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

OMB No 1545-0052

**2009**

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

For calendar year 2009, or tax year beginning

07/01, 2009, and ending

06/30, 2010

G Check all that apply:

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Use the IRS  
label.  
Otherwise,  
print  
or type.  
See Specific  
Instructions.

Name of foundation

THE MARTIN FABERT FOUNDATION

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

Room/suite

1000 SECOND AVENUE, 34TH FLOOR

City or town, state, and ZIP code

SEATTLE, WA 98104

A Employer identification number

36-4437950

B Telephone number (see page 10 of the instructions)

(206) 667-0300

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

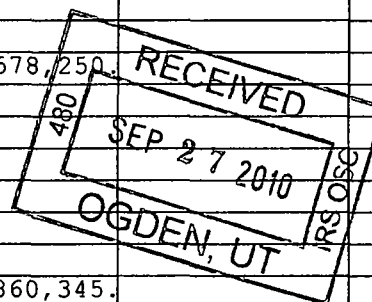
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ☐ Accounting method: ☒ Cash ☐ Accrual

16) \$ 10,989,069. ☐ 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) (see page 11 of the instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Revenue</b>				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B.				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	282,095.	282,095.		ATCH 1
5a Gross rents				
b Net rental income or (loss)	578,250.			
6a Net gain or (loss) from sale of assets not on line 10				
b Gross sales price for all assets on line 6a	3,526,498.			
7 Capital gain net income (from Part IV, line 2)		578,250.		
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) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	860,345.	860,345.		
<b>Operating and Administrative Expenses</b>				
13 Compensation of officers, directors, trustees, etc.	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)*	33,284.	6,600.		26,400.
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)*	2,600.			
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings	329.			
22 Printing and publications				
23 Other expenses (attach schedule) ATCH 4	63,085.	60,567.		
24 Total operating and administrative expenses. Add lines 13 through 23	99,298.	67,167.		26,400.
25 Contributions, gifts, grants paid	537,500.			537,500.
26 Total expenses and disbursements. Add lines 24 and 25	636,798.	67,167.		563,900.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	223,547.			
b Net investment income (if negative, enter -0-)		793,178.		
c Adjusted net income (if negative, enter -0-)			-0-	



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Part II Balance Sheets		Beginning of year		End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1	Cash - non-interest-bearing . . . . .	34,398.	130,704.	130,704.	
	2	Savings and temporary cash investments . . . . .	665,371.	2,041,288.	2,041,288.	
	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 (attach schedule) (see page 16 of the instructions) . . . . .				
	7	Other notes and loans receivable (attach schedule) ▶ * . . . . .	171,000.	0.	ATCH 5 0.	
		Less: allowance for doubtful accounts ▶ . . . . .				
	8	Inventories for sale or use . . . . .	969.	0.	0.	
	9	Prepaid expenses and deferred charges . . . . .				
	10 a	Investments - U.S. and state government obligations (attach schedule) * . . . . .	2,005,915.	1,545,028.	1,545,028.	
	b	Investments - corporate stock (attach schedule) ATCH 7 . . . . .	5,799,031.	5,967,584.	5,967,584.	
	c	Investments - corporate bonds (attach schedule) ATCH 8 . . . . .	1,431,540.	1,270,550.	1,270,550.	
	Liabilities	11	Investments - land, buildings, and equipment basis . . . . .			
		Less: accumulated depreciation (attach schedule) ▶ . . . . .				
12		Investments - mortgage loans . . . . .				
13		Investments - other (attach schedule) ATCH 9 . . . . .	45,068.	33,915.	33,915.	
14		Land, buildings, and equipment basis . . . . .				
		Less: accumulated depreciation (attach schedule) ▶ . . . . .				
15		Other assets (describe ▶ . . . . .)				
16		Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I) . . . . .	10,153,292.	10,989,069.	10,989,069.	
17		Accounts payable and accrued expenses . . . . .	175,000.	90,000.		
18		Grants payable . . . . .				
Net Assets or Fund Balances	19	Deferred revenue . . . . .				
	20	Loans from officers, directors, trustees, and other disqualified persons . . . . .				
	21	Mortgages and other notes payable (attach schedule) . . . . .				
	22	Other liabilities (describe ▶ ATCH 10 . . . . .)	0.	5,332.		
	23	Total liabilities (add lines 17 through 22) . . . . .	175,000.	95,332.		
Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.	24	Unrestricted . . . . .	9,978,292.	10,893,737.		
	25	Temporarily restricted . . . . .				
	26	Permanently restricted . . . . .				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>	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 (see page 17 of the instructions) . . . . .	9,978,292.	10,893,737.	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions) . . . . .	10,153,292.	10,989,069.		

