAL GAIN 100 SHS          851 63              15
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ACCOUNT # 1552001053          BRANCH BANKING & TRUST COMPANY              PAGE 33
TAX ID # 52-0610535          TAX WORKSHEET FOR THE ACCOUNT OF           AS OF 06/04/2010
FROM 06/01/2009              BRANCH BANKING AND TRUST COMPANY           RUN JUN 04 2010
TO 05/31/2010                THE LOATS FOUNDATION INC
                         INVESTMENT MANAGEMENT

     DETAIL                PRINCIPAL     INCOME      BOOK    REG
     ======                                VALUE

    PROCEEDS_____________2,539 93
    BOT 04/14/2003________1,688 30
    ____________________________851 63

    AIR PRODUCTS AND CHEMICALS INC
    COMMON
07/29/2009 LONG TERM CAPITAL GAIN 300 SHS     7,732 81              15
    PROCEEDS_____________21,832.81
    BOT 10/20/2003_______14,100.00
    ____________________7,732.81

07/29/2009 LONG TERM CAPITAL GAIN 400 SHS     5,814 85              15
    PROCEEDS_____________29,110 41
    BOT 08/24/2005_______23,295 56
    ____________________5,814 85

    AMERICAN ELECTRIC POWER INC
    COMMON
07/29/2009 LONG TERM CAPITAL GAIN 350 SHS     1,613 22              15
    PROCEEDS_____________10,734 22
    BOT 05/19/2003________9,121 00
    ____________________1,613.22

    BANK OF AMERICA CORP COMMON
07/29/2009 LONG TERM CAPITAL GAIN 1,051 89   7,543 11              15
    SHS PROCEEDS_________13,203 51
    BOT 12/22/1993________5,660 40
    ____________________7,543 11

    CHEVRON CORP COMMON
07/29/2009 LONG TERM CAPITAL GAIN 250 SHS     6,981 31              15
    PROCEEDS_____________17,085 06
    BOT 01/19/1999_______10,103 75
    ____________________6,981 31

    CISCO SYSTEMS COMMON
07/29/2009 LONG TERM CAPITAL GAIN 1,700 SHS   24,071 98             15
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ACCOUNT # 1552001053 BRANCH BANKING & TRUST COMPANY PAGE 34
TAX ID # 52-0610535 TAX WORKSHEET FOR THE ACCOUNT OF AS OF 06/04/2010
FROM 06/01/2009 BRANCH BANKING AND TRUST COMPANY RUN JUN 04 2010
TO 05/31/2010 THE LOATS FOUNDATION INC
INVESTMENT MANAGEMENT

DETAIL PRINCIPAL INCOME BOOK REG
===== VALUE

PROCEEDS_____________37,144 04
BOT 01/24/1997_______13,072 06
___________________24,071 98

07/29/2009 LONG TERM CAPITAL GAIN 800 SHS 13,027 99 15
PROCEEDS_____________17,479 55
BOT 03/31/1997________4,451 56
___________________13,027 99

CONOCOPHILLIPS
07/29/2009 LONG TERM CAPITAL GAIN 100 SHS 1,934 17 15
PROCEEDS______________4,487.17
BOT 04/14/2003________2,553 00
____________________1,934.17

THE WALT DISNEY COMPANY COMMON
07/29/2009 LONG TERM CAPITAL GAIN 25 SHS 74 74 15
PROCEEDS_________________660 98
BOT 01/24/1997__________586 24
______________________74.74

DUKE ENERGY CORPORATION COMMON
07/29/2009 LONG TERM CAPITAL GAIN 500 SHS 2,199 22 15
PROCEEDS______________7,684 80
BOT 07/10/2003________5,485 58
____________________2,199 22

EXXON MOBIL CORPORATION COMMON
07/29/2009 LONG TERM CAPITAL GAIN 800 SHS 56,187 45 15
PROCEEDS_____________57,618 51
BOT 12/31/1991________1,431 06
___________________56,187 45

