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 JUL 1, 2009 , and ending JUN 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 THOMAS S. KENAN III FOUNDATION

Number and street (or P O box number if mail is not delivered to street address): P O BOX 4150 | Room/suite:

City or town, state, and ZIP code: CHAPEL HILL, NC 27515-4150

A Employer identification number: 56-1816652

B Telephone number: 919-967-0618

C If exemption application is pending, check here ▶ [ ]

D 1. Foreign organizations, check here ▶ [ ]
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]

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

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ [ ]

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶$ 3,181,927.

J Accounting method: [X] Cash [ ] Accrual [ ] Other (specify) (Part I, column (d) must be on cash basis.)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ [ ]

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).)

	Line	Description	(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			N/A	
	2	Check ▶ [X] if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	81,069.	81,069.		STATEMENT 1
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	<108,030.>			
	b	Gross sales price for all assets on line 6a 1,555,724.				
	7	Capital gain net income (from Part IV, line 2)		0.		
	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	425.	425.		STATEMENT 2
	12	**Total.** Add lines 1 through 11	<26,536.>	81,494.		
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 STMT 3	200.	0.		200.
	b	Accounting fees STMT 4	6,203.	0.		6,203.
	c	Other professional fees STMT 5	21,570.	21,570.		0.
	17	Interest				
	18	Taxes STMT 6	654.	0.		0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	28,627.	21,570.		6,403.
	25	Contributions, gifts, grants paid	151,400.			151,400.
	26	**Total expenses and disbursements.** Add lines 24 and 25	180,027.	21,570.		157,803.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	<206,563.>			
	b	**Net investment income** (if negative, enter -0-)		59,924.		
	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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	6,340.	3,536.	3,536.
	2 Savings and temporary cash investments	421,155.	96,938.	96,938.
	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 7	845,509.	1,038,564.	1,074,076.
	b Investments - corporate stock STMT 8	2,216,750.	2,143,318.	2,004,749.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 9)	2,666.	2,628.	2,628.
	16 **Total assets** (to be completed by all filers)	3,492,420.	3,284,984.	3,181,927.
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			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	3,492,420.	3,284,984.	
	30 **Total net assets or fund balances**	3,492,420.	3,284,984.	
	31 **Total liabilities and net assets/fund balances**	3,492,420.	3,284,984.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	3,492,420.
2	Enter amount from Part I, line 27a	2	<206,563.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	3,285,857.
5	Decreases not included in line 2 (itemize) ▶ COST ADJUSTMENT TO SECURITIES ACCOUNT	5	873.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,284,984.

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 STATEMENT	P		
b	SEE STATEMENT	P		
c	SEE STATEMENT	P		
d	CAPITAL GAINS DIVIDENDS			
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,553,449.		1,553,449.	0.
b				57,565.
c				<167,870.>
d	2,275.			2,275.
e				

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				0.
b				57,565.
c				<167,870.>
d				2,275.
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 } **2** <108,030.>

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	192,691.	3,163,213.	.060916
2007	174,498.	4,054,431.	.043039
2006	169,943.	3,900,912.	.043565
2005	151,726.	3,561,411.	.042603
2004	119,724.	3,194,421.	.037479

2	**Total** of line 1, column (d)	2	.227602
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	.045520
4	Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	3,292,163.
5	Multiply line 4 by line 3	5	149,859.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	599.
7	Add lines 5 and 6	7	150,458.
8	Enter qualifying distributions from Part XII, line 4	8	157,803.

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 ▶ [X] and enter 1% of Part I, line 27b		1	599.
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	599.
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	599.
6	Credits/Payments:			
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a 9,767.		
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	9,767.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	9,168.
11	Enter the amount of line 10 to be: **Credited to 2010 estimated tax** ▶ 9,168. **Refunded** ▶		11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	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) ▶ NC			
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 ▶ STEVEN R. ARMSTRONG Telephone no. ▶ 919-967-0618

Located at ▶ SUITE 525, 100 EUROPA DRIVE, CHAPEL HILL, NC ZIP+4 ▶ 27517

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

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
THOMAS S. KENAN III SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	DIRECTOR/PRESIDENT 0.00	0.	0.	0.
STEVEN R. ARMSTRONG SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	DIRECTOR/SEC/TREASURER 0.00	0.	0.	0.
PHYLLIS P. SNOW SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	ASSISTANT SECRETARY 0.00	0.	0.	0.
CHRISTOPHER A. SHUPING SUITE 525, 100 EUROPA DRIVE CHAPEL HILL, NC	DIRECTOR 0.00	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

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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. If none, enter "NONE."

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

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	3,166,136.
b	Average of monthly cash balances	1b	176,161.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	3,342,297.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	3,342,297.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	50,134.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,292,163.
6	**Minimum investment return.** Enter 5% of line 5	6	164,608.

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	164,608.
2a	Tax on investment income for 2009 from Part VI, line 5 2a 599.		
b	Income tax for 2009. (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	599.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	164,009.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	164,009.
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	164,009.

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	157,803.
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	157,803.
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	599.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	157,204.

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 instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				164,009.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			148,781.	
b Total for prior years: _____, _____, _____		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ $ 157,803.				
a Applied to 2008, but not more than line 2a			148,781.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				9,022.
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).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
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				154,987.
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	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				

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 (a) 2009	Prior 3 years (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).)

THOMAS S. KENAN III

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 ▶ [X] 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:

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*				
SEE SCHEDULE				151,400.
Total			▶ 3a	151,400.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

923611 02-02-10

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					
4 Dividends and interest from securities			14	81,069.	
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			14	425.	
8 Gain or (loss) from sales of assets other than inventory			18	<108,030.>	
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.		<26,536.>	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 <26,536.>

(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).

