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 , 2010, and ending ,

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

VERVANE, INC.
P.O. BOX 371
COS COB, CT 06807

A **Employer identification number** 22-3256829

B Telephone number (see the instructions) 973-808-9500

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, column (c), line 16)* ► $ 7,008,217.

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 the instructions))*	**(a)** Revenue and expenses per books	**(b)** Net investment income	**(c)** Adjusted net income	**(d)** Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc, received (att sch)				
2 Ck ► ☒ if the foundn is **not** req to att Sch B				
3 Interest on savings and temporary cash investments			N/A	
4 Dividends and interest from securities	107,803.	107,803.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	-12,507.			
b Gross sales price for all assets on line 6a 2,107,368.				
7 Capital gain net income (from Part IV, line 2)		0.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule)				
12 **Total.** Add lines 1 through 11	95,296.	107,803.		
13 Compensation of officers, directors, trustees, etc	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) SEE ST 1	385.	258.		127.
b Accounting fees (attach sch) SEE ST 2	6,339.	4,247.		2,092.
c Other prof fees (attach sch) SEE ST 3	48,620.	32,576.		16,044.
17 Interest				
18 Taxes (attach schedule)(see instr) SEE STM 4	2,524.	1,691.		833.
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) SEE STATEMENT 5	5,796.	3,883.		1,913.
24 **Total operating and administrative expenses.** Add lines 13 through 23	63,664.	42,655.		21,009.
25 Contributions, gifts, grants paid PART XV	430,000.			430,000.
26 **Total expenses and disbursements.** Add lines 24 and 25	493,664.	42,655.		451,009.
27 Subtract line 26 from line 12:				
a **Excess of revenue over expenses and disbursements**	-398,368.			
b **Net investment income** (if negative enter -0-)		65,148.		
c **Adjusted net income** (if negative enter -0)				

REVENUE

OPERATING AND ADMINISTRATIVE EXPENSES

SCANNED MAR 2? 2011

RECEIVED
MAR 04 2011
OGDEN UT
IRS-OSC

BAA For Paperwork Reduction Act Notice, see the instructions. TEEA0504L 07/23/10 Form **990-PF** (2010)

G14 4

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	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1	Cash – non-interest-bearing	2,724.	5,339.	5,339.
	2	Savings and temporary cash investments	104,472.	118,664.	118,664.
	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 the instructions)			
	7	Other notes and loans receivable (attach sch) ►			
		Less allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U S and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule)	6,075,442.	5,479,382.	6,412,938.
	c	Investments – corporate bonds (attach schedule)	250,888.	431,774.	471,276.
	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 ►)	1.		
	16	**Total assets** (to be completed by all filers – see instructions Also, see page 1, item I)	6,433,527.	6,035,159.	7,008,217.
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)			
	23	**Total liabilities** (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES		**Foundations that follow SFAS 117, check here ► ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ► ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	6,433,527.	6,035,159.	
	30	**Total net assets or fund balances** (see the instructions)	6,433,527.	6,035,159.	
	31	**Total liabilities and net assets/fund balances** (see the instructions)	6,433,527.	6,035,159.	

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	6,433,527.
2	Enter amount from Part I, line 27a	2	-398,368.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	6,035,159.
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	6,035,159.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day year)
1a	SEE SCHEDULE ATTACHED	P	VARIOUS	VARIOUS
b	SEE SCHEDULE ATTACHED	P	VARIOUS	VARIOUS
c	SEE SCHEDULE ATTACHED	P	VARIOUS	VARIOUS
d	SEE SCHEDULE ATTACHED	P	VARIOUS	VARIOUS
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	97,201.		100,357.	-3,156.
b	1,697,645.		1,707,045.	-9,400.
c	148,636.		158,391.	-9,755.
d	163,886.		154,082.	9,804.
e				

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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				-3,156.
b				-9,400.
c				-9,755.
d				9,804.
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** -12,507.

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 the instructions) If (loss), enter -0- in Part I, line 8 — **3** -12,911.

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 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 (column (b) divided by column (c))
2009	440,739.	5,687,550.	0.077492
2008	527,653.	8,001,567.	0.065944
2007	633,845.	10,497,056.	0.060383
2006	593,737.	9,720,924.	0.061078
2005	550,835.	9,244,056.	0.059588

2	**Total** of line 1, column (d)	2	0.324485
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	0.064897
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	6,453,608.
5	Multiply line 4 by line 3	5	418,820.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	651.
7	Add lines 5 and 6	7	419,471.
8	Enter qualifying distributions from Part XII, line 4	8	451,009.

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

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

1 a	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 instr.)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☒ and enter 1% of Part I, line 27b			1	651.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	651.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	651.
6	Credits/Payments				
a	2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	1,086.		
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	1,086.
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	0.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►			10	435.
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ►		435.	**Refunded** ► 11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1 a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
	*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year. **(1)** On the foundation ► $ 0. **(2)** On foundation managers ► $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see the instructions) ► CT			
b	If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *Continued*

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

Website address ► 203-321-5247 GAIL-CELL

14 The books are in care of ► LEAF, SALTZMAN, ET.AL. CPA'S Telephone no ► 973-808-9500

Located at ► 310 PASSAIC AVENUE, FAIRFIELD, NJ ZIP + 4 ► 07004

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			Yes	No
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		X
	See 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

1 a 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 the instructions)? 1b N/A

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: X

2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))

a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ **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 the instructions.) 2b N/A

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 N/A

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4a No: X

b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010? 4b No: X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see 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 instructions)? **5b** N/A

Organizations relying on a current notice regarding disaster assistance check here ► ☐

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If 'Yes,' attach the statement required by Regulations section 53 4945-5(d)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** X

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **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 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
JOSEPHINE MERCK P.O. BOX 371 COS COB, CT 06807	PRESIDENT 0	0.	0.	0.
TOM PASSIOS 44 CEDAR CLIFF ROAD RIVERSIDE, CT 06878	SECR./TREAS. 0	0.	0.	0.
OONA COY P.O. BOX 371 COS COB, CT 06807	DIRECTOR 0	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see 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 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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

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

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes				
a Average monthly fair market value of securities			**1a**	6,369,697.
b Average of monthly cash balances			**1b**	182,189.
c Fair market value of all other assets (see instructions)			**1c**	
d Total (add lines 1a, b, and c)			**1d**	6,551,886.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	**1e**	0.		
2 Acquisition indebtedness applicable to line 1 assets			**2**	0.
3 Subtract line 2 from line 1d			**3**	6,551,886.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)			**4**	98,278.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4			**5**	6,453,608.
6 Minimum investment return. Enter 5% of line 5			**6**	322,680.

