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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning 01-01-2010 , and ending 12-31-2010

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
DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

A Employer identification number
22-2914177

Number and street (or P O box number if mail is not delivered to street address) Room/suite
RICHARDSON RD

B Telephone number (see page 10 of the instructions)
(716) 337-0223

City or town, state, and ZIP code
COLLINS, NY 14034

C If exemption application is pending, check here ▶ ☐
D 1. Foreign organizations, check here ▶ ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

H Check type of organization ☑ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 2,999,477

J Accounting method ☑ Cash ☐ Accrual ☐ Other (specify) _
(Part I, column (d) must be on cash basis.)

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	12,971	12,971		
	4	Dividends and interest from securities	70,054	70,054		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10				
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		81,089		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)	1,759	1,759		
	12	**Total.** Add lines 1 through 11	84,784	165,873		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)	2,900	1,450		1,450
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	935			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)	20,262	20,121		141
	24	**Total operating and administrative expenses.** Add lines 13 through 23	24,097	21,571		1,591
	25	Contributions, gifts, grants paid	132,277			127,500
	26	**Total expenses and disbursements.** Add lines 24 and 25	156,374	21,571		129,091
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-71,590			
	b	**Net investment income** (if negative, enter -0-)		144,302		
	c	**Adjusted net income** (if negative, enter -0-)				

Part II Balance Sheets — Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1	Cash—non-interest-bearing	16,449	10,066	10,066
2	Savings and temporary cash investments	282,201	125,939	125,939
3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶	47,881	44,339	44,339
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges	2,467	1,532	1,532
10a	Investments—U S and state government obligations (attach schedule)		41,153	40,902
b	Investments—corporate stock (attach schedule)	1,796,231	1,982,417	2,224,664
c	Investments—corporate bonds (attach schedule)	125,000	76,459	78,435
11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)			
14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)	475,776	473,600	473,600
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	2,746,005	2,755,505	2,999,477
Liabilities 17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)		0	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☑ **and complete lines 27 through 31.**			
27	Capital stock, trust principal, or current funds	2,746,005	2,755,505	
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds			
30	**Total net assets or fund balances** (see page 17 of the instructions)	2,746,005	2,755,505	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	2,746,005	2,755,505	

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	2,746,005
2	Enter amount from Part I, line 27a	2	-71,590
3	Other increases not included in line 2 (itemize) ▶	3	81,090
4	Add lines 1, 2, and 3	4	2,755,505
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,755,505

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	See Additional Data Table			
b				
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	See Additional Data Table			
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
	(i) 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	See Additional Data Table			
b				
c				
d				
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	81,089
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) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	140,156	2,642,091	0 053047
2008	121,812	2,798,877	0 043522
2007	126,649	3,344,808	0 037864
2006	125,993	3,271,095	0 038517
2005	120,655	3,075,410	0 039232

2	**Total** of line 1, column (d).	2	0 212182
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	0 042436
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.	4	2,839,897
5	Multiply line 4 by line 3.	5	120,514
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	1,443
7	Add lines 5 and 6.	7	121,957
8	Enter qualifying distributions from Part XII, line 4.	8	129,091

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ____________ **(attach copy of letter if necessary–see instructions)**		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b	1	1,443
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0
3	Add lines 1 and 2	3	1,443
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	1,443
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 1,532		
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	1,532
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	89
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ 89 **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6		No
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ ________			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
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 on page 27)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶PATRICIA REBMANN Telephone no ▶(716) 532-4531

Located at ▶RICHARDSON RD COLLINS NY ZIP+4 ▶14034

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 |

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		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 ▶

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

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

				Yes	No
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?		1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?		1c		No
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?	☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____				
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 page 20 of the instructions)		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 ▶ 20____, 20____, 20____, 20____				
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.)*		3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		No
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		No

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

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☑ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	**5b**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		No
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

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

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

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

Total number of other employees paid over $50,000 ▶ 0

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE".

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

Part IX-A **Summary of Direct Charitable Activities**

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

Part IX-B **Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See page 24 of the instructions	
3	
Total. Add lines 1 through 3. . . . . ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	2,058,709
b	Average of monthly cash balances	1b	301,638
c	Fair market value of all other assets (see page 24 of the instructions)	1c	522,797
d	**Total** (add lines 1a, b, and c)	1d	2,883,144
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	2,883,144
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	43,247
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,839,897
6	**Minimum investment return.** Enter 5% of line 5	6	141,995

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

1	Minimum investment return from Part X, line 6			1	141,995
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,443		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,443
3	Distributable amount before adjustments Subtract line 2c from line 1			3	140,552
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	140,552
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	140,552

Part XII Qualifying Distributions (see page 25 of the 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	129,091
b	Program-related investments—total from Part IX-B	1b	
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	129,091
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 (see page 26 of the instructions)	5	1,443
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	127,648

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

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

		(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7					140,552
2 Undistributed income, if any, as of the end of 2010					
a Enter amount for 2009 only.					
b Total for prior years 20___ , 20___ , 20___					
3 Excess distributions carryover, if any, to 2010					
a From 2005.					
b From 2006.					
c From 2007.					
d From 2008.					
e From 2009.	62,287				
f **Total** of lines 3a through e.		62,287			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 129,091					
a Applied to 2009, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .					
d Applied to 2010 distributable amount.					78,265
e Remaining amount distributed out of corpus		50,826			
5 Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		62,287			62,287
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		50,826			
b Prior years' undistributed income Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.					
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions . . .					
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions					
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) (see page 27 of the instructions)					
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)					
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		50,826			
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. . . .	50,826				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

1a 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 organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	**(b)** 2009	**(c)** 2008	**(d)** 2007	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year—see page 27 of the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

DANIEL GERNATT SR

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

NONE

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

Check here ▶ ☑ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year* See Additional Data Table				
Total . . . . ▶ **3a**				132,277
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	12,971	
4 Dividends and interest from securities			14	70,054	
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					
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)				83,025	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 83,025

(See worksheet in line 13 instructions on page 28 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No.	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)

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

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1a(1)		No
(2) Other assets	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		No
(3) Rental of facilities, equipment, or other assets	1b(3)		No
(4) Reimbursement arrangements	1b(4)		No
(5) Loans or loan guarantees	1b(5)		No
(6) Performance of services or membership or fundraising solicitations	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		No

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line No	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☑ No

b If "Yes," complete the following schedule

(a) Name of organization	**(b)** Type of organization	**(c)** Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge

****** | 2011-05-04 | ******

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

		Date	Check if self-employed ☐	PTIN
Preparer's Signature	KENNETH S FRANK CPA	2011-05-11		
Firm's name	RA MERCER & CO PC		Firm's EIN	
Firm's address	12250 OLEAN RD BOX 218 SARDINIA, NY 14134		Phone no (716) 496-5028	

Additional Data

Software ID:
Software Version:
EIN: 22-2914177
Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

	(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)
A	MORGAN STANLEY SMITH BARNEY A/C 475-09880-18	P	2010-10-13	2010-11-22
B	MORGAN STANLEY SMITH BARNEY A/C 475-09880-18	P	2007-10-30	2010-03-19
C	MORGAN STANLEY SMITH BARNEY A/C 475-09887-11	P	2009-12-10	2010-09-15
D	MORGAN STANLEY SMITH BARNEY A/C 475-09887-11	P	2006-08-30	2010-05-07
E	MORGAN STANLEY SMITH BARNEY A/C 475-80578-16	P	2009-10-23	2010-01-21
F	MORGAN STANLEY SMITH BARNEY A/C 475-80578-16	P	2007-05-14	2010-01-15

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

	(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	73,356	0	69,853	3,503
B	13,600	0	13,494	106
C	109,476	0	103,631	5,845
D	1,365	0	1,298	67
E	140,478	0	83,345	57,133
F	256,785	0	242,350	14,435

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			**(l)** Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
	(i) 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	0	0	0	3,503
B	0	0	0	106
C	0	0	0	5,845
D	0	0	0	67
E	0	0	0	57,133
F	0	0	0	14,435

Form 990PF Part VIII Line 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
DANIEL GERNATT SR RICHARDSON RD COLLINS, NY 14034	TRUSTEE 1 00	0	0	0
DANIEL GERNATT JR RICHARDSON RD COLLINS, NY 14034	TRUSTEE 1 00	0	0	0
PATRICIA REBMANN RICHARDSON RD COLLINS, NY 14034	TRUSTEE 5 00	0	0	0
PHYLLIS ULMER RICHARDSON RD COLLINS, NY 14034	TRUSTEE 1 00	0	0	0
CYNTHIA PEGLOWSKI RICHARDSON RD COLLINS, NY 14034	TRUSTEE 1 00	0	0	0

Form 990PF Part XV Line 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*				
HILBERT COLLEGE 5200 SOUTH PARK AVENUE HAMBURG, NY 14075		PUBLICCHARITY	FOR CAPITALEDUCATIONALIMPROVEMENTS	2,000
ST JOSEPHS SCHOOL MAIN STREET GOWANDA, NY 14070		PUBLICCHARITY	TUITIONEDUCATIONALASSISTANCE	18,000
HEALTHY COMMUNITY ALLIANCE INC 1 SCHOOL STREET GOWANDA, NY 14070		PUBLICCHARITY	BUILDINGACADEMY PLACEPROJECT	2,000
LOVE INC 100 MEMORIAL DRIVE GOWANDA, NY 14070		PUBLICCHARITY	ASSISTANCE FORCHARITABLE-NEEDY FAMILIES	20,000
LOVE INC OF SPRINGVILLE NY PO BOX 156 SPRINGVILLE, NY 14141		PUBLICCHARITY	ASSISTANCE FORCHARITABLE-NEEDY FAMILIES	20,000
CATHOLIC CHARITIES OF BUFFALO NY 525 WASHINGTON ST BUFFALO, NY 14203		PUBLICCHARITY	NEEDYCHARITABLE-FAMILIES	20,000
TRI-COUNTY CRISIS PREGNANCY CENTER 17 S WATER STREET GOWANDA, NY 14070		PUBLICCHARITY	TO PREGNANTASSISTANCEWOMEN	3,000
ST VINCENT DEPAUL SOCIETY 8462 LAKESHORE RD ANGOLA, NY 14006		PUBLICCHARITY	TO POOR ANDASSISTANCEHOMELESS	12,000
FRANCISCAN CENTER 1910 SENECA ST BUFFALO, NY 14210		PUBLICCHARITY	HOMELESS YOUNGASSISTANCE TOMEN	2,000
CANISIUS COLLEGE 2001 MAIN STREET BUFFALO, NY 14208		PUBLICCHARITY	TUITIONASSISTANCE	1,500
LITTLE PORTION FRIARY 1305 MAIN STREET BUFFALO, NY 14209		PUBLICCHARITY	ASSISTANCE TOHOMELESS	1,000
KNIGHTS OF COLUMBUS 26 ERIE AVENUE GOWANDA, NY 14070		PUBLICCHARITY	ASSISTANCE TONEEDY	1,000
TRI COUNTY MEMORIAL HOSPITAL 100 MEMORIAL DRIVE GOWANDA, NY 14070		PUBLICCHARITY	HOSPITAL	25,000
SHINGLE KING MAIN ST GOWANDA, NY 14070		PRIVATEINDIVIDUAL	NEW BUSINESS	4,777
Total . . . . ▶ **3a**				132,277

TY 2010 Accounting Fees Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
R A MERCER & CO TAX PREPARATION	2,900	1,450		1,450

TY 2010 Investments Corporate Bonds Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Name of Bond	End of Year Book Value	End of Year Fair Market Value
see attached statement	76,459	78,435

TY 2010 Investments Corporate Stock Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Name of Stock	End of Year Book Value	End of Year Fair Market Value
see attached statement	1,982,417	2,224,664

TY 2010 Investments Government Obligations Schedule

Name:	DANIEL & FLAVIA GERNATT FAMILY FOUNDATION
EIN:	22-2914177
US Government Securities - End of Year Book Value:	
US Government Securities - End of Year Fair Market Value:	
State & Local Government Securities - End of Year Book Value:	41,153
State & Local Government Securities - End of Year Fair Market Value:	40,902

TY 2010 Other Assets Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
CASH SURRENDER VALUE LIFE INSURANCE	475,776	473,600	473,600

TY 2010 Other Assets Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
CASH SURRENDER VALUE LIFE INSURANCE	475,776	473,600	473,600

TY 2010 Other Assets Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
CASH SURRENDER VALUE LIFE INSURANCE	475,776	473,600	473,600

TY 2010 Other Expenses Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ADVERTISING	16			16
NYS FILING FEES	250	125		125
FOREIGN TAXES PAID	1,114	1,114		
INVESTMENT ADVISORY FEES	16,706	16,706		
ADJUSTMENT CASH VALUE LIFE INSURANCE	2,176	2,176		

TY 2010 Other Income Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
MISCELLANEOUS REBATES	355	355	
MISCELLANEOUS OTHER	1,404	1,404	

TY 2010 Other Increases Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Amount
CAPITAL GAINS ON STOCK SALES	81,090

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93491131006181

TY 2010 Taxes Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL TAXES	935			

LEGAL NOTICE

The annual report of the Dan and Flavia Gernatt Family Foundation is available for inspection during regular business hours by any citizen who requests it within 180 days after March 30, 2011 at its principal office, Taylor Hollow Road, Collins, N.Y.

Daniel R Gernatt Sr
Principal Manager

AFFIDAVIT OF PUBLICATION

State of New York)
) SS
County of Erie)

The undersigned is the billing supervisor of The SUN, a weekly newspaper published in the county of Erie, in the state of New York.
A notice regarding LEGAL NOTICE THE ANNUAL R
was published in said newspaper commencing on: 3/31/11

and ending on: 3/31/11

The text of the notice as published in said newspaper is as set forth below, or in the annexed exhibit.

Linda Bu Dage

Sworn to before me on 5th day of
April, 20 11.

Mary E Granger

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Dan & Flavia Gernatt Family Foundation
Form 990 Attachment-Investments- Part II - Balance Sheet
EIN: 22-2914177
For the year ended December 31, 2010

Morgan Stanley-statements attached	**12/31/2010**	**12/31/2010**
a/c 475-09880-18 507	**cost**	**mkt value**
money fund	17,275.78	17,275.78
common stocks	314,978.84	348,403.00
subtotal	**332,254.62**	**365,678.78**
a/c 475-09887-11 002		
cash	2,652.05	2,652 05
money fund	21,256.26	21,256.26
common stocks	316,763.26	376,771.95
exchange traded	186,162.80	213,614.39
mutual funds	660,144.32	741,958.31
subtotal	**1,186,978.69**	**1,356,252.96**
a/c 475-80578-16 002		
cash		
money fund	1,994.91	1,994.91
common stocks	54,101.05	112,488.63
preferred stocks	27,682.04	25,399.90
accrued int bonds/cd's	1,459 04	1,459.04
mortgage asset backed	1,000 12	997 31
corporate bonds	75,000.00	76,975 50
municipal bonds	41,153.40	40,901.60
subtotal	**202,390.56**	**260,216.89**
Sage Rutty-statement attached		
a/c 2624-7206		
cash	82,760.06	82,760.06
mutual funds	421,584 36	405,030.02
subtotal	**504,344.42**	**487,790.08**
HSBC Checking Account	**10,065.83**	**10,065.83**
grand totals	**2,236,034.12**	**2,480,004.54**
Reported on 990 Balance Sheet:		
cash/money funds - line 1	10,065.83	10,065.83
savings - line 2	125,939.06	125,939.06
municipal bonds 10.A	41,153.40	40,901.60
corporate stock line 10.B	1,982,416.79	2,224,663 51
corporate bonds 10.C	76,459.04	78,434 54
grand totals	**2,236,034.12**	**2,480,004.54**

MorganStanley SmithBarney

Ref. 00000098 00002845

Reserved Client Statement

December 1 - December 31, 2010

L10000000098 310365AH01 SELFL031A
THE DANIEL & FLAVIA GERNATT
FAMILY FOUNDATION
PBG YPO
2698 GOWANDA ZOAR RD
GOWANDA NY 14070-9767

Account number 475-09880-18 507

Morgan Stanley Smith Barney LLC. Member SIPC.

415 COLUMBIA STREET
P O. BOX 1606
LAFAYETTE IN 47902
765-742-3085
Website: www smithbarney com

Reserved Client Service Center: 800-423-7248

Account carried by **Citigroup Global Markets Inc. Member SIPC.**

Account value

	Last period	This period	%
Money fund	$ 15,786.67	**$ 17,275 78**	4 72
Common stocks & options	335 815.00	**348,403.00**	95 28
Total value	**$ 351,601.67**	**$ 365,678.78**	**100.00**

Earnings summary

	This period		This year	
	Taxable	Non-taxable	Taxable	Non-taxable
Qualified dividends	$ 1,723 88	$ 0.00	$ 6,384 14	$ 0 00
Money fund earnings	.95	0 00	21.65	0.00
Total	**$ 1,724 83**	**$ 0 00**	**$ 6,405.79**	**$ 0.00**

Gain/loss summary

		This period	This year
Realized gain or (loss)		($ 934 04)	$ 106 10 LT $ 3,503 44 ST
Unrealized gain or (loss) to date	33,424 16		

Cash, money fund, bank deposits

	This period	This year
Opening balance	**$ 15,786 67**	
Securities bought and other subtractions	(1 712.00)	
Securities sold and other additions	1,476.28	
Withdrawals	0.00	(3,219 39)
Dividends credited	1,723 88	
Money fund earnings reinvested	.95	
Money fund transfers	0 00	187,000.00
Closing balance	**$ 17,275.78**	

A free credit balance in any securities account may be paid to you on demand Although properly accounted for, these funds may be used for business purposes.