## 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	9,978,292.
2	Enter amount from Part I, line 27a . . . . .	2	223,547.
3	Other increases not included in line 2 (itemize) ▶ ATTACHMENT 11 . . . . .	3	691,898.
4	Add lines 1, 2, and 3 . . . . .	4	10,893,737.
5	Decreases not included in line 2 (itemize) ▶ . . . . .	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6	10,893,737.

\*\* ATCH 6

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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.)
<b>1a</b> SEE PART IV SCHEDULE				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				

(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)
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

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))
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

<b>2</b> Capital gain net income or (net capital loss) . . . . .	<div style="display: inline-block; vertical-align: middle;">           { If gain, also enter in Part I, line 7            If (loss), enter -0- in Part I, line 7         </div>	<b>2</b>	578,250.
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8, . . . . .	<div style="display: inline-block; vertical-align: middle;">           }         </div>	<b>3</b>	

**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 page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2008	611,229.	10,481,091.	0.058317
2007	575,053.	12,873,500.	0.044670
2006	671,124.	12,731,606.	0.052713
2005	579,679.	12,157,955.	0.047679
2004	500,131.	11,607,456.	0.043087

<b>2</b> Total of line 1, column (d) . . . . .	<b>2</b>	0.246466
<b>3</b> 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 . . . . .	<b>3</b>	0.049293
<b>4</b> Enter the net value of noncharitable-use assets for 2009 from Part X, line 5 . . . . .	<b>4</b>	10,917,838.
<b>5</b> Multiply line 4 by line 3 . . . . .	<b>5</b>	538,173.
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b). . . . .	<b>6</b>	7,932.
<b>7</b> Add lines 5 and 6 . . . . .	<b>7</b>	546,105.
<b>8</b> Enter qualifying distributions from Part XII, line 4 . . . . . If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	<b>8</b>	563,900.

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)**

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 . . . . .		1	7,932.
Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b . . . . .			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) . . . . .		2	
3 Add lines 1 and 2 . . . . .		3	7,932.
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	7,932.
6 Credits/Payments:			
a 2009 estimated tax payments and 2008 overpayment credited to 2009 . . . . .	6a	2,600.	
b Exempt foreign organizations-tax withheld at source . . . . .	6b	0.	
c Tax paid with application for extension of time to file (Form 8868) . . . . .	6c	0.	
d Backup withholding erroneously withheld . . . . .	6d		
7 Total credits and payments. Add lines 6a through 6d . . . . .	7	2,600.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached . . . . .	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed . . . . .	9	5,332.	
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 <input type="checkbox"/> Refunded <input type="checkbox"/> 11	11		

**Part VII-A Statements Regarding Activities**

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . . . .	1a	X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? . . . . . If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.	1b	X
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
4 a 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? . . . . .	4b	X
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
8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ IL,		
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 on page 27)? 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)**

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 page 20 of the instructions) . . . . .	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? . . . . .	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . . Website address <b>N/A</b>	13	X	
14	The books are in care of <b>FOUNDATION MANAGEMENT GRP, LLC</b> Telephone no <b>206-667-0300</b> Located at <b>1000 SECOND AVENUE, 34TH FLOOR SEATTLE, WA</b> ZIP + 4 <b>98104</b>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here . . . . . and enter the amount of tax-exempt interest received or accrued during the year . . . . .	15		

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? . . . . . <input type="checkbox"/> <b>1b</b>		X
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? . . . . . <input type="checkbox"/> <b>1c</b>		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <b>_____</b>		
b Are there any years listed in 2a for which the foundation is <b>not</b> 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 page 20 of the instructions.) . . . . . <b>2b</b>		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <b>_____</b>		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2009 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2009.) . . . . . <b>3b</b>		
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . . <b>4a</b>		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? . . . . . <b>4b</b>		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)? (see page 22 of the instructions). ☐ Yes ☒ No(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **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? ☐ 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** ☐ Yes ☒ No

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

**7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** ☐ Yes ☒ No**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATTACHMENT 12		0.	0.	0.

**2** Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions). If none, enter "NONE."

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

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

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**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)**3 Five highest-paid independent contractors for professional services** (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services . . . . . NONE

**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 NONE	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments** (see page 23 of the instructions)

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

	Amount
1 NONE	
2	
All other program-related investments See page 24 of the instructions.	
3 NONE	

Total. Add lines 1 through 3 . . . . .

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**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

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 9,953,455.
b	Average of monthly cash balances	1b 1,096,730.
c	Fair market value of all other assets (see page 24 of the instructions)	1c 33,915.
d	Total (add lines 1a, b, and c)	1d 11,084,100.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e
	Acquisition indebtedness applicable to line 1 assets	2 0.
	Subtract line 2 from line 1d	3 11,084,100.
	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4 166,262.
	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 10,917,838.
	Minimum investment return. Enter 5% of line 5	6 545,892.