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

1 Minimum investment return from Part X, line 6			**1**	322,680.
2a Tax on investment income for 2010 from Part VI, line 5	**2a**	651.		
b Income tax for 2010 (This does not include the tax from Part VI)	**2b**			
c Add lines 2a and 2b			**2c**	651.
3 Distributable amount before adjustments Subtract line 2c from line 1			**3**	322,029.
4 Recoveries of amounts treated as qualifying distributions			**4**	
5 Add lines 3 and 4			**5**	322,029.
6 Deduction from distributable amount (see instructions)			**6**	
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			**7**	322,029.

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

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes.		
a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	**1a**	451,009.
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**	451,009.
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 instructions)	**5**	651.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	**6**	450,358.

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

Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7					322,029.
2 Undistributed income, if any, as of the end of 2010:					
a Enter amount for 2009 only				0.	
b Total for prior years 20___, 20___, 20___			0.		
3 Excess distributions carryover, if any, to 2010:					
a From 2005	98,230.				
b From 2006	116,943.				
c From 2007	136,126.				
d From 2008	129,499.				
e From 2009	157,989.				
f **Total** of lines 3a through e		638,787.			
4 Qualifying distributions for 2010 from Part XII, line 4 ► $	451,009.				
a Applied to 2009, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required – see instructions)			0.		
c Treated as distributions out of corpus (Election required – see instructions)		0.			
d Applied to 2010 distributable amount					322,029.
e Remaining amount distributed out of corpus		128,980.			
5 Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		0.			0.
6 **Enter the net total of each column as indicated below:**					
a *Corpus* Add lines 3f, 4c, and 4e Subtract line 5		767,767.			
b Prior years' undistributed income Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.		
d Subtract line 6c from line 6b Taxable amount – see instructions			0.		
e Undistributed income for 2009 Subtract line 4a from line 2a. Taxable amount – see instructions				0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)		0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)		98,230.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		669,537.			
10 Analysis of line 9					
a Excess from 2006	116,943.				
b Excess from 2007	136,126.				
c Excess from 2008	129,499.				
d Excess from 2009	157,989.				
e Excess from 2010	128,980.				

Part XIV **Private Operating Foundations** (see instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

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

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

JOSEPHINE MERCK

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

NONE

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

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

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

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

c Any submission deadlines.

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE SCHEDULE ATTACHED ,		EXEMPT	SUSTAINING CONTRIBUTION	430,000.
Total			► **3a**	430,000.
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 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					
4 Dividends and interest from securities			14	107,803.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	-12,507.	
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)				95,296.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 95,296.

(See worksheet in the instructions for line 13 to verify calculations)

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

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

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	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment, or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		X

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

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

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

b If 'Yes,' complete the following schedule

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

Sign Here

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

▶ Josephine A. Merck | 2/25/11 | ▶ President

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed	PTIN
LAWRENCE R. LEAF, CPA	CPA	2-10-11	☐	N/A

Firm's name ▶ LEAF SALTZMAN MANGANELLI PFEIL

Firm's EIN ▶ N/A

Firm's address ▶ 310 PASSAIC AVE
FAIRFIELD, NJ 07004-2530

Phone no (973) 808-9500

Arts Engine, Inc.	$10,000		Environmental Film Festival	$15,000
104 West 14th Street, 4th Floor			1228 ½ 31st Street, NW	
New York, NY 100011			Washington, DC 20007	
Designated for The City Dark				
			Fractured Atlas	$10,000
The Authors Guild Foundation	$2,500		248 W. 35th Street ,Suite 1202	
31 East 32nd Street,7th Floor			New York, NY 10001	
New York, NY 10016			Designated for Behold The Earth	
Brooklyn Botanic Garden	$12,750		Global Greengrants	$10,000
1000 Washington Avenue			2840 Wilderness Pl., Ste A	
Brooklyn, NY 11225			Boulder, CO 80301	
Connecticut Public Television	$10,000		Grow Food Northampton	$20,000
c/o Blue Ocean Institute-See			P.O. Box 849	
250 Lawrence Hill Road			Northampton, MA 01061	
Cold Spring Harbor, NY 11724				
			Climate + Energy Project	$10,000
The Center for Food Safety	$5,000		P.O. Box 442217	
666 Pennsylvania Ave, S.E, Ste 302			Lawrence, KS 66044	
Washington, D.C. 20003				
			Museum of the City of New York	$5,000
Center for Reproductive Rights	$10,000		1220 Fifth Avenue	
120 Wall Street			New York, NY 10029	
New York, NY 10005				
			Milwaukee Montesorri School	$3,500
Children's Museum of Austin	$2,500		345 North 95th Street	
201 Colorado St			Milwaukee, WI 53226-4441	
Austin, TX 78701-3922				
			National Campaign for Sustainable Agriculture	$5,000
City Seed New Haven	$1,500		110 Mmaryland Avenue, NE, Suite 209	
P.O. Box 2056			Washington, DC 20002-5622	
New Haven, CT 06521				
			National Trust Historic Preservation	$5,000
Community Involved in Sustaining Agriculture	$10,000		1784 Massachusetts Avenue, NW	
One Sugarloaf Street			Washington, DC 20036	
Deerfield, MA 01373				
			Natural Resources Defense Council	$40,000
Connecticut Farmland Trust	$5,000		40 West 20th Street	
77 Buckingham Street, No. 4			New York, NY 10011	
Hartford, CT 06106			On-Earth Publication	
Connecticut Fund for the Environment	$20,000		The Nature Convserancy Block Island, RI	$50,000
205 Whitney Avenue, 1st Floor			352 High Street	
New Haven, CT 06511			Block Island, RI 02807	
Designated for Peter Cooper Legal Fellow				
			Neustras Raices	$5,000
Connecticut Fund for the Environment	$25,000		329 Main St.	
205 Whitney Avenue, 1st Floor			Holyoke, MA 01040	
New Haven, CT 06511				
Designated for Clean Car Campaign			New Dramatists	$10,000
			424 West 44th Street	
Connecticut League of Conservation	$30,000		New York, NY 10036-5298	
Voters Educational Fund				
645 Farmington Avenue				
Hartford, CT 06105			The Tides Center	$2.500
			The Presidio	
Oakland Institute	$2,500		P.O. Box 29198	