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

Kenan Kenan III | 11-10-10 | President - Director

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's signature	[signature]	Date 11/10/10	Check if self-employed ☐	Preparer's identifying number
Firm's name (or yours if self-employed), address, and ZIP code	KENAN MANAGEMENT INC P O BOX 4150 CHAPEL HILL, NC 27515-4150		EIN	
			Phone no. 919-067-0618	

The Thomas S. Kenan III Foundation, Inc.
Form 990-PF
Year Ended June 30, 2010
EIN 56-1816652

Name and Address		*Purpose of Grant Or Contribution*	*Amount*
Dei Laudes Choir 1569 Haupt Strasse Conover, NC 28613	Public	Operations	$ 3,000
Duke University Duke Medicine Development 512 S. Mangum Street, Suite 400 Durham, NC 27701-3973	Public	World Voice Day 2010	5,000
Duplin County Education Foundation PO Box 128 Kenansville, NC 28349	Public	Academia Awards Celebration	1,000
Duplin County Board of Education PO Box 128 Kenansville, NC 28349	Public	Liberty Hall Restoration - Operations	15,000
The Durham Savoyards, Ltd 108 Barenwood Circle Durham, NC 27704	Public	Operations - Memory Dr. Pat Kenan	2,500
Habitat for Humanity of Durham 215 North Church Street Durham, North Carolina 27701	Public	Celebrating History House	2,500
Hollins University PO Box 9629 Roanoke, VA 24020	Public	Riding Program	10,000
Kenan Center-Lockport 433 Locust Street Lockport, NY 14094	Public	Operations	5,000
Kenan-Flagler Business School Foundation CB# 3490 McColl Bldg. Chapel Hill, NC 27599-3490	Public	Roper House Dinner	5,000
North Carolina Zoological Society 4403 Zoo Parkway Asheboro, NC 27205-1425	Public	Polar Bear Exhibit	1,000
Southern Documentary Fund 762 Ninth Street, #574 Durham, NC 27705	Public	Support "Landscapes of the Heart" Production	1,000
NC Center for Nonprofits 1110 Navaho Drive, Suite 200 Raleigh, NC 27609-7322	Public	Operations	2,000
North Carolina School of the Arts Foundation 1533 S. Main Street Winston Salem, NC 27127-2188	Public	Kenan Organ Discretionary Fund	15,000

The Thomas S. Kenan III Foundation, Inc.
Form 990-PF
Year Ended June 30, 2010
EIN 56-1816652

Name and Address		*Purpose of Grant Or Contribution*	*Amount*
North Carolina School of the Arts Foundation 1533 S. Main Street Winston Salem, NC 27127-2188	Public	Symphony Performances	10,000
North Carolina School of the Arts Foundation 1533 S. Main Street Winston Salem, NC 27127-2188	Public	Drama Department	10,000
Thalian Hall Center for the Performing Arts 310 Chestnut Street Wilmington, NC 28401-4020	Public	Support Re-opening performance	5,000
UNC School of the Arts Foundation 1533 S. Main Street Winston Salem, NC 27127-2188	Public	Spring Orchestra Concerts	2,500
UNC School of the Arts Foundation 1533 S. Main Street Winston Salem, NC 27127-2188	Public	Kenan Organ Scholarships	15,000
UNC School of the Arts Foundation 1533 S. Main Street Winston Salem, NC 27127-2188	Public	TSK, III Institute and Magnolia Festival	5,000
UNC School of the Arts Foundation 1533 S. Main Street Winston Salem, NC 27127-2188	Public	Camp Shakespeare	900
Union Independent School 311 Dowd Street Durham, NC 27701	Public	Support Special Needs Students	10,000
Victory Mountain Camp 1727 Westchester Drive High Point, NC 27262	Public	Operations	2,500
Woodberry Forest School 117 woodberry Station Woodberry Forest, VA 22989	Public	Joseph Vininv Library Fund	20,000
WUNC Radio 120 Friday Center Drive Chapel Hill, NC 27517	Public	Support of Dick Gordon Show	2,500
			$ 151,400.00

TAX PREPARER: 21
TRUST ADMINISTRATOR: 1003
INVESTMENT OFFICER: 452

LEGEND: F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
50.0000 QUALCOMM CORP COM STK - 747525103 - MINOR = 41						
