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## Return of Private Foundation

OMB No 1545-0052

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

2010

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 2010, or tax year beginning , and ending

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

Name of foundation <b>THE SASSAFRAS FOUNDATION</b>		A Employer identification number <b>20-3082522</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>P.O. BOX 3004</b>		B Telephone number <b>203-481-4923</b>
City or town, state, and ZIP code <b>BRANFORD, CT 06405</b>		C If exemption application is pending, check here <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		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ <b>10,959,950.</b> (Part I, column (d) must be on cash basis.)	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
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		48.	48.		STATEMENT 2
4 Dividends and interest from securities		174,714.	174,714.		STATEMENT 3
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		92,825.			STATEMENT 1
b Gross sales price for all assets on line 6a		1,594,521.			
7 Capital gain net income (from Part IV, line 2)			81,422.		
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					
12 Total. Add lines 1 through 11		267,587.	256,184.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 4		4,000.	3,000.		1,000.
c Other professional fees STMT 5		18,352.	18,352.		0.
17 Interest		20.	20.		0.
18 Taxes		3,354.	2,354.		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		25,726.	23,726.		1,000.
25 Contributions, gifts, grants paid		466,000.			466,000.
26 Total expenses and disbursements. Add lines 24 and 25		491,726.	23,726.		467,000.
27 Subtract line 26 from line 12		-224,139.			
a Excess of revenue over expenses and disbursements			232,458.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				N/A	

**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
<b>Assets</b>	1 Cash - non-interest-bearing	21,783.	50,771.	50,771.
	2 Savings and temporary cash investments	79,427.	256,941.	256,941.
	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	1,403,444.	1,696,427.	1,807,190.
	b Investments - corporate stock STMT 8	8,586,066.	7,862,442.	7,437,454.
	c Investments - corporate bonds			
<b>Liabilities</b>	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 9	1,200,000.	1,200,000.	1,407,594.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	11,290,720.	11,066,581.	10,959,950.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
<b>Net Assets or Fund Balances</b>	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.		
<b>Foundations that follow SFAS 117, check here</b> ▶ <input type="checkbox"/>	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	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	11,290,720.	11,066,581.	
	30 Total net assets or fund balances	11,290,720.	11,066,581.	
31 Total liabilities and net assets/fund balances	11,290,720.	11,066,581.		

**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	11,290,720.
2 Enter amount from Part I, line 27a	2	-224,139.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	11,066,581.
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	11,066,581.

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**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
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	1,594,521.	1,513,099.	81,422.

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) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			
b			
c			
d			
e			81,422.

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	81,422.
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))
2009	296,500.	8,787,555.	.033741
2008	534,988.	11,050,998.	.048411
2007	429,573.	12,948,693.	.033175
2006	406,292.	9,971,378.	.040746
2005			

2 Total of line 1, column (d)	2	.156073
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	.039018
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	10,143,212.
5 Multiply line 4 by line 3	5	395,768.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,325.
7 Add lines 5 and 6	7	398,093.
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	467,000.

**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)		1	2,325.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	2,325.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	2,325.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a 3,704.		
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	3,704.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid		10	1,379.
11 Enter the amount of line 10 to be credited to 2011 estimated tax	1,379. 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 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.		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> CT		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see 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 ► EUCALYPTUS ASSOCIATES, INC. Telephone no ► 415-561-3346			
Located at ► P.O. BOX 29550, 567 RUGER STREET, SAN FRANCISCO, ZIP+4 ► 94129				
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	
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►				X

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	X
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <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 2010 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 2010.) 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 2010?	4b	X

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

6b

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

X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		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 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	10,072,495.
b	Average of monthly cash balances	1b	225,182.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	10,297,677.
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	10,297,677.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	154,465.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	10,143,212.
6	Minimum investment return. Enter 5% of line 5	6	507,161.

**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	507,161.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	2,325.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	2,325.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	504,836.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	504,836.
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	504,836.

**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	467,000.
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	467,000.
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	2,325.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	464,675.

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

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

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
<b>1</b> Distributable amount for 2010 from Part XI, line 7				504,836.
<b>2</b> Undistributed Income, if any, as of the end of 2010				
<b>a</b> Enter amount for 2009 only			423,781.	
<b>b</b> Total for prior years		0.		
<b>3</b> Excess distributions carryover, if any, to 2010				
<b>a</b> From 2005				
<b>b</b> From 2006				
<b>c</b> From 2007				
<b>d</b> From 2008				
<b>e</b> From 2009				
<b>f</b> Total of lines 3a through e	0.			
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 467,000.				
<b>a</b> Applied to 2009, but not more than line 2a			423,781.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2010 distributable amount				43,219.
<b>e</b> Remaining amount distributed out of corpus	0.			
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b		0.		
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
<b>d</b> Subtract line 6c from line 6b Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see instr			0.	
<b>f</b> Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				461,617.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2006				
<b>b</b> Excess from 2007				
<b>c</b> Excess from 2008				
<b>d</b> Excess from 2009				
<b>e</b> Excess from 2010				

**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 2010, 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)



## Part XVI-A

### Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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) Exclu- sion 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			14	48.	
4 Dividends and interest from securities			14	174,714.	
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					
8 Gain or (loss) from sales of assets other than inventory			18	92,825.	
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.		267,587.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13 267,587.	

(See worksheet in line 13 instructions to verify calculations )

**Part XVI-B**

### Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]



# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
- If you are filing for an **Additional! (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

<b>Type or print</b>	Name of exempt organization	Employer identification number
	THE SASSAFRAS FOUNDATION	20-3082522
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 3004	
File by the due date for filing your return. See instructions	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BRANFORD, CT 06405	

Enter the Return code for the return that this application is for (file a separate application for each return)

0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

EUCALYPTUS ASSOCIATES, INC. - P.O. BOX 29550, 567 RUGER

- The books are in the care of ► STREET - SAN FRANCISCO, CA 94129

Telephone No. ► 415-561-3346

FAX No ►

- If the organization does not have an office or place of business in the United States, check this box ☐

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ☐ . If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15, 2011, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
► ☒ calendar year 2010 or  
► ☐ tax year beginning , and ending .