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part)

Minimum investment return from Part X, line 6		1 545,892.
a	Tax on investment income for 2009 from Part VI, line 5	2a 7,932.
b	Income tax for 2009 (This does not include the tax from Part VI.)	2b
c	Add lines 2a and 2b	2c 7,932.
	Distributable amount before adjustments. Subtract line 2c from line 1	3 537,960.
	Recoveries of amounts treated as qualifying distributions	4
	Add lines 3 and 4	5 537,960.
	Deduction from distributable amount (see page 25 of the instructions)	6
	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7 537,960.

**Part XII Qualifying Distributions** (see page 25 of the instructions)

Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a 563,900.
b	Program-related investments - total from Part IX-B	1b 0.
Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes		2 0.
Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a 0.
b	Cash distribution test (attach the required schedule)	3b 0.
Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4		4 563,900.
Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)		5 7,932.
Adjusted qualifying distributions. Subtract line 5 from line 4		6 555,968.

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

**Part XIII Undistributed Income** (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7 . . . . .				537,960.
2 Undistributed income, if any, as of the end of 2009.				
a Enter amount for 2008 only . . . . .			482,081.	
b Total for prior years 20 07, 20 06, 20 05 . . . . .				
3 Excess distributions carryover, if any, to 2009				
a From 2004 . . . . .				
b From 2005 . . . . .				
c From 2006 . . . . .				
d From 2007 . . . . .				
e From 2008 . . . . . 0.				
f Total of lines 3a through e . . . . . 0.	0.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 563,900.				
a Applied to 2008, but not more than line 2a . . . . .			482,081.	
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions) . . . . .				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions) . . . . .				
d Applied to 2009 distributable amount . . . . .				81,819.
e Remaining amount distributed out of corpus . . . . . 0.	0.			
5 Excess distributions carryover applied to 2009 . . . . . 0.	0.			0.
<i>(If an amount appears in column (d), the same amount must be shown in column (a).)</i>				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . . 0.	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b . . . . .				
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 . . . . .				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions . . . . .				
e Undistributed income for 2008. Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions . . . . .				
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010 . . . . .				456,141.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions) . . . . .				
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a . . . . . 0.	0.			
10 Analysis of line 9:				
a Excess from 2005 . . . . .				
b Excess from 2006 . . . . .				
c Excess from 2007 . . . . .				
d Excess from 2008 . . . . .				
e Excess from 2009 . . . . . 0.	0.			

Form 990-PF (2009)

**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9) **NOT APPLICABLE**

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

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

4942(j)(3) or

4942(1)(5)

**2a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

**b** 85% of line 2a . . . . .

**C** Qualifying distributions from Part XII, line 4 for each year listed . . .

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

**e** Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c.

**3** Complete 3a, b, or c for the alternative test relied upon

**a** "Assets" alternative test - enter

(1) Value of all assets . . . . .

(2) Value of assets qualifying under section

4942(j)(3)(B)(i). . . .

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

**C** "Support" alternative test - enter

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

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

(3) Largest amount of support from an exempt organization

(4) Gross investment income .

**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 page 28 of 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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

**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
<b>a</b> Paid during the year  ATTACHMENT 13				
<b>Total.</b> . . . . .			▶ <b>3a</b>	537,500.
<b>b</b> Approved for future payment				
<b>Total.</b> . . . . .			▶ <b>3b</b>	

Form 990-PF (2009)





**SCHEDULE D**  
**(Form 1041)**

Department of the Treasury  
Internal Revenue Service

# Capital Gains and Losses

► Attach to Form 1041, Form 5227, or Form 990-T. See the instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

**2009**

Name of estate or trust

THE MARTIN FABERT FOUNDATION

Employer identification number

36-4437950

**Note:** Form 5227 filers need to complete only Parts I and II

**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	35,062.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2008 Capital Loss Carryover Worksheet	4	( )
5 <b>Net short-term gain or (loss).</b> Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back	5	35,062.

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	543,188.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2008 Capital Loss Carryover Worksheet	11	( )
12 <b>Net long-term gain or (loss).</b> Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back	12	543,188.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2009

**Part III Summary of Parts I and II****Caution:** Read the instructions *before* completing this part.

	(1) Beneficiaries' (see page 5)	(2) Estate's or trust's	(3) Total
<b>13</b> Net short-term gain or (loss) . . . . .	<b>13</b>		35,062.
<b>14</b> Net long-term gain or (loss):			
<b>a</b> Total for year . . . . .	<b>14a</b>		543,188.
<b>b</b> Unrecaptured section 1250 gain (see line 18 of the wrksht.) . . . .	<b>14b</b>		
<b>c</b> 28% rate gain . . . . .	<b>14c</b>		
<b>15</b> Total net gain or (loss). Combine lines 13 and 14a . . . . .	<b>15</b>		578,250.