PO Box 18978			San Francisco, CA 94129	
Oakland, CA 94619			Honor The Earth	
Poet's House	$5,000		Yale School of Forestry &	$9,750
10 River Terrace			Environmental Studies	
New York, NY 10282-1240			205 Prospect Street	
			New Haven, CT 06511-2106	
Resource Generation	$5,000		Gus & Cameron Speth Scholarship	
218 E. 18th St.				
New York, NY 10003			Third Sector New England	$10,000
			89 South Street, No. 700	
Riverkeeper	$5,000		Boston, MA 02111	
E-House			For The Carrot Project	
78 North Broadway				
White Plains, NY 10603			Waterkeeper Alliance	$5,000
			50 S. Buckhout Street, Suite 302	
Scenic Hudson	$5,000		Irvington , New York 10533	
One Civic Plaza, Suite 200				
Poughkeepsie, NY 12601			White Earth Land Recovery	$5,000
			PO Box 327	
Seed Savers Exchange	$2,500		White Earth, MN 56591	
2840 Wilderness Pl., Ste A				
Boulder, CO 80301			Working Lands Alliance	$5,000
			American Farmland Trust	
Trust for Public Land - CT	$10,000		775 Bloomfield Avenue	
101 Whitney Avenue, No. D			Windsor, CT 06095	
New Haven, CT 06510				
			WYNC Public Radio	$10,000
The Trust for Public Land	$15,000		P.O. Box 1550	
33 Union Street., 4th Floor			New York, NY 10116-1550	
Boston, MA 02108				
Designated for CT. River Project			Total Column 1	$194,250
			Total Column 2	$235,750
			Total Grants for 2010	$430,000

STATEMENT 1
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SCHUMANN, HANLON, DOHERTY, ET AL	$ 385.	$ 258.		$ 127.
TOTAL	$ 385.	$ 258.		$ 127.

STATEMENT 2
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEAF, SALTZMAN ET.AL. CPAS	$ 6,339.	$ 4,247.		$ 2,092.
TOTAL	$ 6,339.	$ 4,247.		$ 2,092.

STATEMENT 3
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PINNACLE ASSOCIATES, LTD.	$ 43,180.	$ 28,931.		$ 14,249.
STATE STREET BANK & TRUST CO.	5,440.	3,645.		1,795.
TOTAL	$ 48,620.	$ 32,576.		$ 16,044.

STATEMENT 4
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX WITHHELD	$ 2,524.	$ 1,691.		$ 833.
TOTAL	$ 2,524.	$ 1,691.		$ 833.

STATEMENT 5
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADMINISTRATION FEES	$ 1,515.	$ 1,015.		$ 500.
BANK CUSTODY FEES	4,035.	2,703.		1,332.
POSTAGE	196.	131.		65.
STATE FILING FEE	50.	34.		16.
TOTAL	$ 5,796.	$ 3,883.		$ 1,913.

Pinnacle Associates Ltd.

PORTFOLIO SUMMARY

159 Vervane Foundation

Acct. # 25d024744768

December 31, 2010

Security Type	Total Cost	Market Value	Pct. Assets	Cur. Yield	Est.Annual Income
Cash & Equivalents					
Cash & Equivalents					
Cash & Equivalents	88,929	88,929	1.4	0.0	9
	88,929	88,929	1.4	0.0	9
Equities					
Common Stock					
Information Technology	852,675	856,779	13.8	1.0	8,870
Health Care	699,570	551,336	8.9	1.9	10,640
Energy	173,249	310,417	5.0	0.8	2,440
Materials	338,699	427,035	6.9	0.8	3,560
Financials	516,597	476,311	7.7	1.8	8,644
Utilities	169,925	189,908	3.1	3.4	6,500
Telecommunication Services	290,939	284,800	4.6	2.8	8,090
Industrials	423,398	772,120	12.5	0.8	6,490
Consumer Discretionary	1,084,363	1,351,474	21.8	1.3	17,529
Consumer Staples	177,741	254,204	4.1	2.2	5,511
Common Stock	4,727,158	5,474,384	88.5	1.4	78,274
American Depository Receipts (ADRs)					
Energy	42,798	45,885	0.7	0.0	0
Materials	83,811	99,926	1.6	1.8	1,846
American Depository Receipts (ADRs)	126,609	145,811	2.4	1.3	1,846

Pinnacle Associates Ltd.

PORTFOLIO SUMMARY

159 Vervane Foundation

Acct. # 25d024744768

December 31, 2010

Security Type	Total Cost	Market Value	Pct. Assets	Cur. Yield	Est.Annual Income
	4,853,766	5,620,195	90.8	1.4	80,121
Fixed Income					
Convertible Preferred	104,435	129,788	2.1	6.3	8,125
Corporate Bonds	327,339	341,489	5.5	4.8	16,438
Accrued Interest		6,556	0.1		
	431,774	477,832	7.7	5.2	24,563
TOTAL PORTFOLIO	**5,374,469**	**6,186,956**	**100.0**	**1.7**	**104,692**
Equities					
Special Holdings - Miscellaneous Assets	10,000	10,000		0.0	0
	10,000	10,000		0.0	0
GRAND TOTAL	**5,384,469**	**6,196,956**		**1.7**	**104,692**

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

159 Vervane Foundation

Acct. # 25d024744768

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
Cash & Equivalents									
Cash & Equivalents									
	Western Asset Citi Premium US Treas Resrv		88,929		88,929	1.4	0 010	9	0 0
			88,929		88,929	1.4		9	0 0
	Cash & Equivalents Total		88,929		88,929	1.4		9	0.0
Common Stock									
Information Technology									
5,400	Activision Blizzard Inc	11 39	61,500	12 44	67,176	1 1	0 150	810	1 2
4,100	Avnet Inc	27.06	110,949	33 03	135,423	2.2	0 000	0	0 0
4,000	EMC Corp/Mass	13 67	54,689	22 90	91,600	1 5	0 000	0	0 0
5,000	Intel Corp	24 49	122,462	21.03	105,150	1.7	0 720	3,600	3 4
8,200	Micron Technology Inc	8 85	72,566	8.02	65,764	1.1	0 000	0	0 0
5,000	Microsoft Corp	31 14	155,684	27.91	139,550	2 3	0 640	3,200	2.3
2,700	Oracle Corp	16.54	44,659	31.30	84,510	1 4	0.200	540	0 6
1,200	Visa Inc Class A Shares	76 89	92,265	70 38	84,456	1.4	0.600	720	0.9
5,000	Yahoo! Inc	27 58	137,900	16.63	83,150	1 3	0 000	0	0 0
			852,675		856,779	13.8		8,870	1.0
Health Care									
2,400	Gilead Sciences Inc	32.82	78,761	36.24	86,976	1.4	0 000	0	0.0
7,000	Merck & Co	70.24	491,669	36 04	252,280	4 1	1 520	10,640	4 2
3,500	Regeneron Pharmaceuticals	14 68	51,384	32 83	114,905	1.9	0 000	0	0 0
6,500	Seattle Genetics Inc	11.96	77,757	14.95	97,175	1 6	0 000	0	0.0
			699,570		551,336	8.9		10,640	1.9