- 2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return  
☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	2,325.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	3,704.
c	Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 1-2011)

THE SASSAFRAS 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	7553.795 SHS. VANGUARD TOTAL STK. MKT. ADMIRAL	P	VARIOUS	07/19/10
b	9419.744 SHS. VANGUARD TOTAL STK. MKT. ADMIRAL	P	VARIOUS	07/19/10
c	KESTREL INVESTMENT MGMT. - SEE SUPP. A	P	VARIOUS	VARIOUS
d	KESTREL INVESTMENT MGMT. - SEE SUPP. A	P	VARIOUS	VARIOUS
e	19.72 SHS. CAPITAL WORLD GROWTH & INC FUND	P	12/17/09	01/29/10
f	20.787 SHS. CAPITAL WORLD GROWTH & INC. FUND	P	12/17/09	05/06/10
g	18.576 SHS. CAPITAL WORLD GROWTH & INC. FUND	P	12/17/09	07/28/10
h	17.862 SHS. CAPITAL WORLD GROWTH & INC. FUND	P	02/16/08	10/28/10
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 200,000.		234,088.	-34,088.
b 250,000.		292,610.	-42,610.
c 237,530.		221,296.	16,234.
d 904,476.		762,418.	142,058.
e 635.		671.	-36.
f 650.		707.	-57.
g 600.		632.	-32.
h 630.		677.	-47.
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			-34,088.
b			-42,610.
c			16,234.
d			142,058.
e			-36.
f			-57.
g			-32.
h			-47.
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	81,422.
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

FORM 990-PF

GAIN OR (LOSS) FROM SALE OF ASSETS

STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
7553.795 SHS. VANGUARD TOTAL STK. MKT. ADMIRAL	PURCHASED	VARIOUS	07/19/10

  

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
200,000.	234,088.	0.	0.	-34,088.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
9419.744 SHS. VANGUARD TOTAL STK. MKT. ADMIRAL	PURCHASED	VARIOUS	07/19/10

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
250,000.	292,610.	0.	0.	-42,610.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
KESTREL INVESTMENT MGMT. - SEE SUPP. A-2	PURCHASED	VARIOUS	VARIOUS

  

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
237,530.	221,296.	0.	0.	16,234.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
KESTREL INVESTMENT MGMT. - SEE SUPP. A	904,476.	751,015.	0.	0.	153,461.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
19.72 SHS. CAPITAL WORLD GROWTH & INC FUND	635.	671.	0.	0.	-36.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
20.787 SHS. CAPITAL WORLD GROWTH & INC. FUND	650.	707.	0.	0.	-57.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
18.576 SHS. CAPITAL WORLD GROWTH & INC. FUND	600.	632.	0.	0.	-32.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
17.862 SHS. CAPITAL WORLD GROWTH & INC. FUND	PURCHASED	02/16/08	10/28/10

  

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
630.	677.	0.	0.	-47.

CAPITAL GAINS DIVIDENDS FROM PART IV 0.

TOTAL TO FORM 990-PF, PART I, LINE 6A 92,825.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
GOLDMAN SACHS - KESTREL ACCOUNT	48.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	48.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CAPITAL GUARDIAN TRUST CO.	27,872.	0.	27,872.
GOLDMAN SACHS-KESTREL A/C	18,220.	0.	18,220.
TIFF INT'L EQUITY FUND	50,110.	0.	50,110.
TIFF U.S. EQUITY FUND	13,101.	0.	13,101.
VANGUARD INFL. PROT. SECS.	42,984.	0.	42,984.
VANGUARD PRIME MONEY MKT. FUND	101.	0.	101.
VANGUARD TOT. STK, MKT. INDEX	22,326.	0.	22,326.
TOTAL TO FM 990-PF, PART I, LN 4	174,714.	0.	174,714.

FORM 990-PF	ACCOUNTING FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EUCALYPTUS ASSOCIATES	4,000.	3,000.		1,000.
TO FORM 990-PF, PG 1, LN 16B	4,000.	3,000.		1,000.

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 MGMT. FEES	18,340.	18,340.		0.
BANK FEE	12.	12.		0.
TO FORM 990-PF, PG 1, LN 16C	18,352.	18,352.		0.

FORM 990-PF	TAXES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL EXCISE TAX	3,704.	0.		0.
FOREIGN TAX	2,354.	2,354.		0.
EXCISE TAX REFUND	-2,704.	0.		0.
TO FORM 990-PF, PG 1, LN 18	3,354.	2,354.		0.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	7
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
VANGD. INFLAT. PROT. SECS. FUND	X		1,696,427.	1,807,190.
TOTAL U.S. GOVERNMENT OBLIGATIONS			1,696,427.	1,807,190.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			1,696,427.	1,807,190.

FORM 990-PF	CORPORATE STOCK	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CAPITAL GUARDIAN	987,840.	942,310.
KESTREL CAP. MGMT.-SEE SUPP. <b>B</b>	1,182,346.	1,498,368.
TIFF INT'L EQUITY FUND	1,497,432.	1,213,623.
TIFF U.S. EQUITY FUND	3,178,872.	2,747,695.
VANGD. TOTAL STK. MKT. FUND	1,015,952.	1,035,458.
TOTAL TO FORM 990-PF, PART II, LINE 10B	7,862,442.	7,437,454.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	9
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
HALL CAP. PARTNERS ABS. RET. FUND	COST	1,200,000.	1,407,594.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,200,000.	1,407,594.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS  
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 10

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
GORDON T. GEBALLE P.O. BOX 3004 BRANFORD, CT 06405	PRESIDENT, DIRECTOR 1.00	0.	0.	0.
SHELLEY D. GEBALLE P.O. BOX 3004 BRANFORD, CT 06405	SECT'Y/TREASURER/DIRECTOR 1.00	0.	0.	0.
JOSHUA G. GEBALLE P.O. BOX 3004 BRANFORD, CT 06405	DIRECTOR 0.50	0.	0.	0.
BENJAMIN D. GEBALLE P.O. BOX 3004 BRANFORD, CT 06405	DIRECTOR 0.50	0.	0.	0.
DANIEL W. GEBALLE P.O. BOX 3004 BRANFORD, CT 06405	DIRECTOR 0.50	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

GRANTS AND CONTRIBUTIONS  
PAID DURING THE YEAR

STATEMENT 11

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
AMERICAN FARMLAND TRUST 1200 18TH STREET, N.W. STE 800 WASHINGTON, DC 20036	N/A GENERAL SUPPORT	PUBLIC CHARITY	2,000.
CENTER FOR CHILDREN'S ADVOCACY 65 ELIZABETH ST. HARTFORD, CT 06105	N/A GENERAL SUPPORT	PUBLIC CHARITY	10,000.
CHRISTIAN COMMUNITY ACTION 168 DAVENPORT AVENUE NEW HAVEN, CT 06519	N/A GENERAL SUPPORT	PUBLIC CHARITY	55,000.
CONNECTICUT FUND FOR THE ENVIRONMENT 142 TEMPLE STREET NEW HAVEN, CT 06510	N/A GENERAL SUPPORT	PUBLIC CHARITY	50,000.
CONNECTICUT NEWS PROJECT 175 MAIN STREET HARTFORD, CT 06106	N/A GENERAL SUPPORT	PUBLIC CHARITY	60,000.
CONNECTICUT PUBLIC BROADCASTING NETWORK 1049 ASYLUM AVENUE HARTFORD, CT 06105	N/A GENERAL SUPPORT	PUBLIC CHARITY	25,000.
CORPORATION FOR ENTERPRISE DEVELOPMENT 1200 G STREET, N.W., STE 400 WASHINGTON, DC 20005	N/A GENERAL SUPPORT	PUBLIC CHARITY	7,500.
DWIGHT HALL AT YALE PO BOX 209008 NEW HAVEN, CT 06520	N/A GENERAL SUPPORT	PUBLIC CHARITY	20,000.

