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

## 2009

Department of the Treasury  
Internal Revenue Service

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

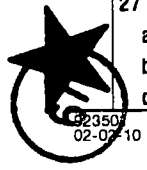
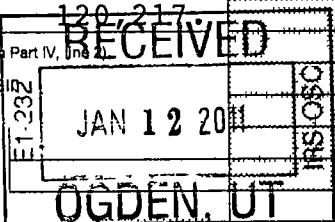
For calendar year 2009, or tax year beginning **SEP 1, 2009**, and ending **AUG 31, 2010**

G Check all that apply:  Initial return,  Initial return of a former public charity,  Final return,  Amended return,  Address change,  Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation <b>MAGDALEN FOUNDATION</b>	A Employer identification number <b>91-1114068</b>
	Number and street (or P O box number if mail is not delivered to street address) <b>10655 NE 4TH STREET</b>	B Telephone number <b>425-462-1151</b>
	Room/suite <b>611</b>	C If exemption application is pending, check here <input type="checkbox"/>
	City or town, state, and ZIP code <b>BELLEVUE, WA 98004</b>	D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization	<input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ <b>2,067,318.</b>	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

SCANNED JAN 13 2011

Part I	Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check <input checked="" type="checkbox"/> If the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	41.	41.		STATEMENT 1
	4 Dividends and interest from securities	27,474.	27,474.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<20,178.>			
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	1,652.	0.		STATEMENT 3
	12 Total. Add lines 1 through 11	8,989.	27,515.		
	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 4	6,910.	6,910.		0.
	c Other professional fees STMT 5	15,219.	15,219.		0.
	17 Interest				
	18 Taxes STMT 6	71.	71.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 7	17.	17.		0.
	24 Total operating and administrative expenses Add lines 13 through 23	22,217.	22,217.		0.
	25 Contributions, gifts, grants paid	122,000.			122,000.
	26 Total expenses and disbursements. Add lines 24 and 25	144,217.	22,217.		122,000.
	27 Subtract line 26 from line 12	<135,228.>			
	a Excess of revenue over expenses and disbursements				
	b Net investment income (if negative, enter -0-)		5,298.		
	c Adjusted net income (if negative, enter -0-)			N/A	



2

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only.		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	414,431.	270,760.	270,760.
	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			
	b Investments - corporate stock STMT 8	1,411,452.	1,419,895.	1,796,558.
	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 ▶)				
16 Total assets (to be completed by all filers)	1,825,883.	1,690,655.	2,067,318.	
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 ▶ <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	1,825,883.	1,690,655.	
28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	0.	0.		
30 Total net assets or fund balances	1,825,883.	1,690,655.		
31 Total liabilities and net assets/fund balances	1,825,883.	1,690,655.		

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	1,825,883.
2 Enter amount from Part I, line 27a	2	<135,228.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	1,690,655.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,690,655.

**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			
b SEE ATTACHED STATEMENT			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e 120,217.		140,395.	<20,178.>

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
b			
c			
d			
e			<20,178.>

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	<20,178.>
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	172,858.	2,063,112.	.083785
2007	175,000.	2,782,035.	.062904
2006	180,000.	3,018,363.	.059635
2005	190,000.	2,953,654.	.064327
2004	185,000.	2,896,906.	.063861

2 Total of line 1, column (d)	2	.334512
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	.066902
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	2,215,201.
5 Multiply line 4 by line 3	5	148,201.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	53.
7 Add lines 5 and 6	7	148,254.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions	8	122,000.

**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 <input type="checkbox"/> 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 <input type="checkbox"/> and enter 1% of Part I, line 27b	1	106.
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	106.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	5	106.
6	Credits/Payments		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	2,777.
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	2,777.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,671.
11	Enter the amount of line 10 to be <b>Credited to 2010 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	11	0.