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

159 Vervane Foundation

Acct. # 25d024744768

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
Energy									
1,100	Devon Energy Corporation	17.28	19,011	78.51	86,361	1 4	0 640	704	0.8
1,400	Hess Corp	53.79	75,306	76 54	107,156	1 7	0 400	560	0 5
1,400	Schlumberger Ltd	56.38	78,932	83 50	116,900	1 9	0 840	1,176	1 0
			173,249		310,417	5.0		2,440	0 8
Materials									
700	CF Industries Holdings Inc	48 76	34,134	135 15	94,605	1 5	0 400	280	0.3
2,000	Du Pont El De Nemours	43 59	87,183	49 88	99,760	1 6	1 640	3,280	3 3
2,500	Molycorp Inc	30 96	77,412	49 90	124,750	2 0	0 000	0	0 0
4,000	RTI International Metals	34 99	139,971	26 98	107,920	1 7	0 000	0	0 0
			338,699		427,035	6.9		3,560	0.8
Financials									
5,000	Bank of America Corp	25 22	126,101	13 34	66,700	1.1	0 040	200	0 3
4,000	Bank of New York Mellon Corp	32.77	131,077	30 20	120,800	2 0	0 360	1,440	1.2
2,500	JPMorgan Chase & Co	42.00	104,996	42.42	106,050	1.7	0.200	500	0 5
2,500	Plum Creek Timber Co. Inc.	39 83	99,581	37 45	93,625	1 5	1 680	4,200	4 5
1,600	Travelers Companies Inc	34.28	54,842	55 71	89,136	1 4	1 440	2,304	2 6
			516,597		476,311	7.7		8,644	1.8
Utilities									
1,200	Nextera Energy Inc	60 62	72,745	51.99	62,388	1 0	2.000	2,400	3 8
4,000	Northeast Utils	24.30	97,181	31 88	127,520	2 1	1 025	4,100	3 2
			169,925		189,908	3.1		6,500	3.4
Telecommunication Services									
2,200	Centurylink	35.61	78,347	46.17	101,574	1 6	2 900	6,380	6 3
15,000	Sprint Nextel	7 14	107,113	4 23	63,450	1 0	0 000	0	0 0

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

159 Vervane Foundation

Acct. # 25d024744768

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
3,800	Telephone & Data Sys Special Shares	27 76	105,480	31 52	119,776	1.9	0 450	1,710	1 4
			290,939		284,800	4.6		8,090	2.8
Industrials									
1,400	Canadian National Railway Co	48 26	67,561	66 47	93,058	1 5	1.057	1,480	1 6
1,000	Cummins Inc	8 27	8,266	110.01	110,010	1 8	1.050	1,050	1 0
3,000	Enernoc Inc	29 18	87,532	23 91	71,730	1 2	0 000	0	0 0
4,000	Foster Wheeler AG	24 20	96,818	34 52	138,080	2 2	0 000	0	0 0
5,400	Fuelcell Energy Inc	10.02	54,097	2.31	12,474	0 2	0.000	0	0 0
2,500	Pall Corporation	17 87	44,677	49.58	123,950	2 0	0 640	1,600	1.3
1,000	Precision Castparts	8 52	8,519	139 21	139,210	2 3	0 120	120	0 1
2,800	Republic Services Inc	19.97	55,928	29 86	83,608	1 4	0 800	2,240	2 7
			423,398		772,120	12.5		6,490	0.8
Consumer Discretionary									
5,000	CBS Corp Class B	26 07	130,363	19 05	95,250	1 5	0 200	1,000	1.0
3,000	Cablevision Systems	7 41	22,238	33 84	101,520	1 6	0 500	1,500	1 5
4,800	Comcast Corp Cl A	18.69	89,693	21.97	105,456	1 7	0 378	1,814	1 7
1,200	Discovery Communication A	14.81	17,778	41.70	50,040	0 8	0 000	0	0 0
2,000	Discovery Communication C	12 99	25,990	36 69	73,380	1 2	0 000	0	0 0
2,300	Genuine Parts Co	23.57	54,214	51 34	118,082	1 9	1.640	3,772	3.2
3,000	Home Depot Inc	37 08	111,254	35.06	105,180	1 7	0 945	2,835	2 7
1,800	Liberty Global Inc C	14 81	26,654	33.89	61,002	1 0	0 000	0	0 0
9,100	MGM Resorts Intl	11 18	101,767	14 85	135,135	2 2	0 000	0	0 0
4,600	Macy's Inc	32.11	147,692	25 30	116,380	1.9	0 200	920	0 8
9,200	Orient Express Hotels Ltd	9.96	91,677	12.99	119,508	1 9	0 000	0	0 0
836	Time Warner Cable Inc	50 60	42,302	66.03	55,201	0 9	1 600	1,338	2.4
3,000	Time Warner Inc	35 79	107,375	32.17	96,510	1 6	0 850	2,550	2 6