## THE SASSAFRAS FOUNDATION

20-3082522

FRIENDS OF NEW HAVEN LEGAL ASSISTANCE 426 STATE STREET NEW HAVEN, CT 06510	N/A GENERAL SUPPORT	PUBLIC CHARITY	30,000.
INTERNATIONAL FESTIVAL FOR ARTS AND IDEAS 195 CHURCH ST. NEW HAVEN, CT 06510	N/A GENERAL SUPPORT	PUBLIC CHARITY	80,000.
JEWISH FEDERATION OF GREATER NEW HAVEN 360 AMITY ROAD WOODBRIDGE, CT 06525	N/A GENERAL SUPPORT	PUBLIC CHARITY	15,000.
LEADERSHIP, EDUCATION, ATHLETICS IN PARTNERSHIP 31 JEFFERSON STREET NEW HAVEN, CT 06511	N/A GENERAL SUPPORT	PUBLIC CHARITY	75,000.
LONG WHARF THEATRE 222 SARGENT DRIVE NEW HAVEN, CT 06511	N/A GENERAL SUPPORT	PUBLIC CHARITY	10,000.
ONLINE JOURNALISM PROJECT PO BOX 3288 WESTVILLE STATION, NH 06515	N/A GENERAL SUPPORT	PUBLIC CHARITY	5,000.
PARTNERSHIP FOR STRONG COMMUNITIES 227 LAWRENCE STREET HARTFORD, CT 06106	N/A GENERAL SUPPORT	PUBLIC CHARITY	2,000.
TRUST FOR PUBLIC LAND 100 WHITNEY AVENUE, 2D FLOOR NEW HAVEN, CT 06510	N/A GENERAL SUPPORT	PUBLIC CHARITY	2,000.
UNITED WAY OF GREATER NEW HAVEN 900 CHAPEL STREET NEW HAVEN, CT 06510	N/A GENERAL SUPPORT	PUBLIC CHARITY	10,000.
URBAN RESOURCES INITIATIVE 195 PROSPECT STREET NEW HAVEN, CT 06511	N/A GENERAL SUPPORT	PUBLIC CHARITY	7,500.

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

466,000.

The Sassafras Foundation      FEIN 20-3082522  
Kestrel Investment Management Corporation  
TAXABLE REALIZED GAINS AND LOSSES

From 01-01-10 Through 12-31-10

Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss
01/19/10	600	Horizon Lines Inc	13,424.11	3,853.99	(9,570.12)
01/29/10	1,100	Horizon Lines Inc	24,610.86	5,867.32	(18,743.54)
02/09/10	500	Dynamex Inc	10,037.74	7,544.25	(2,493.49)
02/23/10	600	People's United Finl	10,898.34	9,305.76	(1,592.58)
02/24/10	900	People's United Finl	16,347.52	14,041.08	(2,306.44)
03/09/10	600	GATX Corp	29,157.84	17,423.17	(11,734.67)
03/15/10	700	GATX Corp	34,017.48	20,316.68	(13,700.80)
03/16/10	600	AMN Healthcare Services	11,562.27	5,249.63	(6,312.64)
03/18/10	600	Clearwater Paper	5,935.61	31,773.13	25,837.52
03/29/10	700	Clearwater Paper	6,924.88	34,865.50	27,940.62
04/01/10	600	AMN Healthcare Services	11,562.27	5,211.69	(6,350.58)
04/14/10	1,000	AMN Healthcare Services	19,270.46	9,070.54	(10,199.92)
04/23/10	500	Rogers Corp	18,071.18	16,990.16	(1,081.02)
04/29/10	3,400	White Electronic Designs	20,969.55	23,800.00	2,830.45
05/04/10	600	Novatel Wireless	3,049.96	3,775.19	725.23
05/07/10	900	Novatel Wireless	4,574.94	5,421.05	846.11
05/11/10	500	Twin Disc, Inc	10,100.98	6,793.98	(3,307.00)
05/17/10	700	Novatel Wireless	3,558.29	4,257.67	699.38
05/18/10	1,300	Varian Inc	50,134.73	67,600.00	17,465.27
05/18/10	500	Rogers Corp	18,071.18	15,484.73	(2,586.45)
05/19/10	600	Omniceil Inc	8,999.40	8,255.92	(743.48)
05/20/10	600	Novatel Wireless	3,049.96	3,547.25	497.29
05/20/10	100	Rogers Corp	3,614.24	2,899.52	(714.72)
05/21/10	600	First Cash Finl Svcs	8,338.16	12,494.66	4,156.50
05/25/10	1,100	Novatel Wireless	5,591.59	6,456.56	864.97
06/10/10	600	Omniceil Inc	8,999.40	7,517.75	(1,481.65)
06/17/10	600	First Cash Finl Svcs	8,338.16	13,038.67	4,700.51
07/02/10	500	Twin Disc, Inc	10,100.98	5,656.80	(4,444.18)
07/06/10	100	Twin Disc, Inc	2,020.20	1,084.32	(935.88)
07/14/10	600	Omniceil Inc	8,999.40	7,751.08	(1,248.32)
07/22/10	800	First Cash Finl Svcs	11,117.54	19,457.67	8,340.13
07/23/10	900	Omniceil Inc	13,499.09	10,789.46	(2,709.63)
07/26/10	900	Aceto Corp	5,675.17	5,845.40	170.23
07/26/10	600	AmSurg Corp	12,258.10	11,146.79	(1,111.31)
07/26/10	900	Broadridge Financial	17,491.97	18,827.68	1,335.71
07/26/10	400	Cornell Companies	8,568.57	11,395.80	2,827.23
07/26/10	400	EMS Technologies	6,475.19	6,809.88	334.69
07/26/10	300	Exponent Inc	7,719.66	10,207.32	2,487.66

