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

OMB No 1545-0052

2010Department 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 THE SYLVAN C. HERMAN FOUNDATION, INC.		A Employer identification number 20-3265230
Number and street (or P O box number if mail is not delivered to street address) 1120 VERMONT AVENUE NW	Room/suite 900	B Telephone number 202-296-8366
City or town, state, and ZIP code WASHINGTON, DC 20005		C If exemption application is pending, check here ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 20,015,785.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
(Part I, column (d) must be on cash basis)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(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		1,500,000.		N/A	
2 Check ☐ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		494,134.	494,134.		STATEMENT 1
4 Dividends and interest from securities		167,297.	167,297.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		651,214.			
b Gross sales price for all assets on line 6a 15,630,797.					
7 Capital gain net income (from Part IV, line 2)			651,214.		
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		2,812,645.	1,312,645.		
13 Compensation of officers, directors, trustees, etc		7,500.	0.		7,500.
14 Other employee salaries and wages		110,993.	0.		110,993.
15 Pension plans, employee benefits					
16a Legal fees STMT 3		10,665.	5,333.		5,332.
b Accounting fees STMT 4		19,241.	9,621.		9,620.
c Other professional fees					
17 Interest					
18 Taxes STMT 5		27,513.	796.		717.
19 Depreciation and depletion					
20 Occupancy		11,608.	0.		11,608.
21 Travel, conferences, and meetings		16,554.	0.		16,554.
22 Printing and publications					
23 Other expenses STMT 6		70,939.	30,802.		40,137.
24 Total operating and administrative expenses. Add lines 13 through 23		275,013.	46,552.		202,461.
25 Contributions, gifts, grants paid		5,000.			5,000.
26 Total expenses and disbursements. Add lines 24 and 25		280,013.	46,552.		207,461.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		2,532,632.			
b Net investment income (if negative, enter -0-)			1,266,093.		
c Adjusted net income (if negative, enter -0-)				N/A	

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12-07-10

LHA For Paperwork Reduction Act Notice, see the instructions.

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only			Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value			
Assets	1	Cash - non-interest-bearing				167,200.	167,200.
	2	Savings and temporary cash investments			4,381,932.	4,336,436.	4,351,145.
	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 7	5,609,523.	8,105,863.	8,692,931.		
	c	Investments - corporate bonds STMT 8	6,834,607.	5,398,510.	5,452,960.		
Liabilities	11	Investments - land, buildings, and equipment basis ▶					
		Less: accumulated depreciation ▶					
	12	Investments - mortgage loans					
	13	Investments - other STMT 9	0.	244,823.	244,823.		
	14	Land, buildings, and equipment: basis ▶ 1,106,726.					
		Less: accumulated depreciation ▶	0.	1,106,726.	1,106,726.		
	15	Other assets (describe ▶)					
	16	Total assets (to be completed by all filers)	16,826,062.	19,359,558.	20,015,785.		
	17	Accounts payable and accrued expenses					
	18	Grants payable					
Net Assets or Fund Balances	19	Deferred revenue					
	20	Loans from officers, directors, trustees, and other disqualified persons					
	21	Mortgages and other notes payable					
	22	Other liabilities (describe ▶ STATEMENT 10)	0.	864.			
23	Total liabilities (add lines 17 through 22)	0.	864.				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐						
	and complete lines 24 through 26 and lines 30 and 31.						
	24	Unrestricted					
	25	Temporarily restricted					
	26	Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☒						
	and complete lines 27 through 31.						
	27	Capital stock, trust principal, or current funds	0.	0.			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.			
	29	Retained earnings, accumulated income, endowment, or other funds	16,826,062.	19,358,694.			
30	Total net assets or fund balances	16,826,062.	19,358,694.				
31	Total liabilities and net assets/fund balances	16,826,062.	19,359,558.				

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	16,826,062.
2	Enter amount from Part I, line 27a	2	2,532,632.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	19,358,694.
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	19,358,694.

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 PUBLICLY TRADED SECURITIES		P	VARIOUS	VARIOUS
b PUBLICLY TRADED SECURITIES		P	VARIOUS	VARIOUS
c PUBLICLY TRADED SECURITIES		P	VARIOUS	VARIOUS
d PUBLICLY TRADED SECURITIES		P	VARIOUS	VARIOUS
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 9,446,621.		9,275,006.	171,615.
b 3,153,206.		3,087,691.	65,515.
c 2,518,448.		2,250,286.	268,162.
d 512,522.		366,600.	145,922.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			171,615.
b			65,515.
c			268,162.
d			145,922.
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	651,214.
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	154,531.	15,528,689.	.009951
2008	178,806.	14,320,690.	.012486
2007	858,993.	5,431,350.	.158155
2006	600,501.	2,059,056.	.291639
2005	4,570.	197,139.	.023182

2 Total of line 1, column (d)	2	.495413
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	.099083
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	17,442,796.
5 Multiply line 4 by line 3	5	1,728,285.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	12,661.
7 Add lines 5 and 6	7	1,740,946.
8 Enter qualifying distributions from Part XII, line 4	8	1,314,187.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.
See the Part VI instructions.

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	25,322.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	25,322.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	25,322.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
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 20,958.	7	40,958.
b Exempt foreign organizations - tax withheld at source	6b	8	
c Tax paid with application for extension of time to file (Form 8868)	6c 20,000.	9	
d Backup withholding erroneously withheld	6d	10	15,636.
7 Total credits and payments. Add lines 6a through 6d		11	0.
8 Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax 15,636. Refunded			

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
1b 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. \$ 0. (2) On foundation managers. \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		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) <u>DC, MD</u>		
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 SEE STATEMENT 11		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? Website address ► NOT APPLICABLE	13	X	
14	The books are in care of ► THE FOUNDATION Telephone no. ► 202-296-8366 Located at ► 1120 VERMONT AVENUE NW SUITE 900, WASHINGTON, DC ZIP+4 ► 20005			
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? 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 ►	16	Yes	No 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?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
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
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? If "Yes," list the years ►	☐ Yes ☒ No	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If "Yes," did it have excess business holdings in 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
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

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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

6b

X

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

If "Yes" to 6b, file Form 8870

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

☐ Yes ☒ No

7b

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

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
SEE STATEMENT 12		7,500.	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

1

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
DR. MICHAEL B. KNABLE - 4300 MONTGOMERY AVENUE, SUITE 304A, BETHESDA, MD 20814	CONSULTING	104,000.