**Part VII-A Statements Regarding Activities**

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X

N/A

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	X		
14	The books are in care of ▶ JOHN R. PRICE Telephone no ▶ 425-462-9389 Located at ▶ 10655 NE 4TH STREET, SUITE 611, BELLEVUE, WA ZIP+4 ▶ 98004			
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? <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 type="checkbox"/> Yes <input checked="" 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)? Organizations relying on a current notice regarding disaster assistance check here N/A		
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1b	
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))	1c	X
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 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? <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.) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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)?  Yes  No  
 Organizations relying on a current notice regarding disaster assistance check here  N/A

**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).  N/A

**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?  Yes  No  
 If "Yes" to 6b, file Form 8870.  N/A

**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?  Yes  No  N/A

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

**1 List all officers, directors, trustees, foundation managers and their compensation.**

(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
NICHOLAS J. BEZ 1009 WESTERN AVE, STE 1201 SEATTLE, WA 981041039	TRUSTEE 2.00	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

**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.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	1,845,700.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	403,235.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	2,248,935.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	2,248,935.
<b>4</b>	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	33,734.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	<b>5</b>	2,215,201.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	110,760.

**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)

<b>1</b>	Minimum investment return from Part X, line 6		<b>1</b>	110,760.
<b>2a</b>	Tax on investment income for 2009 from Part VI, line 5	<b>2a</b>	106.	
<b>b</b>	Income tax for 2009 (This does not include the tax from Part VI)	<b>2b</b>		
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	106.	
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	110,654.	
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.	
<b>5</b>	Add lines 3 and 4	<b>5</b>	110,654.	
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.	
<b>7</b>	<b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	<b>7</b>	110,654.	

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

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	<b>1a</b>	122,000.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	122,000.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	<b>5</b>	0.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	122,000.

**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				110,654.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2009				
a From 2004	43,031.			
b From 2005	45,654.			
c From 2006	32,881.			
d From 2007	36,979.			
e From 2008	69,986.			
f Total of lines 3a through e	228,531.			
4 Qualifying distributions for 2009 from Part XII, line 4 ▶ \$	122,000.			
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2009 distributable amount				110,654.
e Remaining amount distributed out of corpus	11,346.			
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:	239,877.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	43,031.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	196,846.			
10 Analysis of line 9				
a Excess from 2005	45,654.			
b Excess from 2006	32,881.			
c Excess from 2007	36,979.			
d Excess from 2008	69,986.			
e Excess from 2009	11,346.			

**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				(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities					
Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test - enter:					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> "Support" alternative test - enter:					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> 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) )

NICHOLAS J. BEZ

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

NONE

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

Check here  if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

N/A

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

N/A

**c** Any submission deadlines

N/A

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

N/A





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

- 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... a Transfers from the reporting foundation to a noncharitable exempt organization of (1) Cash (2) Other assets b Other transactions (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule...

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains '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 [X] No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

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. Signature of officer or trustee: Nicholas J. Bez, Date: Jan. 7, 2011, Title: TRUSTEE. Preparer's signature: [Signature], Date: 1/6/2011, Firm's name: GUNNING, STENSON & PRICE, CPA, PS, address: 10655 NE FOURTH ST., SUITE 611, BELLEVUE, WA 98004.

MAGDALEN FOUNDATION

**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 760 AMGEN	P	03/10/00	05/07/10
b 470 FTI CONSULTING	P	06/26/08	07/30/10
c 100 JOHNSON & JOHNSON	P	05/06/96	07/30/10
d 780 SAP	P	04/13/09	02/22/10
e 1060 CHARLES SCHWAB	P	09/22/08	10/26/09
f 175 CHARLES SCHWAB	P	06/24/09	10/26/09
g			
h			
i			
j			
k			
l			
m			
n			
o			

(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 41,356.		49,018.	<7,662.>
b 16,592.		31,789.	<15,197.>
c 5,808.		1,091.	4,717.
d 34,389.		30,351.	4,038.
e 18,944.		25,118.	<6,174.>
f 3,128.		3,028.	100.
g			
h			
i			
j			
k			
l			
m			
n			
o			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a			<7,662.>
b			<15,197.>
c			4,717.
d			4,038.
e			<6,174.>
f			100.
g			
h			
i			
j			
k			
l			
m			
n			
o			

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	<20,178.>
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

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

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SOURCE	AMOUNT
CHARLES SCHWAB INSTITUTIONAL-ASHFIELD CAPITAL PARTNERS	41.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	41.

FORM 990-PF

DIVIDENDS AND INTEREST FROM SECURITIES

STATEMENT 2

<u>SOURCE</u>	<u>GROSS AMOUNT</u>	<u>CAPITAL GAINS DIVIDENDS</u>	<u>COLUMN (A) AMOUNT</u>
CHARLES SCHWAB INSTITUTIONAL-ASHFIELD CAPITAL PARTNERS	27,474.	0.	27,474.
TOTAL TO FM 990-PF, PART I, LN 4	27,474.	0.	27,474.