SOLD		03/12/2010	1940.97			
ACQ	50.0000	07/27/2009	1940.97	2321.41	-380.44	ST
800.0000 SCHWAB CHARLES CORP NEW COM - 808513105 - MINOR = 41						
SOLD		03/12/2010	14679.81			
ACQ	800.0000	07/27/2009	14679.81	13472.00	1207.81	ST
150.0000 UNION PACIFIC CORP COM - 907818108 - MINOR = 41						
SOLD		03/12/2010	10920.01			
ACQ	135.0000	07/27/2009	9828.01	7763.36	2064.65	ST
	15.0000	12/29/2008	1092.00	683.70	408.30	LT15
50.0000 VISA INC CL A COM - 92826C839 - MINOR = 41						
SOLD		03/12/2010	4653.94			
ACQ	50.0000	07/27/2009	4653.94	3388.91	1265.03	ST
2425.8750 ABERDEEN EQUITY LONG SHORT-I - 003020336 - MINOR = 54						
SOLD		05/05/2010	27000.00			
ACQ	2425.8750	03/15/2010	27000.00	27169.80	-169.80	ST
150.0000 CISCO SYSTEMS COM STK - 17275R102						
SOLD		05/05/2010	3982.58			
ACQ	150 0000	09/17/1999	3982.58	5418.75	-1436.17	LT15
200.0000 EMC CORP MASS COM - 268648102 - MINOR = 5010						
SOLD		05/05/2010	3789.93			
ACQ	200.0000	05/22/2008	3789.93	3483.76	306.17	LT15
300.0000 HARRIS CORP DEL COM COM - 413875105 - MINOR = 41						
SOLD		05/05/2010	14931.07			
ACQ	300.0000	11/02/1998	14931.07	4747.17	10183.90	LT15
2162.6290 JANUS PERKINS SMALL CAP VALUE-I - 47103C183 - MINOR = 54						
SOLD		05/05/2010	50000.00			
ACQ	2162.6290	09/02/2009	50000.00	40116.77	9883 23	ST
6088.4500 PIMCO FOREIGN BOND FUND - 693390882 - MINOR = 56						
SOLD		05/05/2010	63989.61			
ACQ	5354.4810	11/08/2007	56275.60	54615.70	1659.90	LT15
	331.4920	12/29/2008	3483.98	3000.00	483.98	LT15
	402.4770	07/27/2009	4230.03	3900.00	330.03	ST
442.0860 PIMCO INVT GRADE CORP BD-I - 722005816 - MINOR = 56						
SOLD		05/05/2010	5000.00			
ACQ	442.0860	07/27/2009	5000.00	4686.11	313.89	ST
375.0000 QUALCOMM CORP COM STK - 747525103 - MINOR = 41						
SOLD		05/05/2010	14073.66			
ACQ	275.0000	12/29/2008	10320.68	9273 00	1047.68	LT15
	100.0000	07/27/2009	3752.98	4642.82	-889.84	ST
4724.4100 RIDGEWORTH FD-MIDCAP VAL EQTY #412 - 76628R615 - MINOR = 68						
SOLD		05/05/2010	54000.00			
ACQ	3172.8530	11/08/2007	36265 71	42008.58	-5742.87	LT15
	454.5450	03/15/2010	5195.45	5000.00	195.45	ST
	1097.0120	02/12/2010	12538.85	11014 00	1524.85	ST
798.7230 RIDGEWORTH FD-INTL 130/30 #242 - 76628R870 - MINOR = 68						
SOLD		05/05/2010	5000.00			
ACQ	798 7230	12/29/2008	5000.00	3530.36	1469.64	LT15
4264.4720 ROWE T PRICE REAL ESTATE FD COM - 779919109 - MINOR = 54						
SOLD		05/05/2010	69809.42			
ACQ	2730.1910	11/08/2007	44693.24	57134 03	-12440.79	LT15
	780.4880	12/29/2008	12776.59	8000.00	4776.59	LT15
	753.7930	07/27/2009	12339.59	7651.00	4688.59	ST
3468.2090 SENTINEL SMALL CO-I - 81728B825 - MINOR = 54						
SOLD		05/05/2010	24000.00			
ACQ	1620 7460	02/12/2010	11215.56	10000.00	1215.56	ST
	746 2690	03/15/2010	5164.18	5000.00	164.18	ST
	1101.1940	11/24/2009	7620.26	6728.30	891.96	ST
400.0000 AT&T INC - 00206R102 - MINOR = 3101						
SOLD		06/15/2010	10103.86			
ACQ	300.0000	11/08/2007	7577.90	11651.64	-4073.75	LT15
	100.0000	12/29/2008	2525.97	2752.00	-226 04	LT15
50.0000 CHEVRONTEXACO CORP COM - 166764100 - MINOR = 3101						
SOLD		06/15/2010	3721.93			
ACQ	50.0000	08/10/2009	3721.93	3460.75	261.18	ST
650.0000 HALLIBURTON CO COM - 406216101 - MINOR = 41						
SOLD		06/15/2010	16165.22			
ACQ	350.0000	12/29/2008	8704.35	6034.00	2670.35	LT15
	300 0000	09/30/2009	7460.87	8174.73	-713.86	ST
300.0000 MCDONALDS CORP COM - 580135101 - MINOR = 31001						
SOLD		06/15/2010	21032.91			
ACQ	300.0000	11/08/2007	21032.91	17744.58	3288.33	LT15
1035.0000 MICROSOFT CORP COM - 594918104 - MINOR = 31001						
SOLD		06/15/2010	26919.89			
ACQ	810.0000	02/25/2002	21067.74	23971.95	-2904.21	LT15
	225.0000	05/05/2010	5852.15	6740.78	-888.63	ST
		TOTALS	1553448.73	1663753.60		