The Sassafras Foundation      FEIN 20-3082522  
Kestrel Investment Management Corporation  
TAXABLE REALIZED GAINS AND LOSSES

From 01-01-10 Through 12-31-10

Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss
07/26/10	1,400	FalconStor Software	5,613.55	4,276.92	(1,336.63)
07/26/10	400	First Mercury Financial	5,284.88	4,451.92	(832.96)
07/26/10	400	FMC Corp	12,308.15	24,522.58	12,214.43
07/26/10	200	Haemonetics Corp	11,032.41	11,039.81	7.40
07/26/10	600	HCC Insurance Holdings	14,960.55	15,574.23	613.68
07/26/10	400	Herley Industries	5,200.69	6,216.89	1,016.20
07/26/10	300	Innovative Soln & Supp	4,399.44	1,319.46	(3,079.98)
07/26/10	600	Jack Henry & Assoc	11,668.27	15,647.31	3,979.04
07/26/10	900	John Bean Technologies	11,364.89	14,555.36	3,190.47
07/26/10	500	Joy Global	10,020.58	29,487.00	19,466.42
07/26/10	300	L.B. Foster Company	10,811.24	8,553.36	(2,257.88)
07/26/10	500	LifePoint Hospitals	15,842.55	15,492.43	(350.12)
07/26/10	400	Magellan Health Svcs	12,087.65	14,918.74	2,831.09
07/26/10	300	Matthews International	9,537.06	10,749.53	1,212.47
07/26/10	300	Nash Finch Company	11,011.85	11,905.29	893.44
07/26/10	500	NTELOS Holdings	8,875.48	9,252.34	376.86
07/26/10	800	Orbital Sciences	12,989.27	11,773.80	(1,215.47)
07/26/10	1,300	Questcor Pharmaceuticals	6,508.16	12,116.96	5,608.80
07/26/10	700	RadioShack Corp	13,540.38	14,559.75	1,019.37
07/26/10	500	Red Robin Gourmet Burg	14,596.66	10,893.31	(3,703.35)
07/26/10	500	Silicon Laboratories	11,970.57	21,459.13	9,488.57
07/26/10	800	SkyWest Inc	10,562.94	10,019.83	(543.11)
07/26/10	600	Spectrum Control Inc	3,967.77	9,535.93	5,568.16
07/26/10	300	StanCorp Finl Group	13,810.27	11,429.80	(2,380.47)
07/26/10	400	Synovis Life Tech	5,535.03	5,974.21	439.18
07/26/10	400	Tech Data	16,165.77	16,265.92	100.15
07/26/10	400	Teledyne Technologies	13,899.09	16,967.95	3,068.86
07/26/10	700	Universal American	10,979.08	10,684.82	(294.26)
07/26/10	1,300	VAALCO Energy	6,330.46	7,799.86	1,469.40
07/26/10	500	Vascular Solutions	5,661.42	5,539.40	(122.02)
07/26/10	400	Volterra Semiconductor	4,477.68	10,889.81	6,412.13
07/26/10	700	Websense Inc	16,533.28	15,074.24	(1,459.04)
07/26/10	500	World Acceptance	14,099.33	20,658.15	6,558.83
07/26/10	800	Zep Inc	10,699.59	15,852.77	5,153.18
07/29/10	800	First Cash Finl Svcs	11,117.54	19,398.71	8,281.17
08/10/10	400	Red Robin Gourmet Burg	11,677.33	8,176.58	(3,500.75)
08/16/10	500	Red Robin Gourmet Burg	14,596.66	8,889.94	(5,706.72)
08/19/10	800	Cornell Companies	17,137.14	22,443.20	5,306.06

The Sassafras Foundation      FEIN 20-3082522  
Kestrel Investment Management Corporation  
TAXABLE REALIZED GAINS AND LOSSES

From 01-01-10 Through 12-31-10

Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss
10/12/10	400	PCTEL, Inc	1,713.52	2,429.95	716.43
10/13/10	600	FalconStor Software	2,405.81	1,864.04	(541.77)
10/29/10	600	FalconStor Software	2,405.81	1,650.15	(755.66)
11/03/10	500	Joy Global	10,020.58	35,195.00	25,174.42
11/04/10	600	FalconStor Software	2,405.81	1,531.35	(874.46)
11/09/10	1,100	FalconStor Software	4,410.64	2,982.59	(1,428.05)
11/12/10	700	Joy Global	14,028.81	50,993.92	36,965.11
12/03/10	300	L.B. Foster Company	10,811.24	11,094.35	283.12
12/08/10	600	Jack Henry & Assoc	11,668.27	17,329.56	5,661.29
12/20/10	1,100	Jack Henry & Assoc	21,391.82	32,325.92	10,934.10
12/29/10	600	Zep Inc	8,024.69	12,257.97	4,233.28
12/30/10	400	L.B. Foster Company	14,414.98	16,155.64	1,740.66
TOTAL GAINS					292,043.26
TOTAL LOSSES					(133,751.08)
					<hr/>
				983,713.55	1,142,005.73
					<hr/>
Book/ tax difference					11,402.43
Net gains per General Ledger					<hr/>
					169,694.61