Total number of others receiving over \$50,000 for professional services

1

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 NOT APPLICABLE	
	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	17,686,269.
b	Average of monthly cash balances	1b	22,153.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	17,708,422.
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	17,708,422.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	265,626.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	17,442,796.
6	Minimum investment return. Enter 5% of line 5	6	872,140.

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	872,140.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	25,322.
b	Income tax for 2010. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	25,322.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	846,818.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	846,818.
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	846,818.

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	207,461.
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	1,106,726.
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	1,314,187.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,314,187.

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
1 Distributable amount for 2010 from Part XI, line 7				846,818.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			202,509.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 1,314,187.				
a Applied to 2009, but not more than line 2a			202,509.	
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 2010 distributable amount				846,818.
e Remaining amount distributed out of corpus	264,860.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	264,860.			
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 2009 Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				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 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	264,860.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010	264,860.			

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year US DEPARTMENT OF VETERAN AFFAIRS 810 VERMONT AVENUE NW WASHINGTON, DC 20420		SEC. 501(C)(3)	FOR MENTAL HEALTH RESEARCH	5,000.
Total				5,000.
b Approved for future payment				
NONE				
Total				0.

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2010

Name of the organization

THE SYLVAN C. HERMAN FOUNDATION, INC.

Employer identification number

20-3265230

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

Employer identification number

THE SYLVAN C. HERMAN FOUNDATION, INC.

20-3265230

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	SYLVAN C. HERMAN 2310 KALORAMA RD, NW WASHINGTON, DC 20008	\$ 1,500,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
			Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

THE SYLVAN C. HERMAN FOUNDATION, INC.

20-3265230

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

THE SYLVAN C. HERMAN FOUNDATION, INC.

20-3265230

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this information once. See instructions.) ► \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

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

SOURCE	AMOUNT
SMITH BARNEY ACCT 628-39692-17	494,134.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	494,134.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MORGAN STANLEY CREDIT PARTNERS OFFSHORE FEEDER L.P.	4,866.	0.	4,866.
SMITH BARNEY ACCT 628-39692-17	107,879.	0.	107,879.
SMITH BARNEY ACCT 628-78763-19	54,552.	0.	54,552.
TOTAL TO FM 990-PF, PART I, LN 4	167,297.	0.	167,297.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL	10,665.	5,333.		5,332.
TO FM 990-PF, PG 1, LN 16A	10,665.	5,333.		5,332.

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	19,241.	9,621.		9,620.
TO FORM 990-PF, PG 1, LN 16B	19,241.	9,621.		9,620.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL TAX PAID	26,000.	0.		0.
FOREIGN TAX PAID	796.	796.		0.
PAYROLL TAX PAID	717.	0.		717.
TO FORM 990-PF, PG 1, LN 18	27,513.	796.		717.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT EXPENSES	30,802.	30,802.		0.
SUPPLIES	1,795.	0.		1,795.
MEALS AND ENTERTAINMENT	1,409.	0.		1,409.
RECRUITING	34,353.	0.		34,353.
SUBCONTRACTORS	1,610.	0.		1,610.
MAINTENANCE	180.	0.		180.
UTILITIES	379.	0.		379.
INSURANCE	155.	0.		155.
BANK SERVICE CHARGES	256.	0.		256.
TO FORM 990-PF, PG 1, LN 23	70,939.	30,802.		40,137.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SMITHBARNEY - STOCK	8,105,863.	8,692,931.
TOTAL TO FORM 990-PF, PART II, LINE 10B	8,105,863.	8,692,931.

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SMITHBARNEY - BONDS	5,398,510.	5,452,960.
TOTAL TO FORM 990-PF, PART II, LINE 10C	5,398,510.	5,452,960.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	9
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
INVESTMENT IN MS CREDIT PARTNERS OFF FEEDER LP	COST	244,823.	244,823.
TOTAL TO FORM 990-PF, PART II, LINE 13		244,823.	244,823.

FORM 990-PF	OTHER LIABILITIES	STATEMENT	10
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DESCRIPTION	BOY AMOUNT	EOY AMOUNT
PAYROLL WITHHOLDING	0.	864.
TOTAL TO FORM 990-PF, PART II, LINE 22	0.	864.

FORM 990-PF	EXPLANATION CONCERNING PART VII-A, LINE 8B	STATEMENT	11
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EXPLANATION

ON DEC. 12, 2008, THE DISTRICT OF COLUMBIA OFFICE OF TAX AND REVENUE
ELIMINATED THE IRS FORM 990-PF FILING OBLIGATION.

A COPY OF THE 990-PF HAS BEEN PROVIDED TO THE ATTORNEY GENERAL OF
MARYLAND.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS STATEMENT 12
 TRUSTEES AND FOUNDATION MANAGERS

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
SYLVAN C. HERMAN 1120 VERMONT AVENUE NW, SUITE 900 WASHINGTON, DC 20005	DIRECTOR/PRESIDENT 5.00	0.	0.	0.
C. RICHARD BEYDA 2000 L STREET NW, SUITE 675 WASHINGTON, DC 20036	DIRECTOR/SECRETARY 2.00	0.	0.	0.
ROBERT B. HERMAN 1120 VERMONT AVENUE NW, SUITE 900 WASHINGTON, DC 20005	DIRECTOR 0.50	0.	0.	0.
JAMES R. BEERS WATERGATE SOUTH #1004, 700 NEW HAMPSHIRE AVENUE NW WASHINGTON, DC 20037	DIRECTOR 1.00	0.	0.	0.
DR. STEVEN SHARFSTEIN SHEPPARD PRATT, 6501 N. CHARLES STREET BALTIMORE, MD 21204	DIRECTOR 0.50	7,500.	0.	0.
MATTHIAS B. BOWMAN CLINICAL TRIAL SOLUTIONS, 26 EAST WOODS LANE SCARSDALE, NY 10583	DIRECTOR 0.50	0.	0.	0.
DWAYNE HOLT 8219 LEESBURG PIKE, SUITE 800 VIENNA, VA 22182	DIRECTOR 1.00	0.	0.	0.
RICHARD F. LEVIN 2000 L STREET NW, SUITE 675 WASHINGTON, DC 20036	DIRECTOR 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		7,500.	0.	0.

The Sylvan C. Herman Foundation, Inc.