**Note:** If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

**Part IV Capital Loss Limitation**

<b>16</b> Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of:	<b>16</b>	( )
<b>a</b> The loss on line 15, column (3) or		
<b>b</b> \$3,000 . . . . .		

**Note:** If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 7 of the instructions to figure your capital loss carryover.

**Part V Tax Computation Using Maximum Capital Gains Rates**

**Form 1041 filers.** Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

**Caution:** Skip this part and complete the worksheet on page 8 of the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

**Form 990-T trusts.** Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

<b>17</b> Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) . . . .	<b>17</b>		
<b>18</b> Enter the <b>smaller</b> of line 14a or 15 in column (2) but not less than zero . . . . .	<b>18</b>		
<b>19</b> Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . . . . .	<b>19</b>		
<b>20</b> Add lines 18 and 19 . . . . .	<b>20</b>		
<b>21</b> If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . . . . .	<b>21</b>		
<b>22</b> Subtract line 21 from line 20. If zero or less, enter -0- . . . . .	<b>22</b>		
<b>23</b> Subtract line 22 from line 17. If zero or less, enter -0- . . . . .	<b>23</b>		
<b>24</b> Enter the <b>smaller</b> of the amount on line 17 or \$2,300 . . . . .	<b>24</b>		
<b>25</b> Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> <b>Yes.</b> Skip lines 25 and 26, go to line 27 and check the "No" box <input type="checkbox"/> <b>No.</b> Enter the amount from line 23 . . . . .	<b>25</b>		
<b>26</b> Subtract line 25 from line 24 . . . . .	<b>26</b>		
<b>27</b> Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> <b>Yes.</b> Skip lines 27 thru 30, go to line 31 <input type="checkbox"/> <b>No.</b> Enter the smaller of line 17 or line 22 . . . . .	<b>27</b>		
<b>28</b> Enter the amount from line 26 (If line 26 is blank, enter -0-) . . . . .	<b>28</b>		
<b>29</b> Subtract line 28 from line 27 . . . . .	<b>29</b>		
<b>30</b> Multiply line 29 by 15% (.15) . . . . .		<b>30</b>	
<b>31</b> Figure the tax on the amount on line 23. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .		<b>31</b>	
<b>32</b> Add lines 30 and 31 . . . . .		<b>32</b>	
<b>33</b> Figure the tax on the amount on line 17. Use the 2009 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) . . . . .		<b>33</b>	
<b>34</b> <b>Tax on all taxable income.</b> Enter the <b>smaller</b> of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36) . . . . .		<b>34</b>	

Schedule D (Form 1041) 2009



**Continuation Sheet for Schedule D  
(Form 1041)**

OMB No 1545-0092

2009

▶ See instructions for Schedule D (Form 1041).  
▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

Name of estate or trust

THE MARTIN FABERT FOUNDATION

Employer identification number

36-4437950

### Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

[illegible]

<b>1b Total.</b> Combine the amounts in column (f) Enter here and on Schedule D, line 1b . . . . .	35,062.
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**For Paperwork Reduction Act Notice, see the Instructions for Form 1041.**

Schedule D-1 (Form 1041) 2009

Employer identification number

[illegible]

<b>6b Total.</b> Combine the amounts in column (f) Enter here and on Schedule D, line 6b . . . . .	543,188.
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# **REALIZED GAINS AND LOSSES** **MARTIN FABERT FOUNDATION**