Portfolio summary

	This period	This year
Beginning total value (excl. accr int.)	**$ 351,601 67**	**$ 152,223 00**
Net security deposits/withdrawals	0.00	0.00
Net cash deposits/withdrawals	0.00	183,780.61
Beginning value net of deposits/withdrawals	**351,601.67**	**336,003 61**
Total value as of 12/31/2010 (excl accr. int.)	**$ 365,678 78**	**$ 365,678.78**
Change in value	**$ 14,077.11**	**$ 29,675 17**

PORTFOLIO DETAILS

Your holdings are valued using the most current prices available to Citigroup Global Markets Inc. (CGMI). In most cases, these values are as of 12/31/10, but in some cases CGMI's sources are unable to provide timely information. To see the date of the most recent price update, please view your account online at www.smithbarney.com.

Securities purchased or sold are included or excluded in this section as of the trade-date This section may include securities that have not settled as of this statement closing date. Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold

Please Note: *unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor*

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1 00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1 00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more During that time, these funds would not be available to you to support purchases, withdrawals and if applicable, check writing or ATM debits from your account

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
17.275 78	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 17 275 78		06 %	$ 10.36
Total money fund		**$ 17,275 78**	**$ 0.00**	**05%**	**$ 10 36**

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
500	AT&T INC	T	10/13/10	$ 14,269 40	$ 28 538	$ 29.38	$ 14,690 00	$ 420.60 ST	5 854 %	$ 860.00
-5	CALL T JAN 11 @ 30 00 AT&T INC 100 SHS EXP 01/22/2011 SHORT CALL Covered		11/23/10	-29 99 Short sale proceeds	.06	08	-40 00 Cost to close	(10 01) ST		
200	BOEING CO	BA	12/09/09	11,073 20	55.366	65 26	13,052 00	1,978 80 LT		
300			10/13/10	21,590.55	71 968	65 26	19 578 00	(2,012 55) ST		
500				32,663 75	65 328		32,630.00	(33 75)	2 574	840.00

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
-3	CALL BA JAN 11 @ 65 00 BOEING CO 100 SHS EXP: 01/22/2011 SHORT CALL Covered		11/23/10	$ -671 98 Short sale proceeds	$ 2.24	$ 1.475	$ -442 50 Cost to close	$ 229.48 ST		
-2	CALL BA JAN 11 @ 75 00 BOEING CO 100 SHS EXP 01/22/2011 SHORT CALL Covered		10/13/10	-497 35 Short sale proceeds	2 486	.04	-8 00 Cost to close	489 35 ST		
200	CATERPILLAR INC	CAT	12/09/09	11 219.42	56.097	93.66	18,732.00	7,512.58 LT		
200			10/13/10	16,181.20	80 906	93.66	18,732.00	2,550 80 ST		
400				27,400.62	68 502		37,464 00	10,063 38	1 879	704 00
-2	CALL CAT JAN 11 @ 75 00 CATERPILLAR INC 100 SHS EXP 01/22/2011 SHORT CALL Covered		11/02/10	-1,491 05 Short sale proceeds	7 455	18.70	-3,740.00 Cost to close	(2,248 95) ST		
-2	CALL CAT JAN 11 @ 90 00 CATERPILLAR INC 100 SHS EXP: 01/22/2011 SHORT CALL Covered		11/23/10	-176.09 Short sale proceeds	88	4.375	-875.00 Cost to close	(698.91) ST		
195	CHEVRON CORP	CVX	09/21/01	8,220 08	41.65	91 25	17,793.75	9 573 67' LT		
200			10/13/10	16,687 80	83 439	91.25	18,250 00	1,562 20 ST		
5	Reinvestments to date			359 20	71.84	91 25	456 25	97 05 LT		
400				25,267 08	63.168		36,500.00	11,232 92	3 156	1,152 00
-4	CALL CVX MAR 11 @ 90.00 CHEVRON CORP 100 SHS EXP 03/19/2011 SHORT CALL Covered		12/14/10	-1,107.30 Short sale proceeds	2.768	3.85	-1,540 00 Cost to close	(432 70) ST		
200	COCA-COLA CO	KO	12/09/09	11,491 60	57.458	65.77	13,154.00	1 662 40 LT		
300			10/13/10	17,966.40	59 888	65.77	19,731.00	1,764.60 ST		
500				29,458 00	58 916		32,885 00	3,427.00	2 675	880 00
-3	CALL KO JAN 11 @ 65 00 COCA-COLA CO 100 SHS EXP. 01/22/2011 SHORT CALL Covered		11/16/10	-254.99 Short sale proceeds	85	1.295	-388 50 Cost to close	(133.51) ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
-2	CALL KO JAN 11 @ 62.50 COCA-COLA CO 100 SHS EXP· 01/22/2011 SHORT CALL Covered		11/15/10	$ -343 99 Short sale proceeds	$ 1 72	$ 3.40	$ -680 00 Cost to close	($ 336.01) ST		
200	E I DU PONT DE NEMOURS & CO	DD	06/11/10	7 471 10	37.355	49 88	9,976.00	2,504 90 ST		
300			10/13/10	14,048 73	46 829	49 88	14 964 00	915.27 ST		
500				**21,519 83**	**43 04**		**24 940 00**	**3,420 17**	3.287	820 00
-3	CALL DD JAN 11 @ 49 00 E I DU PONT DE NEMOURS & CO 100 SHS EXP. 01/22/2011 SHORT CALL Covered		11/23/10	-179 99 Short sale proceeds	60	1 45	-435.00 Cost to close	(255 01) ST		
-2	CALL DD JAN 11 @ 45.00 E I DU PONT DE NEMOURS & CO 100 SHS EXP· 01/22/2011 SHORT CALL Covered		11/08/10	-761 38 Short sale proceeds	3 807	5.05	-1,010 00 Cost to close	(248 62) ST		
300	HOME DEPOT INC	HD	02/23/10	9,264 63	30 882	35 06	10 518.00	1,253.37 ST		
200			10/13/10	6,286 00	31.43	35 06	7,012.00	726 00 ST		
500				**15,550.63**	**31.101**		**17,530 00**	**1,979 37**	2 695	472 50
-5	CALL HD JAN 11 @ 33 00 HOME DEPOT INC 100 SHS EXP. 01/22/2011 SHORT CALL Covered		11/23/10	-157.04 Short sale proceeds	.314	2.21	-1,105.00 Cost to close	(947 96) ST		
300	INTEL CORP	INTC	12/09/09	5,920 53	19 735	21 03	6 309 00	388 47 LT		
100			09/13/10	1 825 00	18.25	21 03	2,103 00	278 00 ST		
100			10/13/10	1,963.00	19 63	21 03	2 103 00	140.00 ST		
500				**9,708 53**	**19 417**		**10,515 00**	**806 47**	2 995	315 00
-1	CALL INTC JAN 11 @ 21 00 INTEL CORP 100 SHS EXP· 01/22/2011 SHORT CALL Covered		10/12/10	-51 99 Short sale proceeds	52	.52	-52.00 Cost to close	(.01) ST		
-1	CALL INTC JAN 11 @ 22.50 INTEL CORP 100 SHS EXP. 01/22/2011 SHORT CALL Covered		11/19/10	-29 99 Short sale proceeds	.30	.10	-10 00 Cost to close	19 99 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
-3	CALL INTC FEB 11 @ 21 00 INTEL CORP 100 SHS EXP 02/19/2011 SHORT CALL Covered		12/15/10	**$ -299 99** Short sale proceeds	$ 1.00	$ .67	**$ -201 00** Cost to close	**$ 98.99** ST		
200	JOHNSON & JOHNSON	JNJ	03/23/10	13,049 26	65.246	61 85	12,370 00	(679.26) ST		
300			10/13/10	19,082 13	63.607	61 85	18.555 00	(527 13) ST		
500				**32,131 39**	**64.263**		**30,925 00**	**(1,206 39)**	**3 492**	**1,080.00**
-2	CALL JNJ JAN 11 @ 65 00 JOHNSON & JOHNSON 100 SHS EXP 01/22/2011 SHORT CALL Covered		10/13/10	-205.99 Short sale proceeds	1 03	.05	-10.00 Cost to close	195 99 ST		
-3			11/23/10	-122 98 Short sale proceeds	41	05	-15 00 Cost to close	107.99 ST		
-5				**-328 98**	**.657**		**-25 00**	**303 98**		
200	KRAFT FOODS INC CLASS A	KFT	03/23/10	6,101.74	30 508	31.51	6,302.00	200.26 ST		
300			10/13/10	9,457.80	31.526	31.51	9,453.00	(4 80) ST		
500				**15,559 54**	**31 119**		**15,755 00**	**195.46**	**3.681**	**580 00**
-5	CALL KFT JAN 11 @ 32.00 KRAFT FOODS INC CLASS A 100 SHS EXP 01/22/2011 SHORT CALL Covered		11/23/10	**-79 99** Short sale proceeds	.16	22	**-110 00** Cost to close	**(30 01)** ST		
200	MCDONALDS CORP	MCD	08/31/10	14,623.58	73.117	76.76	15,352 00	728.42 ST		
200			10/13/10	15.193 60	75.968	76 76	15.352 00	158 40 ST		
400				**29,817 18**	**74 543**		**30,704 00**	**886 82**	**3.178**	**976.00**
-4	CALL MCD JAN 11 @ 85 00 MCDONALDS CORP 100 SHS EXP 01/22/2011 SHORT CALL Covered		11/23/10	**-87.99** Short sale proceeds	22	.04	**-16.00** Cost to close	**71 99** ST		
300	MERCK & CO INC NEW	MRK	12/09/09	10,946 40	36.488	36.04	10,812.00	(134.40) LT		
200			10/13/10	7.453 60	37 268	36.04	7,208.00	(245 60) ST		
500				**18,400 00**	**36 80**		**18,020 00**	**(380.00)**	**4 217**	**760.00**
-5	CALL MRK JAN 11 @ 37 00 MERCK & CO INC NEW 100 SHS EXP 01/22/2011 SHORT CALL Covered		11/23/10	**-195 44** Short sale proceeds	.39	.23	**-115 00** Cost to close	**80 44** ST		
200	PFIZER INC	PFE	12/04/06	5 025 18	24.67	17.51	3,502.00	(1 523 18)*LT		
100			12/09/09	1 807.71	18 077	17 51	1 751.00	(56 71) LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
200	PFIZER INC	PFE	10/13/10	$ 3 549 60	$ 17 748	$ 17 51	$ 3,502 00	($ 47 60) ST		
500				10,382.49	20 765		8,755 00	(1,627 49)	4 568	400.00
-2	CALL PFE JAN 11 @ 17.50 PFIZER INC 100 SHS EXP 01/22/2011 SHORT CALL Covered		11/23/10	-33.99 Short sale proceeds	17	35	-70.00 Cost to close	(36 01) ST		
-3	CALL PFE FEB 11 @ 18.00 PFIZER INC 100 SHS EXP' 02/19/2011 SHORT CALL Covered		12/21/10	-68 99 Short sale proceeds	23	29	-67 00 Cost to close	(18.01) ST		
200	PROCTER & GAMBLE CO	PG	09/17/98	7,711 35	37 88	64 33	12,866 00	5,154 65* LT		
300			10/13/10	18,801.00	62 67	64 33	19,299.00	498 00 ST		
500				26,512 35	53 025		32,165 00	5,652 65	2 995	963 50
-5	CALL PG JAN 11 @ 65.00 PROCTER & GAMBLE CO 100 SHS EXP. 01/22/2011 SHORT CALL Covered		11/23/10	-254.98 Short sale proceeds	51	.43	-215 00 Cost to close	39.99 ST		
200	VERIZON COMMUNICATIONS	VZ	01/20/95	4,582 88	22.914	35 78	7,156 00	2 573 12* LT		
100			12/09/09	3,107 21	31 072	35 78	3,578 00	470 79 LT		
200			10/13/10	6 477 42	32 387	35 78	7,156 00	678 58 ST		
500				14,167.51	28.335		17,890 00	3,722 49	5 449	975.00
-3	CALL VZ JAN 11 @ 31.00 VERIZON COMMUNICATIONS 100 SHS EXP 01/22/2011 SHORT CALL Covered		10/04/10	-683 98 Short sale proceeds	2.28	4.80	-1,440 00 Cost to close	(756 02) ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
-2	CALL VZ JAN 11 @ 34.00 VERIZON COMMUNICATIONS 100 SHS EXP 01/22/2011 SHORT CALL Covered		11/23/10	$ -41 99 Short sale proceeds	$ 21	$ 1 80	$ -360 00 Cost to close	($ 318 01) ST		
Total common stocks and options				**$ 314,978 84**			**$ 348,403.00**	**$ 5,726.92 ST** **$ 27,697.24 LT**	**3 38**	**$ 11,778.00**
Total portfolio value				**$ 332,254 62**			**$ 365,678.78**	**$ 5,726.92 ST** **$ 27,697.24 LT**	**3.22**	**$ 11,788.36**

Based on information supplied by client or other financial institution, not verified by us

TRANSACTION DETAILS *All transactions appearing are based on trade-date.*

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/14/10	Sold	CALL CVX MAR 11 @ 90.00 CHEVRON CORP 100 SHS EXP 03/19/2011 COVERED OPEN CUSTOMER MorganStanley SmithBarney LLC acted as your agent in this transaction	-4	$ 2 7683	$ 1,107.30
12/14/10	Bought	CALL CVX DEC 10 @ 85.00 CHEVRON CORP 100 SHS EXP 12/18/2010 CLOSED CUSTOMER MorganStanley SmithBarney LLC acted as your agent in this transaction	4	3.95	-1,580.00

MorganStanley SmithBarney

Ref 00000098 00002856

Reserved Client Statement

December 1 - December 31, 2010

L10000000098 310365AH01 SELFL031A
THE DANIEL & FLAVIA GERNATT
FAMILY FOUNDATION
2698 GOWANDA ZOAR RD
GOWANDA NY 14070-9767

Account number 475-09887-11 002

Morgan Stanley Smith Barney LLC. Member SIPC.

Your Financial Advisor
Jessica Rebmann
415 COLUMBIA STREET
P.O. BOX 1606
LAFAYETTE IN 47902
765 420 8420
Email jessica e rebmann@mssb.com
Website www smithbarney com

Reserved Client Service Center 800-423-7248
Branch Phone. 800 343 9743

Account carried by **Citigroup Global Markets Inc. Member SIPC**

Account value

	Last period	This period	%
Cash balance	$ 0.00	**$ 2,652 05**	.20
Money fund	10,436.07	**21,256 26**	1 57
Common stocks & options	357,416 98	**376,771 95**	27 78
Exchange traded & closed end funds	204 983.84	**213,614 39**	15.75
Mutual funds	716,119.52	**741,958.31**	54.71
Unsettled purchases/sales	-233 66	**0 00**	
Total value	**$ 1,288,722.75**	**$ 1,356,252.96**	**100.00**

Unsettled purchases/sales are reflected in the "Portfolio details" section.

Earnings summary

	This period		This year	
	Taxable	Non-taxable	Taxable	Non-taxable
Qualified dividends	$ 1,028 67	$ 0 00	$ 7,043.13	$ 0 00
Other dividends	7,308 95	0 00	26 498.82	0 00
Money fund earnings	84	1.14	38.86	53.64
Cap gains distributions-ST	718.65	0 00	718.65	0 00
Cap. gains distributions-LT	1,114 01	0 00	1,114.01	0 00
Total	**$ 10,171.12**	**$ 1 14**	**$ 35,413 47**	**$ 53.64**

Cash, money fund, bank deposits

	This period	This year
Opening balance	**$ 10,436 07**	
Securities bought and other subtractions	(7,220 70)	
Securities sold and other additions	10,777.86	
Prior transactions settling/cancelled	(233 66)	
Deposits	0 00	350,802 10
Withdrawals	0.00	(119,789 54)
Dividends credited	8 314 10	
Money fund earnings credited	1.14	
Money fund earnings reinvested	.84	
Money fund transfers	0 00	(50,000 00)
Capital gains distributions credited	1,832 66	
Closing balance	**$ 23,908 31**	

A free credit balance in any securities account may be paid to you on demand. Although properly accounted for these funds may be used for business purposes

Portfolio summary

	This period	This year
Beginning total value (excl accr. int.)	**$ 1,288,722.75**	**$ 973,502 79**
Net security deposits/withdrawals	0.00	0 00
Net cash deposits/withdrawals	0.00	181.012 56
Beginning value net of deposits/withdrawals	**1,288,722 75**	**1,154,515 35**
Total value as of 12/31/2010 (excl. accr. int.)	**$ 1,356,252.96**	**$ 1,356,252 96**
Change in value	**$ 67,530.21**	**$ 201,737.61**

Additional summary information

	This period	This year
Return of capital	$ 0.00	$ 24.32
Other income	0.00	140 08
FRGN tax withheld	23.52	57 56

Gain/loss summary

		This period	This year
Realized gain or (loss)		$ 1,193.94	$ 67 32 LT $ 5,844 87 ST
Unrealized gain or (loss) to date	169,274 27		

SEPARATELY MANAGED ACCOUNTS

Consulting Group Research (CGR) rating codes (FL, AL or NL) may be shown for certain separate account managers Please refer to the "Guide to Investment Ratings" at the end of this statement for a description of these rating codes All research ratings represent the "opinions" of CGR and are not representations or guarantees of performance

	Rating		Rating
Clearbridge Advisors - Dividend Strategy	AL	ClearBridge All Cap Value Portfolios	FL
ClearBridge Multi Cap Growth Portfolios	FL		

PORTFOLIO DETAILS

Your holdings are valued using the most current prices available to Citigroup Global Markets Inc. (CGMI). In most cases, these values are as of 12/31/10, but in some cases CGMI's sources are unable to provide timely information. To see the date of the most recent price update, please view your account online at www.smithbarney.com.

Securities purchased or sold are included or excluded in this section as of the trade-date This section may include securities that have not settled as of this statement closing date Please see the "Unsettled Purchases/Sales" section for more information Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold.