EIN: 20-3265230

Part VII-A line 11. Schedule of Controlled Entities Under 512(b)(13)

December 31, 2010

Entity Name	Address	City	State	Zip Code	Employer Identification Number
CLEARVIEW COMMUNITIES LLC	1120 VERMONT AVENUE NW, SUITE 900	WASHINGTON	DC	20005-3532	27-4060312
107 WEST THIRD STREET LLC	1120 VERMONT AVENUE NW, SUITE 900	WASHINGTON	DC	20005-3532	20-3265230
14 FAIRVIEW AVENUE LLC	1120 VERMONT AVENUE NW, SUITE 900	WASHINGTON	DC	20005-3532	20-3265230

Ref: 00000158 00020485

THE SYLVAN C. HERMAN
Account Number 628-39692-17 128

Details of 1099 Exempt Dividends 2010 - continued

Reference number	Description	Ordinary dividends	Alternative minimum tax
1600000800	JPMORGAN HIGHBRIDGE DYNAMIC COMMODITIES STRATEGY SELECT CL C		
1600000900	MORGAN STANLEY GLOBAL STRATEGIST FUND CLASS C A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	2,169.85	
1600010000	NUVEEN BUILD AMERICA BOND FUND	4,168.71	
1600011000	PIMCO TOTAL RETURN FUND CL A A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	29,601.29	
1600012000	WESTERN ASSET GOVERNMENT MONEY MARKET FUND CLASS A	2,537.55	
1600013000	*** TEVA PHARMACEUTICAL INDS LTD ADR THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT	747.26	
1600014000	TORTOISE MLP FUND A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED		
Totals		\$ 107,878.64	Amount
Total Foreign tax paid			\$ 67.25

Details of Short Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than \$20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.
For additional information regarding this section see enclosed brochure.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
1250000200	500,000	ANCHORAGE ALASKA ELEC UTIL REV TXBLE B/E REV DD 12/3/09 F/C 6/1/10 DUE 12/01/2025 RATE 5.977	11/20/09	08/11/10	\$ 513,135.00	\$ 499,995.00 \$ 499,995.00	\$ 13,140.00 \$ 13,140.00	\$ 0.00 \$ 13,140.00



Ref: 00000158 00020486

THE SYLVAN C. HERMAN

Account Number 628-39692-17 128

Details of Short Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000030	8,000	BB&T CAPITAL TRUST VII 8.10% YIELD/CL 7.863% 110114 25.000 8.1000% DUE 11/01/2064 NEXT CALL 11/01/14 AT 25.000	10/21/09	01/07/10	\$ 205,188.72	\$ 200,000.00 \$ 200,000.00	\$ 5,188.72 \$ 5,188.72	\$ 0.00 \$ 0.00
125000040	200,000	BP CAP MKTS P L C-USD DUE 08/11/2011 RATE 1.550 YTM 5.341 1.5500% FA-11 DUE 08/11/2011	06/23/10	07/06/10	192,078.00	190,302.00 190,302.00	1,776.00 1,776.00	256.00 1,520.00
125000080	1,000,000	CALIFORNIA ST VAR PURP TXBLE B/E GO DD 10/15/09 F/C 4/1/10 DUE 10/01/2013 RATE 3.750	10/08/09	06/29/10	1,000,030.00	986,480.00 986,480.00	3,550.00 3,550.00	0.00 3,550.00
125000120	10,000	CITIGROUP FDG INC ELKS 10.00% PA BASED UPON THE COMMON STOCK PROCEEDS INCLUDE PREMIUM AMOUNT \$9656.00	11/20/09	12/22/10	109,656.00	100,000.00 100,000.00	9,656.00 9,656.00	0.00 0.00
125000130	10,000	CITIGROUP CAP XII TRUPS 8.5% FIX TO FLT TRUST PFD SECURITY YIELD/CL 7.732% 033015 25.000 8.5000% DUE 03/30/2040	03/10/10	04/14/10	259,689.59	250,000.00 250,000.00	9,689.59 9,689.59	0.00 0.00
125000140	3,000	CITIGROUP CAP XII TRUPS 8.5% FIX TO FLT TRUST PFD SECURITY STRIP YIELD = 9.033% 8.5000% DUE 03/30/2040	05/21/10	05/26/10	71,876.37	69,653.25 69,653.25	2,223.12 2,223.12	0.00 0.00
125000150	5,000 2,979	CITIGROUP CAP XII TRUPS 8.5% FIX TO FLT TRUST PFD SECURITY STRIP YIELD = 8.721% 8.5000% DUE 03/30/2040	05/21/10 05/21/10	05/28/10	124,069.14 73,920.39	116,088.75 69,091.35 69,091.35	7,980.39 4,829.04 4,829.04	0.00 0.00 0.00
125000160	21	CITIGROUP CAP XII TRUPS 8.5% FIX TO FLT TRUST PFD SECURITY STRIP YIELD = 9.664% 8.5000% DUE 03/30/2040	05/21/10	05/28/10	471.17	487.05 487.05	(15.88) (15.88)	0.00 0.00
125000180	100,000	FIFTH THIRD BANCORP SUB NOTES BK/ENTRY-DTD 05/23/2003 DUE 06/01/2018 RATE 4.500 YTM 5.813	01/25/10	04/13/10	91,578.00	89,562.30 89,562.30	2,015.70 2,015.70	210.70 1,805.00