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

159 Vervane Foundation

Acct. # 25d024744768

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
3,000	Viacom Inc Class B	38.46	115,367	39.61	118,830	1 9	0 600	1,800	1.5
			1,084,363		1,351,474	21.8		17,529	1.3
Consumer Staples									
2,500	CVS Caremark Corp	31.49	78,727	34.77	86,925	1.4	0.350	875	1.0
1,100	Coca-Cola Co	43.49	47,839	65 77	72,347	1.2	1 760	1,936	2.7
2,700	Dr Pepper Snapple Group Inc	18 95	51,175	35.16	94,932	1 5	1.000	2,700	2 8
			177,741		254,204	4.1		5,511	2.2
	Common Stock Total		4,727,158		5,474,384	88 5		78,274	1.4
American Depository Receipts (ADRs)									
Energy									
1,500	Cie Gen Geophysique Sa - Sp ADR	28.53	42,798	30.59	45,885	0 7	0 000	0	0 0
			42,798		45,885	0.7		0	0.0
Materials									
1,700	Syngenta AG - Spon ADR	49 30	83,811	58.78	99,926	1 6	1 086	1,846	1 8
			83,811		99,926	1.6		1,846	1.8
	American Depository Re Total		126,609		145,811	2.4		1,846	1.3
Convertible Preferred									
2,500	Ford Motor Co Cap Tr II 6 5% Cnv	41.77	104,435	51 92	129,788	2 1	3 250	8,125	6 3
			104,435		129,788	2.1		8,125	6.3

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

159 Vervane Foundation

Acct. # 25d024744768

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
Corporate Bonds									
75,000	Royal Caribbean Cruises 8.750% Due 02-02-11	102.37	76,780	102.13	76,594	1 2	8 750	6,563	8 6
50,000	AT&T Inc 4 950% Due 01-15-13	100 28	50,138	107 27	53,635	0 9	4 950	2,475	4 6
100,000	Dell Inc 1.400% Due 09-10-13	99.92	99,922	100 34	100,341	1.6	1 400	1,400	1 4
100,000	Wellpoint Inc 6.000% Due 02-15-14	100.50	100,500	110.92	110,919	1 8	6.000	6,000	5 4
	Accrued Interest				6,556	0 1			
			327,339		348,044	5.6		16,438	4.8
TOTAL PORTFOLIO			**5,374,469**		**6,186,956**	**100.0**		**104,692**	**1.7**
Special Holdings - Miscellaneous Assets									
10,000	Calvert Foundation	1.00	10,000	1.00	10,000		0 000	0	0 0
			10,000		10,000			0	0.0
GRAND TOTAL			**5,384,469**		**6,196,956**			**104,692**	**1.7**

Advisory Services are provided by Pinnacle Associates Ltd ("Pinnacle"). Pinnacle is not a pricing source--the information contained herein has been derived from sources which we believe to be reliable but has not been independently verified. Please remember to contact Pinnacle if there are any changes in your financial situation or investment objectives or if you wish to impose, add or modify any reasonable restrictions to our investment management services

Please Note Please compare this statement with account statements received from the account custodian Please also note that the account custodian does not verify the accuracy of the advisory fee calculation

Pinnacle Associates Ltd.
PORTFOLIO SUMMARY
6220 Vervane Foundation Inc- International Growth
A/C# 368236271
December 31, 2010

Security Type	Total Cost	Market Value	Pct. Assets	Cur. Yield	Est.Annual Income
Cash & Equivalents					
Cash & Equivalents					
Cash & Equivalents	19,735	19,735	2.4	0.0	0
	19,735	19,735	2.4	0.0	0
Equities					
Common Stock					
Information Technology	17,684	23,818	2.9	0.4	85
Health Care	10,984	11,415	1.4	1.8	200
Energy	10,617	13,527	1.7	1.0	136
Materials	10,711	13,841	1.7	2.0	272
Financials	25,924	29,500	3.6	0.9	263
Industrials	17,580	18,420	2.3	3.0	559
Consumer Discretionary	1,862	9,071	1.1	0.0	0
Common Stock	95,363	119,592	14.7	1.3	1,515
American Depository Receipts (ADRs)					
Information Technology	32,126	35,328	4.3	1.8	653
Health Care	36,166	40,319	5.0	1.7	703
Energy	21,728	28,588	3.5	2.9	842
Materials	38,077	50,622	6.2	1.1	535
Financials	51,806	68,365	8.4	2.0	1,335
Telecommunication Services	7,423	10,576	1.3	3.5	371
Industrials	30,483	41,336	5.1	0.6	239
Consumer Discretionary	31,905	44,154	5.4	0.9	414

Pinnacle Associates Ltd.
PORTFOLIO SUMMARY
6220 Vervane Foundation Inc- International Growth
A/C# 368236271
December 31, 2010

Security Type	Total Cost	Market Value	Pct. Assets	Cur. Yield	Est.Annual Income
Consumer Staples	19,537	23,506	2.9	2.8	659
American Depository Receipts (ADRs)	269,251	342,794	42.2	1.7	5,752
British Equity					
Health Care	7,887	11,113	1.4	0.5	53
Energy	7,478	13,030	1.6	0.5	69
Financials	14,006	12,961	1.6	1.9	248
Consumer Staples	22,192	22,529	2.8	3.4	769
British Equity	51,562	59,633	7.3	1.9	1,138
Danish Equity					
Health Care	5,507	9,059	1.1	1.2	108
Consumer Staples	8,947	12,854	1.6	1.7	214
Danish Equity	14,454	21,912	2.7	1.5	322
Euro Equity					
Health Care	25,957	21,330	2.6	2.5	538
Energy	5,105	14,827	1.8	1.5	221
Materials	5,426	8,314	1.0	1.5	121
Financials	12,022	12,161	1.5	4.1	493
Industrials	25,867	29,545	3.6	1.7	514
Consumer Discretionary	32,472	50,938	6.3	1.6	801
Euro Equity	106,849	137,114	16.9	2.0	2,689
Japanese Equity					
Information Technology	18,787	24,832	3.1	1.8	436

Pinnacle Associates Ltd.
PORTFOLIO SUMMARY
6220 Vervane Foundation Inc- International Growth
A/C# 368236271

December 31, 2010

Security Type	Total Cost	Market Value	Pct. Assets	Cur. Yield	Est.Annual Income
Industrials	2,864	5,420	0.7	2.5	138
Japanese Equity	21,651	30,252	3.7	1.9	575
Norwegian Equity					
Energy	15,621	18,553	2.3	0.0	0
Materials	12,850	17,419	2.1	1.3	232
Norwegian Equity	28,471	35,972	4.4	0.6	232
Swedish Equity					
Industrials	8,386	10,135	1.2	0.0	0
Consumer Discretionary	7,417	7,863	1.0	3.6	281
Swedish Equity	15,803	17,999	2.2	1.6	281
Swiss Equity					
Financials	10,446	14,332	1.8	0.9	131
Industrials	11,765	13,142	1.6	1.2	161
Swiss Equity	22,211	27,475	3.4	1.1	292
	625,615	792,743	97.6	1.6	12,797
TOTAL PORTFOLIO	**645,351**	**812,479**	**100.0**	**1.6**	**12,797**