FORM 990-PF

OTHER INCOME

STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
CHANGE IN COST BASIS	1,652.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	1,652.	0.	

FORM 990-PF

ACCOUNTING FEES

STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	6,910.	6,910.		0.
TO FORM 990-PF, PG 1, LN 16B	6,910.	6,910.		0.

FORM 990-PF

OTHER PROFESSIONAL FEES

STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	15,219.	15,219.		0.
TO FORM 990-PF, PG 1, LN 16C	15,219.	15,219.		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	71.	71.		0.
TO FORM 990-PF, PG 1, LN 18	71.	71.		0.

FORM 990-PF

OTHER EXPENSES

STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADR INVESTMENT FEES	17.	17.		0.
TO FORM 990-PF, PG 1, LN 23	17.	17.		0.



FORM 990-PF

GRANTS AND CONTRIBUTIONS  
PAID DURING THE YEAR

STATEMENT 9

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
AMERICAN FRIENDS OF WIGMORE HALL 36 WIGMORE STREET LONDON, UNITED KINGDOM W1U2BPUK	UNRESTRICTED	PUBLIC	10,000.
BAROQUE NORTHWEST 117 EAST LOUISA STREET PMB #430 SEATTLE, WA 98102	UNRESTRICTED	PUBLIC	2,500.
EARLY MUSIC GUILD 2366 EASTLAKE AVE. E., #325 SEATTLE, WA 981023399	UNRESTRICTED	PUBLIC	10,000.
FAITH MIRACLE RELIGIOUS EDUCATION ASSN. INC. 900 MAIN RD STE 2 JOHNS ISLAND, SC 29455	UNRESTRICTED	PUBLIC	10,000.
MEALS-ON-WHEELS 2208 2ND AVE SEATTLE, WA 98121	UNRESTRICTED	PUBLIC	10,000.
MUSEUM OF FLIGHT 9404 EAST MARGINAL WAY SEATTLE, WA 98108	UNRESTRICTED	PUBLIC	1,000.
NORTHWEST HARVEST PO BOX 12272 SEATTLE, WA 98102	UNRESTRICTED	PUBLIC	10,000.
SEATTLE BAROQUE ORCHESTRA 911 PINE STREET SEATTLE, WA 98101	UNRESTRICTED	PUBLIC	10,000.

SEATTLE CHAMBER SOCIETY 10 HARRISON STREET, SUITE 106 SEATTLE, WA 981099753	UNRESTRICTED	PUBLIC	10,000.
ST JOSEPH'S CARMELITE MONASTERY 2215 NE 147TH STREET SEATTLE, WA 98155	UNRESTRICTED	PUBLIC	15,000.
ST. JAMES CATHEDRAL 804 9TH AVE SEATTLE, WA 98104	UNRESTRICTED	PUBLIC	3,500.
SWEDISH MEDICAL CENTER FOUNDATION 747 BROADWAY SEATTLE, WA 981224307	UNRESTRICTED	PUBLIC	5,000.
YOUNG AMERICA'S FOUNDATION 110 ELDEN STREET HERNDAN, VA 20170	UNRESTRICTED	PUBLIC	5,000.
THE HERITAGE FOUNDATION 214 MASSACHUSETTS AVE NE WASHINGTON, DC 20002	UNRESTRICTED	PUBLIC	5,000.
HOPE HEART INSTITUTE 550 17TH AVE, SUITE 410 SEATTLE, WA 98122	UNRESTRICTED	PUBLIC	5,000.
RENAISSANCE SINGERS 923 31ST AVE S SEATTLE, WA 98144	UNRESTRICTED	PUBLIC	10,000.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

122,000.