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00000158 00020487

THE SYLVAN C. HERMAN

Account Number 628-39692-17 128

Details of Short Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000190	100,000	FIFTH THIRD BANCORP SUB NOTES BK/ENTRY-DTD 05/23/2003 DUE 05/01/2018 RATE 4.500 YTM 5.815	01/25/10	04/13/10	\$ 91,574.00	\$ 89,562.30 \$ 89,562.30	\$ 2,011.70 \$ 2,011.70	\$ 210.70 \$ 1,801.00
125000200	100,000	FIFTH THIRD BANCORP SUB NOTES BK/ENTRY-DTD 05/23/2003 DUE 06/01/2018 RATE 4.500 YTM 5.846	01/25/10	04/13/10	91,387.00	89,562.30 89,562.30	1,824.70 1,824.70	210.70 1,614.00
125000210	130,000	FLORIDA ST BRD ED LOTTERY REV TXBLE B/E REV DD 3/11/10 F/C 7/1/10 DUE 07/01/2019 RATE 5.181	02/26/10	10/06/10	136,845.80	130,000.00 130,000.00	6,845.80 6,845.80	0.00 6,845.80
125000220	500,000	FORD MOTOR CREDIT CO NOTES -REG- DTD 6/14/2000 DUE 06/15/2010 RATE 7.875	02/16/10	06/15/10	500,000.00	507,890.00 500,000.00	(7,890.00) 0.00	0.00 0.00
125000230	500,000	FORD MOTOR CREDIT CO DTD 1/30/01 DUE 02/01/2011 RATE 7.375 YTM 3.044	01/28/10	07/02/10	512,000.00	515,130.00 508,610.00	(3,130.00) 3,390.00	0.00 3,390.00
125000240	100,000	FORD MOTOR CREDIT CO DTD 10/25/01 DUE 10/25/2011 RATE 7.250 YTM 3.665	06/03/10	09/07/10	103,910.00	103,250.00 102,662.00	660.00 1,248.00	0.00 1,248.00
125000250	100,000	FORD MOTOR CREDIT CO DTD 10/25/01 DUE 10/25/2011 RATE 7.250 YTM 3.674	06/03/10	09/07/10	103,900.00	103,250.00 102,662.00	650.00 1,238.00	0.00 1,238.00
125000260	50,000	FORD MOTOR CREDIT CO DTD 10/25/01 DUE 10/25/2011 RATE 7.250 YTM 3.673	06/03/10	09/07/10	51,944.50	51,625.00 51,331.00	319.50 613.50	0.00 613.50
125000270	150,000	FORD MOTOR CREDIT CO GLOBAL NOTES BOOK/ENTRY DTD 9/23/03 DUE 10/01/2013 RATE 7.000	06/03/10	09/10/10	158,107.50	154,180.50 153,680.50	3,927.00 4,227.00	0.00 4,227.00

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00000158 00020488

THE SYLVAN C. HERMAN

Account Number 628-39692-17 128

Details of Short Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000280	100,000	FORD MOTOR CREDIT CO GLOBAL NOTES BOOK/ENTRY DTD 9/23/03	06/03/10	09/10/10	\$ 105,405.00	\$ 102,787.00 \$ 102,587.00	\$ 2,618.00 \$ 2,818.00	\$ 0.00 \$ 2,818.00
		DUE 10/01/2013 RATE 7.000						
125000290	250,000	FORD MOTOR CREDIT CO LLC DTD 08/06/2009	07/02/10	08/12/10	261,950.00	257,562.50 257,190.00	4,387.50 4,760.00	0.00 4,760.00
		DUE 08/01/2012 RATE 7.500						
		YTM 4.905						
125000300	250,000	FORD MOTOR CREDIT CO LLC DTD 08/06/2009	07/02/10	08/12/10	261,950.00	257,562.50 257,190.00	4,387.50 4,760.00	0.00 4,760.00
		DUE 08/01/2012 RATE 7.500						
		YTM 4.905						
125000310	200,000	GMAC INC-US DTD 12/31/2018 RATE 8.000	02/02/10	03/30/10	184,502.00	191,774.00 191,774.00	2,728.00 2,728.00	88.00 2,640.00
		YTM 8.421						
		8.0000% JD-31 DUE 12/31/2018						
125000320	50,000	GENERAL MOTORS ACCEPT CORP DTD 8/29/02	06/01/10	08/06/10	51,026.50	50,224.00 50,205.00	802.50 821.50	0.00 821.50
	50,000	DUE 08/28/2012 RATE 6.875	06/01/10		51,026.50	50,218.00 50,205.00	808.50 821.50	0.00 821.50
	50,000	YTM 5.795	06/01/10		51,026.50	50,218.00 50,205.00	808.50 821.50	0.00 821.50
125000330	2,500	GENERAL MOTORS COMPANY	11/18/10	11/16/10	88,380.62	82,500.00 82,500.00	5,880.62 5,880.62	0.00 0.00
125000350	8,000	HSBC HOLDINGS PLC 8.00% PERPETUAL	08/17/10	09/07/10	215,191.95	200,000.00 200,000.00	15,191.95 15,191.95	0.00 0.00
		YIELD/CL 6.269% 121515 25.000						
		NEXT CALL 12/15/15 AT 25.000						
125000360	250,000	ILLINOIS ST FOR ISSUES DTD PRIOR TO 01/16/2010 S EE TXBLE B/E GO D7/1/10 F/C1/1/11	08/17/10	08/20/10	257,237.50	250,000.00 250,000.00	7,237.50 7,237.50	0.00 7,237.50
		DUE 07/01/2021 RATE 6.125						
125000370	200	INPHI CORP	11/10/10	11/11/10	3,047.80	2,400.00 2,400.00	647.80 647.80	0.00 0.00
125000380	600,000	JACKSONVILLE FLA SPL REV BUILD TXBLE B/E REV	12/03/09	09/07/10	610,998.00	599,952.00 599,952.00	11,046.00 11,046.00	0.00 11,046.00
		DD 12/15/09 F/C 4/1/10						
		DUE 10/01/2020 RATE 4.890						

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00000158 00020489

THE SYLVAN C. HERMAN

Account Number 628-39692-17 128

Details of Short Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000410	15,000	LOS ANGELES CALIF MUN IMPT TXBLE B/E REV DD 12/10/09 F/C 3/1/10 DUE 09/01/2019 RATE 6.490	12/03/09	09/01/10	\$ 15,000.00	\$ 15,000.00	\$ 0.00	\$ 0.00
125000430	400,000	MORGAN STANLEY GLOBAL NOTES BOOK/ENTRY DD 11/12/2004 DUE 01/15/2010 RATE 4.000	04/16/09	01/15/10	400,000.00	403,168.00	(3,168.00)	0.00
125000460	500,000	BANK OF AMERICA CORP MED TERM NTS BK/ENTRY DTD 12/15/1997 DUE 02/25/2010 RATE 6.710	04/17/09	02/25/10	500,000.00	505,380.00	(5,380.00)	0.00
125000470	200,000	NEW YORK N Y SUBSER A-2-BUILD U/T TXBLE B/E GO DD 10/15/09 F/C 4/1/10 DUE 10/01/2031 RATE 5.206	11/09/09	10/08/10	195,020.00	193,280.00	1,730.00	0.00
125000480	250,000	NEW YORK N Y SUBSER G-1-BUILD U/T TXBLE B/E GO DD 3/30/10 F/C 9/1/10 DUE 03/01/2031 RATE 6.268	03/19/10	05/20/10	253,987.50	250,000.00	3,987.50	0.00
125000490	500,000	NEW YORK N Y SER H1-BUILD AMER U/T TXBLE B/E GO DD 6/16/10 F/C 12/1/10 DUE 06/01/2017 RATE 4.106	06/10/10	08/11/10	509,895.00	500,000.00	9,895.00	0.00
125000540	350,000	SLM CORP DTD 12/20/2004 DUE 01/15/2010 RATE 4.000	08/17/09	01/15/10	350,000.00	348,484.50	1,515.50	0.00
125000550	2,000	SPDR GOLD TR GOLD SHS	02/04/10	02/16/10	217,525.98	210,888.00	6,637.98	0.00
125000560	2,000	SPDR GOLD TR GOLD SHS	11/19/10	12/01/10	271,061.41	264,481.80	6,579.61	0.00
125000580	200,000	SPRINT NEXTEL CORP -BK/ENTRY DTD 11/20/2006 DUE 12/01/2016 RATE 6.000 YTM 6.898	01/13/10	09/10/10	191,028.00	189,924.00	2,104.00	0.00
Total					\$ 9,448,621.44	\$ 9,300,724.10	\$ 145,897.34	\$ 3,329.60
						\$ 9,275,006.10	\$ 171,615.34	\$ 93,596.80