FPL GROUP COMMON
07/29/2009 LONG TERM CAPITAL GAIN 500 SHS 17,958 59 15
PROCEEDS_____________29,989 22

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ACCOUNT # 1552001053          BRANCH BANKING & TRUST COMPANY              PAGE 35
TAX ID # 52-0610535          TAX WORKSHEET FOR THE ACCOUNT OF          AS OF 06/04/2010
FROM 06/01/2009              BRANCH BANKING AND TRUST COMPANY           RUN JUN 04 2010
TO 05/31/2010                 THE LOATS FOUNDATION INC
                          INVESTMENT MANAGEMENT

        DETAIL                PRINCIPAL      INCOME       BOOK    REG
        =====                                 VALUE
        BOT 10/21/1999_______12,030 63
        __________________17,958 59

        INTEL COMMON
    07/29/2009 LONG TERM CAPITAL GAIN 475 SHS     168 47                 15
        PROCEEDS____________9,146 27
        BOT 01/24/1997________8,977.80
        ____________________168 47

        J P MORGAN CHASE & CO COMMON
    07/29/2009 LONG TERM CAPITAL GAIN 200 SHS     1,607 60               15
        PROCEEDS____________7,587 93
        BOT 01/24/1997________5,980 33
        __________________1,607.60

    07/29/2009 LONG TERM CAPITAL GAIN 75 SHS      525 84                 15
        PROCEEDS____________2,845 47
        BOT 09/25/1998________2,319 63
        ____________________525 84

        JOHNSON & JOHNSON COMMON
    07/29/2009 LONG TERM CAPITAL GAIN 625 SHS     20,835 07              15
        PROCEEDS____________38,164 76
        BOT 01/24/1997_______17,329 69
        __________________20,835 07

        JOHNSON CONTROLS INC COMMON
    07/29/2009 LONG TERM CAPITAL GAIN 1,200 SHS   21,773 23              15
        PROCEEDS____________29,831 23
        BOT 03/31/1997________8,058 00
        __________________21,773 23

        MICROSOFT CORP COMMON
    07/29/2009 LONG TERM CAPITAL GAIN 1,675 SHS   29,657 11              15
        PROCEEDS____________38,943 41
        BOT 12/27/1995________9,286 30
        __________________29,657 11
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ACCOUNT # 1552001053
TAX ID # 52-0610535
FROM 06/01/2009
TO 05/31/2010

BRANCH BANKING & TRUST COMPANY
TAX WORKSHEET FOR THE ACCOUNT OF
BRANCH BANKING AND TRUST COMPANY
THE LOATS FOUNDATION INC
INVESTMENT MANAGEMENT

AS OF 06/04/2010
RUN JUN 04 2010

DETAIL ======	PRINCIPAL	INCOME VALUE	BOOK	REG
PEPSICO INC COMMON				
07/29/2009 LONG TERM CAPITAL GAIN 570 SHS	15,167 14			15
PROCEEDS_____________32,023 65				
BOT 11/05/1999________16,856 51				
____________________15,167 14				
07/29/2009 LONG TERM CAPITAL GAIN 330 SHS	469 67			15
PROCEEDS_____________18,540 01				
BOT 08/24/2005________18,070 34				
______________________469 67				
PROCTER AND GAMBLE COMMON				
07/29/2009 LONG TERM CAPITAL GAIN 550 SHS	8,838 35			15
PROCEEDS_____________30,517 39				
BOT 01/23/1998________21,679 04				
_____________________8,838 35				
07/29/2009 LONG TERM CAPITAL GAIN 250 SHS	4,994 10			15
PROCEEDS_____________13,871 54				
BOT 09/25/1998________8,877 44				
_____________________4,994 10				
07/29/2009 LONG TERM CAPITAL GAIN 212 5 SHS	1,286 69			15
PROCEEDS_____________11,790 81				
BOT 10/21/1999________10,504.12				
_____________________1,286 69				
07/29/2009 LONG TERM CAPITAL GAIN 237 5 SHS	5,453 74			15
PROCEEDS_____________13,177 97				
BOT 04/14/2003________7,724 23				
_____________________5,453 74				
SCHLUMBERGER LTD COMMON				
07/29/2009 LONG TERM CAPITAL GAIN 325 SHS	10,641 65			15
PROCEEDS_____________18,311 65				
BOT 05/19/2003________7,670 00				