From 07-01-09 Through 06-30-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
02-13-06	07-17-09	12,500.00	Bristol-Myers Squibb	283,253.75		249,864.82		-33,368.93
12-21-05	07-17-09	300.00	Washington Post	229,522.00		112,435.44		-117,086.56
12-22-05	07-17-09	150.00	Washington Post	114,766.00		56,217.72		-58,548.28
04-30-08	07-17-09	150.00	Washington Post	97,975.02		56,217.72		-41,757.30
08-02-05	08-05-09	5,000.00	Avon Products	164,337.00		159,868.88		-4,468.12
09-16-09	09-16-09	5,522.58	Cardinal Health Cl Act **Consolid Tax**	0.00		5,522.58	5,522.58	
11-18-04	10-15-09	6,000.00	McDonalds	180,528.60		347,815.45		167,286.85
05-31-05	11-06-09	200,000.00	Universal City CC 11.750% Due 04-01-10	228,050.00	-25,296.56	201,000.00		-1,753.44
11-27-06	11-15-09	250,000	US Treasury Note 4.625% Due 11-15-09	249,931.88	68.12	250,000.00		0.00
03-04-09	12-18-09	200,000	FHLMC CD09 MSTEP12 4.000% Due 03-18-19	200,010.00	-0.65	200,000.00	-9.35	
04-16-03	01-28-10	3,000.00	XTO Energy	27,000.07		135,401.97		108,401.90
09-03-08	01-28-10	2,800.00	Texas Instruments	65,901.01		64,739.18		-1,161.83
09-03-08	01-28-10	12,000.00	Texas Instruments	282,432.91		276,232.48		-6,200.43
04-03-09	03-08-10	1,000.00	Goodrich	39,415.40		68,964.22	29,548.82	
10-03-05	03-08-10	2,500.00	Oracle	31,120.44		61,732.96		30,612.52
03-28-05	03-15-10	200,000	US Treasury Note 4.000% Due 03-15-10	197,300.00	2,700.00	200,000.00		0.00
04-16-03	04-09-10	7,000.00	XTO Energy	63,000.16		338,311.77		275,311.61
08-02-05	05-10-10	1,300.00	Avon Products	42,727.62		38,425.77		-4,301.85
10-03-05	05-10-10	3,700.00	Avon Products	99,676.16		109,365.65		9,689.49
11-14-08	05-10-10	2,500.00	Avon Products	56,547.50		73,895.71		17,348.21
03-04-09	05-10-10	100.00	Avon Products	1,657.61		2,955.83		1,298.22
03-04-09	05-10-10	1,600.00	Avon Products	26,521.76		47,335.43		20,813.67
03-04-09	05-10-10	800.00	Avon Products	13,260.88		23,765.59		10,504.71
08-06-03	05-10-10	6,000.00	Costco Wholesale	175,860.60		346,428.34		170,567.74
06-20-03	06-15-10	100,000.00	Xerox 7.125% Due 06-15-10	101,300.00	-1,300.00	100,000.00		0.00
TOTAL GAINS							35,071.40	811,834.92
TOTAL LOSSES							-9.35	-268,646.74
							2,972,076.37	-23,829.09
							3,526,497.51	35,062.05
TOTAL REALIZED GAIN/LOSS							578,250.23	543,188.18

## Portfolio Holdings

Quantity	Description	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-day Yield
<b>Cash, Money Funds, and FDIC Deposits 19.00% of Portfolio</b>						
Money Market						
2,041,287.820	DREYFUS GOVT CASH MT INSTL SH	1,910,714.74	2,041,287.82	0.00	201.48	0.05%
Total Money Market		\$1,910,714.74	\$2,041,287.82	\$0.00	\$201.48	
Total Cash, Money Funds, and FDIC Deposits		\$1,910,714.74	\$2,041,287.82	\$0.00	\$201.48	

Quantity	Description	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
<b>Fixed Income 26.00% of Portfolio (In CUSIP Sequence)</b>						
<b>U.S. Treasury Securities</b>						
250,000.000	UNITED STATES TREAS NOTE 4.875% 02/15/12 B/E DTD 02/15/02 1ST CPN DTE 08/15/02 CPN PMT SEMI ANNUAL Moody Rating AAA S & P Rating AAA Security Identifier: 9128277LO	107.1330	267,832.50	4,545.06	12,187.50	4.55%
250,000.000	UNITED STATES TREAS NOTES 4.500% 02/28/11 B/E DTD 02/28/06 1ST CPN DTE 08/31/06 CPN PMT SEMI ANNUAL Moody Rating AAA S & P Rating AAA Security Identifier: 912828EX4	102.7890	256,972.50	3,729.62	11,250.00	4.37%
250,000.000	UNITED STATES TREAS NOTES 4.875% 07/31/11 B/E DTD 07/31/06 1ST CPN DTE 01/31/07 CPN PMT SEMI ANNUAL Moody Rating AAA S & P Rating AAA Security Identifier: 912828FN5	104.8090	262,022.50	5,050.07	12,187.50	4.65%