Please Note: *unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor*

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency Although money market funds seek to preserve the value of your investment at $1 00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1 00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated income (annualized)
21,256 26	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 21,256.26		06%	$ 12 75
Total money fund		**$ 21,256 26**	**$ 0.00**	**.05%**	**$ 12.75**

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
36	COVIDIEN PLC DUBLIN-USD	COV	12/10/09	$ 1 709 10	$ 47.475	$ 45 66	$ 1,643 76	($ 65.34) LT		
4			01/08/10	195 60	48 90	45 66	182.64	(12 96) ST		
1			02/08/10	49.42	49.42	45.66	45.66	(3.76) ST		
2			02/16/10	100 62	50 307	45.66	91.32	(9.30) ST		
2			02/22/10	100 70	50 35	45.66	91.32	(9.38) ST		
45				**2,155 44**	**47 899**		**2,054 70**	**(100.74)**	**1 752**	**36.00**
207	SEAGATE TECHNOLOGY PLC	STX	12/10/09	3,419 23	16 518	15 03	3,111 21	(308 02) LT		
13			01/08/10	232 44	17 88	15 03	195 39	(37 05) ST		
2			02/08/10	36 50	18.25	15.03	30.06	(6 44) ST		
71			08/18/10	793.19	11 171	15.03	1,067 13	273.94 ST		
98			08/23/10	1,074.12	10 96	15 03	1,472 94	398 82 ST		
391				**5,555.48**	**14.208**		**5,876 73**	**321.25**		
18	ALLIED WORLD ASSURANCE CO HLDGS	AWH	12/10/09	833 37	46 298	59 44	1,069.92	236 55 LT		
3			01/08/10	136 50	45.50	59.44	178.32	41 82 ST		
1			01/22/10	45 28	45 28	59.44	59.44	14.16 ST		
1			02/16/10	45.86	45 86	59 44	59 44	13.58 ST		
1			02/22/10	46 10	46.10	59.44	59 44	13.34 ST		
11			05/11/10	481 36	43 76	59 44	653 84	172 48 ST		
35				**1,588 47**	**45.385**		**2,080.40**	**491 93**	**1,345**	**28 00**
139	WEATHERFORD INTERNATIONAL LTD -CHF	WFT	12/10/09	2,266 81	16.308	22.80	3,169 20	902.39 LT		
42			01/22/10	752 22	17.909	22.80	957.60	205 38 ST		
34			01/28/10	545 62	16.047	22.80	775.20	229 58 ST		
47			02/08/10	707.82	15.06	22.80	1,071 60	363 78 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
21	WEATHERFORD INTERNATIONAL LTD.-CHF	WFT	02/16/10	$ 318.09	$ 15 147	$ 22.80	$ 478.80	$ 160.71 ST		
283				**4,590.56**	**16 221**		**6,452 40**	**1,861 84**		
124	TYCO ELECTRONICS LTD	TEL	12/10/09	2,907 61	23 608	35 40	4,389 60	1 481.99 LT		
13			01/08/10	323 18	25 02	35 40	460.20	137 02 ST		
2			01/22/10	49 78	25.048	35 40	70 80	21 02 ST		
4			02/08/10	98 24	24.72	35 40	141.60	43 36 ST		
4			02/16/10	102 55	25 797	35.40	141 60	39 05 ST		
5			02/22/10	130.80	26.32	35 40	177 00	46 20 ST		
152				**3,612.16**	**23 764**		**5,380 80**	**1,768 64**	**1 807**	**97 28**
106	TYCO INTL LTD CHF	TYC	12/10/09	3 828.30	36 116	41.44	4,392 64	564.34 LT		
15			01/08/10	544 35	36.289	41 44	621 60	77.25 ST		
14			02/08/10	477.65	34.118	41 44	580 16	102 51 ST		
7			02/16/10	244 99	34.998	41 44	290.08	45 09 ST		
3			02/22/10	106.79	35.597	41 44	124 32	17 53 ST		
145				**5,202.08**	**35 876**		**6,008.80**	**806 72**	**2 027**	**121 80**
167	AT&T INC	T	12/10/09	4,628.58	27 716	29.38	4 906 46	277 88 LT		
33			01/08/10	891.94	27 028	29 38	969 54	77.60 ST		
17			01/22/10	432 96	25.468	29 38	499 46	66.50 ST		
8			02/08/10	200 30	25.038	29 38	235 04	34.74 ST		
11			02/16/10	278.37	25.306	29 38	323 18	44.81 ST		
19			02/22/10	475 57	25 03	29 38	558.22	82 65 ST		
255				**6,907.72**	**27 089**		**7,491 90**	**584 18**	**5 854**	**438 60**
32	ABBOTT LABORATORIES	ABT	12/10/09	1,729.21	54 038	47.91	1,533 12	(196 09) LT		
6			01/08/10	329.33	54 888	47.91	287 46	(41.87) ST		
2			01/22/10	109 74	54 868	47 91	95 82	(13.92) ST		
2			02/08/10	107 30	53 647	47 91	95 82	(11.48) ST		
3			02/16/10	163 74	54.578	47 91	143 73	(20 01) ST		
4			02/22/10	217 36	54.34	47.91	191 64	(25.72) ST		
4			11/09/10	201 46	50 363	47.91	191.64	(9 82) ST		
2			11/23/10	94 18	47.09	47 91	95 82	1 64 ST		
55				**2,952 32**	**53 679**		**2 635 05**	**(317.27)**	**3.673**	**96 80**
37	AMERICAN ELECTRIC POWER CO INC	AEP	12/08/10	**1,303.54**	35 23	35 98	**1,331 26**	**27.72** ST	**5 113**	**68 08**
115	ANADARKO PETROLEUM CORP	APC	12/10/09	6 691 68	58 188	76 16	8,758.40	2,066 72 LT		
3			01/08/10	200 07	66.69	76 16	228 48	28 41 ST		
7			01/22/10	446 43	63 776	76.16	533.12	86.69 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
5	ANADARKO PETROLEUM CORP	APC	02/08/10	$ 313.04	$ 62.607	$ 76.16	$ 380.80	$ 67 76 ST		
3			02/22/10	208 71	69.57	76 16	228 48	19.77 ST		
133				**7,859 93**	**59.097**		**10,129 28**	**2,269.35**	**472**	**47.88**
146	ANNALY CAPITAL MANAGEMENT INC	NLY	12/10/09	2 713.85	18 588	17.92	2,616.32	(97 53) LT		
11			01/08/10	192 47	17 497	17.92	197.12	4 65 ST		
5			01/22/10	85 84	17.168	17.92	89.60	3 76 ST		
12			02/16/10	208 30	17.358	17 92	215 04	6.74 ST		
12			11/10/10	214.67	17 889	17 92	215 04	37 ST		
186				**3 415 13**	**18 361**		**3,333.12**	**(82 01)**	**14 285**	**476 16**
139	APPLIED MATERIALS INC DELAWARE	AMAT	12/10/09	1,846.91	13.287	14.05	1 952.95	106 04 LT		
13			01/08/10	188 31	14.485	14 05	182 65	(5.66) ST		
20			01/22/10	262.58	13 128	14 05	281.00	18 42 ST		
16			02/08/10	194.21	12.138	14.05	224.80	30.59 ST		
3			02/16/10	38 87	12 956	14 05	42.15	3 28 ST		
16			02/22/10	199.94	12 496	14.05	224 80	24.86 ST		
207				**2,730.82**	**13 192**		**2,908 35**	**177 53**	**1 992**	**57 96**
87	AUTODESK INC	ADSK	12/10/09	2,044 37	23.498	38.20	3,323 40	1,279 03 LT		
3			01/08/10	78 81	26 27	38.20	114.60	35 79 ST		
7			01/22/10	175.91	25.13	38 20	267.40	91.49 ST		
12			02/08/10	277.56	23.13	38 20	458 40	180 84 ST		
109				**2,576.65**	**23.639**		**4,163 80**	**1,587 15**		
48	AUTOMATIC DATA PROCESSING INC.	ADP	01/26/05	1 931 99	39 41	46.28	2,221.44	289.45* LT		
9			01/08/10	380 75	42 305	46 28	416.52	35.77 ST		
4			01/22/10	164.78	41 196	46 28	185 12	20.34 ST		
4			02/08/10	161.87	40 468	46.28	185 12	23 25 ST		
3			02/16/10	123 81	41 27	46.28	138.84	15 03 ST		
4			02/22/10	166 43	41.608	46.28	185.12	18.69 ST		
3			11/09/10	136 56	45.521	46 28	138.84	2 28 ST		
12.5618	Reinvestments to date			464 17	36 95	46.28	581 36	117 19 LT		
87 5618				**3,530.36**	**40 318**		**4,052.36**	**522 00**	**3 111**	**126 09**
35	BAKER HUGHES INC	BHI	12/10/09	1,368 10	39 088	57.17	2,000.95	632.85 LT		
9			06/02/10	354 23	39 359	57 17	514.53	160 30 ST		
44				**1,722.33**	**39 144**		**2,515 48**	**793 15**	**1 049**	**26 40**
59	BANK OF AMERICA CORP	BAC	12/10/09	896.56	15.196	13 34	787 06	(109 50) LT		
6			01/08/10	100 56	16.76	13 34	80 04	(20 52) ST		

MorganStanley SmithBarney

Reserved Client Statement

December 1 - December 31, 2010

THE DANIEL & FLAVIA GERNATT   Account number 475-09887-11 002

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
22	BANK OF AMERICA CORP	BAC	01/22/10	$ 325 79	$ 14 808	$ 13 34	$ 293.48	($ 32.31) ST		
9			02/08/10	130 94	14.548	13 34	120 06	(10.88) ST		
7			02/16/10	106.89	15.27	13 34	93 38	(13.51) ST		
103				**1,560.74**	**15.153**		**1,374 02**	**(186 72)**	.299	4.12
10	BANK NEW YORK MELLON CORP	BK	08/24/10	243 60	24 36	30 20	302 00	58 40 ST		
10			08/25/10	240.80	24 08	30 20	302 00	61 20 ST		
10			08/26/10	241.80	24.18	30.20	302.00	60 20 ST		
14			08/27/10	343 49	24 535	30.20	422.80	79 31 ST		
9			08/30/10	220 54	24 504	30.20	271.80	51 26 ST		
10			08/31/10	241 84	24 183	30 20	302 00	60 16 ST		
9			09/01/10	224 37	24 93	30 20	271.80	47 43 ST		
14			09/02/10	351.54	25 11	30 20	422 80	71 26 ST		
86				**2,107 98**	**24 511**		**2,597.20**	**489.22**	1 192	30 96
12	BHP BILLITON LTD SPONS ADR	BHP	12/23/09	905 71	75.476	92 92	1,115 04	209.33 LT		
1			01/22/10	73 47	73 465	92 92	92.92	19 45 ST		
1			02/08/10	68.25	68.245	92 92	92 92	24.67 ST		
1			02/22/10	75 52	75 516	92 92	92 92	17 40 ST		
15				**1,122.95**	**74.863**		**1,393 80**	**270 85**	1.872	26 10
89	BIOGEN IDEC INC	BIIB	12/10/09	4,301.19	48 328	67 05	5 967 45	1 666 26 LT		
1			01/08/10	53 91	53 91	67 05	67 05	13 14 ST		
4			01/22/10	212.76	53 19	67.05	268 20	55 44 ST		
2			02/08/10	106.36	53.18	67.05	134 10	27 74 ST		
1			02/16/10	55 24	55 242	67.05	67.05	11 81 ST		
5			02/22/10	278 20	55 64	67.05	335.25	57 05 ST		
102				**5,007.66**	**49 095**		**6,839.10**	**1,831.44**		
7	BLACKROCK INC	BLK	11/09/10	**1,163 93**	166 276	190 58	**1,334.06**	**170 13** ST	2 098	28 00
17	BOEING CO	BA	12/10/09	932 23	54 837	65 26	1,109 42	177.19 LT		
2			01/22/10	116 69	58.347	65 26	130 52	13.83 ST		
16			09/21/10	1,028 00	64.25	65 26	1,044 16	16.16 ST		
35				**2,076 92**	**59.341**		**2,284 10**	**207.18**	2 574	58.80
86	BRISTOL MYERS SQUIBB CO	BMY	12/10/09	2,198 77	25 567	26 48	2,277 28	78 51 LT		
15			01/08/10	371.68	24 778	26.48	397.20	25 52 ST		
5			01/22/10	122.73	24.546	26.48	132 40	9 67 ST		
3			02/08/10	72 14	24 048	26.48	79.44	7 30 ST		
7			02/16/10	169 31	24 187	26.48	185.36	16.05 ST		

THE DANIEL & FLAVIA GERNATT   Account number 475-09887-11 002

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
4	BRISTOL MYERS SQUIBB CO	BMY	02/22/10	$ 98 83	$ 24.707	$ 26 48	$ 105 92	$ 7.09 ST		
7			11/10/10	183.59	26.227	26 48	185 36	1 77 ST		
1			12/06/10	25 83	25 83	26.48	26.48	65 ST		
128				**3,242.88**	**25.335**		**3,389.44**	**146.56**	**4.984**	**168.96**
73	BROADCOM CORP CL A	BRCM	12/10/09	2,299.14	31.495	43 55	3,179 15	880.01 LT		
13			01/08/10	399.62	30 74	43.55	566 15	166 53 ST		
8			01/22/10	228 77	28.596	43 55	348.40	119 63 ST		
2			02/08/10	57 86	28.928	43 55	87.10	29.24 ST		
4			02/22/10	125 70	31.426	43 55	174 20	48.50 ST		
100				**3,111.09**	**31 111**		**4,355.00**	**1,243 91**	**.734**	**32 00**
112	CABLEVISION SYSTEMS CORP CABLEVISION NY GROUP CL A	CVC	12/10/09	2,423 43	21 637	33.84	3,790 08	1,366.65 LT		
17			01/08/10	370 12	21 771	33 84	575.28	205 16 ST		
4			01/22/10	85 98	21.495	33 84	135 36	49 38 ST		
8			02/08/10	167 40	20 925	33.84	270 72	103 32 ST		
32			02/16/10	710 35	22 198	33.84	1,082 88	372 53 ST		
4			02/22/10	92 44	23.11	33.84	135.36	42.92 ST		
177				**3,849 72**	**21.75**		**5,989 68**	**2,139 96**	**1.477**	**88.50**
23	CARNIVAL CORP (PAIRED STOCK)	CCL	12/10/09	738.27	32 098	46 11	1,060.53	322.26 LT		
2			01/08/10	66.10	33 048	46.11	92 22	26.12 ST		
1			02/08/10	33 33	33 327	46.11	46.11	12 78 ST		
2			02/16/10	66 96	33.478	46.11	92.22	25.26 ST		
1			02/22/10	34 25	34.246	46 11	46 11	11.86 ST		
11			06/25/10	356.51	32.41	46.11	507 21	150.70 ST		
40				**1,295 42**	**32 386**		**1,844.40**	**548 98**	**867**	**16.00**
16	CHEVRON CORP	CVX	11/04/10	**1,347 84**	84.24	91.25	**1,460.00**	**112 16** ST	**3 156**	**46 08**
40	CHUBB CORP	CB	12/10/09	1,933 09	48.327	59 64	2,385.60	452.51 LT		
6			01/08/10	291.95	48.658	59 64	357.84	65.89 ST		
2			01/22/10	96.38	48 19	59.64	119 28	22.90 ST		
2			02/16/10	99 68	49 838	59.64	119.28	19 60 ST		
1			02/22/10	51 11	51.11	59.64	59.64	8 53 ST		
51				**2,472 21**	**48.475**		**3,041 64**	**569.43**	**2 481**	**75.48**
78	CISCO SYS INC	CSCO	12/10/09	1,860.30	23.85	20 23	1,577.94	(282.36) LT		
10			01/08/10	245.78	24.577	20 23	202.30	(43.48) ST		
6			01/22/10	138.30	23.049	20.23	121 38	(16.92) ST		
1			02/08/10	23.71	23 709	20 23	20.23	(3.48) ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
5	CISCO SYS INC	CSCO	02/16/10	$ 119 75	$ 23.95	$ 20 23	$ 101.15	($ 18.60) ST		
5			02/22/10	122 25	24.449	20 23	101 15	(21.10) ST		
105				**2,510 09**	**23 906**		**2,124 15**	**(385.94)**		
40	CITRIX SYSTEMS INC	CTXS	10/14/10	**2,345.69**	58 642	68.41	**2,736 40**	**390 71** ST		
281	COMCAST CORP CL A - SPL	CMCSK	12/10/09	4,689.61	16 689	20.81	5,847 61	1,158.00 LT		
62			01/08/10	1,000.56	16 138	20.81	1,290.22	289 66 ST		
31			01/22/10	474 86	15 318	20.81	645.11	170 25 ST		
34			02/08/10	494 63	14 548	20 81	707.54	212 91 ST		
21			02/16/10	311 83	14 849	20 81	437.01	125.18 ST		
11			02/22/10	168 37	15.306	20 81	228.91	60.54 ST		
440				**7,139 86**	**16 227**		**9,156 40**	**2,016 54**	1 816	166 32
11	CONOCOPHILLIPS	COP	12/10/09	559.11	50.828	68 10	749 10	189.99 LT		
13			12/30/09	661.45	50 88	68 10	885 30	223 85 LT		
3			01/08/10	158.96	52 988	68.10	204.30	45 34 ST		
1			01/22/10	50.92	50 918	68.10	68 10	17 18 ST		
4			02/08/10	190.20	47 549	68 10	272.40	82.20 ST		
3			02/22/10	146 39	48 797	68 10	204.30	57 91 ST		
35				**1,767 03**	**50.487**		**2,383 50**	**616 47**	3 23	77 00
13	CREE INC	CREE	12/10/09	672 88	51 76	65 89	856.57	183 69 LT		
2			02/08/10	112 86	56 43	65 89	131.78	18 92 ST		
2			05/25/10	123 31	61 654	65 89	131.78	8.47 ST		
14			08/05/10	979.65	69.975	65.89	922.46	(57.19) ST		
34			09/16/10	1,738 50	51.132	65 89	2,240 26	501.76 ST		
5			10/20/10	244.86	48.972	65 89	329 45	84 59 ST		
70				**3,872 06**	**55 315**		**4,612 30**	**740 24**		
28	DEERE & CO	DE	12/10/09	1,462.92	52 247	83.05	2 325 40	862 48 LT		
2			01/08/10	114 85	57 426	83.05	166 10	51 25 ST		
3			01/22/10	160 34	53 446	83.05	249 15	88 81 ST		
4			02/08/10	196 87	49 218	83.05	332.20	135 33 ST		
37				**1,934 98**	**52 297**		**3,072 85**	**1,137 87**	1 685	51 80
27	DEVON ENERGY CORP NEW	DVN	12/10/09	1,725 52	63.908	78 51	2,119.77	394.25 LT		
1			01/22/10	69 71	69.71	78 51	78.51	8.80 ST		
2			02/08/10	132 94	66.47	78 51	157 02	24.08 ST		
1			02/16/10	69.13	69.13	78 51	78.51	9.38 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1	DEVON ENERGY CORP NEW	DVN	02/22/10	$ 70.41	$ 70 41	$ 78.51	$ 78 51	$ 8 10 ST		
32				2,067 71	64 616		2,512.32	444.61	815	20 48
20	DIAMOND OFFSHORE DRILLING INC	DO	12/10/09	1,925 40	96 27	66.87	1,337 40	(588.00) LT		
3			01/22/10	284.41	94.802	66 87	200 61	(83 80) ST		
2			02/08/10	177 35	88 676	66 87	133 74	(43 61) ST		
2			02/16/10	175.94	87.97	66 87	133.74	(42 20) ST		
1			02/22/10	88.74	88 74	66 87	66.87	(21 87) ST		
28				2,651 84	94.709		1,872 36	(779.48)	.747	14.00
42	WALT DISNEY CO	DIS	12/10/09	1,316 54	31.346	37 51	1,575 42	258.88 LT		
6			01/08/10	190 25	31.708	37.51	225.06	34 81 ST		
4			01/22/10	120 47	30 118	37.51	150.04	29.57 ST		
2			02/08/10	59 33	29 667	37 51	75 02	15.69 ST		
2			02/16/10	60.94	30.468	37 51	75 02	14.08 ST		
1			02/22/10	31.17	31.167	37 51	37 51	6 34 ST		
57				1,778.70	31 205		2,138.07	359 37	1 066	22.80
44	DIRECTV CL A	DTV	12/10/09	1,444.44	32.828	39.93	1,756 92	312.48 LT		
5			01/08/10	170 04	34.008	39 93	199 65	29 61 ST		
7			01/22/10	220 06	31.437	39 93	279 51	59 45 ST		
3			02/08/10	91 31	30.436	39.93	119.79	28 48 ST		
2			02/16/10	61.80	30.898	39.93	79.86	18.06 ST		
61				1,987 65	32 584		2,435 73	448.08		
29	DOLBY LABORATORIES INC CLASS A	DLB	12/10/09	1,295 37	44 668	66.70	1,934 30	638.93 LT		
3			01/22/10	143.70	47 90	66 70	200.10	56 40 ST		
2			02/22/10	105.78	52.89	66 70	133.40	27.62 ST		
34				1,544 85	45 437		2,267.80	722.95		
19	DOVER CORP	DOV	12/10/09	777.67	40.93	58 45	1,110 55	332 88 LT		
1			01/08/10	44 66	44.66	58 45	58 45	13 79 ST		
2			02/08/10	82.50	41 25	58.45	116.90	34 40 ST		
22				904 83	41.129		1,285.90	381.07	1 881	24 20
51	E I DU PONT DE NEMOURS & CO	DD	12/10/09	1 619 17	31 748	49 88	2,543 88	924 71 LT		
4			01/08/10	135 91	33.977	49.88	199 52	63 61 ST		
4			01/22/10	130.87	32 718	49 88	199.52	68 65 ST		
2			02/08/10	64.60	32.298	49.88	99.76	35 16 ST		
4			02/16/10	130 78	32 696	49.88	199.52	68 74 ST		
65				2,081.33	32 02		3,242.20	1,160 87	3 287	106.60