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ACCOUNT # 1552001053          BRANCH BANKING & TRUST COMPANY               PAGE 37
TAX ID # 52-0610535          TAX WORKSHEET FOR THE ACCOUNT OF            AS OF 06/04/2010
FROM 06/01/2009             BRANCH BANKING AND TRUST COMPANY             RUN JUN 04 2010
TO 05/31/2010                 THE LOATS FOUNDATION INC
                           INVESTMENT MANAGEMENT

     DETAIL                  PRINCIPAL      INCOME      BOOK     REG
     =====                                  VALUE
     ___________________10,641 65

     UNITED TECHNOLOGIES COMMON
07/29/2009 LONG TERM CAPITAL GAIN 300 SHS     10,376 59                   15
     PROCEEDS____________15,595 09
     BOT 01/24/1997_______5,218.50
     ___________________10,376 59

07/29/2009 LONG TERM CAPITAL GAIN 300 SHS     7,201 85                    15
     PROCEEDS____________15,595 10
     BOT 11/05/1999_______8,393 25
     ____________________7,201 85

     WYETH COMMON
07/29/2009 LONG TERM CAPITAL GAIN 500 SHS     13,316 05                   15
     PROCEEDS____________23,646 59
     BOT 01/02/1992_______10,330 54
     ___________________13,316 05

     BP P L C  SPONS ADR
07/29/2009 LONG TERM CAPITAL GAIN 250 SHS     3,422 94                    15
     PROCEEDS____________12,648 17
     BOT 01/19/1999_______9,225.23
     ____________________3,422.94

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** TOTAL CODE 480                332,780 90      0.00          0.00
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CODE 481   LONG TERM CAPITAL LOSS
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     IBM CORP DTD 09/10/2002 4 25%
     09/15/2009
09/15/2009 LONG TERM CAPITAL LOSS 50,000      78 00-                     15
     UNITS PROCEEDS_______50,000 00
     BOT 08/31/2005_______50,078 00
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ACCOUNT # 1552001053          BRANCH BANKING & TRUST COMPANY              PAGE 38
TAX ID # 52-0610535           TAX WORKSHEET FOR THE ACCOUNT OF          AS OF 06/04/2010
FROM 06/01/2009               BRANCH BANKING AND TRUST COMPANY          RUN JUN 04 2010
TO 05/31/2010                 THE LOATS FOUNDATION INC
                           INVESTMENT MANAGEMENT

      DETAIL                  PRINCIPAL       INCOME       BOOK    REG
      ======                                   VALUE
      ______________________78 00-

      LEHMAN BROTHERS HOLDINGS DTD
      07/18/06 5 75% 07/18/2011
  10/08/2009 LONG TERM CAPITAL LOSS 50,000     42,535 50-              15
      UNITS PROCEEDS_________7,800 00
      BOT 08/02/2006________50,335 50
      ____________________42,535 50-

      BB&T MID CAP VALUE CL I FUND #
      0312
  07/28/2009 LONG TERM CAPITAL LOSS 2,031 144   10,704 13-              40
      SHS PROCEEDS__________19,295.87
      BOT 08/16/2001________30,000 00
      ____________________10,704 13-

  07/28/2009 LONG TERM CAPITAL LOSS 713 267      3,223.96-             40
      SHS PROCEEDS___________6,776 04
      BOT 05/20/2002________10,000 00
      _____________________3,223 96-

  07/28/2009 LONG TERM CAPITAL LOSS 4,002 193   34,979 17-              40
      SHS PROCEEDS__________38,020 83
      BOT 08/24/2005________73,000 00
      ____________________34,979.17-

      BB&T MID CAP GROWTH  CL I FUND #
      313 MERGED INTO  05527P289
      1/29/10
  07/28/2009 LONG TERM CAPITAL LOSS 3,762.935   10,122 30-              40
      SHS PROCEEDS__________29,877 70
      BOT 04/18/2002________40,000 00
      ____________________10,122 30-