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00000158 00020490

THE SYLVAN C. HERMAN
Account Number 628-39692-17 128

Details of Long Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than \$20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor. For additional information regarding this section see enclosed brochure.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000010	96,000	ADVANTA BANK CORP. - UT *CERTIFICATE OF DEPOSIT DTD 10/08/08 INT : SEMI-ANN DUE 10/08/2013 RATE 5.000	10/02/08	04/14/10	\$ 96,000.00	\$ 96,000.00	\$ 0.00	\$ 0.00
125000050	96,000	BANCO POPULAR NORTH AMERICA *CERTIFICATE OF DEPOSIT DTD 08/29/08 INT : SEMI-ANN DUE 08/29/2013 RATE 5.000	08/19/08	05/21/10	101,194.56	96,000.00	5,194.56	0.00
125000060	500,000	BEAR STEARNS COS INC INCOMENOTES BOOK/ENTRY DTD 02/28/2008 DUE 02/15/2010 RATE 5.300	02/25/08	02/16/10	500,000.00	500,000.00	0.00	0.00
125000070	100,000	BELLSOUTH CAP FDG CORP NOTES-BK/ENTRY DTD 02/16/2000 DUE 02/15/2010 RATE 7.750	02/19/08	02/16/10	100,000.00	108,135.00	(8,135.00)	0.00
125000080	96,000	CAPITAL ONE, N.A. - VA *CERTIFICATE OF DEPOSIT DTD 12/19/07 INT : SEMI-ANN DUE 12/19/2014 RATE 5.000	12/12/07	05/21/10	100,810.56	96,000.00	4,810.56	0.00
125000100	96,000	CAPMARK BANK - UT *CERTIFICATE OF DEPOSIT DTD 08/13/08 INT : SEMI-ANN DUE 08/13/2013 RATE 5.050	08/05/08	05/21/10	101,263.68	96,000.00	5,263.68	0.00
125000110	300,000	CITIGROUP INC DTD 01/11/2005 DUE 09/15/2014 RATE 5.000 YTM 5.206	01/22/08	03/11/10	297,552.00	297,243.00	309.00	0.00
125000170	96,000	DISCOVER BANK - DE *CERTIFICATE OF DEPOSIT DTD 08/13/08 INT : SEMI-ANN DUE 08/13/2013 RATE 5.000	08/05/08	05/21/10	101,116.80	96,000.00	5,116.80	0.00
								309.00
								0.00

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00000158 00020491

THE SYLVAN C. HERMAN

Account Number 628-39692-17 128

Details of Long Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000340	96,000	GOLDMAN SACHS BANK USA - UT *CERTIFICATE OF DEPOSIT DTD 08/13/08 INT : SEMI-ANN DUE 08/13/2015 RATE 5.100	08/08/08	05/21/10	\$ 101,410.56	\$ 96,000.00 \$ 96,000.00	\$ 5,410.56 \$ 5,410.56	\$ 0.00 \$ 0.00
125000390	96,000	LEHMAN BR. COMMERCIAL, BK - UT *CERTIFICATE OF DEPOSIT DTD 08/13/08 INT : SEMI-ANN DUE 08/13/2013 RATE 5.050	08/05/08	05/21/10	101,263.68	96,000.00 96,000.00	5,263.68 5,263.68	0.00 0.00
125000400	96,000	LEHMAN BROTHERS BANK, FSB - DE *CERTIFICATE OF DEPOSIT DTD 08/13/08 INT : SEMI-ANN DUE 08/13/2013 RATE 5.050	08/05/08	05/21/10	101,263.68	96,000.00 96,000.00	5,263.68 5,263.68	0.00 0.00
125000420	50,000	MIDFIRST BANK - OK DTD 06/17/2009 CALLABLE DUE 06/17/2024 RATE 5.000	05/27/09	06/17/10	50,000.00	50,000.00 50,000.00 50,000.00	0.00 0.00 0.00	0.00 0.00 0.00
125000440	96,000	MORGAN STANLEY BANK - UT *CERTIFICATE OF DEPOSIT DTD 11/12/08 INT : SEMI-ANN DUE 11/12/2013 RATE 5.050	11/07/08	05/21/10	101,719.68	96,000.00 96,000.00	5,719.68 5,719.68	0.00 0.00
125000450	96,000	NATIONAL CITY BANK - OH *CERTIFICATE OF DEPOSIT DTD 10/29/08 INT : SEMI-ANN DUE 10/29/2013 RATE 5.000	10/22/08	05/21/10	101,496.96	96,000.00 96,000.00	5,496.96 5,496.96	0.00 0.00
125000500	250,000	PSEG POWER INTERNOTES BOOK/ENTRY DTD 01/23/2009 DUE 01/15/2014 RATE 6.500	01/20/09	04/21/10	250,000.00	250,000.00 250,000.00	0.00 0.00	0.00 0.00
125000510	96,000	PROVIDENT BANK OF MARYLAND *CERTIFICATE OF DEPOSIT DTD 10/24/08 INT : SEMI-ANN DUE 10/24/2013 RATE 5.000	10/14/08	05/21/10	101,472.00	96,000.00 96,000.00	5,472.00 5,472.00	0.00 0.00
125000520	250,000	PRUDENTIAL FINL INC INTERNOTES BK/ENTRY DTD 01/17/08 DUE 01/15/2015 RATE 5.300	01/14/08	01/15/10	250,000.00	250,000.00 250,000.00	0.00 0.00	0.00 0.00