# Portfolio Holdings (continued)

Quantity	Description	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
<b>Fixed Income (continued)</b>						
<b>U.S. Treasury Securities (continued)</b>						
500,000.000	UNITED STATES TREAS NTS J-2012 TREAS INFLATION PROTECT SECS TIPS 2.000% 04/15/12 B/E DTD 04/15/07 Moody Rating AAA S & P Rating AAA Security Identifier: 912828GN4 Factor: 1.07429000	103.5940	556,449.99	2,230.77	10,000.00	1.93%
<b>Total U.S. Treasury Securities: 1,250,000.000</b>					\$15,555.52	\$45,625.00
<b>U.S. Government Bonds</b>						
200,000.000	FEDERAL NATL MTG ASSN MEDIUM TERM NTS WITH 10 DAY CALL NO STEP UP 4.000% 10/22/21 B/E DTD 10/22/09 Moody Rating AAA S & P Rating AAA Security Identifier: 3136FJGH8	100.8750	201,750.00	1,511.11	8,000.00	3.96%
<b>Total U.S. Government Bonds: 200,000.000</b>					\$1,511.11	\$8,000.00
<b>Corporate Bonds</b>						
200,000.000	ALLIANT TECHSYSTEMS INC SR SUB NT 6.750% 04/01/16 B/E DTD 03/15/06 CALLABLE 04/01/11 @ 103.375 Moody Rating B1 S & P Rating BB- Security Identifier: 018804AL8	98.0000	196,000.00	3,337.50	13,500.00	6.88%
200,000.000	BROADRIDGE FINL SOLUTIONS INC SR NT 6.125% 06/01/17 B/E DTD 05/29/07 CALLABLE 12/29/10 @ 100.000 Moody Rating BAA1 S & P Rating BBB Security Identifier: 11133TAA1	105.1640	210,328.00	986.81	12,250.00	5.82%
200,000.000	GEN ELEC CAPTL CORP MTN 5.720% 08/22/11 B/E DTD 08/22/06 CALLABLE 07/22/10 @ 100.000 Moody Rating AA2 S & P Rating AA+ Security Identifier: 36962CX82	101.7290	203,458.00	5,020.89	11,440.00	5.62%
200,000.000	MARTIN MARIETTA MATLS INC SR NT 6.600% 04/15/18 B/E DTD 04/21/08 CALLABLE 1ST CPN DTE 10/15/08 Moody Rating BAA3 S & P Rating BBB+ Security Identifier: 573284AK2	108.5250	217,050.00	2,750.00	13,200.00	6.08%

# Portfolio Holdings (continued)

Quantity	Description	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
<b>Fixed Income (continued)</b>						
<b>Corporate Bonds (continued)</b>						
200,000.000	<b>PARTNERRE FIN A LLC GTD SR NT</b> 6.875% 06/01/18 B/E DTD 05/27/08 CALLABLE 1ST CPN DTE 12/01/08 Moody Rating A2 S & P Rating A Security Identifier: 70212FAA1	107.0380	214,076.00	1,107.64	13,750.00	6.42%
200,000.000	<b>YUM BRANDS INC SR NT 6.250% 03/15/18 B/E</b> DTD 10/19/07 CALLABLE 1ST CPN DTE 03/15/08 CPN PMT SEMI ANNUAL Moody Rating BAA3 S & P Rating BBB- Security Identifier: 98849BAC5	114.8190	229,638.00	3,645.83	12,500.00	5.44%
<b>Total Corporate Bonds: 1,200,000.000</b>			\$1,270,550.00	\$16,848.67	\$76,640.00	
<b>Total Fixed Income: 2,650,000.000</b>			\$2,815,577.49	\$33,915.30	\$130,265.00	

Quantity	Description	Market Price	Market Value	Estimated Annual Income	Estimated Yield
<b>Equities 55.00% of Portfolio</b>					
<b>Common Stocks</b>					
8,500.000	<b>COVIDIEN PLC SHS</b> ISIN#IE0083QN1M21 Dividend Option: Cash Security Identifier: COV	40.1800	341,530.00	6,120.00	1.79%
15,000.000	<b>TYCO ELECTRONICS LTD SWITZERLAND</b> SHS ISIN#CH0102993182 Dividend Option: Cash Security Identifier: TEL	25.3800	380,700.00	9,600.00	2.52%
5,500.000	<b>ABBOTT LABS COM</b> Dividend Option: Cash Security Identifier: ABT	46.7800	257,290.00	9,680.00	3.76%
20,000.000	<b>BLOCK H &amp; R INC</b> Dividend Option: Cash Security Identifier: HRB	15.6900	313,800.00	12,000.00	3.82%
6,600.000	<b>CATERPILLAR INC</b> Dividend Option: Cash Security Identifier: CAT	60.0700	396,462.00	11,616.00	2.92%
15,000.000	<b>CONAGRA FOODS INC COM</b> Dividend Option: Cash Security Identifier: CAG	23.3200	349,800.00	12,000.00	3.43%
5,300.000	<b>CONCHO RES INC COM</b> Dividend Option: Cash Security Identifier: CXO	55.3300	293,249.00		