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

6220 Vervane Foundation Inc- International Growth

A/C# 368236271

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
Cash & Equivalents									
Cash & Equivalents									
	SSGA Tax Free Money Market Fund		19,735		19,735	2.4	0.000	0	0.0
			19,735		19,735	2.4		0	0.0
	Cash & Equivalents Total		19,735		19,735	2.4		0	0.0
Common Stock									
Information Technology									
318	ASML Holding NV - NY Reg	20 30	6,456	38.34	12,192	1 5	0 268	85	0 7
200	Research In Motion Ltd	56 14	11,228	58 13	11,626	1 4	0 000	0	0 0
			17,684		23,818	2.9		85	0.4
Health Care									
250	Covidien	43 94	10,984	45 66	11,415	1 4	0.800	200	1.8
			10,984		11,415	1.4		200	1.8
Energy									
162	Schlumberger Ltd	65 54	10,617	83 50	13,527	1 7	0 840	136	1 0
			10,617		13,527	1.7		136	1.0
Materials									
363	Arcelor Mittal	29 51	10,711	38 13	13,841	1.7	0.750	272	2 0
			10,711		13,841	1.7		272	2.0
Financials									
597	Invesco Ltd	18 43	11,006	24.06	14,364	1.8	0.440	263	1.8
919	UBS AG-Registered	16.23	14,919	16 47	15,136	1 9	0.000	0	0 0
			25,924		29,500	3.6		263	0.9

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

6220 Vervane Foundation Inc- International Growth

A/C# 368236271

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
Industrials									
600	Koninklijke Phillips Electronics-NY Shr	29.30	17,580	30.70	18,420	2 3	0 932	559	3 0
			17,580		18,420	2.3		559	3.0
Consumer Discretionary									
193	Royal Caribbean Cruises LTD	9.65	1,862	47.00	9,071	1 1	0.000	0	0 0
			1,862		9,071	1.1		0	0.0
	Common Stock Total		95,363		119,592	14 7		1,515	1.3
American Depository Receipts (ADRs)									
Information Technology									
160	Kyocera Corp - Sponsored ADR	86.03	13,764	102.18	16,349	2.0	2 683	429	2.6
375	SAP AG - Spon ADR	48 96	18,361	50 61	18,979	2.3	0 597	224	1.2
			32,126		35,328	4.3		653	1.8
Health Care									
410	Doctor Reddy's Lab - ADR	24 58	10,077	36 96	15,154	1 9	0 241	99	0 7
130	Fresenius Medical Care ADR	46 15	6,000	57 69	7,500	0.9	0.755	98	1.3
290	Roche Holdings Ltd Spn ADR	47.03	13,637	36 65	10,629	1 3	1.392	404	3 8
135	Teva Pharmaceutical-Spon ADR	47 79	6,452	52.13	7,038	0 9	0 760	103	1.5
			36,166		40,319	5.0		703	1 7

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

6220 Vervane Foundation Inc- International Growth

A/C# 368236271

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
Energy									
350	Tenaris SA - ADR	31.17	10,910	48 98	17,143	2 1	0 520	182	1 1
214	Total S A Sponsored ADR	50 55	10,818	53.48	11,445	1.4	3 085	660	5 8
			21,728		28,588	3.5		842	2.9
Materials									
167	Anglogold Ashanti Ltd-Spon ADR	47.84	7,989	49 23	8,221	1.0	0.180	30	0.4
100	BHP Billiton Ltd - Sp ADR	62 06	6,206	92.92	9,292	1.1	1 800	180	1 9
152	Rio Tinto Plc Sponsored ADR	50 33	7,650	71.66	10,892	1.3	0 869	132	1.2
178	Syngenta AG - Spon ADR	55.43	9,867	58.78	10,463	1 3	1 086	193	1.8
340	Vale SA Sponsored ADR	18.72	6,364	34 57	11,754	1 4	0.000	0	0 0
			38,077		50,622	6 2		535	1.1
Financials									
1,191	Banco Bilbao Vizcaya -Sp ADR	10.19	12,133	10.17	12,112	1 5	0 471	561	4 6
55	HDFC Bank Ltd - ADR Reps 3 Shs	73 27	4,030	167 11	9,191	1 1	0 767	42	0 5
284	HSBC Holdings Plc - Spon ADR	33.97	9,648	51 04	14,495	1 8	1.600	454	3 1
610	ING Groep Nv - Spons ADR	9.47	5,778	9 79	5,972	0 7	0 000	0	0 0
438	Itau Unibanco Banco Multiplo SA-ADR	9.85	4,316	24.01	10,516	1.3	0 086	38	0.4
2,520	Nomura Holdings Inc - ADR	6 31	15,901	6 38	16,078	2 0	0 095	239	1 5
			51,806		68,365	8.4		1,335	2.0

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

6220 Vervane Foundation Inc- International Growth

A/C# 368236271

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
Telecommunication Services									
400	Vodafone Group Plc-Spons ADR	18.56	7,423	26 44	10,576	1 3	0 928	371	3 5
			7,423		10,576	1.3		371	3.5
Industrials									
540	ABB Ltd - Spon ADR	22.24	12,008	22 45	12,123	1.5	0 000	0	0 0
560	Komatsu Ltd - Spons ADR	12.58	7,043	30 47	17,063	2 1	0 427	239	1 4
395	Ryanair Hldgs Plc - Spon ADR	28.94	11,432	30.76	12,150	1.5	0 000	0	0 0
			30,483		41,336	5.1		239	0 6
Consumer Discretionary									
170	Desarrolladora Homex-ADR	16 38	2,784	33 81	5,748	0.7	0 000	0	0 0
540	Gafisa SA - ADR	4 38	2,365	14 53	7,846	1 0	0.142	77	1 0
343	Honda Motor Co Ltd - Spon ADR	34.12	11,704	39.50	13,549	1.7	0.567	194	1 4
700	Panasonic Corp Spon ADR	13 66	9,564	14 10	9,870	1.2	0 119	83	0 8
200	Sony Corp- Sponsored ADR	27.44	5,488	35.71	7,142	0 9	0 297	59	0.8
			31,905		44,154	5.4		414	0.9
Consumer Staples									
271	Nestle-ADR (reg)	46.49	12,599	58 82	15,940	2 0	1.379	374	2 3
245	Unilever Plc-ADR	28 32	6,938	30 88	7,566	0 9	1.166	286	3 8
			19,537		23,506	2.9		659	2.8
	American Depository Re Total		269,251		342,794	42.2		5,752	1.7