### Investment Summary

	Total Cost (\$)	Total Value (\$)	% of Portfolio	Current Yield (%)	Est. Annual Income (\$)
<b>Cash/Cash Equivalents</b>					
Liquid Assets	270,759.33	270,759.33	13.10	0.01	27.08
<b>TOTAL Cash/Cash Equivalents</b>	<b>270,759.33</b>	<b>270,759.33</b>	<b>13.10</b>	<b>0.01</b>	<b>27.08</b>
<b>Equities</b>					
Consumer Discretionary	150,204.10	194,361.99	9.40	1.84	3,576.00
Consumer Staples	136,045.80	198,857.65	9.62	2.24	4,464.14
Energy	121,855.93	132,531.45	6.41	1.02	1,353.15
Financials	79,654.63	116,428.00	5.63	1.29	1,506.60
Health Care	254,036.54	315,401.40	15.26	1.37	4,333.00
Industrials	125,356.52	159,282.00	7.70	0.97	1,542.04
Information Technology	459,699.85	541,695.03	26.20	1.27	6,871.25
Materials	93,041.84	138,000.95	6.68	1.78	2,450.40
<b>TOTAL Equities</b>	<b>1,419,895.21</b>	<b>1,796,558.46</b>	<b>86.90</b>	<b>1.45</b>	<b>26,096.58</b>
<b>TOTAL PORTFOLIO</b>	<b>\$1,690,654.54</b>	<b>\$2,067,317.79</b>	<b>100%</b>	<b>1.26%</b>	<b>\$26,123.66</b>

### Portfolio Appraisal

	Quantity	Average Cost (\$)	Total Cost (\$)	Current Price (\$)	Total Value (\$)	% of Portfolio	Current Yield (%)	Estimated Annual Income (\$)
<b>Cash/Cash Equivalents</b>								
Total Cash/Cash Equivalents			\$270,759.33		\$270,759.33	13.10 %	0.01 %	\$27.08
<b>Equities</b>								
<b>Consumer Discretionary</b>								
DIRECTV CL A	1,045	26.71	27,909.72	37.90	39,602.89	1.92	0.00	0.00
FAMILY DLR STORES INC	1,160	26.90	31,200.19	42.79	49,636.40	2.40	1.45	719.20
MCDONALDS CORP	650	53.92	35,046.55	73.06	47,489.00	2.30	3.01	1,430.00
NIKE INC	410	57.59	23,612.65	70.00	28,700.00	1.39	1.54	442.80
V F CORP	410	79.11	32,434.99	70.57	28,933.70	1.40	3.40	984.00
<b>Total Consumer Discretionary</b>			<b>\$150,204.10</b>		<b>\$194,361.99</b>	<b>9.40 %</b>	<b>1.84 %</b>	<b>\$3,576.00</b>
<b>Consumer Staples</b>								
COMPANHIA DE BEBIDAS DAS AME ADR	605	78.80	47,676.90	110.69	66,967.45	3.24	1.22	815.54
PEPSICO INC	730	51.76	37,784.60	64.18	46,851.40	2.27	2.99	1,401.60
PROCTER & GAMBLE CO	400	44.37	17,748.00	59.67	23,868.00	1.15	3.23	770.80
WAL MART STORES INC	1,220	26.92	32,836.30	50.14	61,170.80	2.96	2.41	1,476.20
<b>Total Consumer Staples</b>			<b>\$136,045.80</b>		<b>\$198,857.65</b>	<b>9.62 %</b>	<b>2.24 %</b>	<b>\$4,464.14</b>
<b>Energy</b>								
APACHE CORP	500	34.98	17,489.15	89.85	44,925.00	2.17	0.67	300.00
HALLIBURTON CO	1,360	30.22	41,099.65	28.21	38,365.60	1.86	1.28	489.60
PETROLEO BRASILEIRO SA PETRO	565	39.91	22,551.55	33.35	18,842.75	0.91	0.45	84.75
SCHLUMBERGER LTD	570	71.43	40,715.58	53.33	30,398.10	1.47	1.58	478.80
<b>Total Energy</b>			<b>\$121,855.93</b>		<b>\$132,531.45</b>	<b>6.41 %</b>	<b>1.02 %</b>	<b>\$1,353.15</b>
<b>Financials</b>								
FRANKLIN RES INC	500	86.45	43,223.35	96.51	48,255.00	2.33	0.91	440.00
PRICE T ROWE GROUP INC	960	28.95	27,790.23	43.79	42,038.40	2.03	2.47	1,036.80
STATE STR CORP	745	11.60	8,641.05	35.08	26,134.60	1.26	0.11	29.80
<b>Total Financials</b>			<b>\$79,654.63</b>		<b>\$116,428.00</b>	<b>5.63 %</b>	<b>1.29 %</b>	<b>\$1,506.60</b>
<b>Health Care</b>								
ABBOTT LABS	1,100	42.12	46,333.61	49.34	54,274.00	2.63	3.57	1,936.00
BARD C R INC	350	60.10	21,034.25	76.83	26,890.50	1.30	0.94	252.00
CELGENE CORP	795	58.03	46,134.93	51.47	40,918.65	1.98	0.00	0.00