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Average % yield	Anticipated income (annualized)
76	EBAY INC	EBAY	12/10/09	$ 1,707 50	$ 22 467	$ 27 83	$ 2,115 08	$ 407 58	LT		
16			12/21/09	366 24	22 89	27.83	445.28	79.04	LT		
10			01/08/10	235 45	23 545	27.83	278 30	42 85	ST		
8			02/08/10	180.37	22 546	27 83	222 64	42 27	ST		
8			02/16/10	179 50	22.438	27 83	222 64	43 14	ST		
2			02/22/10	46 78	23.388	27 83	55 66	8 88	ST		
120				**2,715.84**	**22.632**		**3,339 60**	**623 76**			
10	EMCOR GROUP INC	EME	08/25/10	**225 38**	22 538	28 98	**289 80**	**64 42**	ST		
61	EMERSON ELECTRIC CO	EMR	12/10/09	2,538 03	41 607	57.17	3 487.37	949.34	LT		
7			01/08/10	306 80	43.829	57.17	400 19	93 39	ST		
5			01/22/10	212 03	42 406	57.17	285 85	73.82	ST		
1			02/22/10	48 38	48.376	57.17	57.17	8.79	ST		
74				**3,105 24**	**41 963**		**4,230 58**	**1,125 34**		**2.413**	**102.12**
24	ERICSSON L M TEL CO CL B ADR NEW -USD-	ERIC	12/10/09	228 40	9 516	11 53	276.72	48.32	LT		
55			12/21/09	503 69	9 158	11 53	634 15	130 46	LT		
5			01/08/10	48.89	9 778	11 53	57 65	8 76	ST		
1			01/22/10	9 83	9.828	11.53	11.53	1.70	ST		
102			01/25/10	1,000 42	9.808	11 53	1,176 06	175 64	ST		
8			02/08/10	77.18	9.648	11 53	92 24	15 06	ST		
4			02/16/10	40.39	10 097	11 53	46.12	5 73	ST		
13			02/22/10	130.47	10 036	11 53	149 89	19.42	ST		
212				**2,039 27**	**9 619**		**2,444.36**	**405 09**		**1 682**	**41 13**
34	EXXON MOBIL CORP	XOM	01/11/94	557 26	16 18	73 12	2,486.08	1,928 82*	LT		
5			01/08/10	346 28	69 256	73.12	365.60	19.32	ST		
3			01/22/10	199 01	66 338	73.12	219 36	20 35	ST		
1			02/08/10	64.66	64.658	73 12	73 12	8 46	ST		
2			02/16/10	132 65	66.327	73.12	146 24	13 59	ST		
3			02/22/10	196.97	65 657	73 12	219 36	22.39	ST		
22			03/08/10	1,466.09	66.64	73 12	1,608 64	142 55	ST		
70				**2,962 92**	**42.327**		**5,118 40**	**2,155.48**		**2 407**	**123 20**
77	FLUOR CORP NEW	FLR	12/10/09	3,103 80	40 309	66.26	5,102.02	1 998.22	LT		
10			02/08/10	426 14	42 614	66 26	662.60	236.46	ST		
1			02/16/10	45.56	45 557	66.26	66.26	20.70	ST		
2			02/22/10	93 18	46 588	66 26	132 52	39 34	ST		
90				**3,668.68**	**40.763**		**5,963.40**	**2,294 72**		**754**	**45 00**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
138	FOREST LABORATORIES INC	FRX	12/10/09	$ 4,303 94	$ 31 188	$ 31.98	$ 4 413 24	$ 109.30 LT		
21			01/08/10	647 22	30 82	31.98	671 58	24.36 ST		
11			01/22/10	324 83	29.53	31 98	351 78	26.95 ST		
6			02/08/10	173 10	28.85	31.98	191.88	18 78 ST		
7			02/16/10	206.42	29 488	31.98	223.86	17.44 ST		
11			02/22/10	323 59	29 417	31 98	351.78	28.19 ST		
4			05/11/10	109.05	27.262	31 98	127 92	18.87 ST		
198				**6,088 15**	**30.748**		**6,332 04**	**243 89**		
9	FRANKLIN RESOURCES INC	BEN	12/10/09	979 47	108 83	111.21	1,000.89	21.42 LT		
2			01/08/10	214.66	107 33	111.21	222.42	7 76 ST		
1			01/22/10	101 27	101.268	111.21	111.21	9.94 ST		
1			02/08/10	97 13	97.129	111 21	111 21	14.08 ST		
1			02/22/10	101.91	101.91	111 21	111.21	9 30 ST		
14				**1,494.44**	**106 746**		**1,556.94**	**62 50**	**899**	**14 00**
18	FREEPORT MCMORAN COPPER & GOLD CL B	FCX	02/05/10	1 223.18	67.954	120.09	2,161.62	938.44 ST		
1			02/22/10	77 26	77 264	120.09	120 09	42.83 ST		
19				**1,300.44**	**68.444**		**2,281 71**	**981.27**	**1.665**	**38 00**
31	GAP INC DELAWARE	GPS	12/10/09	654 36	21.108	22 14	686 34	31 98 LT		
8			01/08/10	162.72	20.34	22.14	177 12	14 40 ST		
5			01/22/10	94.40	18 88	22.14	110 70	16 30 ST		
2			02/16/10	39 48	19 738	22.14	44.28	4 80 ST		
2			02/22/10	39.54	19.77	22 14	44 28	4.74 ST		
48				**990 50**	**20.635**		**1,062 72**	**72 22**	**1.806**	**19 20**
48	GENERAL ELECTRIC CO	GE	03/17/09	470.93	9.56	18.29	877 92	406.99* LT		
27			11/10/10	447.43	16 571	18 29	493 83	46 40 ST		
2			11/17/10	31.56	15.78	18.29	36.58	5 02 ST		
2			11/23/10	31 52	15 76	18.29	36.58	5.06 ST		
27			12/10/10	477.40	17.681	18.29	493 83	16 43 ST		
44 5058	Reinvestments to date			602 44	13 536	18 29	814.01	211 57 LT		
150 5058				**2,061 28**	**13.696**		**2,752 75**	**691.47**	**3 061**	**84.28**
25	GENERAL MILLS INC	GIS	12/10/09	858.66	34 346	35.59	889.75	31 09 LT		
8			01/08/10	281 96	35 244	35.59	284.72	2 76 ST		
2			01/22/10	71 31	35 655	35.59	71.18	(.13) ST		
4			02/08/10	137 64	34 409	35.59	142 36	4.72 ST		
2			02/16/10	70 50	35.25	35 59	71.18	.68 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
2	GENERAL MILLS INC	GIS	02/22/10	$ 72.42	$ 36 21	$ 35.59	$ 71.18	($ 1 24) ST		
4			11/17/10	142 60	35 65	35.59	142.36	(.24) ST		
1			11/23/10	35.14	35 14	35.59	35.59	.45 ST		
48				**1,670 23**	**34 796**		**1,708 32**	**38.09**	3.146	53 76
67	GENZYME CORP	GENZ	12/10/09	4,302 89	49.458	71 20	6,194 40	1,891 51 LT		
4			01/08/10	214.92	53.73	71 20	284 80	69 86 ST		
1			01/22/10	54 31	54 31	71.20	71 20	16 89 ST		
1			02/08/10	54 51	54 51	71.20	71.20	16 69 ST		
4			02/16/10	222.23	55 558	71.20	284 80	62.57 ST		
5			02/22/10	279 80	55 96	71.20	356.00	76.20 ST		
102				**5,128.66**	**50 281**		**7,262.40**	**2,133 74**		
23	GLAXOSMITHKLINE PLC SP ADR	GSK	01/19/10	968 32	42 10	39 22	902 06	(66 26) ST		
1			01/22/10	40 83	40.828	39 22	39.22	(1.61) ST		
2			02/08/10	76.26	38 128	39 22	78 44	2 18 ST		
1			02/16/10	39 26	39 26	39.22	39 22	(.04) ST		
3			02/22/10	112 07	37 357	39.22	117.66	5 59 ST		
30				**1,236 74**	**41 225**		**1,176.60**	**(60.14)**	5 096	59 97
31	HALLIBURTON CO HOLDINGS CO	HAL	12/10/09	876 63	28 278	40 83	1,265 73	389.10 LT		
27			12/30/09	807 84	29.92	40 83	1,102.41	294.57 LT		
5			01/22/10	156.99	31.397	40 83	204 15	47 16 ST		
8			02/08/10	225 84	28 23	40 83	326 64	100 80 ST		
2			02/22/10	62 34	31.168	40.83	81 66	19 32 ST		
73				**2,129.64**	**29 173**		**2,980 59**	**850.95**	.881	26.28
78	H J HEINZ CO	HNZ	12/10/09	3 326.54	42 648	49.46	3,857 88	531 34 LT		
12			01/08/10	507 46	42.288	49.46	593 52	86.06 ST		
2			01/22/10	84 16	42 078	49 46	98.92	14.76 ST		
3			02/16/10	133 44	44 478	49.46	148.38	14 94 ST		
1			02/22/10	46 02	46 02	49 46	49 46	3.44 ST		
96				**4,097 62**	**42 684**		**4,748 16**	**650 54**	3.639	172 80
29	HESS CORP	HES	12/10/09	1 616.93	55 756	76.54	2,219 66	602 73 LT		
2			01/22/10	118 97	59 486	76 54	153 08	34 11 ST		
2			02/08/10	114 32	57.157	76 54	153 08	38 76 ST		
1			02/16/10	60.48	60 48	76 54	76 54	16 06 ST		
2			02/22/10	120.88	60.44	76.54	153.08	32 20 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
7	HESS CORP	HES	06/10/10	$ 362 65	$ 51 806	$ 76.54	$ 535.78	$ 173 13 ST		
43				**2,394.23**	**55 68**		**3,291.22**	**896.99**	**.522**	**17 20**
50	HOME DEPOT INC	HD	12/10/09	1 396.85	27.937	35 06	1,753 00	356.15 LT		
7			01/08/10	202 56	28.937	35 06	245 42	42.86 ST		
3			01/22/10	83.39	27 798	35.06	105.18	21 79 ST		
2			02/16/10	58.89	29 447	35.06	70.12	11.23 ST		
2			02/22/10	60 84	30 418	35 06	70 12	9 28 ST		
64				**1,802 53**	**28,165**		**2,243.84**	**441 31**	**2 695**	**60 48**
35	HONEYWELL INTL INC	HON	12/10/09	1,410.75	40 307	53.16	1,860.60	449.85 LT		
4			01/08/10	168.19	42 047	53 16	212.64	44 45 ST		
4			01/22/10	160 71	40.178	53 16	212 64	51 93 ST		
4			02/08/10	148.00	37 00	53.16	212.64	64.64 ST		
1			02/16/10	38.94	38 94	53.16	53 16	14.22 ST		
1			02/22/10	40 27	40.27	53 16	53 16	12 89 ST		
49				**1,966 86**	**40.14**		**2,604.84**	**637.98**	**2.276**	**59 29**
45	IMMUNOGEN INC	IMGN	10/14/10	332.57	7 39	9.26	416 70	84.13 ST		
42			10/18/10	326.30	7 769	9 26	388 92	62 62 ST		
32			10/19/10	246 25	7.695	9.26	296 32	50 07 ST		
10			10/20/10	78.77	7.877	9.26	92.60	13 83 ST		
5			10/21/10	39 41	7 881	9 26	46 30	6 89 ST		
1			10/22/10	7 97	7.972	9 26	9 26	1 29 ST		
11			10/26/10	88 07	8.006	9 26	101.86	13 79 ST		
8			11/08/10	63.37	7.921	9.26	74.08	10.71 ST		
154				**1,182.71**	**7 68**		**1,426 04**	**243 33**		
84	INTEL CORP	INTC	12/10/09	1,688 99	20 107	21.03	1,766.52	77.53 LT		
11			01/08/10	229.02	20 82	21 03	231 33	2.31 ST		
4			01/22/10	79.88	19.969	21 03	84 12	4 24 ST		
6			02/08/10	116 99	19.498	21.03	126.18	9.19 ST		
6			02/22/10	125.45	20 908	21.03	126.18	73 ST		
111				**2,240.33**	**20 183**		**2,334 33**	**94.00**	**2 995**	**69.93**
20	INTL BUSINESS MACHINES CORP	IBM	12/10/09	2,582 58	129.128	146 76	2,935 20	352 62 LT		
3			01/08/10	391 61	130 537	146.76	440.28	48 67 ST		
1			01/22/10	125.77	125 766	146.76	146.76	20 99 ST		
1			02/08/10	122.49	122 487	146 76	146.76	24.27 ST		
1			02/16/10	125.17	125 168	146.76	146 76	21.59 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2	INTL BUSINESS MACHINES CORP	IBM	02/22/10	$ 254.46	$ 127.228	$ 146.76	$ 293 52	$ 39 06 ST		
28				**3,602.08**	**128 646**		**4,109 28**	**507.20**	**1 771**	**72 80**
74	ISIS PHARMACEUTICALS	ISIS	10/14/10	639 03	8 635	10 12	748 88	109 85 ST		
56			10/19/10	524 81	9 371	10.12	566 72	41 91 ST		
130				**1,163 84**	**8.953**		**1,315 60**	**151 76**		
89	JPMORGAN CHASE & CO	JPM	12/10/09	3 651 54	41.028	42.42	3,775 38	123 84 LT		
4			01/08/10	177.87	44.468	42.42	169.68	(8.19) ST		
16			01/22/10	624 59	39 037	42 42	678.72	54.13 ST		
6			02/08/10	226.55	37 757	42 42	254 52	27.97 ST		
3			02/16/10	120.23	40 078	42 42	127 26	7.03 ST		
3			02/22/10	123 35	41.117	42 42	127 26	3.91 ST		
17			11/18/10	670 82	39 46	42 42	721 14	50 32 ST		
6			11/24/10	226 44	37.74	42.42	254 52	28 08 ST		
12			12/16/10	478 48	39.873	42.42	509.04	30 56 ST		
156				**6,299 87**	**40 384**		**6,617 52**	**317 65**	**471**	**31.20**
10	JACOBS ENGINEERING GROUP INC	JEC	12/10/09	346.10	34 61	45 85	458 50	112 40 LT		
1			02/08/10	36.38	36.38	45.85	45 85	9.47 ST		
11				**382 48**	**34 771**		**504 35**	**121 87**		
70	JOHNSON & JOHNSON	JNJ	10/30/07	4 616 97	65.00	61 85	4 329 50	(287 47)*LT		
13			01/08/10	831.20	63.938	61 85	804 05	(27 15) ST		
4			01/22/10	253 20	63.30	61.85	247.40	(5 80) ST		
2			02/08/10	125.51	62.757	61 85	123.70	(1 81) ST		
5			02/16/10	317 89	63 577	61.85	309.25	(8 64) ST		
6			02/22/10	381.11	63.518	61 85	371 10	(10.01) ST		
10			11/18/10	635.56	63 556	61 85	618 50	(17 06) ST		
3			11/30/10	184 77	61 59	61 85	185 55	78 ST		
2			12/06/10	124.58	62 29	61 85	123 70	(88) ST		
8 4169	Reinvestments to date			492 13	58 469	61.85	520 59	28 46 LT		
123.4169				**7,962 92**	**64.52**		**7,633 34**	**(329 58)**	**3 492**	**266 58**
13	JONES LANG LASALLE INC	JLL	12/10/09	696 54	53 58	83 92	1 090.96	394 42 LT		
1			01/22/10	58 06	58 06	83 92	83 92	25 86 ST		
14				**754 60**	**53 90**		**1,174 88**	**420 28**	**238**	**2 80**
117	KEYCORP -NEW	KEY	12/10/09	685 16	5.856	8.85	1,035.45	350 29 LT		
6			01/08/10	38 39	6 398	8 85	53 10	14 71 ST		
5			02/16/10	34 59	6.918	8.85	44 25	9 66 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
9	KEYCORP -NEW	KEY	02/22/10	$ 62 80	$ 6 978	$ 8 85	$ 79.65	$ 16 85 ST		
137				**820.94**	**5.992**		**1,212 45**	**391 51**	**451**	**5 48**
23	KIMBERLY CLARK CORP	KMB	06/25/03	1,205 92	51.58	63 04	1,449.92	244 00* LT		
6			01/08/10	373 79	62.298	63.04	378.24	4 45 ST		
2			01/22/10	120 96	60 478	63.04	126.08	5 12 ST		
1			02/08/10	59 15	59 154	63.04	63.04	3 89 ST		
4			02/16/10	236 27	59 067	63.04	252.16	15 89 ST		
2			02/22/10	119.87	59 937	63 04	126.08	6.21 ST		
4			11/11/10	248.61	62 153	63 04	252 16	3.55 ST		
1			12/07/10	61.99	61.99	63 04	63 04	1 05 ST		
10 7991	Reinvestments to date			603 40	55 875	63 04	680.78	77 38 LT		
53 7991				**3,029 96**	**56.32**		**3,391 50**	**361 54**	**4 187**	**142.03**
42	L 3 COMMUNICATIONS HLDGS INC	LLL	12/10/09	3,430 22	81.672	70 49	2,960.58	(469.64) LT		
2			01/08/10	174 84	87 42	70 49	140.98	(33 86) ST		
3			01/22/10	256.35	85.45	70.49	211.47	(44 88) ST		
2			02/16/10	174 75	87.376	70.49	140.98	(33 77) ST		
1			02/22/10	91.78	91 78	70.49	70.49	(21.29) ST		
50				**4,127.94**	**82 559**		**3,524 50**	**(603 44)**	**2.269**	**80.00**
58	LAWSON SOFTWARE INC NEW	LWSN	12/10/09	354.18	6 106	9 25	536 50	182.32 LT		
7			01/08/10	44.87	6 41	9 25	64.75	19 88 ST		
6			01/22/10	37.26	6.21	9 25	55 50	18.24 ST		
7			02/08/10	40.53	5.79	9 25	64 75	24 22 ST		
2			02/16/10	12 00	6.00	9.25	18.50	6.50 ST		
5			02/22/10	30 30	6.06	9 25	46.25	15 95 ST		
85				**519 14**	**6 108**		**786.25**	**267.11**		
117	LIBERTY MEDIA HLDG CORP INTERACTIVE SER A	LINTA	12/10/09	1,256 35	10.738	15.77	1,845.09	588 74 LT		
10			01/08/10	115 10	11 51	15.77	157.70	42.60 ST		
13			01/22/10	140.22	10.786	15 77	205.01	64.79 ST		
7			02/08/10	73.99	10 57	15 77	110 39	36.40 ST		
6			02/16/10	65.87	10 978	15 77	94.62	28.75 ST		
3			02/22/10	34.17	11.39	15 77	47 31	13 14 ST		
156				**1,685.70**	**10.806**		**2,460 12**	**774 42**		
50	LIBERTY MEDIA HLDG CORP CAP SER A	LCAPA	12/10/09	1,157 43	23.148	62.56	3,128.00	1,970 57 LT		
3			01/08/10	75 78	25 26	62 56	187 68	111 90 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
3	LIBERTY MEDIA HLDG CORP CAP SER A	LCAPA	01/22/10	$ 73.68	$ 24 56	$ 62.56	$ 187 68	$ 114.00 ST		
56				**1,306.89**	**23 337**		**3,503 36**	**2,196.47**		
32.795	MADISON SQUARE GARDEN INC	MSG	12/10/09	583 65	17 914	25 78	845 46	261 81 LT		
4 2236			01/08/10	75 63	18 024	25.78	108.88	33 25 ST		
9938			01/22/10	17 57	17.80	25 78	25 62	8 05 ST		
1.9876			02/08/10	34 43	17.322	25.78	51 24	16.81 ST		
40				**711 28**	**17.782**		**1,031.20**	**319 92**		
30	MATTEL INC DE	MAT	12/10/09	594.60	19.82	25.43	762 90	168.30 LT		
5			01/08/10	98.85	19.77	25 43	127 15	28 30 ST		
1			01/22/10	20 01	20 006	25 43	25 43	5 42 ST		
2			02/22/10	43 28	21.64	25 43	50 86	7.58 ST		
11			10/19/10	252 43	22 948	25 43	279.73	27 30 ST		
22			10/22/10	508 60	23.118	25 43	559 46	50 86 ST		
71				**1,517.77**	**21.377**		**1,805.53**	**287 76**	**3 263**	**58 93**
16	MCDONALDS CORP	MCD	12/10/09	978 34	61.146	76.76	1,228.16	249 82 LT		
3			01/08/10	185.48	61.827	76 76	230.28	44 80 ST		
2			02/16/10	128.10	64.05	76.76	153.52	25 42 ST		
1			02/22/10	64.82	64 818	76 76	76.76	11 94 ST		
22			03/08/10	1 430 84	65 038	76.76	1,688 72	257.88 ST		
7			07/27/10	494.31	70 616	76 76	537 32	43.01 ST		
51				**3,281.89**	**64 351**		**3,914 76**	**632 87**	**3 178**	**124 44**
58	MERCK & CO INC NEW	MRK	12/10/09	2,178 96	37 568	36 04	2,090 32	(88.64) LT		
8			01/08/10	300 32	37 54	36 04	288 32	(12 00) ST		
4			02/08/10	147 47	36 868	36 04	144 16	(3 31) ST		
2			02/16/10	75 21	37.606	36.04	72 08	(3 13) ST		
6			02/22/10	222 83	37.138	36.04	216.24	(6 59) ST		
78				**2,924.79**	**37.497**		**2 811.12**	**(113 67)**	**4 217**	**118 56**
140	MICROSOFT CORP	MSFT	12/10/09	4,185 97	29 899	27.91	3,907.40	(278.57) LT		
17			01/08/10	523 38	30 786	27.91	474 47	(48.91) ST		
10			01/22/10	290.17	29 017	27 91	279.10	(11.07) ST		
14			02/08/10	389 86	27 847	27 91	390 74	.88 ST		
9			02/16/10	254.78	28 309	27.91	251 19	(3.59) ST		
8			02/22/10	230.54	28.816	27 91	223 28	(7.26) ST		
47			10/22/10	1,191.82	25 357	27 91	1,311 77	119 95 ST		
245				**7,066 52**	**28.843**		**6,837 95**	**(228 57)**	**2 293**	**156.80**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
16	MORGAN STANLEY	MS	12/10/09	$ 483 20	$ 30.20	$ 27.21	$ 435 36	($ 47.84) LT		
3			12/31/09	88 93	29 643	27.21	81 63	(7 30) ST		
4			01/08/10	128.51	32 127	27.21	108 84	(19 67) ST		
7			01/13/10	217 53	31.076	27.21	190.47	(27 06) ST		
19			01/21/10	563 67	29.667	27 21	516 99	(46.68) ST		
18			01/21/10	534 01	29.667	27.21	489 78	(44 23) ST		
5			01/22/10	137 94	27 587	27.21	136.05	(1 89) ST		
4			02/08/10	106 88	26 72	27 21	108.84	1 96 ST		
2			02/16/10	55 74	27 87	27 21	54 42	(1.32) ST		
5			02/22/10	138 25	27.65	27 21	136.05	(2 20) ST		
13			04/09/10	401.73	30.902	27.21	353.73	(48.00) ST		
15			10/20/10	381.70	25 446	27 21	408.15	26 45 ST		
111				**3,238 09**	**29 172**		**3,020 31**	**(217.78)**	**.735**	**22.20**
40	NATIONAL OILWELL VARCO INC	NOV	12/10/09	1,753 92	43.848	67.25	2,690 00	936 08 LT		
1			01/08/10	46.83	46.826	67.25	67.25	20 42 ST		
5			01/22/10	214 37	42 874	67 25	336.25	121.88 ST		
2			02/08/10	83 74	41.867	67 25	134 50	50.76 ST		
1			02/16/10	44 07	44 068	67.25	67 25	23.18 ST		
2			02/22/10	89.36	44 677	67.25	134.50	45 14 ST		
51				**2,232.29**	**43.77**		**3,429.75**	**1,197 46**	**654**	**22.44**
42	NEXTERA ENERGY INC	NEE	12/10/09	2,303 95	54 856	51 99	2 183.58	(120.37) LT		
8			01/08/10	419 98	52.498	51 99	415 92	(4.06) ST		
8			01/22/10	387.57	48 446	51.99	415.92	28 35 ST		
2			02/08/10	94.22	47 108	51.99	103.98	9.76 ST		
7			02/16/10	322 82	46 117	51 99	363 93	41.11 ST		
3			02/22/10	141 20	47.068	51.99	155 97	14.77 ST		
70				**3,669 74**	**52 425**		**3,639.30**	**(30 44)**	**3 846**	**140 00**
4	NOBLE ENERGY INC	NBL	06/29/10	242.04	60 511	86.08	344.32	102.28 ST		
5			06/30/10	302 20	60 44	86 08	430.40	128.20 ST		
2			07/01/10	121 43	60.713	86 08	172 16	50.73 ST		
5			07/02/10	310 81	62 162	86 08	430 40	119 59 ST		
16				**976.48**	**61 03**		**1,377.28**	**400 80**	**.836**	**11.52**
27	NORTHROP GRUMMAN CORP	NOC	12/10/09	1,475.23	54 638	64 78	1,749.06	273 83 LT		
3			01/08/10	171.89	57 298	64 78	194.34	22 45 ST		
2			01/22/10	111 81	55 906	64 78	129.56	17.75 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Average % yield	Anticipated Income (annualized)
1	NORTHROP GRUMMAN CORP	NOC	02/22/10	$ 62 00	$ 62 00	$ 64 78	$ 64.78	$ 2.78	ST		
33				**1,820.93**	**55.18**		**2,137 74**	**316.81**		2 902	62 04
35	NOVARTIS AG ADR	NVS	12/10/09	1,895 90	54.168	58 95	2,063.25	167 35	LT		
6			01/06/10	313 49	52.248	58 95	353 70	40 21	ST		
1			02/08/10	53.18	53.176	58 95	58.95	5 77	ST		
2			02/16/10	108 62	54 31	58.95	117 90	9 28	ST		
2			02/22/10	109.53	54 764	58.95	117.90	8.37	ST		
46				**2,480.72**	**53 929**		**2,711 70**	**230 98**		2 804	76 04
63	NUCOR CORP	NUE	12/10/09	2,645 88	41 998	43 82	2,760.66	114 78	LT		
4			12/23/09	184.24	46 059	43 82	175.28	(8 96)	LT		
3			01/08/10	150 51	50 168	43 82	131 46	(19.05)	ST		
11			01/22/10	487 61	44.328	43 82	482 02	(5.59)	ST		
12			02/08/10	477 24	39.769	43.82	525 84	48.60	ST		
2			02/22/10	88 01	44 007	43 82	87 64	(.37)	ST		
95				**4 033 49**	**42 458**		**4,162 90**	**129 41**		3 308	137 75
22	ONEOK INC NEW	OKE	12/08/10	1,180.29	53 649	55.47	1,220 34	40 05	ST		
15			12/09/10	812.18	54 145	55 47	832 05	19 87	ST		
37				**1,992 47**	**53 851**		**2,052 39**	**59 92**		3 461	71 04
19	OSHKOSH TRUCK CORP	OSK	12/20/10	**657 02**	34 579	35.24	**669.56**	**12 54**	ST		
32	PPG INDUSTRIES INC	PPG	12/10/09	1,881 85	58 808	84.07	2,690 24	808 39	LT		
5			01/08/10	307.34	61 468	84 07	420.35	113 01	ST		
2			01/22/10	120 62	60 31	84 07	168 14	47.52	ST		
3			02/08/10	173 67	57.89	84 07	252 21	78.54	ST		
1			02/16/10	61 25	61.25	84.07	84 07	22 82	ST		
2			02/22/10	124.44	62 22	84 07	168 14	43.70	ST		
45				**2,669 17**	**59 315**		**3,783.15**	**1,113.98**		2.616	99 00
76	PALL CORP	PLL	12/10/09	2 583.78	33 997	49 58	3,768 08	1,184 30	LT		
2			01/08/10	74.82	37 41	49 58	99 16	24.34	ST		
5			01/22/10	180.88	36 176	49.58	247 90	67 02	ST		
7			02/08/10	235 34	33 62	49 58	347 06	111 72	ST		
1			02/16/10	35 76	35 758	49.58	49 58	13 82	ST		
1			02/22/10	38 95	38 95	49 58	49 58	10.63	ST		
92				**3,149 53**	**34 234**		**4,561 36**	**1,411 83**		1.29	58 88
13	PARKER-HANNIFIN CORP	PH	12/10/09	698 28	53 714	86 30	1,121.90	423 62	LT		
2			01/08/10	112 04	56 02	86 30	172.60	60.56	ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1	PARKER-HANNIFIN CORP	PH	02/08/10	$ 54 76	$ 54.76	$ 86 30	$ 86 30	$ 31.54 ST		
1			02/16/10	57 04	57 04	86.30	86.30	29.26 ST		
17				**922 12**	**54 242**		**1,467 10**	**544 98**	**1 344**	**19.72**
14	PEBBLEBROOK HOTEL TRUST	PEB	07/23/10	**239 78**	17 127	20.32	**284.48**	**44 70** ST	**2 362**	**6 72**
34	PEPSICO INC	PEP	12/10/09	2,103 14	61 857	65 33	2 221.22	118 08 LT		
6			01/08/10	363 63	60.605	65.33	391 98	28.35 ST		
2			01/22/10	121 22	60.608	65 33	130 66	9 44 ST		
2			02/08/10	118.51	59 256	65 33	130 66	12 15 ST		
1			02/16/10	61.21	61.21	65.33	65.33	4 12 ST		
1			02/22/10	62 62	62 618	65.33	65 33	2.71 ST		
46				**2,830 33**	**61 529**		**3,005.18**	**174 85**	**2.938**	**88.32**
16	PFIZER INC	PFE	12/04/06	402 01	24.67	17.51	280.16	(121.85)* LT		
5			01/08/10	92 93	18.586	17 51	87.55	(5.38) ST		
5			02/08/10	89.63	17 926	17.51	87 55	(2 08) ST		
4			02/16/10	70.71	17 677	17.51	70 04	(.67) ST		
3			02/22/10	53 97	17 988	17.51	52.53	(1 44) ST		
36 9746	Reinvestments to date			643 19	17 395	17 51	647.43	4 24 LT		
69 9746				**1,352 44**	**19.328**		**1,225 26**	**(127.18)**	**4.568**	**55.98**
36	PROCTER & GAMBLE CO	PG	09/17/98	1,388.04	37 88	64.33	2,315 88	927 84* LT		
7			01/08/10	421 53	60 218	64.33	450.31	28 78 ST		
2			01/22/10	121.20	60 599	64 33	128 66	7 46 ST		
2			02/16/10	125 57	62.786	64.33	128.66	3.09 ST		
2			02/22/10	127 14	63 568	64 33	128.66	1.52 ST		
7			07/27/10	439 18	62.74	64.33	450 31	11.13 ST		
4			09/21/10	245.76	61 438	64.33	257 32	11 56 ST		
1			10/22/10	63.28	63 28	64.33	64 33	1 05 ST		
2			12/03/10	124.52	62 26	64 33	128.66	4.14 ST		
1			12/07/10	62 17	62 17	64 33	64.33	2.16 ST		
10 5865	Reinvestments to date			602.68	56.929	64 33	681 03	78.35 LT		
74 5865				**3,721 07**	**49 889**		**4,798.15**	**1,077 08**	**2.995**	**143.73**
43	RAYTHEON COMPANY NEW	RTN	12/10/09	2,237.21	52 028	46.34	1,992.62	(244 59) LT		
6			01/08/10	313 44	52.24	46.34	278.04	(35.40) ST		
1			02/08/10	53 12	53.118	46 34	46.34	(6.78) ST		
2			02/16/10	108 86	54 428	46.34	92 68	(16.18) ST		
1			02/22/10	56 09	56 088	46 34	46.34	(9.75) ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Average % yield	Anticipated income (annualized)
13	RAYTHEON COMPANY NEW	RTN	09/21/10	$ 609 66	$ 46.897	$ 46 34	$ 602 42	($ 7 24)	ST		
3			11/09/10	145.50	48.498	46.34	139 02	(6 48)	ST		
1			11/15/10	46 50	46.50	46 34	46.34	(16)	ST		
70				**3,570.38**	**51.005**		**3,243 80**	**(326 58)**		3.236	105 00
105	SAFEWAY INC NEW	SWY	12/10/09	2,239 65	21.33	22.49	2 361 45	121 80	LT		
16			01/08/10	336 59	21.037	22 49	359 84	23.25	ST		
3			02/16/10	68.18	22.727	22.49	67 47	(71)	ST		
1			02/22/10	23.85	23.846	22.49	22 49	(1 36)	ST		
125				**2,668 27**	**21 346**		**2,811 25**	**142 98**		2 134	60 00
55	SANDISK CORP	SNDK	12/10/09	1,244 54	22 628	49.86	2,742 30	1,497.76	LT		
3			02/16/10	82 04	27 346	49 86	149 58	67 54	ST		
3			08/30/10	103 42	34 473	49 86	149.58	46.16	ST		
31			10/27/10	1,167 63	37 665	49 86	1,545 66	378 03	ST		
92				**2,597.63**	**28 235**		**4,587.12**	**1,989 49**			
24	SCHLUMBERGER LTD	SLB	12/10/09	1,472.81	61.367	83 50	2,004 00	531 19	LT		
2			01/22/10	130 88	65 437	83 50	167 00	36 12	ST		
2			02/08/10	125 07	62.537	83 50	167 00	41.93	ST		
1			02/16/10	65 67	65.674	83 50	83.50	17.83	ST		
4			02/22/10	242 02	60.504	83 50	334 00	91.98	ST		
4			06/02/10	219.97	54 993	83 50	334 00	114.03	ST		
37				**2,256 42**	**60.984**		**3,089 50**	**833 08**		1 005	31 08
24	SOUTHERN UNION COMPANY	SUG	05/11/10	563 82	23 492	24 07	577 68	13.86	ST		
8			05/12/10	191 00	23 875	24 07	192.56	1.56	ST		
5			05/13/10	120 02	24 003	24 07	120 35	33	ST		
15			05/14/10	349 87	23 324	24.07	361 05	11.18	ST		
1			11/10/10	24 78	24 783	24 07	24 07	(.71)	ST		
1			12/10/10	24 36	24 357	24 07	24 07	(.29)	ST		
54				**1,273 85**	**23 59**		**1,299.78**	**25.93**		2 492	32 40
90	SPECTRA ENERGY CORP	SE	12/10/09	1,806 94	20 077	24 99	2 249 10	442.16	LT		
8			01/08/10	167 50	20 937	24 99	199.92	32 42	ST		
4			02/08/10	83 35	20.837	24 99	99.96	16 61	ST		
5			02/16/10	106 64	21 328	24 99	124.95	18.31	ST		
4			02/22/10	86.72	21 68	24.99	99 96	13 24	ST		
111				**2,251 15**	**20 281**		**2,773.89**	**522 74**		4 001	111.00