# Portfolio Holdings (continued)

Quantity	Description	Market Price	Market Value	Estimated Annual Income	Estimated Yield
<b>Equities (continued)</b>					
<b>Common Stocks (continued)</b>					
5,000.000	DIAGEO PLC SPONSORED ADR NEW Dividend Option: Cash Security Identifier: DEO	62.7400	313,700.00	11,653.13	3.71%
6,700.000	FORTUNE BRANDS INC COM Dividend Option: Cash Security Identifier: FO	39.1800	262,506.00	5,092.00	1.93%
6,000.000	GOODRICH CORP Dividend Option: Cash Security Identifier: GR	66.2500	397,500.00	6,480.00	1.63%
15,000.000	INTEL CORP COM Dividend Option: Cash Security Identifier: INTC	19.4500	291,750.00	9,450.00	3.23%
5,700.000	JOHNSON & JOHNSON COM Dividend Option: Cash Security Identifier: JNJ	59.0600	336,642.00	12,312.00	3.65%
4,600.000	LABORATORY CORP AMER HLDGS COM NEW Dividend Option: Cash Security Identifier: LH	75.3500	346,610.00		
17,500.000	ORACLE CORP COM Dividend Option: Cash Security Identifier: ORCL	21.4600	375,550.00	3,500.00	0.93%
10,800.000	PENTAIR INC Dividend Option: Cash Security Identifier: PNR	32.2000	347,760.00	8,208.00	2.36%
25,000.000	SARA LEE CORP Dividend Option: Cash Security Identifier: SLE	14.1000	352,500.00	11,000.00	3.12%
6,500.000	TORCHMARK CORP Dividend Option: Cash Security Identifier: TMK	49.5100	321,815.00	3,900.00	1.21%
6,000.000	WAL MART STORES INC Dividend Option: Cash	48.0700	288,420.00	7,260.00	2.51%

# **Portfolio Holdings (continued)**

Quantity	Description	Market Price	Market Value	Estimated Annual Income	Estimated Yield
<b>Equities (continued)</b>					
<b>Common Stocks (continued)</b>					
<i>Security Identifier: WMT</i>					
<b>Total Common Stocks</b>			\$5,967,584.00	\$139,871.13	
<b>Total Equities</b>			\$5,967,584.00	\$139,871.13	
<b>Fixed Income</b>					
<i>Security Identifier: WMT</i>					
<b>Total Fixed Income</b>			\$10,824,449.31	\$33,915.30	\$270,337.61
<b>Total Portfolio Holdings</b>					



**FORM 990-PF - PART IV**  
**CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj. basis as of 12/31/69	Excess of FMV over adj. basis		Gain or (loss)	
274,487.		SEE ATTACHMENT A PROPERTY TYPE: SECURITIES 239,425.				P	VARIOUS 35,062.	VARIOUS
3,252,011.		SEE ATTACHMENT A PROPERTY TYPE: SECURITIES 2,708,823.				P	VARIOUS 543,188.	VARIOUS
TOTAL GAIN (LOSS) .....							<u>578,250.</u>	

ATTACHMENT 1

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
DIVIDENDS AND INTEREST	282,095.	282,095.
TOTAL	<u>282,095.</u>	<u>282,095.</u>

ATTACHMENT 2FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>CHARITABLE PURPOSES</u>
MANAGEMENT FEES	33,000.	6,600.	26,400.
PROFESSIONAL FEES	284.		
TOTALS	<u>33,284.</u>	<u>6,600.</u>	<u>26,400.</u>

ATTACHMENT 3FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>
FEDERAL EXCISE TAXES	2,600.
TOTALS	<u>2,600.</u>

ATTACHMENT 4FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INVESTMENT FEES	60,567.	60,567.
BANK CHARGES	60.	
DUES AND SUBSCRIPTIONS	2,385.	
LICENSES AND PERMITS	73.	
TOTALS	63,085.	60,567.

ATTACHMENT 5FORM 990PF, PART II - OTHER NOTES AND LOANS RECEIVABLE

BORROWER: COMMUNITY ALLIANCE WITH FAMILY FARMERS  
ORIGINAL AMOUNT: 135,000.  
INTEREST RATE: 1.000000  
DATE OF NOTE: 12/01/2006  
MATURITY DATE: 07/01/2009  
REPAYMENT TERMS: PAYMENTS OF INTEREST OF \$142.50 EACH MONTH.  
SECURITY PROVIDED: NONE  
PURPOSE OF LOAN: TO SUPPORT THE GROWING OF 80 ACRES OF COTTON.  
DESCRIPTION AND FMV N/A  
OF CONSIDERATION: 0.

BEGINNING BALANCE DUE ..... 171,000.

ENDING BALANCE DUE ..... 0.

ENDING FAIR MARKET VALUE ..... 0.

TOTAL BEGINNING OTHER NOTES AND LOANS RECEIVABLE ..... 171,000.

TOTAL ENDING BOOK - OTHER NOTES AND LOANS RECEIVABLE ..... 0.