  07/28/2009 LONG TERM CAPITAL LOSS 3,502 559   20,104 68-              40
      SHS PROCEEDS__________27,810 32
      BOT 08/24/2005________47,915 00
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ACCOUNT # 1552001053          BRANCH BANKING & TRUST COMPANY             PAGE 39
TAX ID # 52-0610535          TAX WORKSHEET FOR THE ACCOUNT OF           AS OF 06/04/2010
FROM 06/01/2009              BRANCH BANKING AND TRUST COMPANY            RUN JUN 04 2010
TO 05/31/2010                 THE LOATS FOUNDATION INC
                           INVESTMENT MANAGEMENT

          DETAIL                 PRINCIPAL      INCOME      BOOK    REG
          =====                                  VALUE
          _________________20,104 68-

          HARBOR INTERNATIONAL FUND INST
          CLASS #11
   07/28/2009 LONG TERM CAPITAL LOSS 734 909     13,132 82-                 40
          SHS PROCEEDS_________34,673.01
          BOT 01/31/2008_______47,805 83
          ___________________13,132 82-

          ABBOTT LABORATORIES COMMON
   07/29/2009 LONG TERM CAPITAL LOSS 425 SHS       347.98-                  15
          PROCEEDS____________19,060 75
          BOT 08/24/2005_______19,408 73
          ______________________347 98-

          ALTRIA GROUP INC
          COMMON
   07/29/2009 LONG TERM CAPITAL LOSS 150 SHS       768 97-                  15
          PROCEEDS______________2,579 93
          BOT 03/26/2008________3,348 90
          ______________________768 97-

          BANK OF AMERICA CORP COMMON
   07/29/2009 LONG TERM CAPITAL LOSS 948 11      17,913 66-                 15
          SHS PROCEEDS_________11,900 84
          BOT 01/19/1999_______29,814 50
          ___________________17,913 66-

          CITIGROUP INC COMMON
   07/29/2009 LONG TERM CAPITAL LOSS 900 001      14,877 24-                15
          SHS PROCEEDS__________2,420 93
          BOT 10/08/1998_______17,298 17
          ___________________14,877 24-

   07/29/2009 LONG TERM CAPITAL LOSS 299 999       6,340 33-                15
          SHS PROCEEDS____________806 98
          BOT 01/19/1999________7,147 31
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ACCOUNT # 1552001053          BRANCH BANKING & TRUST COMPANY                 PAGE 40
TAX ID # 52-0610535          TAX WORKSHEET FOR THE ACCOUNT OF              AS OF 06/04/2010
FROM 06/01/2009              BRANCH BANKING AND TRUST COMPANY               RUN JUN 04 2010
TO 05/31/2010                THE LOATS FOUNDATION INC
                           INVESTMENT MANAGEMENT

      DETAIL                 PRINCIPAL       INCOME      BOOK    REG
      ======                                  VALUE
      ____________________6,340 33-

  07/29/2009 LONG TERM CAPITAL LOSS 300 SHS     7,601 99-                  15
      PROCEEDS_______________806 98
      BOT 01/31/2008________8,408.97
      ____________________7,601 99-

      CONOCOPHILLIPS
  07/29/2009 LONG TERM CAPITAL LOSS 250 SHS     4,626.71-                  15
      PROCEEDS_____________11,217.94
      BOT 08/24/2005_______15,844 65
      ____________________4,626 71-

      DOW CHEMICAL COMMON
  07/29/2009 LONG TERM CAPITAL LOSS 275 SHS       58 34-                  15
      PROCEEDS_____________5,510 86
      BOT 01/19/1994________5,569.20
      _______________________58 34-

  07/29/2009 LONG TERM CAPITAL LOSS 125 SHS     2,975 07-                  15
      PROCEEDS_____________2,504 93
      BOT 09/25/2007________5,480 00
      ____________________2,975.07-