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
76	TEXAS INSTRUMENTS INC	TXN	12/10/09	$ 1,968 10	$ 25.896	$ 32 50	$ 2 470 00	$ 501.90 LT		
11			01/08/10	288.61	26.237	32.50	357 50	68 89 ST		
13			01/22/10	301 31	23 178	32 50	422 50	121 19 ST		
3			02/08/10	69 71	23 238	32.50	97.50	27.79 ST		
6			02/22/10	149.27	24.878	32.50	195.00	45.73 ST		
109				**2,777 00**	**25 477**		**3,542.50**	**765.50**	**1.60**	**56.68**
21	3M COMPANY	MMM	08/30/06	1,523.55	71.54	86.30	1,812 30	288.75* LT		
1			01/08/10	84 04	84 036	86.30	86 30	2 26 ST		
1			01/22/10	81 94	81.938	86 30	86 30	4.36 ST		
3			02/08/10	233.26	77.752	86 30	258 90	25.64 ST		
1			02/16/10	80.34	80 337	86.30	86 30	5 96 ST		
2			02/22/10	161.93	80.967	86.30	172.60	10.67 ST		
3			11/04/10	261 47	87.157	86 30	258 90	(2 57) ST		
1			12/13/10	84.50	84.50	86.30	86 30	1.80 ST		
6 1406	Reinvestments to date			409 73	66 724	86 30	529 93	120 20 LT		
39.1406				**2,920 76**	**74 622**		**3,377.83**	**457 07**	**2 433**	**82 20**
39	TIME WARNER INC	TWX	03/08/10	1,195 34	30 649	32.17	1,254 63	59.29 ST		
2			10/22/10	63 10	31.55	32 17	64 34	1.24 ST		
1			11/19/10	30.41	30.412	32.17	32 17	1 76 ST		
42				**1,288 85**	**30 687**		**1,351.14**	**62 29**	**2 642**	**35.70**
23	TOTAL S A SPONS ADR	TOT	12/10/09	1,441 09	62.656	53 48	1,230 04	(211 05) LT		
1			01/08/10	66.07	66 066	53 48	53 48	(12.59) ST		
3			01/22/10	181.28	60 427	53 48	160 44	(20 84) ST		
3			02/08/10	166 31	55 438	53.48	160 44	(5 87) ST		
2			02/22/10	116 49	58.247	53.48	106.96	(9 53) ST		
28			07/27/10	1,398 57	49.948	53 48	1,497.44	98.87 ST		
1			09/22/10	51.10	51 10	53 48	53.48	2.38 ST		
2			11/24/10	101.50	50 75	53.48	106 96	5 46 ST		
1			11/29/10	48 89	48 89	53 48	53.48	4 59 ST		
64				**3,571 30**	**55.802**		**3,422 72**	**(148 58)**	**4.642**	**158 91**
76	TRAVELERS COMPANIES INC	TRV	12/10/09	3,852.33	50 688	55.71	4,233 96	381 63 LT		
14			01/08/10	677.98	48 427	55 71	779 94	101.96 ST		
1			01/22/10	48.62	48.617	55 71	55 71	7.09 ST		
3			02/16/10	154.37	51.458	55 71	167 13	12 76 ST		
1			02/22/10	53.11	53.107	55 71	55 71	2 60 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
2	TRAVELERS COMPANIES INC	TRV	12/10/10	$ 109.12	$ 54 561	$ 55.71	$ 111.42	$ 2 30 ST		
97				**4,895 53**	**50 469**		**5,403 87**	**508 34**	**2 584**	**139.68**
26	US BANCORP DEL NEW	USB	12/08/10	649 24	24.97	26 97	701.22	51.98 ST		
20			12/16/10	520 38	26 019	26 97	539.40	19 02 ST		
10			12/20/10	261 90	26.19	26 97	269 70	7.80 ST		
10			12/21/10	263.20	26.32	26 97	269 70	6 50 ST		
66				**1,694.72**	**25 678**		**1,780 02**	**85 30**	**.741**	**13.20**
57	UNILEVER PLC SPONS ADR NEW	UL	12/10/09	1,721 83	30 207	30.88	1,760 16	38.33 LT		
6			01/08/10	186 72	31.12	30 88	185.28	(1 44) ST		
2			01/22/10	62 00	30 997	30 88	61 76	(.24) ST		
5			02/08/10	144.99	28.998	30.88	154.40	9.41 ST		
3			02/16/10	88 49	29.497	30 88	92 64	4 15 ST		
3			02/22/10	90.08	30.027	30.88	92 64	2 56 ST		
76				**2,294.11**	**30 186**		**2,346 88**	**52 77**	**3 61**	**84.74**
27	UNITED PARCEL SERVICE CL B	UPS	12/10/09	1,550 01	57 408	72.58	1,959.66	409 65 LT		
3			01/08/10	180 41	60 136	72 58	217.74	37.33 ST		
2			01/22/10	117.83	58 917	72 58	145 16	27.33 ST		
1			02/08/10	56 81	56.81	72 58	72 58	15.77 ST		
2			02/16/10	114.72	57 36	72.58	145.16	30.44 ST		
2			02/22/10	116.06	58.03	72 58	145 16	29 10 ST		
2			11/11/10	135 98	67.99	72 58	145.16	9 18 ST		
39				**2,271 82**	**58 252**		**2,830 62**	**558 80**	**2.59**	**73.32**
8	UNITED STATES STEEL CORP NEW	X	12/21/09	406 69	50.836	58.42	467.36	60 67 LT		
7			12/24/09	391 65	55 949	58 42	408.94	17 29 LT		
2			01/22/10	110 98	55.49	58 42	116 84	5.86 ST		
7			01/26/10	357.95	51 136	58 42	408.94	50 99 ST		
7			02/02/10	336.00	48.00	58 42	408 94	72 94 ST		
4			02/08/10	177.56	44.39	58 42	233 68	56.12 ST		
3			02/22/10	162.33	54 11	58 42	175 26	12 93 ST		
38				**1,943 16**	**51.136**		**2,219.96**	**276.80**	**342**	**7 60**
14	UNITED TECHNOLOGIES CORP	UTX	12/10/09	949 45	67 818	78.72	1,102 08	152 63 LT		
3			01/08/10	211 22	70 408	78.72	236.16	24 94 ST		
2			01/22/10	138 92	69.46	78.72	157.44	18 52 ST		
3			02/08/10	197 24	65 746	78.72	236.16	38 92 ST		
2			02/16/10	132 47	66.236	78.72	157.44	24 97 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1	UNITED TECHNOLOGIES CORP	UTX	02/22/10	$ 68.62	$ 68.618	$ 78 72	$ 78 72	$ 10.10 ST		
25				**1,697.92**	**67 917**		**1,968 00**	**270 08**	**2 159**	**42.50**
207	UNITEDHEALTH GROUP INC	UNH	12/10/09	6 246 45	30 176	36 11	7,474.77	1,228.32 LT		
3			01/08/10	97 59	32.529	36.11	108 33	10 74 ST		
9			02/08/10	293 30	32 588	36.11	324.99	31.69 ST		
20			02/16/10	630 12	31.506	36 11	722.20	92.08 ST		
5			02/22/10	165 44	33.088	36 11	180.55	15.11 ST		
244				**7,432 90**	**30.463**		**8,810 84**	**1,377.94**	**1.384**	**122.00**
35	VERIZON COMMUNICATIONS	VZ	01/20/95	820.72	23 449	35 78	1,252 30	431 58* LT		
14			01/08/10	414.95	29 639	35 78	500.92	85.97 ST		
4			01/22/10	114 28	28 57	35.78	143 12	28 84 ST		
8			02/08/10	213 48	26 685	35.78	286.24	72 76 ST		
4			02/16/10	109 46	27.365	35 78	143.12	33.66 ST		
6			02/22/10	163 14	27.19	35 78	214 68	51.54 ST		
37 6068	Reinvestments to date			1,081.27	28 751	35.78	1,345 57	264 30 LT		
108 6068				**2,917.30**	**26 861**		**3,885 95**	**968 65**	**5 449**	**211 78**
42	VERTEX PHARMACEUTICALS INC	VRTX	12/10/09	1 686.22	40.148	35.03	1,471 26	(214 96) LT		
6			01/08/10	244.20	40 699	35.03	210.18	(34 02) ST		
1			01/22/10	40 16	40 157	35 03	35.03	(5 13) ST		
6			02/08/10	223 48	37.246	35 03	210.18	(13.30) ST		
2			02/22/10	79 46	39.729	35 03	70 06	(9.40) ST		
57				**2,273 52**	**39 886**		**1,996 71**	**(276 81)**		
75	VODAFONE GROUP PLC SPONS ADR NEW	VOD	12/10/09	1,727.14	23 028	26.44	1,983.00	255 86 LT		
14			01/08/10	308 67	22 048	26.44	370.16	61 49 ST		
4			01/22/10	86 55	21 638	26.44	105.76	19 21 ST		
5			02/16/10	110 84	22.168	26 44	132 20	21.36 ST		
6			02/22/10	132 10	22.017	26 44	158 64	26.54 ST		
104				**2,365.30**	**22 743**		**2,749.76**	**384 46**	**4.931**	**135.62**
40	WAL-MART STORES INC	WMT	12/10/09	2,183.92	54 598	53 93	2,157 20	(26.72) LT		
8			01/08/10	425 10	53 138	53 93	431.44	6 34 ST		
1			01/22/10	53.24	53.238	53.93	53.93	.69 ST		
1			02/08/10	53 16	53.156	53 93	53 93	77 ST		
3			02/16/10	160 92	53.64	53 93	161.79	.87 ST		
3			02/22/10	161.64	53 88	53.93	161 79	.15 ST		
2			09/23/10	107.22	53 61	53 93	107.86	.64 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2	WAL-MART STORES INC	WMT	11/04/10	$ 110 80	$ 55 397	$ 53 93	$ 107.86	($ 2.94) ST		
1			11/12/10	54 25	54.25	53 93	53 93	(32) ST		
61				**3,310.25**	**54.266**		**3,289 73**	**(20 52)**	**2 243**	**73 81**
93	WASTE MGMT INC DEL	WM	12/10/09	3,095.83	33.288	36 87	3,428.91	333 08 LT		
11			01/08/10	376 09	34 19	36 87	405.57	29 46 ST		
6			01/22/10	198 53	33 088	36.87	221.22	22 69 ST		
7			02/08/10	220 95	31 564	36.87	258.09	37 14 ST		
2			02/16/10	65 74	32 868	36 87	73.74	8 00 ST		
6			02/22/10	200 27	33.378	36 87	221 22	20.95 ST		
4			11/04/10	143 25	35.812	36 87	147 48	4.23 ST		
3			11/12/10	104 85	34 95	36 87	110 61	5 76 ST		
132				**4,405 51**	**33 375**		**4,866 84**	**461 33**	**3 417**	**166.32**
41	WEYERHAEUSER CO	WY	12/10/09	1,693 30	41.30	18 93	776.13	(917.17) LT		
3			01/08/10	131 40	43 80	18.93	56.79	(74 61) ST		
4			01/22/10	166 16	41 54	18.93	75 72	(90 44) ST		
3			02/08/10	118.45	39 484	18 93	56 79	(61.66) ST		
2			02/16/10	80 90	40.45	18.93	37 86	(43.04) ST		
3			02/22/10	124 18	41.392	18 93	56 79	(67 39) ST		
95			07/22/10	1 476.30	15 54	18.93	1,798 35	322 05 ST		
151				**3,790 69**	**25 104**		**2,858 43**	**(932 26)**	**1 056**	**30.20**
Total common stocks and options				**$ 316,763.26**			**$ 376,771.95**	**$ 17,940.23 ST**	**1.99**	
								$ 42,068 46 LT		**$ 7,514 63**