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00000158 00020492

THE SYLVAN C. HERMAN

Account Number 628-39692-17 128

Details of Long Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000530	4,000	PUBLIC STORAGE INC 7.0% PFD PERP STRIP YIELD = 7.204% 7.0000% DUE 99/99/9999	06/27/07	01/14/10	\$ 97,808.75	\$ 100,000.00 \$ 100,000.00	(\$ 2,191.25) (\$ 2,191.25)	\$ 0.00 \$ 0.00
125000570	96,000	SALLIE MAE BANK - UT *CERTIFICATE OF DEPOSIT DTD 11/05/08 INT : SEMI-ANN DUE 11/05/2013 RATE 5.000	10/29/08	05/21/10	101,527.68	96,000.00 96,000.00	5,527.68 5,527.68	0.00 0.00
125000590	96,000	STATE BANK OF INDIA - NY *CERTIFICATE OF DEPOSIT DTD 09/12/08 INT : SEMI-ANN DUE 09/12/2013 RATE 5.050	09/04/08	05/21/10	101,408.64	96,000.00 96,000.00	5,408.64 5,408.64	0.00 0.00
125000600	2,200	VORNADO REALTY TRUST 6.75% SER F 6.7500% DUE 99/99/9999	08/29/07	01/04/10	48,392.75	50,448.20 50,448.20	(2,055.45) (2,055.45)	0.00 0.00
125000610	96,000	WACHOVIA BANK, NA *CERTIFICATE OF DEPOSIT DTD 09/30/08 INT : SEMI-ANN DUE 09/30/2013 RATE 5.050	09/22/08	05/21/10	101,503.68	96,000.00 96,000.00	5,503.68 5,503.68	0.00 0.00
125000620	96,000	WESTERNBANK PUERTO RICO - PR *CERTIFICATE OF DEPOSIT DTD 09/12/08 INT : MONTHLY DUE 09/12/2013 RATE 5.000	09/04/08	05/10/10	96,000.00	96,000.00 96,000.00	0.00 0.00	0.00 0.00
Total					\$ 3,153,205.66	\$ 3,095,826.20 \$ 3,087,691.20	\$ 57,379.46 \$ 65,514.46	\$ 0.00 \$ 309.00

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00018416 00072037

THE SYLVAN C. HERMAN
Account Number 628-78763-19 128

Details of Earnings 2010 - continued

Dividends and Distributions, Section 2

Amounts displayed for dividends include dividend reinvestments, money fund earnings, accrued dividends received and dividends exempt from Federal income tax.

Reference number	Description	Nondividend distributions	Foreign tax paid	Cash liquidation distributions	Non cash liquidation distributions	Investment expense	NRA Withholding
160000100	464287341000 ISHARES S&P GLBL ENERGY SECTOR INDEX FUND THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT		\$ 301.30				
	A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED						
160001600	922042858000 VANGUARD EMERGING MARKETS ETF THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT		427.59				
	A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED						
Totals			\$ 728.89				

Details of Short Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than \$20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000010	35	ISHARES S&P GLBL ENERGY SECTOR INDEX FUND MorganStanley SmithBarney LLC acted as your agent	11/19/09	08/11/10	\$ 1,118.62	\$ 1,269.40	(\$ 150.78)	

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00018416 00072038

THE SYLVAN C. HERMAN

Account Number 628-78763-19 128

Details of Short Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000020	93	ISHARES S&P GLBL ENERGY SECTOR INDEX FUND MorganStanley SmithBarney LLC acted as your agent	11/19/09	10/12/10	\$ 3,237.08	\$ 3,372.97	(\$ 135.89)	
125000030	1,167	ISHARES S&P GLBL ENERGY SECTOR INDEX FUND MorganStanley SmithBarney LLC acted as your agent	11/19/09	11/04/10	43,121.55	42,325.34		796.21
125000040	65	S&P NORTH AMERICAN TECH SOFTWARE INDEX FD MorganStanley SmithBarney LLC acted as your agent	05/11/09	03/10/10	3,137.84	2,313.35		824.49
125000090	139	ISHARES NASDAQ BIOTECHNOLOGY INDEX FD MorganStanley SmithBarney LLC acted as your agent	06/12/09	01/28/10	11,587.45	9,759.17		1,828.28
125000100	61	ISHARES NASDAQ BIOTECHNOLOGY INDEX FD MorganStanley SmithBarney LLC acted as your agent	08/12/09	03/10/10	5,527.34	4,282.80		1,244.54
125000110	550 170 453 4 26 49 114	ISHARES NASDAQ BIOTECHNOLOGY INDEX FD MorganStanley SmithBarney LLC acted as your agent	08/10/09 10/27/09 11/19/09 11/24/09 04/16/10 05/20/10 07/08/10	07/30/10	44,551.28 13,770.40 36,684.05 324.01 2,108.06 3,969.11 8,827.25	42,111.85 12,910.99 35,295.95 312.72 2,386.86 3,994.28 8,827.25		2,439.43 859.41 1,398.10 11.29 (280.90) (25.17) 407.02
125000120	4	ISHARES NASDAQ BIOTECHNOLOGY INDEX FD MorganStanley SmithBarney LLC acted as your agent	08/11/10	10/12/10	350.95	326.07		24.88
125000130	463	ISHARES NASDAQ BIOTECHNOLOGY INDEX FD MorganStanley SmithBarney LLC acted as your agent	08/11/10	11/04/10	41,498.44	37,742.37		3,756.07
125000140	111	ISHARES TR RUSSELL 2000 VALUE INDEX FUND MorganStanley SmithBarney LLC acted as your agent	11/19/09	01/28/10	6,357.05	6,050.53		266.52