TAX PREPARER: 21
TRUST ADMINISTRATOR: 1003
INVESTMENT OFFICER: 452

LEGEND: F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
320.0000 LABORATORY CORP OF AMERICA HLDGS COM - 50540R409 - MINOR = 41						
SOLD		07/13/2009	21154.65			
ACQ	320.0000	05/22/2008	21154.65	24458.56	-3303.91	LT15
350.0000 ALTRIA GROUP INC - 02209S103 - MINOR = 31000						
SOLD		07/27/2009	6044.97			
ACQ	288.0000	01/15/2008	4974.15	6891.65	-1917.50	LT15
	62.0000	01/16/2008	1070.82	1478.90	-408.08	LT15
90.0000 C R BARD INC COMMON STOCK - 067383109 - MINOR = 41						
SOLD		07/27/2009	6374.54			
ACQ	90.0000	11/08/2007	6374.54	7334.49	-959.95	LT15
200 0000 CVS CORP COM - 126650100 - MINOR = 41						
SOLD		07/27/2009	6722.18			
ACQ	200.0000	11/08/2007	6722.18	8313 76	-1591.58	LT15
800.0000 CORNING INC - 219350105 - MINOR = 41						
SOLD		07/27/2009	12967.91			
ACQ	800.0000	11/08/2007	12967.91	17903.04	-4935.13	LT15
200.0000 DANAHER CORP COM - 235851102 - MINOR = 31000						
SOLD		07/27/2009	12305.86			
ACQ	200.0000	11/08/2007	12305.86	16484.04	-4178.18	LT15
1168.8520 DREYFUS/TBC SMLCP TAX-SENSITV EQTY-I - 26203E869 - MINOR = 54						
SOLD		07/27/2009	31325.23			
ACQ	976.1320	11/08/2007	26160.33	42003.00	-15842.67	LT15
	192.7200	12/29/2008	5164.90	4500.00	664 90	ST
115.0000 INTERNATIONAL BUSINESS MACHS COR COM - 459200101 - MINOR = 31001						
SOLD		07/27/2009	13439 91			
ACQ	115.0000	11/08/2007	13439.91	12349 53	1090 38	LT15
85.0000 MCDONALDS CORP COM - 580135101 - MINOR = 31001						
SOLD		07/27/2009	4742.44			
ACQ	85.0000	11/08/2007	4742.44	5027.63	-285.19	LT15
50.0000 PHILIP MORRIS INTL COM - 718172109 - MINOR = 41						
SOLD		07/27/2009	2329.19			
ACQ	50.0000	01/15/2008	2329.19	2726.38	-397.19	LT15
325.0000 PROCTER & GAMBLE CO COM - 742718109						
SOLD		07/27/2009	18044.12			
ACQ	325.0000	11/08/2007	18044 12	22570.86	-4526 74	LT15
670 8520 RIDGEWORTH FD-EMERGING GROWTH #593 - 76628R706 - MINOR = 68						
SOLD		07/27/2009	5984.00			
ACQ	670.8520	11/08/2007	5984.00	10740 34	-4756.34	LT15
1443 0230 RIDGEWORTH FD-INTL 130/30 #242 - 76628R870 - MINOR = 68						
SOLD		07/27/2009	8687.00			
ACQ	1443 0230	12/29/2008	8687.00	6378 16	2308 84	ST
15377 8550 RIDGEWORTH FD-US GOVT SECS #532 - 76628T462 - MINOR = 68						
SOLD		07/27/2009	163927.94			
ACQ	15377.8550	12/29/2008	163927.94	175000.00	-11072.06	ST
100 0000 TJX COS INC NEW COM - 872540109 - MINOR = 41						
SOLD		07/27/2009	3550.08			
ACQ	100.0000	03/24/2008	3550.08	3429.00	121 08	LT15
100 0000 UNITED TECHNOLOGIES CORP COM - 913017109 - MINOR = 31001						
SOLD		07/27/2009	5190.04			
ACQ	100.0000	11/08/2007	5190.04	7452.76	-2262 72	LT15
2478.0000 VANGUARD INTL EQTY INDX EMRG MKTS - 922042858 - MINOR = 79						
SOLD		07/27/2009	86256.96			
ACQ	2478.0000	12/29/2008	86256 96	56994.00	29262.96	ST
150.0000 WALMART STORES INC COM - 931142103						
SOLD		07/27/2009	7312.58			
ACQ	150.0000	11/08/2007	7312.58	6538.49	774 09	LT15
600.0000 DIRECTV GROUP INC COM - 25459L106 - MINOR = 41						
SOLD		08/10/2009	14804.61			
ACQ	600.0000	12/29/2008	14804.61	12503.94	2300.67	ST
325.0000 ACE LTD CHF 33.74 SHS - H0023R105 - MINOR = 42						
SOLD		08/21/2009	16516.07			
ACQ	325.0000	11/08/2007	16516.07	18454.48	-1938.41	LT15
4605.0480 ALLIANZ NFJ SMALL-CAP VALUE-I - 018918698 - MINOR = 54						
SOLD		09/02/2009	100666.35			
ACQ	1095.0000	09/16/2008	23936.70	32828.10	-8891.40	ST
	2391.0740	12/29/2008	52268.88	45000.00	7268.88	ST
	1118 9740	07/27/2009	24460.77	24237.00	223.77	ST
100.0000 BERKLEY W R CORP - 084423102 - MINOR = 41						
SOLD		09/02/2009	2542.93			
ACQ	100.0000	11/08/2007	2542.93	2889.88	-346.95	LT15
255 0000 NORTHERN TR CORP COM - 665859104 - MINOR = 41						
SOLD		09/02/2009	14567.78			
ACQ	255.0000	11/08/2007	14567.78	19016.52	-4448.74	LT15
651.4660 RIDGEWORTH FD-INTL EQ INDEX-I #530 - 76628R813 - MINOR = 68						
SOLD		09/02/2009	8000.00			
ACQ	651.4660	03/28/2008	8000.00	11596.09	-3596.09	LT15
100.0000 INVESCO LTD BERMUDA COM - G491BT108 - MINOR = 42						
SOLD		09/02/2009	1987.95			
ACQ	100.0000	05/23/2008	1987.95	2714.32	-726 37	LT15
215.0000 AT&T INC - 00206R102 - MINOR = 3101						
SOLD		09/30/2009	5809.34			
ACQ	215 0000	11/08/2007	5809.34	8350.34	-2541.00	LT15
460.0000 CONOCOPHILLIPS COM - 20825C104 - MINOR = 31000						
SOLD		09/30/2009	20787.28			
ACQ	200.0000	02/10/2006	9037 95	11818.00	-2780 05	LT15
	260.0000	11/01/2006	11749.33	15610.04	-3860.71	LT15