## The Sassafras Foundation FEIN 20-3082522

## Kestrel Investment Management

## Gains/Losses - General Ledger

Year ending December 31, 2010

Acquisition Date	Sales Date	Security	Quantity	Cost Basis	Proceeds	Gain/Loss	
						Short-term	Long-term
02/07/08	01/19/10	Horizon Lines	400	9,188.64	2,569.33		(6,619.31)
02/20/08	01/19/10	Horizon Lines	200	4,327.44	1,284.66		(3,042.78)
02/20/08	01/29/10	Horizon Lines	400	8,654.88	2,133.57		(6,521.31)
02/21/08	01/29/10	Horizon Lines	700	15,624.77	3,733.75		(11,891.02)
04/20/06	02/09/10	Dynamex Inc	500	10,259.60	7,544.25		(2,715.35)
06/15/07	02/23/10	People's United Financial	200	3,688.50	3,101.92		(586.58)
07/10/07	02/23/10	People's United Financial	400	7,372.76	6,203.84		(1,168.92)
07/10/07	02/24/10	People's United Financial	200	3,686.38	3,120.24		(566.14)
07/24/07	02/24/10	People's United Financial	700	12,386.78	10,920.84		(1,465.94)
04/05/07	03/09/10	GATX	500	24,031.55	14,519.31		(9,512.24)
04/12/07	03/15/10	GATX	100	4,912.97	2,903.86		(2,009.11)
04/12/07	03/15/10	GATX	700	34,390.79	20,316.68		(14,074.11)
10/05/07	03/16/10	AMN Healthcare Services	100	1,992.30	874.94		(1,117.36)
10/11/07	03/16/10	AMN Healthcare Services	500	9,538.65	4,374.69		(5,163.96)
01/08/09	03/18/10	Clearwater Paper	400	4,296.96	21,182.09		16,885.13
01/15/09	03/18/10	Clearwater Paper	200	1,846.36	10,591.04		8,744.68
01/15/09	03/29/10	Clearwater Paper	700	6,462.26	34,865.50		28,403.24
10/11/07	04/01/10	AMN Healthcare Services	100	1,907.73	868.62		(1,039.12)
10/31/07	04/01/10	AMN Healthcare Services	500	9,569.90	4,343.08		(5,226.83)
10/31/07	04/14/10	AMN Healthcare Services	500	9,569.90	4,535.27		(5,034.63)
11/01/08	04/14/10	AMN Healthcare Services	500	9,490.25	4,535.27		(4,954.98)
05/08/08	04/23/10	Rogers Corp	300	10,356.90	10,194.10		(162.80)
05/23/08	04/23/10	Rogers Corp	200	7,552.34	6,796.06		(756.28)
12/19/06	04/29/10	White Electronic Designs	600	3,325.62	3,966.67		641.05
12/28/06	04/29/10	White Electronic Designs	600	3,362.04	3,966.67		604.63
02/21/07	04/29/10	White Electronic Designs	600	3,874.98	3,966.67		91.69
03/06/07	04/29/10	White Electronic Designs	600	4,023.18	3,966.67		(56.51)
03/22/07	04/29/10	White Electronic Designs	600	3,984.48	3,966.67		(17.81)
03/27/07	04/29/10	White Electronic Designs	600	4,030.98	3,966.65		(64.33)
10/13/08	05/04/10	Novatel Wireless	600	3,340.62	3,775.19		434.57
10/13/08	05/07/10	Novatel Wireless	100	556.77	602.34		45.57
10/16/08	05/07/10	Novatel Wireless	700	3,408.93	4,216.37		807.44
10/23/08	05/07/10	Novatel Wireless	100	419.01	602.34		183.33
06/03/08	05/11/10	Twin Disc Inc	400	7,652.56	5,435.18		(2,217.38)
06/16/08	05/11/10	Twin Disc Inc	100	2,111.96	1,358.80		(753.16)
10/23/08	05/17/10	Novatel Wireless	500	2,095.05	3,041.19		946.14
10/29/08	05/17/10	Novatel Wireless	200	970.82	1,216.48		245.66
05/23/08	05/18/10	Rogers Corp	500	15,104.68	15,484.73		380.05
03/02/06	05/18/10	Varian Inc	1,300	52,325.00	67,600.00		15,275.00
07/17/08	05/19/10	Omniceil Inc	600	7,599.00	8,255.92		656.92
10/23/08	05/20/10	Novatel Wireless	500	2,427.05	2,956.04		528.99
11/05/08	05/20/10	Novatel Wireless	100	525.86	591.21		65.35
05/23/08	05/20/10	Rogers Corp	100	3,776.17	2,899.52		(876.65)
04/10/08	05/21/10	First Cash Financial	600	7,876.80	12,494.66		4,617.86
11/05/08	05/20/10	Novatel Wireless	1,100	5,784.46	6,456.56		672.10
07/25/08	06/10/10	Omniceil Inc	600	9,942.60	7,517.75		(2,424.85)
04/15/08	06/17/10	First Cash Financial	500	7,717.92	13,038.67		5,320.75
06/16/08	07/02/10	Twin Disc Inc	500	10,559.80	5,656.80		(4,903.00)

## The Sassafras Foundation FEIN 20-3082522

## Kestrel Investment Management

## Gains/Losses - General Ledger

Year ending December 31, 2010

Acquisition Date	Sales Date	Security	Quantity	Cost Basis	Proceeds	Gain/Loss	
						Short-term	Long-term
06/16/08	07/06/10	Twin Disc Inc	100	2,111.96	1,084.32		(1,027.64)
07/25/08	07/14/10	Omniceil Inc	100	1,657.10	1,291.85		(365.25)
07/27/08	07/14/10	Omniceil Inc	500	8,319.25	6,459.23		(1,860.02)
05/06/08	07/27/10	First Cash Financial	600	9,128.40	14,593.25		5,464.85
05/07/08	07/27/10	First Cash Financial	200	3,149.10	4,864.42		1,715.32
07/27/08	07/23/10	Omniceil Inc	100	1,663.85	1,198.83		(465.02)
08/01/08	07/23/10	Omniceil Inc	800	12,785.84	9,590.63		(3,195.21)
03/08/10	07/26/10	Aceto Corp	600	3,538.38	3,896.93	358.55	
03/23/10	07/26/10	Aceto Corp	300	1,872.75	1,948.47	75.72	
06/12/09	07/26/10	Amsurg Corp	600	11,852.94	11,146.79		(706.15)
04/04/07	07/26/10	Broadbridge Financial	900	17,172.54	18,827.68		1,655.14
09/22/09	07/26/10	Cornell Companies	400	8,467.00	11,395.80	2,928.80	
03/11/10	07/26/10	EMS Technologies	400	6,399.00	6,809.88	410.88	
06/08/09	07/26/10	Exponent Inc	300	8,177.91	10,207.32		2,029.41
06/08/06	07/26/10	FMC Corp	400	-	24,522.58		24,522.58
11/16/09	07/26/10	FalconStor Software	600	2,445.36	1,832.97	(612.39)	
12/02/09	07/26/10	FalconStor Software	600	2,418.90	1,832.97	(585.93)	
12/14/09	07/26/10	FalconStor Software	200	820.24	610.99	(209.25)	
10/20/09	07/26/10	First Mercury Financial	400	5,574.12	4,451.92	(1,122.20)	
08/26/08	07/26/10	HCC Insurance Holdings	300	7,121.04	7,787.12		666.08
08/27/08	07/26/10	HCC Insurance Holdings	300	7,253.07	7,787.12		534.05
11/05/09	07/26/10	Haemonetics Corp	200	11,027.92	11,039.81	11.89	
03/11/08	07/26/10	Herley Industries	200	2,246.22	3,108.45		862.23
05/08/08	07/26/10	Herley Industries	200	2,762.94	3,108.45		345.51
04/10/06	07/26/10	Innovative Soln & Supply	300	3,931.50	1,319.46		(2,612.04)
06/15/09	07/26/10	Jack Henry & Assoc	600	11,172.60	15,647.31		4,474.71
08/01/08	07/26/10	John Bean Technologies	900	12,240.36	14,555.36		2,315.00
11/24/08	07/26/10	Joy Global	200	3,790.40	11,794.80		8,004.40
01/26/09	07/26/10	Joy Global	300	6,125.76	17,692.20		11,566.44
08/29/08	07/26/10	LB Foster Co	300	11,655.33	8,553.36		(3,101.97)
05/12/08	07/26/10	LifePoint Hospitals	400	12,462.44	12,393.94		(68.50)
05/14/08	07/26/10	LifePoint Hospitals	100	3,196.63	3,098.49		(98.14)
10/09/09	07/26/10	Magellan Health Svcs	400	11,917.00	14,918.74	3,001.74	
05/26/10	07/26/10	Matthews Int'l	300	9,642.90	10,749.53	1,106.63	
12/09/09	07/26/10	NTELOS Hldgs	500	8,796.90	9,252.34	455.44	
12/17/09	07/26/10	Nash Finch Co	300	10,802.10	11,905.29	1,103.19	
06/04/09	07/26/10	Orbital Sciences	600	9,807.48	8,830.35		(977.13)
06/11/09	07/26/10	Orbital Sciences	200	3,389.50	2,943.45		(446.05)
09/23/09	07/26/10	Questcor Pharmaceuticals	600	3,281.40	5,592.44	2,311.04	
09/29/09	07/26/10	Questcor Pharmaceuticals	600	3,327.72	5,592.44	2,264.72	
10/06/09	07/26/10	Questcor Pharmaceuticals	100	562.38	932.07	369.69	
05/18/10	07/26/10	RadioShack Corp	700	13,714.26	14,559.75	845.49	
09/08/08	07/26/10	Red Robin Gourmet	400	11,859.00	8,714.65		(3,144.35)
09/23/08	07/26/10	Red Robin Gourmet	100	2,887.54	2,178.66		(708.88)
02/06/09	07/26/10	Silicon Laboratories	200	5,121.30	8,583.65		3,462.35
02/17/09	07/26/10	Silicon Laboratories	300	6,968.22	12,875.48		5,907.26
03/17/09	07/26/10	SkyWest Inc	100	1,193.85	1,252.48		58.63
04/03/09	07/26/10	SkyWest Inc	700	9,807.70	8,767.35		(1,040.35)