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MorganStanley SmithBarney

Reserved Client Statement 2010 Year End Summary

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Ref: 00016416 00072039

THE SYLVAN C. HERMAN
Account Number 628-78763-19 128

Details of Short Term Gain (Loss) 2010 - continued

2 0 1 0 Y E A R E N D S U M M A R Y

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000150	155	ISHARES TR RUSSELL 2000 VALUE INDEX FUND MorganStanley SmithBarney LLC acted as your agent	11/19/09	03/10/10	\$ 9,845.70	\$ 8,504.79		\$ 1,340.91
125000160	3,120	ISHARES TR RUSSELL 2000 VALUE INDEX FUND MorganStanley SmithBarney LLC acted as your agent	11/19/09	04/16/10	210,159.64	171,193.15		38,966.49
125000170	5	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	04/16/10	05/20/10	347.84	382.54	(34.70)	
125000180	127	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	04/16/10	10/12/10	9,726.00	9,716.56		9.42
125000190	531	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	04/16/10	11/04/10	42,810.61	40,626.01		2,184.60
125000200	391 48 315 495 82 357 10	ISHARES BARCLAYS SHORT TREAS BD FD MorganStanley SmithBarney LLC acted as your agent	04/27/09 05/11/09 07/07/09 08/10/09 09/21/09 11/19/09 11/24/09	01/28/10	43,080.22 5,286.62 34,706.57 54,538.90 9,034.73 39,334.12 1,101.80	43,119.48 5,286.72 34,709.22 54,527.47 9,034.76 39,354.79 1,102.20	(39.26) (2.65) (.03) (20.67) (.40)	1.90 11.43
125000210	2,333	POWERSHARES AEROSPACE & DEFENSE PORT MorganStanley SmithBarney LLC acted as your agent	10/12/10	11/04/10	42,812.15	40,687.52		2,124.63
125000220	2,000	SPDR GOLD TR GOLD SHS MorganStanley SmithBarney LLC acted as your agent	08/13/10	08/31/10	243,659.88	237,460.00		6,239.88
125000230	259	SPDR SER TR S&P OIL & GAS EXPL & PRODTN MorganStanley SmithBarney LLC acted as your agent	04/27/09	01/28/10	10,502.93	8,015.82		2,487.11



Ref: 00018416 00072040

THE SYLVAN C. HERMAN

Account Number 628-78763-19 128

Details of Short Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000240	63	SPDR SER TR S&P OIL & GAS EXPL & PRODTN MorganStanley SmithBarney LLC acted as your agent	04/27/09	03/10/10	\$ 2,741.88	\$ 1,949.79		\$ 792.09
125000280	486	SPDR SER TR KBW INS ETF	04/01/09	01/28/10	17,318.24	9,579.06		7,739.18
1,425		MorganStanley SmithBarney LLC	04/27/09		50,776.80	34,068.90		16,709.90
1,639		acted as your agent	07/07/09		58,404.53	41,678.13		16,726.40
1,337		in this transaction.	08/10/09		47,642.99	43,519.22		4,123.77
239			10/27/09		8,516.58	8,201.52		315.06
1,352			11/19/09		48,177.51	46,477.03		1,700.48
125000290	3,397	SELECT SECTOR SPDR-ENERGY MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/21/09	05/20/10	178,479.78	185,083.84	(6,604.06)	
125000300	21	SELECT SECTOR SPDR-ENERGY MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/21/09	08/11/10	1,129.43	1,144.17	(14.74)	
125000330	255	SELECT SECTOR SPDR TR FINANCIAL MorganStanley SmithBarney LLC acted as your agent	01/28/10	03/10/10	3,955.76	3,671.95		283.81
125000340	323	SELECT SECTOR SPDR TR FINANCIAL MorganStanley SmithBarney LLC acted as your agent	01/28/10	04/16/10	5,288.23	4,651.14		637.09
125000350	2,767	SELECT SECTOR SPDR TR FINANCIAL MorganStanley SmithBarney LLC acted as your agent	01/28/10	11/04/10	41,177.79	39,844.25		1,333.54
125000360	13	SELECT SECTOR SPDR INDUSTRIAL MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/07/09	01/28/10	361.02	272.19		88.83
125000370	1,124 8,876	SELECT SECTOR SPDR INDUSTRIAL MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/07/09 08/10/09	03/08/10	33,416.10 263,880.12	23,534.31 220,036.04		9,881.79 43,844.08

2 0 1 0 Y E A R E N D S U M M A R Y



MorganStanley SmithBarney

Reserved Client Statement 2010 Year End Summary

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Ref: 00016416 00072041

THE SYLVAN C. HERMAN

Account Number 628-78763-19 128

Details of Short Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000380	549	SELECT SECTOR SPDR INDUSTRIAL MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/10/09	04/16/10	\$ 17,521.04	\$ 13,609.71		\$ 3,911.33
125000390	126	SELECT SECTOR SPDR INDUSTRIAL MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/10/09	05/20/10	3,675.72	3,123.54		552.18
125000400	279 145	SELECT SECTOR SPDR INDUSTRIAL MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/27/09 11/19/09	08/11/10	6,320.19 4,324.12	7,334.35 3,983.85		985.84 340.27
125000410	3,822	SELECT SECTOR SPDR INDUSTRIAL MorganStanley SmithBarney LLC acted as your agent in this transaction.	11/19/09	11/04/10	125,940.41	105,008.68		20,931.73
125000420	335	SELECT SECTOR SPDR UTILITIES MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/28/10	05/20/10	9,628.74	9,986.35	(357.61)	
125000430	137	SELECT SECTOR SPDR UTILITIES MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/28/10	07/08/10	4,023.89	4,083.97	(60.08)	
125000440	98	SELECT SECTOR SPDR UTILITIES MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/28/10	08/11/10	3,014.62	2,921.38		93.24
125000450	1,540	SELECT SECTOR SPDR UTILITIES MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/28/10	11/04/10	49,313.04	45,907.40		3,405.64
125000460	2,499 22 1,792 687	VANGUARD SPECIALIZED DIV APPRECIATION ETF MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/27/09 05/11/09 07/07/09 08/10/09	03/08/10	120,075.42 1,057.09 66,104.50 33,009.93	84,584.41 868.34 68,450.75 29,410.13		25,491.01 186.75 16,653.75 3,599.80

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00018416 00072042

THE SYLVAN C. HERMAN

Account Number 628-78763-19 128

Details of Short Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000470	1,372	VANGUARD SPECIALIZED DIV	08/10/09	04/16/10	\$ 88,060.61	\$ 58,734.63		\$ 9,325.98
	117	APPRECIATION ETF	09/21/09		5,804.00	5,252.01		551.99
	1,485	MorganStanley SmithBarney LLC	11/19/09		73,666.19	69,147.54		4,518.65
	1,137	acted as your agent	01/28/10		56,403.00	52,854.38		3,748.64
125000480	231	VANGUARD SPECIALIZED DIV	01/28/10	05/20/10	10,701.97	10,697.59		4.38
		APPRECIATION ETF						
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000480	40	VANGUARD SPECIALIZED DIV	01/28/10	08/11/10	1,873.00	1,852.40		20.60
		APPRECIATION ETF						
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000500	1,643	VANGUARD SPECIALIZED DIV	01/28/10	11/04/10	83,716.49	76,087.16		7,629.33
		APPRECIATION ETF						
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000530	20	VANGUARD HEALTH CARE	04/27/09	01/28/10	1,098.43	845.75		250.68
		ETF						
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000560	42	VANGUARD INFORMATION	04/01/09	03/10/10	2,326.25	1,463.28		862.97
		TECHNOLOGY ETF						
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000590	95	VANGUARD EMERGING MARKETS ETF	04/27/09	03/10/10	3,947.38	2,523.88		1,423.50
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction.						
Total					\$ 2,518,448.00	\$ 2,250,288.05	(\$ 7,726.84)	\$ 275,888.88