Exchange traded & closed end funds

Citi Investment Research & Analysis (CIRA) ratings may be shown for certain closed-end funds All research ratings represent the 'opinions' of the research provider and are not representations or guarantees of performance Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. CIRA closed-end fund recommendations include an investment rating and a risk rating. The Investment Rating code (1,2, 3) is based upon CIRA's expectation of the security's performance relative to its peer group of closed-end funds The Risk Rating (L, M, H or S) represents the fund's expected risk, taking into account the quality and liquidity of the underlying securities, financial leverage and foreign currency exposure. Please refer to the end of this statement for a guide describing CIRA ratings

Closed end investment companies are grouped below by portfolio designations. Gain/Loss is provided to assist in tax preparation It is not intended to calculate investment returns or performance

Consulting Group Research (CGR) rating codes (FL, AL or NL) may be shown for certain exchange-traded funds. Please refer to the "Guide to Investment Ratings" at the end of this statement for a description of these rating codes All research ratings represent the "opinions" of Consulting Group Research and are not representations or guarantees of performance

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2,111	ISHARES MSCI EMERGING MKTS	EEM	12/10/09	$ 86,736 77	$ 41.088	$ 47 642	$ 100,572.26	$ 13 835 49 LT		
175	INDEX FD		01/08/10	7,550.64	43 146	47.642	8,337.35	786.71 ST		
237	Equity portfolio Rating CG RESEARCH AL		01/22/10	9 425.25	39 769	47 642	11 291 15	1 865.90 ST		
233			02/08/10	8 613 31	36 967	47 642	11,100 59	2,487 28 ST		
147			02/22/10	5,809.15	39 518	47 642	7,003 37	1,194.22 ST		
2,903				**118,135 12**	**40.694**		**138,304 72**	**20,169 60**	**1.355**	**1,875 34**
25	ISHARES COHEN & STEERS REALTY	ICF	09/01/09	1,100 00	44.00	65 72	1,643 00	543.00 LT		
100	MAJORS		09/22/09	5,188 20	51 882	65.72	6,572 00	1,383.80 LT		
100	Equity portfolio Rating CG RESEARCH AL		10/01/09	4 664.40	46 644	65.72	6 572 00	1 907 60 LT		
80			12/10/09	4,001 28	50.016	65.72	5,257.60	1,256 32 LT		
38			01/08/10	1,982 84	52 18	65 72	2,497 36	514.52 ST		
23			01/22/10	1,151 75	50 076	65 72	1,511 56	359 81 ST		
22			02/08/10	1,066 01	48.455	65 72	1,445.84	379.83 ST		
19			02/16/10	949.81	49 99	65.72	1,248.68	298.87 ST		
5			02/22/10	260 75	52 15	65 72	328 60	67 85 ST		
1.7769	Reinvestments to date			87 28	49 119	65 72	116 78	29.50 LT		
413.7769				**20,452 32**	**49.428**		**27,193.42**	**6,741 10**	**2 901**	**789.07**
333	ISHARES BARCLAYS US AGGR BOND	AGG	12/10/09	34,894 24	104.787	105.75	35,214.75	320.51 LT		
54	FD		01/08/10	5,601 34	103.728	105.75	5,710.50	109.16 ST		
8	Taxable bond portfolio Rating CG RESEARCH , AL		01/22/10	836.70	104 588	105 75	846 00	9 30 ST		
6			02/08/10	627.17	104.528	105.75	634 50	7.33 ST		
28			02/16/10	2,916 41	104 157	105.75	2,961 00	44.59 ST		