## The Sassafras Foundation FEIN 20-3082522

## Kestrel Investment Management

## Gains/Losses - General Ledger

Year ending December 31, 2010

Acquisition Date	Sales Date	Security	Quantity	Cost Basis	Proceeds	Gain/Loss	
						Short-term	Long-term
09/15/08	07/26/10	Spectrum Control	600	4,447.32	9,535.93		5,088.61
03/03/10	07/26/10	StanCorp Financial	300	13,520.43	11,429.80	(2,090.63)	
02/09/10	07/26/10	Synovis Life Tech	400	5,231.28	5,974.21	742.93	
05/19/10	07/26/10	Tech Data	400	16,145.20	16,265.92	120.72	
09/11/09	07/26/10	Teledyne Technologies	400	13,446.56	16,967.95	3,521.39	
03/09/10	07/26/10	Universal American	600	9,573.12	9,158.42	(414.70)	
03/19/10	07/26/10	Universal American	100	1,570.54	1,526.40	(44.14)	
08/14/09	07/26/10	VAALCO Energy	700	3,346.42	4,199.92	853.50	
08/19/09	07/26/10	VAALCO Energy	600	3,044.16	3,599.94	555.78	
05/06/10	07/26/10	Vascular Solutions	500	5,110.90	5,539.40	428.50	
12/12/07	07/26/10	Volterra Semiconductor	200	2,445.88	5,444.91		2,999.03
12/13/07	07/26/10	Volterra Semiconductor	200	2,372.90	5,444.91		3,072.01
04/13/10	07/26/10	Websense Inc	600	14,425.32	12,920.78	(1,504.54)	
04/20/10	07/26/10	Websense Inc	100	2,478.16	2,153.46	(324.70)	
03/02/06	07/26/10	World Acceptance	500	12,880.00	20,658.15		7,778.15
11/08/07	07/26/10	Zep Inc	100	1,278.23	1,981.60		703.37
11/12/07	07/26/10	Zep Inc	600	7,429.80	11,889.58		4,459.78
12/04/07	07/26/10	Zep Inc	100	1,331.27	1,981.60		650.33
05/07/08	07/29/10	First Cash Financial	300	4,723.65	7,274.52		2,550.87
05/13/08	07/29/10	First Cash Financial	500	7,477.00	12,124.19		4,647.19
09/23/08	08/10/10	Red Robin Gourmet	400	11,550.16	8,176.58		(3,373.58)
09/23/08	08/16/10	Red Robin Gourmet	500	14,437.70	8,889.94		(5,547.76)
09/22/09	08/19/10	Cornell Companies	100	2,116.75	2,805.40	688.65	
10/07/09	08/19/10	Cornell Companies	700	15,121.96	19,637.80	4,515.84	
03/11/09	10/12/10	PCTEL Inc	400	1,660.24	2,429.95		769.71
12/14/09	10/13/10	FalconStor Software	500	2,050.60	1,553.37	(497.23)	
01/06/10	10/13/10	FalconStor Software	100	428.91	310.67	(118.24)	
01/06/10	10/29/10	FalconStor Software	600	2,573.46	1,650.15	(923.31)	
01/26/09	11/03/10	Joy Global	500	10,209.60	35,195.00		24,985.40
01/30/09	11/12/10	Joy Global	400	8,167.68	29,139.38		20,971.70
01/30/09	11/12/10	Joy Global	300	6,212.19	21,854.54		15,642.35
01/13/10	11/09/10	FalconStor Software	600	2,685.42	1,531.35	(1,154.07)	
01/28/10	11/12/10	FalconStor Software	600	2,076.72	1,626.87	(449.85)	
02/01/10	11/12/10	FalconStor Software	500	1,742.00	1,355.72	(386.28)	
09/10/08	12/03/10	LB Foster Co	300	10,208.31	11,094.35		886.04
06/26/09	12/08/10	Jack Henry & Assoc	600	11,716.26	17,329.56		5,613.30
07/08/09	12/20/10	Jack Henry & Assoc	600	11,954.64	17,632.32		5,677.68
07/09/09	12/20/10	Jack Henry & Assoc	500	9,884.85	14,693.60		4,808.75
12/04/07	12/29/10	Zep Inc	500	6,656.35	10,214.97		3,558.62
12/13/07	12/29/10	Zep Inc	100	1,443.04	2,043.00		599.96
09/10/08	12/30/10	LB Foster Co	400	13,611.08	16,155.64		2,544.56
Short-term gains/losses				221,296.24	237,529.87	16,233.63	
Long-term gains/losses				751,014.87	904,475.85		153,460.98
				972,311.11	1,142,005.72	16,233.63	153,460.98