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00016418 00072043

THE SYLVAN C. HERMAN
Account Number 628-78763-19 128

Details of Long Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than \$20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000050	16	S&P NORTH AMERICAN TECH SOFTWARE INDEX FD MorganStanley SmithBarney LLC acted as your agent	05/11/09	05/20/10	\$ 725.42	\$ 569.44		\$ 155.98
125000060	24	S&P NORTH AMERICAN TECH SOFTWARE INDEX FD MorganStanley SmithBarney LLC acted as your agent	05/11/09	08/11/10	1,105.68	854.16		251.50
125000070	133	S&P NORTH AMERICAN TECH SOFTWARE INDEX FD MorganStanley SmithBarney LLC acted as your agent	05/11/09	10/12/10	6,869.86	4,733.47		2,136.39
125000080	313 317	S&P NORTH AMERICAN TECH SOFTWARE INDEX FD MorganStanley SmithBarney LLC acted as your agent	05/11/09 07/07/09	11/04/10	17,441.00 17,663.89	11,139.67 11,684.49		6,301.33 5,979.40
125000110	519 494	ISHARES NASDAQ BIOTECHNOLOGY INDEX FD MorganStanley SmithBarney LLC acted as your agent	06/12/09 07/07/09	07/30/10	42,040.21 40,015.15	36,438.94 34,671.34		5,601.27 5,343.81
125000250	138	SPDR SER TR S&P OIL & GAS EXPL & PRODTN MorganStanley SmithBarney LLC acted as your agent	04/27/09	07/08/10	5,511.76	4,270.98		1,240.78
125000260	9	SPDR SER TR S&P OIL & GAS EXPL & PRODTN MorganStanley SmithBarney LLC acted as your agent	04/27/09	10/12/10	394.64	278.54		116.10
125000270	566 361	SPDR SER TR S&P OIL & GAS EXPL & PRODTN MorganStanley SmithBarney LLC acted as your agent	04/27/09 07/07/09	11/04/10	26,076.30 16,631.71	17,517.19 10,453.76		8,559.11 6,177.95

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00016416 00072044

THE SYLVAN C. HERMAN

Account Number 628-78763-19 128

Details of Long Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000310	14	SELECT SECTOR SPDR-ENERGY MorganStanley SmithBarney LLC acted as your agent In this transaction.	09/21/09	10/12/10	\$ 811.84	\$ 762.78		\$ 49.08
125000320	702	SELECT SECTOR SPDR-ENERGY MorganStanley SmithBarney LLC acted as your agent In this transaction.	09/21/09	11/04/10	43,047.31	38,248.12		4,799.19
125000400	172	SELECT SECTOR SPDR INDUSTRIAL MorganStanley SmithBarney LLC acted as your agent In this transaction.	08/10/09	08/11/10	5,129.29	4,263.88		865.41
125000510	139	VANGUARD CONSUMER STAPLES ETF MorganStanley SmithBarney LLC acted as your agent In this transaction.	04/01/09	05/20/10	9,256.13	7,133.48		2,122.65
125000520	561 7	VANGUARD CONSUMER STAPLES ETF MorganStanley SmithBarney LLC acted as your agent	04/01/09 04/22/09	11/04/10	41,355.09 516.02	28,790.52 375.75		12,564.57 140.27
125000540	43	VANGUARD HEALTH CARE ETF MorganStanley SmithBarney LLC acted as your agent	04/27/09	05/20/10	2,211.30	1,818.36		392.94
125000550	737	VANGUARD HEALTH CARE ETF MorganStanley SmithBarney LLC acted as your agent	04/27/09	11/04/10	41,522.81	31,165.81		10,356.80
125000570	79	VANGUARD INFORMATION TECHNOLOGY ETF MorganStanley SmithBarney LLC acted as your agent	04/01/09	10/12/10	4,455.20	2,752.36		1,702.84
125000580	881 125 335	VANGUARD INFORMATION TECHNOLOGY ETF MorganStanley SmithBarney LLC acted as your agent	04/01/09 05/11/09 07/07/09	11/04/10	59,577.57 7,591.43 20,345.05	34,178.04 4,881.25 13,772.49		25,399.53 2,710.18 6,572.56

2 0 1 0 Y E A R E N D S U M M A R Y



Ref: 00016418 00072045

THE SYLVAN C. HERMAN

Account Number 628-78763-19 128

Details of Long Term Gain (Loss) 2010 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000600	622	VANGUARD EMERGING MARKETS ETF MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/27/09	07/08/10	\$ 24,624.56	\$ 16,524.74		\$ 8,099.82
125000610	55	VANGUARD EMERGING MARKETS ETF MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/27/09	08/11/10	2,257.27	1,461.19		796.08
125000620	162 170	VANGUARD EMERGING MARKETS ETF MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/27/09 07/07/09	10/12/10	7,534.81 7,906.90	4,303.87 5,315.56		3,230.94 2,591.34
125000630	1,223	VANGUARD EMERGING MARKETS ETF MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/07/09	11/04/10	59,903.97	38,240.76		21,663.21
Total					\$ 612,521.95	\$ 388,600.94		\$ 145,921.01

Details of Deposits and Withdrawals 2010

This section reflects any deposits or withdrawals made to your account during the year.

Withdrawals

Reference number	Date	Description	Referral number	Amount
220000100	01/15/10	INVESTMENT AND MGMT SERVICES FROM 01/01/10 TO 03/31/10		\$ 7,505.62
220000300	07/16/10	INVESTMENT AND MGMT SERVICES FROM 07/01/10 TO 09/30/10		7,233.09
Total				\$ 30,788.30

Reference number	Date	Description	Referral number	Amount
220000200	04/16/10	INVESTMENT AND MGMT SERVICES FROM 04/01/10 TO 06/30/10		\$ 7,993.59
220000400	10/15/10	INVESTMENT AND MGMT SERVICES FROM 10/01/10 TO 12/31/10		8,056.01

2 0 1 0 Y E A R E N D S U M M A R Y