TAX PREPARER: 21
TRUST ADMINISTRATOR: 1003
INVESTMENT OFFICER: 452

LEGEND: F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
100.0000 EXXON MOBIL CORP - 30231G102 - MINOR = 31001						
SOLD		09/30/2009	6877.91			
ACQ	100.0000	11/08/2007	6877.91	8905.86	-2027.95	LT15
600.0000 GENERAL ELEC CO COM - 369604103 - MINOR = 31001						
SOLD		09/30/2009	9996.22			
ACQ	600.0000	12/11/2000	9996.22	33168.75	-23172.53	LT15
100.0000 J P MORGAN CHASE & CO - 46625H100 - MINOR = 3101						
SOLD		09/30/2009	4416.98			
ACQ	100.0000	11/08/2007	4416.98	4218.00	198.98	LT15
125.0000 WALMART STORES INC COM - 931142103						
SOLD		09/30/2009	6141.20			
ACQ	125.0000	11/08/2007	6141.20	5448.74	692.46	LT15
600.0000 EDISON INTERNATIONAL COM - 281020107 - MINOR = 41						
SOLD		10/07/2009	19881.56			
ACQ	500.0000	11/08/2007	16567.97	28678.20	-12110.23	LT15
	100.0000	07/27/2009	3313.59	3293.82	19.77	ST
225.0000 AT&T INC - 00206R102 - MINOR = 3101						
SOLD		11/06/2009	5827.35			
ACQ	225.0000	11/08/2007	5827.35	8738.73	-2911.38	LT15
50.0000 APPLE COMPUTER INC COM - 037833100 - MINOR = 41						
SOLD		11/06/2009	9678.00			
ACQ	50.0000	02/20/2008	9678.00	6162.00	3516.00	LT15
145.0000 C R BARD INC COMMON STOCK - 067383109 - MINOR = 41						
SOLD		11/06/2009	11321.40			
ACQ	145 0000	11/08/2007	11321.40	11816.69	-495.29	LT15
225 0000 WALT DISNEY CO - 254687106 - MINOR = 41						
SOLD		11/06/2009	6443.83			
ACQ	225.0000	11/08/2007	6443.83	7489 98	-1046.15	LT15
60.0000 INTERNATIONAL BUSINESS MACHS COR COM - 459200101 - MINOR = 31001						
SOLD		11/06/2009	7369.91			
ACQ	60.0000	11/08/2007	7369.91	6443.23	926.68	LT15
225.0000 J P MORGAN CHASE & CO - 46625H100 - MINOR = 3101						
SOLD		11/06/2009	9724.24			
ACQ	225.0000	11/08/2007	9724.24	9490.50	233.74	LT15
425.0000 MICROSOFT CORP COM - 594918104 - MINOR = 31001						
SOLD		11/06/2009	12073.93			
ACQ	235.0000	11/08/2007	6676.17	8356.27	-1680.10	LT15
	190.0000	02/25/2002	5397.76	5623.05	-225.29	LT15
50 0000 PRAXAIR INC COM - 74005P104 - MINOR = 31000						
SOLD		11/06/2009	4064.64			
ACQ	50.0000	12/29/2008	4064.64	2813.00	1251 64	ST
100 0000 PROCTER & GAMBLE CO COM - 742718109						
SOLD		11/06/2009	6091.84			
ACQ	100.0000	11/08/2007	6091.84	6944.88	-853.04	LT15
2975.6640 RIDGEWORTH FD-EMERGING GROWTH #593 - 76628R706 - MINOR = 68						
SOLD		11/06/2009	29488.84			
ACQ	1953 6510	11/08/2007	19360.69	31277.97	-11917.28	LT15
	1022.0130	12/29/2008	10128.15	6500.00	3628 15	ST
55.0000 SCHLUMBERGER LTD COM - 806857108 - MINOR = 42						
SOLD		11/06/2009	3590.57			
ACQ	55.0000	01/15/2008	3590.57	4953.30	-1362.73	LT15
100.0000 THERMO ELECTRON CORP COM - 883556102 - MINOR = 41						
SOLD		11/06/2009	4473.88			
ACQ	100.0000	12/29/2008	4473.88	3271.00	1202.88	ST
100 0000 TRAVELERS COS INC/THE COM - 89417E109 - MINOR = 41						
SOLD		11/06/2009	5180.86			
ACQ	100.0000	11/08/2007	5180.86	5052.44	128.42	LT15
125.0000 UNITED TECHNOLOGIES CORP COM - 913017109 - MINOR = 31001						
SOLD		11/06/2009	8175.28			
ACQ	125.0000	11/08/2007	8175.28	9315.95	-1140.67	LT15
450.0000 VERIZON COMMUNICATIONS COM - 92343V104 - MINOR = 31001						
SOLD		11/06/2009	13220.65			
ACQ	450.0000	11/08/2007	13220.65	19237.48	-6016.83	LT15
150.0000 BERKLEY W R CORP - 084423102 - MINOR = 41						
SOLD		11/24/2009	3658.55			
ACQ	150.0000	11/08/2007	3658.55	4334.82	-676.27	LT15
150.0000 CONAGRA INC COM - 205887102 - MINOR = 41						
SOLD		11/24/2009	3364.56			
ACQ	150.0000	07/27/2009	3364.56	2934.00	430.56	ST
145.0000 DANAHER CORP COM - 235851102 - MINOR = 31000						
SOLD		11/24/2009	10505.12			
ACQ	145.0000	11/08/2007	10505.12	11950.93	-1445.81	LT15
100.0000 EMERSON ELEC CO COM - 291011104 - MINOR = 5010						
SOLD		11/24/2009	4207.99			
ACQ	100.0000	11/08/2007	4207.99	5465.72	-1257.73	LT15
460.0000 KRAFT FOODS INC-ACOM - 50075N104 - MINOR = 41						
SOLD		11/24/2009	12424.28			
ACQ	420.0000	12/29/2008	11343.91	11046.00	297.91	ST
	40.0000	07/27/2009	1080.37	1121.00	-40.63	ST
100.0000 MERCK & CO INC NEW COM - 58933Y105 - MINOR = 41						
SOLD		11/24/2009	3633.00			
ACQ	50.0000	05/19/1997	1816.50	2187.89	-371.39	LT15
	50.0000	07/27/2009	1816.50	1535.41	281.09	ST