Kestrel Investment Management Corporation  
PORTFOLIO APPRAISAL WITH CUSIP  
*The Sassafra Foundation*  
December 31, 2010

Security	Cusip	Quantity	Security	Unit	Total	Price	Market	Pct
Symbol				Cost	Cost	Value	Assets	Yield
<b>RESTRUCTURING</b>								
ACET	004446100	2,300	Aceto Corp	6 31	14,503 20	9 0000	20,700 00	1 4 2 2
AMSG	03232P405	1,600	AmSurg Corp	20 43	32,688 26	20 9500	33,520 00	2 2 0 0
EAT	109641100	2,500	Brinker International	15 99	39,963 03	20 8800	52,200 00	3 4 2 7
BR	11133T103	2,400	Broadridge Financial	19 44	46,645 27	21 9300	52,632 00	3 5 2 7
CACI	127190304	800	CACI International	51 15	40,916 72	53 4000	42,720 00	2 8 0 0
ELMG	26873N108	900	EMS Technologies	16 19	14,569 18	19 7800	17,802 00	1 2 0 0
EXPO	30214U102	700	Exponent Inc	25 73	18,012 54	37 5400	26,278 00	1 7 0 0
FMC	302491303	1,200	FMC Corp	30 77	36,924 44	79 8900	95,868 00	6 3 0 6
FAF	31847R102	2,800	First American Financial	14 50	40,611 22	14 9400	41,832 00	2 7 1 6
FMR	320841109	800	First Mercury Financial	13 21	10,569 76	16 4000	13,120 00	0 9 0 6
HCC	404132102	1,700	HCC Insurance Holdings	24 93	42,388 23	28 9400	49,198 00	3 2 2 0
HAE	405024100	700	Haemonetics Corp	55 16	38,613 43	63 1800	44,226 00	2 9 0 0
HRLY	427398102	1,100	Herley Industries	13 00	14,301 91	17 3200	19,052 00	1 3 0 0
ISSC	45769N105	1,000	Innovative Soln & Supp	14 66	14,664 80	5 6700	5,670 00	0 4 0 0
IDTI	458118106	6,900	Integrated Device Tech	6 55	45,178 30	6 6600	45,954 00	3 0 0 0
JBT	477839104	2,300	John Bean Technologies	12 63	29,043 62	20 1300	46,299 00	3 0 1 4
LNDC	514766104	1,300	Landec Corp	6 17	8,027 24	5 9800	7,774 00	0 5 0 0
LPNT	53219L109	1,300	LifePoint Hospitals	31 69	41,190 64	36 7500	47,775 00	3 1 0 0
MGLN	559079207	1,200	Magellan Health Svcs	30 22	36,262 95	47 2800	56,736 00	3 7 0 0
MATW	577128101	800	Mathews International	31 79	25,432 16	34 9800	27,984 00	1 8 0 9
NCR	62886E108	1,200	NCR Corp	15 39	18,466 44	15 3700	18,444 00	1 2 0 0
NTLS	67020Q107	1,500	NTELOS Holdings	17 75	26,626 44	19 0500	28,575 00	1 9 5 9
NAFC	631158102	700	Nash Finch Company	36 71	25,694 33	42 5100	29,757 00	2 0 1 7
NAVG	638904102	400	Navigators Group	44 69	17,875 18	50 3500	20,140 00	1 3 0 0
ORB	685564106	2,100	Orbital Sciences	16 24	34,096 84	17 1300	35,973 00	2 4 0 0
PCTI	69325Q105	1,400	PCTEL, Inc	4 28	5,997 32	6 0000	8,400 00	0 6 0 0
OCOR	74835Y101	3,300	Questcor Pharmaceuticals	5 01	16,520 72	14 7300	48,609 00	3 2 0 0
RSH	750438103	2,000	RadioShack Corp	19 34	38,686 80	18 4900	36,980 00	2 4 1 4
SLAB	826919102	1,100	Silicon Laboratories	23 94	26,335 24	46 0200	50,622 00	3 3 0 0
SKYW	830879102	1,900	SkyWest Inc	13 20	25,086 97	15 6200	29,678 00	2 0 1 0
SPEC	847615101	1,800	Spectrum Control Inc	6 61	11,903 32	14 9900	26,982 00	1 8 0 0
SSI	85254C305	2,100	Stage Stores	16 17	33,948 51	17 3400	36,414 00	2 4 1 7
SFG	852891100	900	StanCorp Fnl Group	46 03	41,430 80	45 1400	40,626 00	2 7 1 9
SYNO	87162G105	1,000	Synovus Life Tech	13 84	13,837 58	16 1100	16,110 00	1 1 0 0
TECD	878237106	900	Tech Data	40 41	36,372 98	44 0200	39,618 00	2 6 0 0
TDY	879360105	1,000	Teledyne Technologies	34 75	34,747 71	43 9700	43,970 00	2 9 0 0
UAM	913377107	1,700	United American	15 68	26,663 48	20 4500	34,765 00	2 3 0 0
EGY	91851C201	3,400	VAALCO Energy	4 87	16,556 57	7 1600	24,344 00	1 6 0 0

Kestrel Investment Management Corporation  
PORTFOLIO APPRAISAL WITH CUSIP  
*The Sassafra Foundation*  
December 31, 2010

Security Symbol	Cusip	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct Assets	Yield
VASC	92231M109	1,300	Vascular Solutions	11 32	14,719 68	11 7200	15,236 00	1 0	0 0
VLTR	928708106	1,200	Volterra Semiconductor	11 19	13,433 05	23 1600	27,792 00	1 8	0 0
WBSN	947684106	1,700	WebSense Inc	23 62	40,152 26	20 2500	34,425 00	2 3	0 0
WRLD	981419104	1,000	World Acceptance	28 20	28,198 65	52 8000	52,800 00	3 5	0 0
ZEP	98944B108	1,400	Zep Inc	13 37	18,724 28	19 8800	27,832 00	1 8	0 8
EHTH	28238P109	1,500	eHealth Inc	15 10	22,645 02	14 1900	21,285 00	1 4	0 0
					1,179,227 08		1,496,717 00	98 3	0 7
					<del>3,118,522</del>				
					1,182,545 63				
					23,463 28		23,463 28	1 5	0 1
					1,650 50		1,650 50	0 1	0 0
					25,113 78		25,113 78	1 7	0 1
					1,204,340 86		1,521,830 78	100 0	0 7