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

6220 Vervane Foundation Inc- International Growth

A/C# 368236271

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
British Equity									
Health Care									
460	Shire Ltd	17.14	7,887	24.16	11,113	1.4	0 115	53	0.5
			7,887		11,113	1.4		53	0.5
Energy									
660	Tullow Oil Plc	11 33	7,478	19 74	13,030	1 6	0 104	69	0 5
			7,478		13,030	1 6		69	0.5
Financials									
3,164	Barclays PLC	4.43	14,006	4.10	12,961	1 6	0.078	248	1 9
			14,006		12,961	1 6		248	1.9
Consumer Staples									
305	Reckitt Benckiser PLC	53 70	16,379	55 19	16,833	2 1	1 861	568	3 4
856	Tesco PLC	6.79	5,813	6 65	5,696	0 7	0 235	201	3 5
			22,192		22,529	2.8		769	3.4
	British Equity Total		51,562		59,633	7.3		1,138	1.9
Danish Equity									
Health Care									
80	Novo-Nordisk A/S-B	68 83	5,507	113 23	9,059	1 1	1 350	108	1 2
			5,507		9,059	1.1		108	1.2
Consumer Staples									
140	Danisco A/S	63.91	8,947	91.81	12,854	1 6	1 530	214	1 7
			8,947		12,854	1.6		214	1.7
	Danish Equity Total		14,454		21,912	2.7		322	1.5

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

6220 Vervane Foundation Inc- International Growth

A/C# 368236271

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
Euro Equity									
Health Care									
175	Bayer AG	69 08	12,089	74 19	12,983	1 6	1.878	329	2 5
610	Grifols SA	22.73	13,868	13 68	8,347	1 0	0 343	209	2 5
			25,957		21,330	2.6		538	2.5
Energy									
300	Saipem	17.02	5,105	49 42	14,827	1.8	0 738	221	1 5
			5,105		14,827	1.8		221	1.5
Materials									
200	Thyssenkrupp AG	27.13	5,426	41.57	8,314	1.0	0 604	121	1.5
			5,426		8,314	1.0		121	1.5
Financials									
175	Deutsche Boerse AG	68 69	12,022	69.49	12,161	1.5	2 817	493	4 1
			12,022		12,161	1.5		493	4.1
Industrials									
508	European Aeronautic Defense	23 32	11,848	23 40	11,885	1 5	0.000	0	0 0
142	Siemens AG - Reg	98 73	14,020	124.36	17,659	2 2	3.622	514	2 9
			25,867		29,545	3.6		514	1.7
Consumer Discretionary									
175	Adidas AG	52.44	9,176	65.59	11,478	1 4	0 470	82	0 7
180	Bayerische Motoren Werke AG	36 08	6,495	78.95	14,211	1 7	0 402	72	0.5
95	LVMH Moet Hennessy Louis Vuitton SA	102.06	9,696	165.14	15,689	1 9	2 683	255	1 6

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

6220 Vervane Foundation Inc- International Growth

A/C# 368236271

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
400	SES	17.76	7,105	23 90	9,560	1 2	0 979	392	4 1
			32,472		50,938	6.3		801	1.6
	Euro Equity Total		106,849		137,114	16.9		2,689	2 0
Japanese Equity									
Information Technology									
500	Hoya Corp (#7741 JP)	17.72	8,859	24.31	12,157	1 5	0 370	185	1.5
200	Tokyo Electron Ltd	49.64	9,928	63 37	12,675	1 6	1.258	252	2.0
			18,787		24,832	3.1		436	1.8
Industrials									
200	Mitsubishi Corp First Section (#8058 JP)	14 32	2,864	27.10	5,420	0 7	0 690	138	2 5
			2,864		5,420	0.7		138	2.5
	Japanese Equity Total		21,651		30,252	3.7		575	1.9
Norwegian Equity									
Energy									
1,187	Petroleum GEO-Services ASA	13 16	15,621	15 63	18,553	2 3	0 000	0	0 0
			15,621		18,553	2.3		0	0.0
Materials									
300	Yara international ASA	42 83	12,850	58.06	17,419	2 1	0 774	232	1 3
			12,850		17,419	2.1		232	1.3
	Norwegian Equity Total		28,471		35,972	4.4		232	0.6

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

6220 Vervane Foundation Inc- International Growth

A/C# 368236271

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
Swedish Equity									
Industrials									
575	Volvo AB-B Shs	14.58	8,386	17 63	10,135	1 2	0 000	0	0 0
			8,386		10,135	1.2		0	0.0
Consumer Discretionary									
236	Hennes & Mauritz AB - B	31 43	7,417	33.32	7,863	1 0	1 190	281	3 6
			7,417		7,863	1.0		281	3.6
	Swedish Equity Total		15,803		17,999	2.2		281	1 6
Swiss Equity									
Financials									
305	Julius Baer Group Ltd	34 25	10,446	46 99	14,332	1.8	0.429	131	0 9
			10,446		14,332	1.8		131	0.9
Industrials									
200	Adecco SA - Reg	58.83	11,765	65.71	13,142	1.6	0 805	161	1 2
			11,765		13,142	1 6		161	1.2
	Swiss Equity Total		22,211		27,475	3 4		292	1.1
TOTAL PORTFOLIO			**645,351**		**812,479**	**100.0**		**12,797**	**1.6**

Pinnacle Associates Ltd.