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
26	ISHARES BARCLAYS US AGGR BOND	AGG	02/22/10	$ 2,639 50	$ 103 827	$ 105 75	$ 2,749 50	$ 50 00 ST		
455	FD			47,575 36	104 561		48,116 25	540 89	3 487	1,678 04
	Taxable bond portfolio									
Total closed end fund equity allocation							$ 165,498 14			
Total closed end fund taxable bond allocation							$ 48,116.25			
Total exchange traded funds and closed end funds				$ 186,162.80			$ 213,614.39	$ 8,175.37 ST	2 03	
								$ 19,276.22 LT		$ 4,342.45

Mutual funds

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1 00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1 00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account

Certain mutual funds may not be transferable to other broker-dealers For further information, please refer to the fund's Prospectus or call your Financial Advisor

Consulting Group Research (CGR) rating codes (FL, AL or NL) may be shown for certain mutual funds Please refer to the "Guide to Investment Ratings" at the end of this statement for a description of these rating codes. All research ratings represent the "opinions" of Consulting Group Research and are not representations or guarantees of performance

Yield is the current distribution annualized, divided by the fund's net asset value at the end of the statement period. Distributions may consist of income, capital gains or the return of capital Distributions and current dividend for funds are based upon information provided by an outside vendor and are not verified by us ***"Tax-Based Cost vs. Current Value"*** *is being provided for information purposes only* ***"Cash Distributions (since Inception)"*** *when shown, may reflect distributions on positions no longer held in the account, and may not reflect all distributions received in cash due to but not limited to the following investments made prior to 1/1/89, asset transfers, recent activity and certain adjustments made in your account.* ***"Total Purchases vs. Current Value"*** *is provided to assist you in comparing your* ***"Total purchases"*** *excluding reinvested distributions, with the current value of the fund's shares in your account.* ***"Fund Value Increase/Decrease"*** *reflects the difference between your total purchases and the current value of the fund's shares, plus cash distributions since inception.*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
1,050.714	BARON PARTNERS FUND	BPTRX	12/10/09	$ 16 002 37	$ 15.23	$ 20 57	$ 21,613.19	$ 5 610.82 LT			
89 944	Rating CG RESEARCH . FL		01/08/10	1 458 00	16 21	20 57	1 850 15	392.15 ST			
80			01/22/10	1,228.00	15.35	20.57	1,645 60	417 60 ST			
98.229			02/08/10	1,442 00	14.68	20 57	2,020.57	578.57 ST			
62 614			02/16/10	958 00	15.30	20 57	1.287 97	329 97 ST			
33.587			02/22/10	529 00	15.75	20.57	690 88	161.88 ST			
1,415 088				21,617.37	15 276		29,108.36	7,490 99			

Mutual funds *continued*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
	BARON PARTNERS FUND	BPTRX									
	Total Purchases vs Current Value			**$ 21,617.37**			**$ 29,108.36**		**$ 7,490.99**		
	Fund Value Increase/Decrease								**7,490 99**		
2,935 586	BLACKROCK HIGH YIELD BOND PORT	BHYIX	09/30/09	19,609 71	6 68	7 66	22,486.59	2,876 88 LT			
2 208 721	INSTL CL		12/10/09	22,076 00	6.88	7 66	24,578 80	2,502.80 LT			
555 895	Rating CG RESEARCH : FL		01/08/10	4 008 00	7.21	7.66	4,258.16	250.16 ST			
236.835			01/22/10	1,691.00	7 14	7.66	1,814.16	123.16 ST			
201 983			02/08/10	1,426.00	7 06	7 66	1,547.19	121 19 ST			
576 429			02/16/10	4,035 00	7 00	7 66	4,415 45	380 45 ST			
364 698			02/22/10	2,593.00	7.11	7.66	2 793 59	200 59 ST			
8 080 147	**Total Purchases**			**55,438 71**	**6 86**	**7 66**	**61,893.94**	**6,455.23**			
53 124	Reinvestments to date			361 02	6 795	7.66	406.93	45.91 LT			
33 571	Reinvestments to date			235.00	7 00	7.66	257 15	22 15 ST			
8,166 842	**Tax-based Cost vs. Current Value**			**56,034 73**	**6.861**		**62,558 02**	**6,523.29**		**7.545**	**4,720.43**
	Cash distributions (since inception)								**4,500.22**		
	Total Purchases vs Current Value			**55,438.71**			**62,558.02**		**7,119 31**		
	Fund Value Increase/Decrease								**11,619.53**		
909 501	BLACKROCK GLOBAL ALLOCATION FD	MALOX	12/10/09	17,625.53	18 18	19 50	18,905.27	1,279 74 LT			
133 624	INC CL INSTITUTIONAL		01/08/10	2,456 00	18 38	19.50	2,605 67	149.67 ST			
54 935	Rating CG RESEARCH : AL		01/22/10	979 00	17.82	19 50	1,071.29	92 29 ST			
62 594			02/08/10	1,081 00	17 27	19.50	1,220.58	139.58 ST			
65 912			02/16/10	1,164.00	17 66	19.50	1,285 28	121 28 ST			
58 691			02/22/10	1 040 00	17.72	19 50	1,144.47	104 47 ST			
1 345 26				**24,345 53**	**18.097**		**26,232 56**	**1,887.03**		**1.394**	**365.91**
	Cash distributions (since inception)								**636 74**		
	Total Purchases vs Current Value			**24,345 53**			**26,232.56**		**1,887 03**		
	Fund Value Increase/Decrease								**2,523 77**		
7,215 005	EATON VANCE INCOME FUND OF	EIBIX	12/10/09	43,453 38	5.49	5 84	46,223 63	2,770 25 LT			
960.213	BOSTON CLASS I		01/08/10	5,406 00	5.63	5 84	5,607 64	201 64 ST			
276 744	Rating CG RESEARCH : FL		01/22/10	1,547 00	5.59	5.84	1,616.18	69.18 ST			
239 421			02/08/10	1,324 00	5 53	5.84	1 398.22	74.22 ST			
753 832			02/16/10	4,131.00	5 48	5.84	4,402 38	271 38 ST			
468,468			02/22/10	2,600.00	5.55	5 84	2,735.85	135 85 ST			
10,613 683				**58,461 38**	**5.508**		**61,983 90**	**3,522 52**		**8.63**	**5,349 29**
	Cash distributions (since inception)								**5,111.64**		

Mutual funds *continued*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
	EATON VANCE INCOME FUND OF BOSTON CLASS I	EIBIX										
	Total Purchases vs Current Value			$ 58 461 38			$ 61,983 90			$ 3,522 52		
	Fund Value Increase/Decrease									8,634 16		
704 341	NATIXIS FDS GATEWAY FUND CL Y	GTEYX	12/10/09	17 749 40	25.20	26 06	18,355 13	605 73	LT			
95.244	Rating. CG RESEARCH · AL		01/08/10	2,423 00	25.44	26 06	2,482 06	59.06	ST			
29 337			01/22/10	734 00	25.02	26.06	764 52	30 52	ST			
29 947			02/08/10	737 00	24 61	26.06	780 42	43 42	ST			
49 84			02/16/10	1,249.00	25 06	26.06	1,298.83	49 83	ST			
41.193			02/22/10	1 036 00	25 15	26 06	1 073 49	37 49	ST			
949.902				**23,928 40**	**25 19**		**24,754 45**	**826.05**			1 757	435 05
	Cash distributions (since inception)									519 65		
	Total Purchases vs Current Value			23.928 40			24,754 45			826 05		
	Fund Value Increase/Decrease									1,345 70		
1,142.561	ING GLOBAL REAL ESTATE FD CL I	IGLIX	12/10/09	16,921 33	14 81	16 28	18 600 89	1,679.56	LT			
174 713	Rating. CG RESEARCH : FL		01/08/10	2,584.00	14.79	16.28	2,844 33	260.33	ST			
113 506			01/22/10	1,580 00	13.92	16 28	1,847 88	267 88	ST			
87 847			02/08/10	1,171.00	13.33	16 28	1,430.15	259.15	ST			
89.257			02/16/10	1,238.00	13 87	16 28	1,453.10	215 10	ST			
64 996			02/22/10	908 00	13.97	16.28	1,058 13	150 13	ST			
1,672.88				**24,402 33**	**14.587**		**27,234 48**	**2,832 15**			5 208	1,418 60
	Cash distributions (since inception)									1 221 55		
	Total Purchases vs Current Value			24,402.33			27,234 48			2,832 15		
	Fund Value Increase/Decrease									4,053 70		
865.663	IVY ASSET STRATEGY FUND CLASS I	IVAEX	12/10/09	19,261 00	22 25	24 61	21,303.97	2,042.97	LT			
77 625	Rating: CG RESEARCH : FL		01/08/10	1,804.00	23.24	24.61	1,910 35	106 35	ST			
73.848			01/22/10	1,618 00	21.91	24.61	1 817.40	199 40	ST			
36.026			02/08/10	776 00	21.54	24.61	886.60	110 60	ST			
50 705			02/16/10	1,115 00	21 99	24 61	1,247 85	132.85	ST			
58 679			02/22/10	1,288 00	21.95	24.61	1,444 09	156 09	ST			
1,162.546				**25,862 00**	**22.246**		**28,610.26**	**2,748 26**			.251	72 07
	Cash distributions (since inception)									72 08		
	Total Purchases vs. Current Value			25,862.00			28,610.26			2,748.26		
	Fund Value Increase/Decrease									2,820.34		

Mutual funds *continued*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
4,308.376	LAZARD EMERGING MKTS EQUITY	LZEMX	12/10/09	$ 78,067.78	$ 18 12	$ 21.78	$ 93,836.43	$ 15,768.65 LT			
496 842	PORT INST'L SHS		01/08/10	9,281.00	18.68	21.78	10,821 22	1,540 22 ST			
379 637	Rating CG RESEARCH FL		01/22/10	6 693 00	17 63	21 78	8,268.49	1,575 49 ST			
431.758			02/08/10	7,219 00	16 72	21 78	9 403.69	2,184 69 ST			
234 648			02/16/10	4,104.00	17.49	21 78	5,110 63	1,006.63 ST			
209 407			02/22/10	3,673 00	17.54	21 78	4,560.88	887.88 ST			
6,060 668				109,037.78	17.991		132,001 34	22,963 56		1.161	1,533.34
	Cash distributions (since inception)								4,184 92		
	Total Purchases vs Current Value			109,037 78			132,001.34		22,963 56		
	Fund Value Increase/Decrease								27,148 48		
3 459 527	METROPOLITAN WEST TOTAL	MWTIX	12/10/09	34,387 70	9.94	10.37	35,875 29	1,487.59 LT			
484 148	RETURN BOND FUND CLASS I		01/08/10	4,856 00	10.03	10 37	5,020.61	164.61 ST			
73 84	Rating CG RESEARCH . FL		01/22/10	748.00	10 13	10.37	765 72	17 72 ST			
53 162			02/08/10	538.00	10 12	10.37	551.29	13 29 ST			
284 95			02/16/10	2,878 00	10.10	10.37	2,954.93	76 93 ST			
276 763			02/22/10	2,787 00	10 07	10 37	2,870.03	83 03 ST			
4,632 39				46,194 70	9.972		48,037.87	1,843.17		4.869	2,339.35
	Cash distributions (since inception)								3,024 44		
	Total Purchases vs Current Value			46,194 70			48,037 87		1,843 17		
	Fund Value Increase/Decrease								4,867.61		
2 157 865	NUVEEN TRADEWINDS GLOBAL ALL	NWGRX	12/10/09	52,371.37	24 27	29 21	63,031.24	10,659 87 LT			
228 002	CAP FUND CLASS I		01/08/10	5,773 00	25.32	29 21	6,659.94	886.94 ST			
139 068	Rating. CG RESEARCH : FL		01/22/10	3,371 00	24.24	29 21	4,062.18	691.18 ST			
148 949			02/08/10	3,472 00	23.31	29 21	4,350 80	878 80 ST			
120.792			02/16/10	2,928.00	24 24	29.21	3,528.33	600 33 ST			
138 119			02/22/10	3,348.00	24 24	29.21	4,034.46	686 46 ST			
2,932 795				71,263 37	24.299		85,666 95	14,403.58		1 992	1,706 88
	Cash distributions (since inception)								2,147.64		
	Total Purchases vs Current Value			71,263.37			85,666 95		14,403 58		
	Fund Value Increase/Decrease								16,551 22		
7,295 758	OPPENHEIMER INTERNATIONAL BOND	OIBYX	12/10/09	48,152 00	6.60	6.56	47,860.17	(291 83) LT			
1,189 117	FD CL Y		01/08/10	7,699 00	6 48	6 56	7,794.05	95.05 ST			
274.103	Rating CG RESEARCH · AL		01/22/10	1,757 00	6 41	6 56	1 798.12	41.12 ST			
254 603			02/08/10	1,604 00	6 30	6 56	1 670 20	66.20 ST			
507 717			02/16/10	3,224 00	6.35	6 56	3,330 62	106.62 ST			

Mutual funds *continued*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
549 367	OPPENHEIMER INTERNATIONAL BOND FD CL Y	OIBYX	02/22/10	$ 3,472.00	$ 6.32	$ 6 56	$ 3,603.85	$ 131 85 ST			
10,069.665				**65,908 00**	**6 545**		**66,057.01**	**149.01**		4 405	2 910 13
	Cash distributions (since inception)								**3,912 59**		
	Total Purchases vs. Current Value			**65,908 00**			**66,057 01**		**149 01**		
	Fund Value Increase/Decrease								**4,061.60**		
1,769.803	THORNBURG INTERNATIONAL VALUE FUND CL I	TGVIX	12/10/09	44,798.78	25.03	28.64	51,259.96	6 461.18 LT			
195 734	Rating CG RESEARCH , FL		01/08/10	5,093 00	26 02	28 64	5 605 82	512 82 ST			
115 601			01/22/10	2,875 00	24 87	28 64	3,310 81	435 81 ST			
180 23			02/08/10	4,230 00	23.47	28.64	5,161 79	931 79 ST			
93 284			02/16/10	2,264 00	24 27	28 64	2,671.65	407 65 ST			
90.057			02/22/10	2,210.00	24.54	28.64	2 579.23	369.23 ST			
2,464 709				**61,470 78**	**24 94**		**70,589 26**	**9,118 48**		991	699.97
	Cash distributions (since inception)								**707 22**		
	Total Purchases vs Current Value			**61,470 78**			**70,589.26**		**9,118.48**		
	Fund Value Increase/Decrease								**9,825 70**		
2 144 113	WASHINGTON MUTUAL INVESTORS FUND CLASS F	WSHFX	12/10/09	52 830 95	24 64	27.14	58,191 23	5 360 28 LT			
274 85	Rating. CG RESEARCH : AL		01/08/10	6,882 00	25 03	27 14	7,462 14	580.14 ST			
116 129			01/22/10	2.808.00	24.18	27 14	3,151 74	343 74 ST			
154 293			02/08/10	3,612 00	23.41	27.14	4,187.51	575.51 ST			
141,711			02/16/10	3 428 00	24 19	27.14	3,846.04	418.04 ST			
84 2			02/22/10	2,057 00	24 43	27 14	2,285 19	228 19 ST			
2,915 396				**71,617 95**	**24.565**		**79,123.85**	**7,505 90**		2 184	1,728.82
	Cash distributions (since inception)								**2,370.63**		
	Total Purchases vs Current Value			**71,617.95**			**79,123.85**		**7,505.90**		
	Fund Value Increase/Decrease								**9,876 53**		
Total mutual funds (Tax based)				**$ 660,144.32**			**$ 741,958 31**	**$ 22,953.59 ST**		3.13	
								$ 58,860.40 LT			$ 23,279 84
Total Fund Value Increase/Decrease									**$ 110,819 33**		
Total portfolio value				**$ 1,184,326.64**			**$ 1,353,600 91**	**$ 49,069.19 ST**		2.59	$ 35,149 67
								$ 120,205 08 LT			

Based on information supplied by client or other financial institution, not verified by us.

MorganStanley
SmithBarney

Reserved Client Statement

December 1 - December 31, 2010

Ref: 00000098 00002896

L10000000098 310365AH01 SELFL031A
THE DANIEL & FLAVIA GERNATT
FAMILY FOUNDATION
2698 GOWANDA ZOAR RD
GOWANDA NY 14070-9767

Account number 475-80578-16 002

Morgan Stanley Smith Barney LLC. Member SIPC.

Your Financial Advisor
Jessica Rebmann
415 COLUMBIA STREET
P O. BOX 1606
LAFAYETTE IN 47902
765 420 8420
Email. jessica e.rebmann@mssb com
Website. www.smithbarney com

Reserved Client Service Center: 800-423-7248
Branch Phone: 800 343 9743

Account carried by **Citigroup Global Markets Inc. Member SIPC.**

Account value

	Last period	This period	%
Money fund	$ 92,167.55	**$ 1,994.91**	77
Common stocks & options	106,711 16	**112,488.63**	43.23
Preferred stocks	26,759.02	**25,399.90**	9.76
Accrued interest on bonds/CDs	978.42	**1,459 04**	56
Mortgage and asset backed securities	2,005 02	**997 31**	38
Corporate bonds	77,139 75	**76,975.50**	29 58
Municipal bonds	0 00	**40,901 60**	15 72
Total value	**$ 305,760.92**	**$ 260,216.89**	**100.00**
Total value (excluding accrued interest)	$ 304,782.50	$ 258,757.85	

Cash, money fund, bank deposits

	This period	This year
Opening balance	**$ 92,167 55**	
Securities bought and other subtractions	(41,556 48)	
Securities sold and other additions	1.000 00	
Deposits	0 00	111,214 01
Withdrawals	(50 000.00)	(456,284.78)
Interest credited	8.75	
Dividends credited	373 52	
Money fund earnings reinvested	1 57	
Money fund transfers	0.00	(137,000 00)
Closing balance	**$ 1,994 91**	

A free credit balance in any securities account may be paid to you on demand. Although properly accounted for, these funds may be used for business purposes.