*Adjust to Book*

CASH AND EQUIVALENTS

SASSCA  
DIVACCR  
Cash - Sassafra Foundation  
Dividend & Interest Accruals

TOTAL PORTFOLIO

Kestrel Investment Management Corporation  
PORTFOLIO APPRAISAL WITH CUSIP  
*The Sassafras Foundation*  
December 31, 2010

Security Symbol	Cusip	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct Assets	Yield
<b>RESTRUCTURING</b>									
ACET	004446100	2,300	Aceto Corp	6 31	14,503 20	9 0000	20,700 00	1 4	2 2
AMSG	03232P405	1,600	AmSurg Corp	20 43	32,688 26	20 9500	33,520 00	2 2	0 0
EAT	109641100	2,500	Brinker International	15 99	39,963 03	20 8800	52,200 00	3 4	2 7
BR	11133T103	2,400	Broadridge Financial	19 44	46,645 27	21 9300	52,632 00	3 5	2 7
CACI	127190304	800	CACI International	51 15	40,916 72	53 4000	42,720 00	2 8	0 0
ELMG	26873N108	900	EMS Technologies	16 19	14,569 18	19 7800	17,802 00	1 2	0 0
EXPO	30214U102	700	Exponent Inc	25 73	18,012 54	37 5400	26,278 00	1 7	0 0
FMC	302491303	1,200	FMC Corp	30 77	36,924 44	79 8900	95,868 00	6 3	0 6
FAF	31847R102	2,800	First American Financial	14 50	40,611 22	14 9400	41,832 00	2 7	1 6
FMR	320841109	800	First Mercury Financial	13 21	10,569 76	16 4000	13,120 00	0 9	0 6
HCC	404132102	1,700	HCC Insurance Holdings	24 93	42,388 23	28 9400	49,198 00	3 2	2 0
HAE	405024100	700	Haemonetics Corp	55 16	38,613 43	63 1800	44,226 00	2 9	0 0
HRLY	427398102	1,100	Herley Industries	13 00	14,301 91	17 3200	19,052 00	1 3	0 0
ISSC	45769N105	1,000	Innovative Soln & Supp	14 66	14,664 80	5 6700	5,670 00	0 4	0 0
IDTI	458118106	6,900	Integrated Device Tech	6 55	45,178 30	6 6600	45,954 00	3 0	0 0
JBT	477839104	2,300	John Bean Technologies	12 63	29,043 62	20 1300	46,299 00	3 0	1 4
LNDC	514766104	1,300	Landec Corp	6 17	8,027 24	5 9800	7,774 00	0 5	0 0
LPNT	53219L109	1,300	LifePoint Hospitals	31 69	41,190 64	36 7500	47,775 00	3 1	0 0
MGLN	559079207	1,200	Magellan Health Svcs	30 22	36,262 95	47 2800	56,736 00	3 7	0 0
MATW	577128101	800	Mathews International	31 79	25,432 16	34 9800	27,984 00	1 8	0 9
NCR	62886E108	1,200	NCR Corp	15 39	18,466 44	15 3700	18,444 00	1 2	0 0
NTLS	67020Q107	1,500	NTELOS Holdings	17 75	26,626 44	19 0500	28,575 00	1 9	5 9
NAFC	631158102	700	Nash Finch Company	36 71	25,694 33	42 5100	29,757 00	2 0	1 7
NAVG	638904102	400	Navigators Group	44 69	17,875 18	50 3500	20,140 00	1 3	0 0
ORB	685564106	2,100	Orbital Sciences	16 24	34,096 84	17 1300	35,973 00	2 4	0 0
PCTI	69325Q105	1,400	PCTEL, Inc	4 28	5,997 32	6 0000	8,400 00	0 6	0 0
QCOR	74835Y101	3,300	Questcor Pharmaceuticals	5 01	16,520 72	14 7300	48,609 00	3 2	0 0
RSB	750438103	2,000	RadioShack Corp	19 34	38,686 80	18 4900	36,980 00	2 4	1 4
SLAB	826919102	1,100	Silicon Laboratories	23 94	26,335 24	46 0200	50,622 00	3 3	0 0
SKYW	830879102	1,900	SkyWest Inc	13 20	25,086 97	15 6200	29,678 00	2 0	1 0
SPEC	847615101	1,800	Spectrum Control Inc	6 61	11,903 32	14 9900	26,982 00	1 8	0 0
SSI	85254C305	2,100	Stage Stores	16 17	33,948 51	17 3400	36,414 00	2 4	1 7
SFG	852891100	900	StartCorp Finl Group	46 03	41,430 80	45 1400	40,626 00	2 7	1 9
SYNO	87162G105	1,000	Synovis Life Tech	13 84	13,837 38	16 1100	16,110 00	1 1	0 0
TECD	878237106	900	Tech Data	40 41	36,372 98	44 0200	39,618 00	2 6	0 0
TDY	879360105	1,000	Teledyne Technologies	34 75	34,747 71	43 9700	43,970 00	2 9	0 0
UAM	913377107	1,700	Universal American	15 68	26,563 48	20 4500	34,765 00	2 3	0 0
EGY	91851C201	3,400	VAALCO Energy	4 87	16,556 57	7 1600	24,344 00	1 6	0 0

**Kestrel Investment Management Corporation**

Security	Cusip	Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct Assets	Yield
VASC	92231M109	1,300	Vascular Solutions	11.32	14,719.68	11,720.00	15,236.00	1.0	0.0
VLTR	928708106	1,200	Volterra Semiconductor	11.19	13,433.05	23,160.00	27,792.00	1.8	0.0
WBSN	947684106	1,700	WebSense Inc	23.62	40,152.26	20,250.00	34,425.00	2.3	0.0
WRLD	981419104	1,000	World Acceptance	28.20	28,198.65	52,800.00	52,800.00	3.5	0.0
ZEP	98944B108	1,400	Zep Inc	13.37	18,724.28	19,880.00	27,832.00	1.8	0.8
EHTH	28238P109	1,500	eHealth Inc	15.10	22,645.02	14,190.00	21,285.00	1.4	0.0
					1,179,227.08		1,496,717.00	98.3	0.7
<b>CASH AND EQUIVALENTS</b>					118,254.65				
SASSCA			Cash - Sassafras Foundation		23,463.28		23,463.28	1.5	0.1
DIVACCR			Dividend & Interest Accruals		1,650.50		1,650.50	0.1	0.0
					25,113.78		25,113.78	1.7	0.1
<b>TOTAL PORTFOLIO</b>					1,204,340.86		1,521,830.78	100.0	0.7