TAX PREPARER: 21
TRUST ADMINISTRATOR: 1003
INVESTMENT OFFICER: 452

LEGEND: F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
2994.0120 RIDGEWORTH FD-INTL EQ INDEX-I #530 - 76628R813 - MINOR = 68						
SOLD		11/24/2009	40000.00			
ACQ	2994.0120	03/28/2008	40000.00	53293.41	-13293.41	LT15
100.0000 APACHE CORP COM - 037411105 - MINOR = 31001						
SOLD		02/11/2010	9969.07			
ACQ	100.0000	11/08/2007	9969.07	10600.88	-631.81	LT15
400.0000 BERKLEY W R CORP - 084423102 - MINOR = 41						
SOLD		02/11/2010	9984.27			
ACQ	400.0000	11/08/2007	9984.27	11559.52	-1575.25	LT15
525.0000 CONAGRA INC COM - 205887102 - MINOR = 41						
SOLD		02/11/2010	12211.34			
ACQ	525.0000	07/27/2009	12211.34	10269 00	1942.34	ST
75.0000 EXPRESS SCRIPTS INC CLASS A - 302182100 - MINOR = 41						
SOLD		02/11/2010	6500.16			
ACQ	50.0000	07/27/2009	4333.44	3497.25	836.19	ST
	25.0000	11/08/2007	2166.72	1594.61	572.11	LT15
195.0000 HEWLETT PACKARD COM - 428236103 - MINOR = 5010						
SOLD		02/11/2010	9476.89			
ACQ	195.0000	11/08/2007	9476 89	9870.67	-393.78	LT15
205 0000 INTERNATIONAL BUSINESS MACHS COR COM - 459200101 - MINOR = 31001						
SOLD		02/11/2010	25377.03			
ACQ	165.0000	11/08/2007	20425.41	17718.89	2706.52	LT15
	40.0000	12/29/2008	4951.62	3190.00	1761.62	LT15
150.0000 JOHNSON & JOHNSON COM - 478160104 - MINOR = 31001						
SOLD		02/11/2010	9415.53			
ACQ	75.0000	07/27/2009	4707.77	4555.13	152.64	ST
	50.0000	08/10/2009	3138.51	2995.25	143.26	ST
	25.0000	02/24/2006	1569.26	1439 47	129.79	LT15
100.0000 MCDONALDS CORP COM - 580135101 - MINOR = 31001						
SOLD		02/11/2010	6372.01			
ACQ	100.0000	11/08/2007	6372.01	5914 86	457.15	LT15
100 0000 OCCIDENTAL PETE CORP COM - 674599105 - MINOR = 3101						
SOLD		02/11/2010	8025.09			
ACQ	100.0000	09/30/2009	8025.09	7893.82	131.27	ST
370.0000 RAYTHEON CO COM NEW - 755111507 - MINOR = 41						
SOLD		02/11/2010	19876.51			
ACQ	300.0000	11/08/2007	16116 09	18967.32	-2851.23	LT15
	70.0000	07/27/2009	3760.42	3174.15	586.27	ST
400 0000 TJX COS INC NEW COM - 872540109 - MINOR = 41						
SOLD		02/11/2010	15012.20			
ACQ	400.0000	03/24/2008	15012.20	13716.00	1296.20	LT15
475.0000 TARGET CORP COM - 87612E106 - MINOR = 31000						
SOLD		02/11/2010	23403.43			
ACQ	320.0000	11/08/2007	15766.52	18879.55	-3113.03	LT15
	80.0000	09/30/2009	3941.63	3774.00	167.63	ST
	75.0000	10/07/2009	3695.28	3614 63	80.65	ST
250.0000 INVESCO LTD BERMUDA COM - G491BT108 - MINOR = 42						
SOLD		02/11/2010	4602.69			
ACQ	250.0000	05/23/2008	4602.69	6785.80	-2183 11	LT15
120.0000 ABBOTT LABS COM - 002824100 - MINOR = 31001						
SOLD		03/12/2010	6517.23			
ACQ	120.0000	12/29/2008	6517.23	6232.80	284.43	LT15
150.0000 BANK OF NEW YORK MELLON CORP COM - 064058100 - MINOR = 3101						
SOLD		03/12/2010	4449.09			
ACQ	150.0000	02/20/2008	4449.09	6864.00	-2414.91	LT15
270 0000 DEVON ENERGY CORP COM - 25179M103 - MINOR = 3101						
SOLD		03/12/2010	18988.85			
ACQ	240.0000	07/27/2009	16878.98	14021 90	2857 08	ST
	30.0000	09/02/2009	2109.87	1860.75	249.12	ST
125.0000 EXELON CORPORATION COM - 30161N101 - MINOR = 41						
SOLD		03/12/2010	5513.80			
ACQ	125.0000	11/08/2007	5513.80	10285.90	-4772.10	LT15
100.0000 EXXON MOBIL CORP - 30231G102 - MINOR = 31001						
SOLD		03/12/2010	6669.01			
ACQ	100.0000	11/08/2007	6669.01	8905.86	-2236.85	LT15
50.0000 FREEPORT-MCMORAN COPPER & GOLD INC CL B COM - 35671D857 - MINOR = 41						
SOLD		03/12/2010	4022.94			
ACQ	50.0000	12/29/2008	4022.94	1152.50	2870.44	LT15
400.0000 GENERAL ELEC CO COM - 369604103 - MINOR = 31001						
SOLD		03/12/2010	6740.31			
ACQ	400.0000	12/11/2000	6740.31	22112.50	-15372.19	LT15
265.0000 GILEAD SCIENCES INC COM - 375558103 - MINOR = 41						
SOLD		03/12/2010	12555.81			
ACQ	265.0000	12/29/2008	12555.81	13159.87	-604.06	LT15
10.0000 GOOGLE INC CL A COM - 38259P508 - MINOR = 41						
SOLD		03/12/2010	5811.42			
ACQ	10.0000	11/08/2007	5811.42	7174.90	-1363.48	LT15
400.0000 INTEL CORP COM - 458140100 - MINOR = 31001						
SOLD		03/12/2010	8480.33			
ACQ	100.0000	02/28/2002	2120.08	2935.00	-814.92	LT15
	300.0000	10/31/1997	6360.25	5793.75	566.50	LT15
155 0000 ORACLE CORPORATION COM - 68389X105 - MINOR = 41						
SOLD		03/12/2010	3884.41			
ACQ	100.0000	07/27/2009	2506.07	2188.82	317.25	ST
	55.0000	11/08/2007	1378.34	1111.97	266.37	LT15

TAX PREPARER: 21
TRUST ADMINISTRATOR: 1003
INVESTMENT OFFICER: 452

LEGEND: F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM

SUMMARY OF CAPITAL GAINS/LOSSES

FEDERAL	SHORT TERM	LONG TERM 28%	LONG TERM 15%	ST WASH SALE	LT WASH SALE	1250 GAIN
SUBTOTAL FROM ABOVE	57565 46	0.00	-167870.32	0.00	0.00	0.00*
COMMON TRUST FUND	0.00	0.00	0.00			0.00
CAPITAL GAIN DIVIDENDS	6771.43	0.00	2275.01			0.00
	64336.89	0.00	-165595.31	0 00	0.00	0.00
STATE						
SUBTOTAL FROM ABOVE	57565.46	0.00	-167870.32	0.00	0.00	0.00*
COMMON TRUST FUND	0.00	0.00	0.00			0.00
CAPITAL GAIN DIVIDENDS	6771.43	0.00	2275.01			0.00
	64336.89	0.00	-165595.31	0.00	0.00	0 00

* - 1250 GAIN DETAILED ON TRANS PAGES, NOT ABOVE

CAPITAL LOSS CARRYOVER

FEDERAL	0.00	0.00
NORTH CAROLINA	N/A	N/A

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
SUNTRUST- DIVIDENDS	83,344.	2,275.	81,069.
TOTAL TO FM 990-PF, PART I, LN 4	83,344.	2,275.	81,069.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER	425.	425.	
TOTAL TO FORM 990-PF, PART I, LINE 11	425.	425.	

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SCHELL BRAY AYCOCK	200.	0.		200.
TO FM 990-PF, PG 1, LN 16A	200.	0.		200.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
KENAN MANAGEMENT, INC	6,203.	0.		6,203.
TO FORM 990-PF, PG 1, LN 16B	6,203.	0.		6,203.

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
SUNTRUST INVESTMENT FEE	21,570.	21,570.		0.
TO FORM 990-PF, PG 1, LN 16C	21,570.	21,570.		0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	654.	0.		0.
TO FORM 990-PF, PG 1, LN 18	654.	0.		0.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 7

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE	X		1,038,564.	1,074,076.
TOTAL U.S. GOVERNMENT OBLIGATIONS			1,038,564.	1,074,076.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			1,038,564.	1,074,076.

FORM 990-PF CORPORATE STOCK STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE SCHEDULE	2,143,318.	2,004,749.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,143,318.	2,004,749.