      DUKE ENERGY CORPORATION COMMON
  07/29/2009 LONG TERM CAPITAL LOSS 500 SHS     3,983 69-                  15
      PROCEEDS_____________7,684 80
      BOT 06/14/2001_______11,668 49
      ____________________3,983 69-

      GENERAL ELECTRIC COMPANY COMMON
  07/29/2009 LONG TERM CAPITAL LOSS 625 SHS     3,166 74-                  15
      PROCEEDS_____________7,440 55
      BOT 01/24/1997_______10,607.29
      ____________________3,166 74-

      J P MORGAN CHASE & CO COMMON
  07/29/2009 LONG TERM CAPITAL LOSS 150 SHS     1,412 69-                  15
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        DETAIL                  PRINCIPAL      INCOME        BOOK    REG
        ======                                  VALUE

        PROCEEDS____________5,690 94
        BOT 01/31/2008_______7,103 63
        ____________________1,412 69-

        MORGAN STANLEY COMMON
  07/29/2009 LONG TERM CAPITAL LOSS 500 SHS    3,246 54-                  15
        PROCEEDS____________14,102 33
        BOT 04/14/2003______17,348 87
        ____________________3,246 54-

  07/29/2009 LONG TERM CAPITAL LOSS 150 SHS    3,068 29-                  15
        PROCEEDS____________4,230 70
        BOT 01/31/2008_______7,298 99
        ____________________3,068.29-

        PFIZER INC COMMON
  07/29/2009 LONG TERM CAPITAL LOSS 400 SHS    7,178 25-                  15
        PROCEEDS____________6,557 75
        BOT 08/27/2002______13,736 00
        ____________________7,178 25-

  07/29/2009 LONG TERM CAPITAL LOSS 600 SHS    5,383 94-                  15
        PROCEEDS____________9,836 62
        BOT 08/24/2005______15,220 56
        ____________________5,383 94-

  07/29/2009 LONG TERM CAPITAL LOSS 150 SHS    1,218 84-                  15
        PROCEEDS____________2,459 16
        BOT 09/25/2007_______3,678 00
        ____________________1,218 84-

        PHILLIP MORRIS INTL INC COMMON
  07/29/2009 LONG TERM CAPITAL LOSS 150 SHS     662 28-                   15
        PROCEEDS____________6,968 82
        BOT 03/26/2008_______7,631 10
        _______________________662 28-
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ACCOUNT # 1552001053
TAX ID # 52-0610535
FROM 06/01/2009
TO 05/31/2010

BRANCH BANKING & TRUST COMPANY
TAX WORKSHEET FOR THE ACCOUNT OF
BRANCH BANKING AND TRUST COMPANY
THE LOATS FOUNDATION INC
INVESTMENT MANAGEMENT

DETAIL	PRINCIPAL	INCOME VALUE	BOOK	REG
SCHLUMBERGER LTD COMMON				
07/29/2009 LONG TERM CAPITAL LOSS 100 SHS	2,924 64-			15
PROCEEDS_____________5,634 36				
BOT 03/26/2008________8,559.00				
____________________2,924 64-				
SUNTRUST BANKS INC COMMON				
07/29/2009 LONG TERM CAPITAL LOSS 200 SHS	10,056 07-			15
PROCEEDS_____________3,391 91				
BOT 01/31/2008________13,447 98				
____________________10,056 07-				
WYETH COMMON				
07/29/2009 LONG TERM CAPITAL LOSS 175 SHS	1,056 45-			15
PROCEEDS_____________8,276 30				
BOT 01/19/1999________9,332.75				
____________________1,056 45-				
** TOTAL CODE 481	233,749 27-	0 00	0 00	
*** TOTAL LONG TERM CAPITAL GAIN/LOSS	99,654 77	0.00	0 00	

OTHER INCOME

CODE 43 MISCELLANEOUS INCOME

07/10/2009 RECEIVED FROM TEMPLETON FOREIGN PROCEED REC'D FROM BEAR STEARNS FAIR FUNDS LITIGATION SETTLEMENT	37 46		
** TOTAL CODE 43	37 46	0 00	0 00