Earnings summary

	This period Taxable	This period Non-taxable	This year Taxable	This year Non-taxable
Interest	$ 8 75	$ 0 00	$ 9,195.50	$ 0.00
Qualified dividends	373 52	0 00	3,016 54	0 00
Money fund earnings	1 57	0.00	350 84	0 00
Cap. gains distributions-ST	0.00	0.00	355 38	0 00
Cap. gains distributions-LT	0.00	0.00	0 00	0 00
Total	**$ 383.84**	**$ 0 00**	**$ 12,918 26**	**$ 0 00**

Portfolio summary

	This period	This year
Beginning total value (excl. accr. int.)	**$ 304,782.50**	**$ 712,543 98**
Net security deposits/withdrawals	0 00	0.00
Net cash deposits/withdrawals	(50,000 00)	(482,070.77)
Beginning value net of deposits/withdrawals	**254,782.50**	**230,473 21**
Total value as of 12/31/2010 (excl accr. int)	**$ 258,757 85**	**$ 258,757 85**
Change in value	**$ 3,975 35**	**$ 28,284 64**

MorganStanley SmithBarney

Ref: 00000098 00002897

Reserved
Client Statement
December 1 - December 31, 2010

THE DANIEL & FLAVIA GERNATT *Account number 475-80578-16 002*

Additional summary information

	This period	This year Taxable	This year Non-taxable
Accrued interest you paid	$ 20 56	$ 20 56	$ 0.00

	This period	This year
Other income	$ 0.00	$ 103.00

Gain/loss summary

		This period	This year
Original Realized gain or (loss)		($ .12)	$ 14,435 40 LT $ 57 132.95 ST
Adjusted Realized gain or (loss)		(12)	14,435.40 LT 57,132.95 ST
Capital gain or (loss) (realized)		(12)	71,568.35
Unrealized gain or (loss) to date	57,826 33		

PORTFOLIO DETAILS

Your holdings are valued using the most current prices available to Citigroup Global Markets Inc (CGMI). In most cases, these values are as of 12/31/10, but in some cases CGMI's sources are unable to provide timely information. To see the date of the most recent price update, please view your account online at www.smithbarney.com.

Securities purchased or sold are included or excluded in this section as of the trade-date. This section may include securities that have not settled as of this statement closing date Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold
Please Note. *unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.*

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency Although money market funds seek to preserve the value of your investment at $1 00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1 00 per share In that event, the fund s holdings would be liquidated and distributed to the fund's shareholders This liquidation process could take up to one month or more During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
1,994 91	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 1,994.91		06%	$ 1 19
Total money fund		$ 1,994 91	$ 0.00	05%	$ 1.19

Common stocks & options

Citi Investment Research & Analysis (CIRA), Morgan Stanley & Co. Incorporated (Morgan Stanley) and Standard & Poor's research ratings may be shown for certain securities All research ratings represent the 'opinions of the research provider and are not representations or guarantees of performance. Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating Where a particular company is covered by both CIRA and Morgan Stanley, you can and should view both research reports. CIRA and Morgan Stanley research reports may contain different or conflicting information about the subject companies of such research reports because they are prepared separately from each other CIRA stock recommendations include an investment rating and a risk rating The Investment Rating Code (1, 2 or 3) is a function of CIRA's expectation of total return (forecast price appreciation and dividend yield within the next twelve months) and a Risk Rating. The Risk Rating (L, M, H or S) represents the stock's expected risk, taking into account price volatility and fundamental criteria. In addition, CIRA may place covered stocks "Under Review" in response to exceptional circumstances (e.g. lack of information critical to the analyst's thesis) affecting the company and/or trading in the company's securities (e.g. trading suspension) Stocks placed Under Review by CIRA will be monitored daily by CIRA management As soon as practically possible, CIRA will publish a note re-establishing a rating and investment thesis. Please refer to the end of this statement for a guide describing CIRA ratings. Morgan Stanley and Standard & Poor's research ratings have been normalized by these providers to a 1 (Buy), 2 (Hold), and 3 (Sell) Morgan Stanley Smith Barney is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared by Standard & Poor's.

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
500	COLGATE PALMOLIVE CO	CL	09/19/03	$ 27,788 64	$ 54.70	$ 80 37	$ 40,185.00	$ 12,396.36* LT		
100	**Rating** Citigroup : 1L Morgan Stanley : 2 S&P . 2		01/26/05	5,112 52	50 07	80 37	8,037 00	2,924.48* LT		
6 9634	Reinvestments to date			529 64	76.06	80 37	559 65	30 01 LT		
15 6536	Reinvestments to date			1,243.77	79.455	80 37	1,258.08	14 31 ST		
622 617				**34,674 57**	**55.692**		**50,039.73**	**15,365 16**	**2 637**	**1,319 95**
620	EXXON MOBIL CORP	XOM	01/11/94	10,161.88	16.18	73.12	45,334.40	35,172 52* LT		
200	**Rating.** Citigroup 1M Morgan Stanley 2 S&P 1		02/18/03	6,960 17	34 02	73.12	14,624 00	7 663 83* LT		
11 7224	Reinvestments to date			842 49	71 87	73.12	857.14	14 65 LT		
22 3381	Reinvestments to date			1,461 94	65.446	73.12	1 633 36	171.42 ST		
854 0605				**19,426.48**	**22 746**		**62,448 90**	**43,022.42**	**2.407**	**1,503.15**
Total common stocks and options				**$ 54,101 05**			**$ 112,488.63**	**$ 185.73 ST** **$ 58,201 85 LT**	**2.50**	**$ 2,823 10**

Preferred stocks

Citi Investment Research & Analysis (CIRA) ratings may be shown for certain securities In addition, Standard & Poor's research ratings may be shown for certain securities. CIRA is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared by Standard & Poor's All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance CIRA stock recommendations include an investment rating and risk rating. The Investment Rating Code (1, 2 or 3) is a function of CIRA's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and a Risk Rating. The Risk Rating (L, M, H or S) represents the stock's expected risk, taking into account price volatility and fundamental criteria Please refer to the end of this statement for a guide describing CIRA ratings.

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,000	MORGAN STANLEY CP TR IV 6 25% PFD Rated BBB Next call on 01/05/11	MWG	05/14/07	$ 25,224 83	$ 24 76	$ 22.80	$ 22 800 00	($ 2,424 83)*LT		
39 0699	Reinvestments to date			789 14	20.198	22 80	890 79	101 65 LT		
74 9608	Reinvestments to date			1,668 07	22 252	22 80	1,709 11	41 04 ST		
1,114.0307				27,682 04	24 849		25,399.90	(2,282 14)	6 853	1,740 67
Total preferred stocks				$ 27,682.04			$ 25,399.90	$ 41.04 ST ($ 2,323 18) LT	6 85	$ 1,740.67

Mortgage and asset backed securities

Current Value is calculated as follows Original Principal Amount x Factor x Price = Current Value

Original principal amount	Description	Date acquired/ CUSIP #	Cost	Share cost	Current share price/accrued interest	Current value	Unrealized gain/(loss)	Current % yield	Anticipated Income (annualized)
1,000	FREDDIE MAC SER 2877 CL BB INT 05.250% MATY. 04/15/2034 FACTOR 1.0000000 Curr face $ 1,000.00 Int paid monthly	10/20/04 31395HJ68	$ 1,000 12	$ 100.00	$ 99.731 $ 2 33	$ 997 31	($ 2.81)*LT	5.264 %	$ 52 50
Total mortgage and asset backed securities 1,000			$ 1,000.12		$ 2.33	$ 997.31	$ 0.00 ST ($ 2.81) LT	5.26	$ 52.50

Bonds

Unrealized gains & losses have been adjusted to account for the accretion of OID (original issue discount), the amortization of premium, and/or the accretion of market discount.

Call features shown indicate the next regularly scheduled call date and price. Your holdings may be subject to other redemption features including sinking funds or extraordinary calls.

The research rating for Moody's Investors Service and Standard & Poor's may be shown for certain fixed income securities. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting research ratings.

Corporate bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
75,000	BANK AMER CORP SUB INTERNOTES	09/07/01	$ 75 000.00	$ 100 00	102 634	$ 76,975.50	$ 1 975 50*	LT	5 992	$ 0.00
	TRANCHE # SM BK/ENTRY1	06050XCK7	**$ 75,000 00**	$ 100 00	**$ 1,358 12**		**$ 1,975 50***	LT	**$ 4,612.50**	**$ 1,975 50**
	DTD 9/12/2001									
	INT. 06 150% MATY 09/15/2011									
	Rating. A3/A-									
Total corporate bonds			$ 75,000.00		**$ 1,358 12**	**$ 76,975 50**	**$ 0.00**	ST	5 99	**$ 0.00**
75,000			**$ 75,000.00**				**$ 1,975.50**	LT	**$ 4,612.50**	**$ 1,975.50**

Municipal bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
20,000	NEW YORK N Y FOR PRIOR ISSUES	12/16/10	$ 20,606.00	$ 103.00	102 368	**$ 20,473.60**	($ 132 40)	ST	**6 492**	**$ 0 00**
	U/T TXBLE B/E GO	64966JAS5	**$ 20,598 20**	$ 102.991	**$ 36 92**		**($ 124 60)**	ST	**$ 1,329 20**	**($ 124 60)**
	DD 12/21/10 F/C 6/1/11									
	INT: 06 646% MATY 12/01/2031									
	Int rate eff 12/21/10									
	Rating. AA2/AA									
	Next call on 12/01/20 @ 100 000									

Municipal bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
20,000	NASSAU CNTY N Y TAXABLE-GEN	12/16/10	$ 20,556 40	$ 102 782	102 14	$ 20,428 00	($ 128 40)	ST	7 244	$ 0 00
	U/T TXBLE B/E GO	63165TFX8	$ 20,555 20	$ 102 776	$ 61.67		($ 127.20)	ST	$ 1,480 00	($ 127 20)
	DD 12/16/10 F/C 4/1/11									
	INT 07 400% MATY 10/01/2035									
	Int rate eff 12/16/10									
	Rating A1/A+									
	Next call on 10/01/20 @ 100 000									
Total municipal bonds			$ 41,162 40		$ 98.59	$ 40,901 60	($ 251 80)	ST	6.86	$ 0 00
40,000			$ 41,153 40				$ 0.00	LT	$ 2,809 20	($ 251 80)
Total portfolio value			$ 200,931.52			$ 258,757.85	($ 25 03)	ST	4 65	$ 0.00
							$ 57,851.36	LT	$ 12,039.16	$ 1,723 70

Based on information supplied by client or other financial institution, not verified by us.

TRANSACTION DETAILS *All transactions appearing are based on trade-date*

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/10/10	Reinvest	EXXON MOBIL CORP WITHDRAWAL, PENDING REINVEST			$ -373 52
12/13/10	Reinvest	EXXON MOBIL CORP REINVESTMENT SHS FOR 12/10/10 REINVESTED AMOUNT $373 52	5 1556	72 45	0.00
12/17/10	Part call	FREDDIE MAC SER 2877 CL BB DUE 04/15/2034 RATE 5 250	-1,000		1,000 00
12/16/10	Bought	NASSAU CNTY N Y TAXABLE-GEN U/T TXBLE B/E GO DD 12/16/10 F/C 4/1/11 DUE 10/01/2035 RATE 7 400 YTM 7.157 YTPAR 7.000 10/01/20 100 000 7.4000% AO-01 DUE 10/01/2035 NEXT CALL:10/01/20 AT 100.000 CALLABLE SUBJECT TO FEDERAL TAXATION WHEN, AS AND IF ISSUED ACCRUED INT PD $ 20.56	20,000	102 782	-20,576 96

SageRutty And Company, Inc.
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SNAPSHOT [redacted]

DAN AND FLAVIA GERNATT
FAMILY FOUNDATION

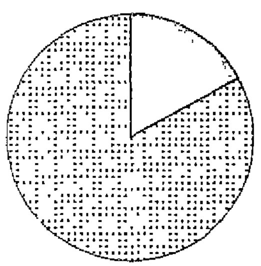
DECEMBER 1 - DECEMBER 31, 2010
ACCOUNT NUMBER 2624-7206

Progress summary

	THIS PERIOD	THIS YEAR
Opening value	**$475,656.13**	**$464,619.50**
Income earned	4,048 02	20,181 09
Change in value	8,085 93	2,989 49
Closing value	**$487,790.08**	**$487,790.08**

Portfolio summary

CURRENT



	ASSET TYPE	PREVIOUS VALUE ON NOV 30	%	CURRENT VALUE ON DEC 31	%	ESTIMATED ANN INCOME
ASSETS	Cash and sweep balances	80,216 26	16 86	82,760 06	16 97	15
	Stocks, options & ETFs	0.00	0 00	0 00	0 00	0
	Fixed income securities	0 00	0 00	0 00	0.00	0
	Mutual funds	395,439 87	83 14	405,030 02	83 03	19,253
	Asset value	**$475,656.13**	**100%**	**$487,790.08**	**100%**	**$19,268**

DAN AND FLAVIA GERNATT
FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2010
ACCOUNT NUMBER 2624-7206

Portfolio detail

Cash and Sweep Balances

Bank Deposit Sweep - Consists of monies held in one or more FDIC-insured depository account(s) established with Wells Fargo Bank, N A Additional funds over $250,000 are deposited at one or more additional banks affiliated with Wells Fargo & Company These assets are not covered by SIPC, but are instead covered by FDIC insurance in accordance with FDIC rules For additional information on the Bank Deposit Sweep for your account please contact Your Registered Representative

DESCRIPTION	ANNUAL PERCENTAGE YIELD EARNED*	CURRENT MARKET VALUE	ESTIMATED ANNUAL INCOME
Cash	N/A	4,046 68	N/A
BANK DEPOSIT SWEEP	0 02	78,713 38	15 74
Interest Period 12/01/10 - 12/31/10			
Total Cash and Sweep Balances		**$82,760.06**	**$15.74**

* APY measures the total amount of the interest paid on an account based on the interest rate and the frequency of the compounding during the interest period The annual percentage yield is expressed as an annualized rate, based on a 365- or 366-day year (as applicable)

Mutual Funds

Mutual fund shares are priced at net asset value Estimated Annual Income and Yield refer to Dividends and Interest Income only, and typically do not reflect Total return

Open End Mutual Funds

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
FRANKLIN HIGH INCOME FUND CLASS A FHAIX								
Acquired 03/17/08	21,935 60200	1 91	41,897 00	2 0000	43,871 20	1,974 20	3,092 91	7 05
FRANKLIN INCOME FUND CLASS A FKINX								
Acquired 03/17/08	71,012 28800	2 36	167 589 00		154,806 08	-12,782 92		
Reinvestments	56 43000	1 51	85 21		123 72	38 51		
Total	**71,068.71800**		**$167,674.21**	**2 1800**	**$154,929.80**	**-$12,744.41**	**$10,233.89**	**6 61**
FRANKLIN INVS SECS TR REAL RETURN FD CL A FRRAX								
Acquired 03/17/08	5,718 47100	10 99	62,846 00	11 1700	63,875 32	1,029.32	1,732 69	2 71

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Comprehensive Financial Services • Established 1915

DAN AND FLAVIA GERNATT
FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2010
ACCOUNT NUMBER 2624-7206

Mutual Funds

Open End Mutual Funds continued

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
MUTUAL SERIES FD INC GLOBAL DISCOVERY FD CL A TEDIX								
Acquired 03/17/08	1,453 74700	28 82	41,897 00		42,434 86	537 86		
Reinvestments	55 78600	22 88	1,276 93		1,628 40	351 47		
Total	**1,509 53300**		**$43,173.93**	**29.1900**	**$44,063.26**	**$889 33**	**$733.63**	**1.66**
TEMPLETON GLOBAL BOND FUND CL A TPINX								
Acquired 03/17/08	4,513 27400	12 43	56,106 00		61,335 35	5,229.35		
Acquired 03/17/08	550 90300	12 18	6,710 00		7,486.81	776 81		
Total	**5,064.17700**		**$62,816.00**	**13.5900**	**$68,822.16**	**$6,006.16**	**$2,937.22**	**4.27**
TEMPLETON FUNDS INC FOREIGN FUND CL A TEMFX								
Acquired 10/30/07	1,124 02700	13 56	15,242 71		7,845 70	-7,397 01		
Reinvestments	3,097 79100	9 01	27,934.51		21,622 58	-6,311 93		
Total	**4,221.81800**		**$43,177.22**	**6.9800**	**$29,468.28**	**-$13,708 94**	**$523.50**	**1.78**
Total Open End Mutual Funds			**$421,584.36**		**$405,030.02**	**-$16,554.34**	**$19,253.84**	**4.75**
Total Mutual Funds			**$421,584.36**		**$405,030 02**	**-$16,554.34**	**$19,253.84**	**4.75**

Bank Deposit Sweep Allocation

Monies on deposit at each bank, together with any other deposits held in the same insurable capacity at each bank, are eligible for FDIC insurance up to $250,000 per depositor, per bank in accordance with FDIC rules for a total of up to $750,000 in FDIC insurance when deposited at multiple banks These assets are not held in your securities brokerage account and therefore not covered by SIPC Settlement timing differences will cause balances displayed in this section to vary from those indicated in the Portfolio detail section due to activity that occurs after 2 PM ET on the last business day of the month If you have questions about your sweep option, including rates, please contact Your Registered Representative

DESCRIPTION	CURRENT VALUE	AS OF VALUE DATE
WELLS FARGO BANK, N A	78,712 04	12/31
Total Bank Deposits	**$78,712.04**	