## Portfolio Appraisal

	Quantity	Average Cost (\$)	Total Cost (\$)	Current Price (\$)	Total Value (\$)	% of Portfolio	Current Yield (%)	Estimated Annual Income (\$)
<b>Equities</b>								
EXPRESS SCRIPTS INC	1,200	28.82	34,583.35	42.60	51,120.00	2.47	0.00	0.00
JOHNSON & JOHNSON	750	10.91	8,179.00	57.02	42,765.00	2.07	3.79	1,620.00
STRYKER CORP	875	30.04	26,283.60	43.19	37,791.25	1.83	1.39	525.00
THERMO FISHER SCIENTIFIC INC	585	49.69	29,067.86	42.12	24,640.20	1.19	0.00	0.00
VARIAN MED SYS INC	695	61.04	42,419.94	53.24	37,001.80	1.79	0.00	0.00
<b>Total Health Care</b>			<b>\$254,036.54</b>		<b>\$315,401.40</b>	<b>15.26 %</b>	<b>1.37 %</b>	<b>\$4,333.00</b>
<b>Industrials</b>								
ABB LTD ADR	1,660	22.56	37,457.46	19.37	32,154.20	1.56	2.45	786.84
AGCO CORP	640	34.88	22,321.01	33.05	21,152.00	1.02	0.00	0.00
DANAHER CORP DEL	1,640	27.59	45,239.89	36.33	59,581.20	2.88	0.22	131.20
GENERAL ELECTRIC CO	1,300	5.21	6,768.12	14.48	18,824.00	0.91	3.31	624.00
JACOBS ENGR GROUP INC DEL	795	17.07	13,570.04	34.68	27,570.60	1.33	0.00	0.00
<b>Total Industrials</b>			<b>\$125,356.52</b>		<b>\$159,282.00</b>	<b>7.70 %</b>	<b>0.97 %</b>	<b>\$1,542.04</b>
<b>Information Technology</b>								
ACCENTURE PLC IRELAND	735	21.97	16,147.73	36.60	26,901.00	1.30	2.05	551.25
APPLE INC	290	125.56	36,413.81	243.10	70,499.00	3.41	0.00	0.00
CISCO SYS INC	2,580	23.95	61,792.87	19.99	51,561.30	2.49	0.00	0.00
DOLBY LABORATORIES INC	615	27.61	16,982.89	55.42	34,083.30	1.65	0.00	0.00
GOOGLE INC CL A	105	511.72	53,731.10	450.02	47,252.10	2.29	0.00	0.00
HARRIS CORP DEL	775	41.46	32,133.94	42.07	32,604.25	1.58	2.38	775.00
HEWLETT PACKARD CO	865	48.34	41,815.40	38.45	33,259.25	1.61	0.83	276.80
INTEL CORP	1,800	5.54	9,966.80	17.67	31,797.00	1.54	3.57	1,134.00
INTERNATIONAL BUSINESS MACHS	420	100.28	42,118.86	123.13	51,714.60	2.50	2.11	1,092.00
MICROSOFT CORP	2,310	2.57	5,936.24	23.47	54,204.15	2.62	2.22	1,201.20
ORACLE CORP	1,435	24.68	35,422.74	21.85	31,347.58	1.52	0.92	287.00
QUALCOMM INC	1,050	42.07	44,169.77	38.30	40,215.00	1.95	1.98	798.00
TEXAS INSTRS INC	1,575	40.04	63,067.70	23.02	36,256.50	1.75	2.09	756.00
<b>Total Information Technology</b>			<b>\$459,699.85</b>		<b>\$541,695.03</b>	<b>26.20 %</b>	<b>1.27 %</b>	<b>\$6,871.25</b>
<b>Materials</b>								
ECOLAB INC	1,200	27.03	32,439.12	47.40	56,880.00	2.75	1.31	744.00
MONSANTO CO NEW	495	60.17	29,786.24	52.65	26,061.75	1.26	2.13	554.40
PRAXAIR INC	640	48.15	30,816.48	86.03	55,059.20	2.66	2.09	1,152.00