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
INCOME PORTFOLIO								
Short Term Investments								
RIDGEWORTH FD-US GOVT SECS MM I SHS #502	4,508.330	1.000	4,508.33	0.14	4,508.33	2	0.12	0.05
Total Short Term Investments			**$4,508.33**	**0.14%**	**$4,508.33**	**$2**	**$0.12**	**0.04%**
Total Income Portfolio			**$4,508.33**	**0.14%**	**$4,508.33**	**$2**	**$0.12**	**0.04%**
PRINCIPAL PORTFOLIO								
Short Term Investments								
RIDGEWORTH FD-US GOVT SECS MM- I SHS #502	92,429.470	1.000	92,429.47	2.91	92,429.47	45	3.48	0 05
Total Short Term Investments			**$92,429.47**	**2.91%**	**$92,429.47**	**$45**	**$3.48**	**0.04%**
Bonds								
PIMCO FDS INVT GRADE CORP BD FD INSTL CL	8,831.499	11.250	99,354.36	3.13	93,613.89	5,793	446.09	5.83
RIDGEWORTH FD-SHORT TERM BD I SHS #516	16,689.989	9.980	166,566.09	5.24	163,840.31	4,606	319.86	2.77
RIDGEWORTH FD-SEIX FLTG RT HIGH INCM I SHS #203	13,732.079	8.560	117,546.60	3.70	122,746.90	7,058	548.97	6.00
RIDGEWORTH FD-INTERMEDIATE BD I SHS #850	51,785.169	10.860	562,386.94	17.71	525,362.48	15,328	1,214.67	2.73
TEMPLETON INCOME TR GLOBAL BD FD ADVISOR CL	9,955 090	12.880	128,221.56	4.04	133,000.00	5,793	0.00	4 52
Total Bonds			**$1,074,075.55**	**33.82%**	**$1,038,563.58**	**$38,580**	**$2,529.59**	**3.59%**

SUNTRUST

Statement Period
June 1 , 2010 - June 30, 2010

Account Number
7905120

THE THOMAS S. KENAN III, FDN, INC.

Account Statement

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
Common Stocks								
ABB LTD SWITZERLAND SPONS ADR	1,000.000	17.280	17,280.00	0.54	16,607.02	0	0.00	0.00
ABBOTT LABS COM	400.000	46.780	18,712.00	0.59	6,848.09	704	0.00	3.76
ABERDEEN FDS EQUITY LONG SHORT FD INSTL CL	6,229.526	10.750	66,967.40	2.11	67,830.20	0	0.00	0.00
ADOBE SYS INC COM	400.000	26.430	10,572.00	0.33	12,948.00	0	0.00	0.00
AMAZON INC COM	185.000	109 260	20,213.10	0.64	22,608 40	0	0.00	0.00
AMGEN INC COM	325.000	52.600	17,095.00	0.54	19,548.84	0	0.00	0 00
APACHE CORP COM	205.000	84.190	17,258.95	0.54	18,639.66	123	0.00	0.71
APPLE INC COM	145.000	251.530	36,471.85	1.15	17,571.60	0	0.00	0.00
AUTODESK INC COM	500.000	24.360	12,180.00	0.38	13,864.95	0	0.00	0.00
BANK OF AMERICA CORP COM	1,700.000	14.370	24,429.00	0.77	24,668.70	68	0.00	0.28
BANK OF NEW YORK MELLON CORP COM	500.000	24.690	12,345.00	0.39	17,597.00	180	0.00	1.46
BAXTER INTL INC COM	380.000	40.640	15,443.20	0.49	18,683.56	440	110.20	2.85
CAPITAL ONE FINL CORP COM	575.000	40.300	23,172.50	0 73	23,360.63	115	0.00	0.50
CARNIVAL CORP COM	400.000	30.240	12,096.00	0.38	14,907.72	160	0.00	1.32

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
CHEVRON CORP COM	470.000	67.860	31,894.20	1.00	27,158.88	1,353	0.00	4.24
CISCO SYS INC COM	1,350 000	21.310	28,768.50	0.91	45,913.39	0	0.00	0.00
COACH INC COM	450.000	36.550	16,447.50	0.52	14,890.10	270	67.50	1.64
CVS CAREMARK CORP COM	700.000	29.320	20,524.00	0.65	29,098.16	245	0.00	1.19
EMC CORP MASS COM	1,000.000	18.300	18,300.00	0.58	17,418.80	0	0.00	0.00
EMERSON ELEC CO COM	315.000	43.690	13,762.35	0.43	15,942.86	422	0.00	3.07
EXELON CORP COM	350.000	37.970	13,289.50	0.42	24,974.50	735	0.00	5.53
EXPRESS SCRIPTS INC COM	550.000	47.020	25,861.00	0.81	17,540.71	0	0.00	0.00
EXXON MOBIL CORP COM	500.000	57.070	28,535.00	0.90	9,119.05	880	0.00	3.08
FLOWSERVE CORP COM	150.000	84.800	12,720.00	0.40	13,838.91	174	43.50	1.37
FLUOR CORP COM NEW	300.000	42.500	12,750.00	0.40	13,468.75	150	37.50	1.18
FORUM FDS ABSOLUTE STRATEGIES FD INSTL CL	6,482.737	10.500	68,068.74	2.14	70,615.26	881	0.00	1.29
FREEPORT-MCMORAN COPPER & GOLD INC COM	200.000	59.130	11,826.00	0.37	4,610.00	240	0.00	2.03
GENERAL ELEC CO COM	1,000.000	14.420	14,420.00	0.45	31,365.98	400	100.00	2.77

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
GOLDMAN SACHS GROUP INC COM	125.000	131.270	16,408.75	0.52	26,662.70	175	0.00	1.07
GOOGLE INC CL A COM	50.000	444.950	22,247.50	0.70	23,147.00	0	0.00	0.00
HARTFORD FINL SVCS GROUP INC COM	500.000	22.130	11,065.00	0.35	14,009.50	100	25.00	0.90
HEWLETT-PACKARD CO COM	750.000	43.280	32,460.00	1.02	34,622.56	240	60.00	0.74
HOME DEPOT INC COM	795.000	28.070	22,315.65	0.70	19,084.92	751	0.00	3.37
HUNT J B TRANS SVCS INC COM	350.000	32.670	11,434.50	0.36	11,733.98	168	0.00	1.47
INTEL CORP COM	950.000	19 450	18,477.50	0.58	15,738.95	598	0.00	3.24
INVESCO LTD USD0.2 BERMUDA COM	550.000	16.830	9,256.50	0.29	14,928.76	242	0.00	2.61
JANUS INVT FD PERKINS SMALL CAP VALUE FD CL I	2,958.665	20.970	62,043.21	1.95	54,883.23	280	0.00	0.45
JOHNSON & JOHNSON COM	450.000	59.060	26,577.00	0.84	25,910.46	972	0.00	3.66
JP MORGAN CHASE & CO COM	875.000	36.610	32,033.75	1.01	36,970.50	175	0.00	0.55
KOHLS CORP COM	320.000	47.500	15,200.00	0 48	15,701.82	0	0.00	0.00
MANNING & NAPIER FD INC NEW WORLD OPPTYS SER CL A	26,059.426	7.190	187,367.27	5.90	207,000 00	1,537	0.00	0.82
MERCK & CO INC NEW COM	500.000	34.970	17,485.00	0.55	10,999.35	760	190 00	4.35