TOTAL ENDING FMV - OTHER NOTES AND LOANS RECEIVABLE ..... 0.

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS

DESCRIPTION

VARIOUS US GOVERNMENT BONDS  
(SEE ATTACHMENT B)

US OBLIGATIONS TOTAL

<u>ATTACHMENT 6</u>	
<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
1,545,028.	1,545,028.
<u>1,545,028.</u>	<u>1,545,028.</u>

FORM 990PF, PART II - CORPORATE STOCKATTACHMENT 7DESCRIPTIONENDING  
BOOK VALUEENDING  
FMVVARIOUS CORPORATE STOCKS  
(SEE ATTACHMENT B)

5,967,584.

5,967,584.

TOTALS

5,967,584.5,967,584.



FORM 990PF, PART II - CORPORATE BONDS

ATTACHMENT 8		
DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
VARIOUS CORPORATE BONDS (SEE ATTACHMENT B)	1,270,550.	1,270,550.
TOTALS	1,270,550.	1,270,550.

FORM 990PF, PART II - OTHER INVESTMENTS

<u>ATTACHMENT 9</u>		
<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
ACCRUED INTEREST	33,915.	33,915.
TOTALS	<u>33,915.</u>	<u>33,915.</u>

FORM 990PF, PART II - OTHER LIABILITIESATTACHMENT 10DESCRIPTIONENDING  
BOOK VALUE

TAXES PAYABLE

5,332.

TOTALS

5,332.

ATTACHMENT 11FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
UNREALIZED GAIN ON INVESTMENTS	623,382.
ACCRUAL TO CASH ADJUSTMENT	68,516.
TOTAL	<u>691,898.</u>

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 12

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
ELIZABETH MARTIN 1000 SECOND AVENUE, 34TH FLOOR SEATTLE, WA 98104	PRESIDENT/TREASURER 2.00	0.	0.	0.
DANIEL ASHER 1000 SECOND AVENUE, 34TH FLOOR SEATTLE, WA 98104	SECRETARY 2.00	0.	0.	0.
KENNETH FABERT 1000 SECOND AVENUE, 34TH FLOOR SEATTLE, WA 98104	VICE PRESIDENT 2.00	0.	0.	0.
GERALDINE MARTIN 1000 SECOND AVENUE, 34TH FLOOR SEATTLE, WA 98104	DIRECTOR 2.00	0.	0.	0.
GRAND TOTALS		<u>0.</u>	<u>0.</u>	<u>0.</u>

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR  
AND

RECIPIENT NAME AND ADDRESS	FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
ASSOCIATION OF SMALL FOUNDATIONS 1720 N STREET NW WASHINGTON, DC 20036	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	2,500.
BAINBRIDGE SCHOOLS FOUNDATION 8489 MADISON AVENUE BAINBRIDGE ISLAND, WA 98110	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	5,000
LIVING LANDS AND WATER 17624 ROUTE 84 NORTH EAST MOLINE, IL 61244	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	5,000
NATURE CONSERVANCY OF WASHINGTON 1917 FIRST AVENUE SEATTLE, WA 98101	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	35,000.
NORTHWEST MARITIME CENTER 380 JEFFERSON STREET PORT TOWNSEND, WA 98368	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	50,000
ORGANIC EXCHANGE 2560 NINTH STREET, SUITE 214 BERKELEY, CA 94710	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	25,000.

## FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 13 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
PATH 1455 NW LEARY WAY SEATTLE, WA 98107	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	50,000.
SALISH SEA EXPLORATIONS 647 HORIZOON VIEW PLACE NW BAINBRIDGE ISLAND, WA 98110	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	30,000
SOUND EXPERIENCE 2900 WASHINGTON STREET, SUITE E PORT TOWNSEND, WA 98368	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	75,000.
CASCADIA GREEN BUILDING COUNCIL 410 OCCIDENTAL AVENUE SOUTH SEATTLE, WA 98104	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	30,000.
COMMUNITY ALLIANCE WITH FAMILY FARMERS 36355 RUSSELL BLVD DAVIS, CA 95616	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	171,000.
FRIENDS OF COOPER ISLAND 652 - 32ND AVENUE EAST SEATTLE, WA 98112	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	4,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 13 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
PACIFIC SCIENCE CENTER 200 SECOND AVE N SEATTLE, WA 98109	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	40,000.
PARTNERS IN HEALTH 888 COMMONWEALTH AVE, 3RD FL. BOSTON, MA 02215	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	10,000.
SEATTLE THEATRE GROUP 911 PINE STREET SEATTLE, WA 98101	NONE EXEMPT	TO PROVIDE SUPPORT TO EXEMPT ORGANIZATION	5,000.
TOTAL CONTRIBUTIONS PAID			537,500.