**Portfolio Appraisal**

	Quantity	Average Cost (\$)	Total Cost (\$)	Current Price (\$)	Total Value (\$)	% of Portfolio	Current Yield (%)	Estimated Annual Income (\$)
<b>Equities</b>								
Total Materials			\$93,041.84		\$138,000.95	6.68 %	1.78 %	\$2,450.40
Total Equities			\$1,419,895.21		\$1,796,558.46	86.90 %	1.45 %	\$26,096.58
<b>TOTAL ASSETS</b>			\$1,690,654.54		\$2,067,317.79	100%	1.26 %	\$26,123.66
<b>Accrued Income</b>					\$2,539.00			
<b>TOTAL ASSETS + Accrued Income</b>					\$2,069,856.79			

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**Portfolio Appraisal**

	Quantity	Average Cost (\$)	Total Cost (\$)	Current Price (\$)	Total Value (\$)	% of Portfolio	Current Yield (%)	Estimated Annual Income (\$)
<b>Cash/Cash Equivalents</b>								
Total Cash/Cash Equivalents			\$414,430.64		\$414,430.64	19.57 %	0.01 %	\$41.44
<b>Equities</b>								
<b>Consumer Discretion</b>								
DIRECTV GROUP INC	1,045	26.71	27,909.72	24.76	25,874.20	1.22	0.00	0.00
FAMILY DLR STORES INC	1,160	26.90	31,200.19	30.28	35,124.80	1.66	1.78	626.40
MCDONALDS CORP	650	53.92	35,046.55	56.24	36,556.00	1.73	3.56	1,300.00
NIKE INC	410	57.59	23,612.65	55.39	22,709.90	1.07	1.81	410.00
Total Consumer Discretion			\$117,769.11		\$120,264.90	5.68 %	1.94 %	\$2,336.40
<b>Consumer Staples</b>								
COMPANHIA DE BEBIDAS DAS AME ADR	605	78.80	47,676.90	74.57	45,114.85	2.13	2.09	941.99
PEPSICO INC	730	51.76	37,784.60	58.67	41,369.10	1.95	3.18	1,314.00
PROCTER & GAMBLE CO	400	44.37	17,748.00	54.11	21,644.00	1.02	3.25	704.00
WAL MART STORES INC	1,220	26.92	32,836.30	50.87	62,061.40	2.93	2.14	1,329.80
Total Consumer Staples			\$136,045.80		\$170,189.35	8.04 %	2.52 %	\$4,289.79
<b>Energy</b>								
APACHE CORP	500	34.98	17,489.15	84.95	42,475.00	2.01	0.71	300.00
HALLIBURTON CO	1,360	30.22	41,099.65	23.71	32,245.60	1.52	1.52	489.60
PETROLEO BRASILEIRO SA PETRO	585	39.91	22,551.55	39.84	22,398.60	1.08	0.90	201.14
SCHLUMBERGER LTD	570	71.43	40,715.58	56.20	32,034.00	1.51	1.49	478.80
Total Energy			\$121,855.93		\$129,151.20	6.10 %	1.14 %	\$1,469.54
<b>Financials</b>								
FRANKLIN RES INC	500	86.45	43,223.35	93.33	46,865.00	2.20	0.90	420.00
PRICE T ROWE GROUP INC	960	28.95	27,790.23	45.30	43,488.00	2.05	2.21	960.00
SCHWAB CHARLES CORP NEW	1,235	22.79	28,145.97	18.06	22,304.10	1.05	1.33	296.40
STATE STR CORP	745	11.60	8,641.05	52.48	39,097.60	1.85	0.08	29.80
Total Financials			\$107,800.60		\$151,554.70	7.16 %	1.13 %	\$1,706.20
<b>Health Care</b>								
ABBOTT LABS	1,100	42.12	46,333.61	45.23	49,753.00	2.35	3.54	1,760.00
AMGEN INC	760	64.50	49,018.10	59.78	45,432.80	2.15	0.00	0.00
BARD C R INC	350	60.10	21,034.25	80.58	28,203.00	1.33	0.84	238.00