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
MONSANTO CO NEW COM	225.000	46.220	10,399.50	0.33	16,079 28	238	0.00	2.29
MORGAN STANLEY COM NEW	650.000	23.210	15,086.50	0.48	18,165.69	130	0.00	0.86
NUCOR CORP COM	405.000	38.280	15,503.40	0.49	19,126.45	583	145.80	3.76
OCCIDENTAL PETE CORP COM	250.000	77.150	19,287.50	0.61	18,243.09	380	95.00	1.97
OMNICOM GROUP COM	300.000	34.300	10,290.00	0.32	10,664.70	240	60.00	2.33
OPPENHEIMER FDS DEVELOPING MKTS INSTL FD CL Y	2,436.276	27.460	66,900.14	2.11	67,000.00	428	0.00	0.64
ORACLE CORP COM	800.000	21.460	17,168.00	0.54	16,174.08	160	0.00	0.93
PARKER HANNIFIN CORP COM	440.000	55.460	24,402.40	0.77	27,603 25	457	0.00	1.88
PEPSICO INC COM	460.000	60 950	28,037.00	0 88	32,261.93	883	0.00	3.15
PHILIP MORRIS INTL COM	500.000	45.840	22,920.00	0.72	26,131.31	1,160	290.00	5.06
PIMCO FDS COMMODITY REALRETURN STRATEGY INSTL	8,803.300	7.380	64,968.35	2.05	64,000 00	6,400	0.00	9.85
PNC FINL SVCS GROUP INC COM	200.000	56.500	11,300.00	0.36	12,115.98	80	0.00	0.71
PRAXAIR INC COM	160.000	75.990	12,158.40	0.38	9,001.60	288	0.00	2.37
PROCTER & GAMBLE CO COM	260.000	59.980	15,594.80	0.49	18,056.69	501	0 00	3.21

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
RIDGEWORTH FD-MIDCAP VAL EQUITY I SHS #412	9,023.992	9.910	89,427.76	2.82	74,731.00	983	0.00	1.10
RIDGEWORTH FD-INTL EQUITY INDEX I SHS #530	11,686.962	10.820	126,452.93	3.98	189,110.50	7,666	0.00	6.06
RIDGEWORTH FD-INTL 130/30 I SHS #242	5,450.562	5.750	31,340.73	0.99	24,091.48	1,329	0.00	4.24
SCHLUMBERGER LTD COM	385.000	55.340	21,305.90	0.67	23,248.30	323	80.85	1.52
SENTINEL FDS SMALL CO FD INSTL CL	10,351.627	6.280	65,008.22	2.05	60,271.70	0	0.00	0.00
SUNTRUST BANKS INC COM	1,000.000	23.300	23,300.00	0.73	45,259.63	40	0.00	0.17
TEVA PHARMACEUTICAL INDS LTD SPONS ADR	350.000	51.990	18,196.50	0.57	20,727.23	201	0.00	1.11
TEXAS INSTRS INC COM	520.000	23.280	12,105.60	0.38	15,813.20	249	0.00	2.06
THERMO FISHER SCIENTIFIC INC COM	250.000	49.050	12,262.50	0.39	9,278.00	0	0.00	0.00
TRANSOCEAN LTD CHF15 SHS	195.000	46.330	9,034.35	0.28	19,802.70	0	0.00	0.00
TRAVELERS COS INC/THE COM	275.000	49.250	13,543.75	0.43	13,894 21	396	0.00	2.92
UNION PACIFIC CORP COM	200.000	69.510	13,902 00	0.44	9,116.00	264	66.00	1.90
UNITED PARCEL SVC INC CL B COM	285.000	56.890	16,213.65	0.51	14,924.25	535	0.00	3.30
UNITED TECHNOLOGIES CORP COM	345.000	64.910	22,393.95	0.71	25,648.49	586	0.00	2.62

SUNTRUST

Statement Period
June 1 , 2010 - June 30, 2010

Account Number
7905120
THE THOMAS S. KENAN III, FDN, INC.

Account Statement

Portfolio Detail

ASSET DESCRIPTION	NO OF SHARES/ PAR VALUE	UNIT PRICE	MARKET VALUE	PERCENT OF PORTFOLIO	TAX COST BASIS	ESTIMATED ANNUAL INCOME	ACCRUED INCOME	YIELD AT MARKET
***Common Stocks** - continued*								
VERIZON COMMUNICATIONS COM	400.000	28.020	11,208.00	0.35	15,069.84	760	0.00	6.78
VISA INC CL A COM	150.000	70.750	10,612.50	0.33	10,166.73	75	0.00	0.71
WAL-MART STORES INC COM	375.000	48.070	18,026.25	0.57	16,346.21	453	0.00	2.52
WALT DISNEY CO COM	625.000	31.500	19,687.50	0.62	20,805.50	218	0.00	1.11
WELLS FARGO & CO NEW COM	780.000	25.600	19,968.00	0.63	23,603.30	156	0.00	0.78
WILLIAMS COS INC COM	600.000	18.280	10,968.00	0.35	13,752.00	300	0.00	2.73
Total Common Stocks			**$2,004,748.50**	**63.14%**	**$2,143,317.77**	**$40,012**	**$1,371.35**	**1.99%**
Miscellaneous								
CLASS ACTION PENDING BRISTOL MYERS 2ND ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	1.00	0	0.00	0.00
CLASS ACTION PENDING SEARS, ROEBUCK & CO ON RCPT OF FINAL PMT	1 000	0.000	0.00	0.00	0.00	0	0.00	0.00
CLASS ACTION PENDING EL PASO CORP ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0.00	0	0.00	0 00
CLASS ACTION PENDING FANNIE MAE ON RCPT OF FINAL PMT	1.000	0.000	0.00	0.00	0 00	0	0.00	0.00

FORM 990-PF OTHER ASSETS STATEMENT 9

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
CASH IN TRANSIT (DIVIDENDS)	2,666.	2,628.	2,628.
TO FORM 990-PF, PART II, LINE 15	2,666.	2,628.	2,628.