**Portfolio Appraisal**

	Quantity	Average Cost (\$)	Total Cost (\$)	Current Price (\$)	Total Value (\$)	% of Portfolio	Current Yield (%)	Estimated Annual Income (\$)
<b>Equities</b>								
EXPRESS SCRIPTS INC	600	57.84	34,583.35	72.22	43,332.00	2.05	0.00	0.00
JOHNSON & JOHNSON	850	10.91	9,269.53	60.44	51,374.00	2.43	3.24	1,666.00
STRYKER CORP	875	30.04	26,283.60	41.46	36,277.50	1.71	0.96	350.00
THERMO FISHER SCIENTIFIC INC	585	49.69	29,087.86	45.21	28,447.85	1.25	0.00	0.00
VARIAN MED SYS INC	695	61.04	42,419.94	43.07	29,933.65	1.41	0.00	0.00
<b>Total Health Care</b>			<b>\$258,010.24</b>		<b>\$310,753.80</b>	<b>14.67 %</b>	<b>1.29 %</b>	<b>\$4,014.00</b>
<b>Industrials</b>								
ABB LTD ADR	1,100	24.17	26,585.07	19.17	21,087.00	1.00	0.00	0.00
DANAHER CORP DEL	820	55.17	45,239.89	60.71	49,782.20	2.35	0.20	98.40
FTI CONSULTING INC	470	67.64	31,788.99	43.54	20,463.80	0.97	0.00	0.00
GENERAL ELECTRIC CO	1,300	5.21	6,768.12	13.90	18,070.00	0.85	2.88	520.00
JACOBS ENGR GROUP INC DEL	785	17.07	13,570.04	43.98	34,864.10	1.65	0.00	0.00
<b>Total Industrials</b>			<b>\$123,952.11</b>		<b>\$144,367.10</b>	<b>6.82 %</b>	<b>0.43 %</b>	<b>\$618.40</b>
<b>Information Tech</b>								
ACCENTURE PLC	735	21.97	16,147.73	33.00	24,255.00	1.15	1.52	367.50
APPLE INC	290	125.56	36,413.81	168.21	48,780.90	2.30	0.00	0.00
CISCO SYS INC	2,580	23.95	61,792.87	21.60	55,728.00	2.63	0.00	0.00
DOLBY LABORATORIES INC	615	27.61	16,982.89	39.01	23,991.15	1.13	0.00	0.00
GOOGLE INC CL A	105	511.72	53,731.10	461.67	48,475.35	2.29	0.00	0.00
HARRIS CORP DEL	775	39.33	30,481.93	34.73	28,915.75	1.27	2.53	682.00
HEWLETT PACKARD CO	865	48.34	41,815.40	44.89	38,829.85	1.83	0.71	276.80
INTEL CORP	1,800	5.54	9,966.80	20.32	36,576.00	1.73	2.76	1,008.00
INTERNATIONAL BUSINESS MACHS	420	100.28	42,118.86	118.05	49,581.00	2.34	1.86	924.00
MICROSOFT CORP	2,310	2.57	5,936.24	24.65	56,941.50	2.69	2.11	1,201.20
QUALCOMM INC	1,050	42.07	44,169.77	46.42	48,741.00	2.30	1.46	714.00
SAP AG	780	38.91	30,350.95	48.76	38,032.80	1.80	2.28	865.80
TEXAS INSTRS INC	1,575	40.04	63,067.70	24.59	38,729.25	1.83	1.79	693.00
<b>Total Information Tech</b>			<b>\$452,976.05</b>		<b>\$535,577.55</b>	<b>25.29 %</b>	<b>1.26 %</b>	<b>\$6,732.30</b>
<b>Materials</b>								
ECOLAB INC	1,200	27.03	32,439.12	42.29	50,748.00	2.40	1.32	672.00
MONSANTO CO NEW	495	60.17	29,786.24	83.88	41,520.60	1.96	1.26	524.70

**Portfolio Appraisal**

	Quantity	Average Cost (\$)	Total Cost (\$)	Current Price (\$)	Total Value (\$)	% of Portfolio	Current Yield (%)	Estimated Annual Income (\$)
<b>Equities</b>								
PRAXAIR INC	640	48.15	30,816.48	76.62	49,036.80	2.32	2.09	1,024.00
<b>Total Materials</b>			\$93,041.84		\$141,305.40	6.67 %	1.57 %	\$2,220.70
<b>Total Equities</b>			\$1,411,451.68		\$1,703,164.00	80.43 %	1.37 %	\$23,387.33
<b>TOTAL ASSETS</b>			\$1,825,882.92		\$2,175,944.64	100%	1.11 %	\$23,428.77

Accrued Income \$2,277.85

**TOTAL ASSETS + Accrued Income** \$2,119,872.49