PORTFOLIO APPRAISAL

6220 Vervane Foundation Inc- International Growth

A/C# 368236271

December 31, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield

Pinnacle Associates Ltd.
REALIZED GAINS AND LOSSES
159 Vervane Foundation
Acct. # 25d024744768
From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
06-16-04	01-20-10	90	AOL Inc	2,692	2,204		-488
07-15-05	01-20-10	182	AOL Inc	5,140	4,444		-696
10-23-01	02-22-10	3,600	Applied Materials	61,722	45,042		-16,680
07-08-03	02-22-10	3,300	Applied Materials	58,278	41,288		-16,990
10-27-04	02-22-10	2,500	Applied Materials	40,287	31,279		-9,008
06-24-09	02-25-10	3,700	Covanta Holding Corp	62,197	60,287	-1,910	
11-17-08	04-14-10	400	Agrium Inc	12,552	25,880		13,328
12-10-08	04-14-10	100	Agrium Inc	2,942	6,470		3,528
12-10-08	04-19-10	500	Agrium Inc	14,708	30,562		15,853
10-17-08	05-19-10	300	Coca-Cola Co	13,712	15,920		2,208
10-17-08	05-19-10	300	Coca-Cola Co	13,621	15,920		2,299
06-21-06	05-19-10	100	Unitedhealth Group Inc	4,419	2,993		-1,427
07-10-06	05-19-10	900	Unitedhealth Group Inc	41,670	26,934		-14,736
02-20-07	05-19-10	500	Unitedhealth Group Inc	26,925	14,963		-11,962
04-03-08	05-19-10	800	Unitedhealth Group Inc	29,469	23,941		-5,528
08-04-08	05-19-10	700	Unitedhealth Group Inc	20,290	20,948		658
08-05-08	05-19-10	500	Unitedhealth Group Inc	14,692	14,963		271
09-15-97	06-10-10	250	CBS Corp Class B	3,372	3,505		133
06-24-02	06-10-10	250	CBS Corp Class B	8,650	3,505		-5,145
09-25-03	06-10-10	250	CBS Corp Class B	7,819	3,505		-4,314
06-27-05	06-10-10	250	CBS Corp Class B	6,382	3,505		-2,877
12-10-09	06-10-10	200	CVS Caremark Corp	6,298	6,302	4	
11-07-00	06-10-10	100	Devon Energy Corporation	1,728	6,658		4,930
05-22-02	06-10-10	464	Madison Square Garden Inc	3,782	9,138		5,357
05-22-02	06-10-10	536	Madison Square Garden Inc	3,227	10,553		7,326
12-08-08	06-10-10	300	Regeneron-Pharmaceuticals	4,774	7,599		2,825
12-10-08	06-10-10	200	Regeneron Pharmaceuticals	3,459	5,066		1,607
08-23-06	06-10-10	1,000	Yahoo! Inc	29,163	14,892		-14,271
04-02-07	06-23-10	200	Quest Diagnostic Inc	9,998	10,287		289

Pinnacle Associates Ltd.

REALIZED GAINS AND LOSSES

159 Vervane Foundation

Acct. # 25d024744768

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

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss Short Term	Gain Or Loss Long Term
06-27-07	06-23-10	1,800	Quest Diagnostic Inc	94,270	92,584		-1,687
01-30-09	06-23-10	4,100	The Charles Schwab	55,935	60,765		4,830
05-28-09	06-23-10	200	The Charles Schwab	3,380	2,964		-416
01-28-09	06-28-10	1	Exxon Mobil Corp	32	35		3
11-14-07	07-02-10	500	Cie Gen Geophysique Sa - Sp ADR	31,654	9,196		-22,459
01-28-09	07-02-10	70	Exxon Mobil Corp	3,768	3,946		178
01-29-09	07-02-10	426	Exxon Mobil Corp	22,936	23,876		940
02-11-09	07-02-10	497	Exxon Mobil Corp	26,178	27,856		1,678
03-18-09	07-02-10	142	Exxon Mobil Corp	6,561	7,959		1,398
04-22-09	07-02-10	284	Exxon Mobil Corp	13,144	15,918		2,774
10-17-07	07-08-10	13,661	Ford Motor Co (New)	119,976	143,430		23,453
06-25-09	08-25-10	3,500	Cisco Systems	65,555	73,034		7,479
12-08-03	09-22-10	900	U S Cellular Corp	30,103	40,512		10,409
10-27-04	09-22-10	700	U S Cellular Corp	29,050	31,510		2,460
11-03-08	09-22-10	500	U S Cellular Corp	20,223	22,507		2,284
11-04-08	09-22-10	400	U S Cellular Corp	16,337	18,005		1,668
05-22-02	10-20-10	1,000	Cablevision Systems	9,113	26,394		17,282
07-28-05	10-20-10	300	Discovery Communication A	4,093	13,113		9,019
07-11-07	10-20-10	300	Nextera Energy Inc	16,573	16,827		253
12-10-08	10-20-10	400	Regeneron Pharmaceuticals	6,918	10,918		4,000
12-11-08	10-20-10	600	Regeneron Pharmaceuticals	10,055	16,377		6,323
01-12-09	11-10-10	200	CF Industries Holdings Inc	10,158	24,687		14,529
08-02-00	11-10-10	200	Cummins Inc	1,653	18,540		16,886
07-28-05	11-10-10	30	Discovery Communication A	409	1,208		798
08-11-05	11-10-10	170	Discovery Communication A	2,411	6,844		4,433
05-26-05	11-10-10	1,000	Intel Corp	27,375	20,800		-6,575
07-09-08	11-10-10	2,400	ISIS Pharmaceuticals Inc	34,870	23,295		-11,574
04-28-09	11-10-10	1,100	ISIS Pharmaceuticals Inc	17,652	10,677		-6,976

Pinnacle Associates Ltd.

REALIZED GAINS AND LOSSES

159 Vervane Foundation

Acct. # 25d024744768

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

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss	
						Short Term	Long Term
04-30-09	11-10-10	1,700	ISIS Pharmaceuticals Inc	27,426	16,501		-10,926
03-24-10	11-10-10	800	ISIS Pharmaceuticals Inc	8,815	7,765	-1,050	
03-25-10	11-10-10	1,100	ISIS Pharmaceuticals Inc	11,983	10,677	-1,306	
07-11-07	11-10-10	200	Nextera Energy Inc	11,049	10,790		-259
03-24-00	11-10-10	200	Precision Castparts	1,704	27,488		25,784
12-11-08	11-10-10	500	Regeneron Pharmaceuticals	8,379	12,745		4,366
02-22-06	11-10-10	500	RTI International Metals	22,058	14,353		-7,705
01-16-09	11-11-10	100	CF Industries Holdings Inc	4,928	12,466		7,538
06-02-09	11-11-10	200	Canadian National Railway Co	8,932	12,880		3,947
10-29-04	11-11-10	300	Centurylink	9,578	12,741		3,163
07-28-05	11-11-10	200	Discovery Communication C	2,450	7,054		4,604
04-02-09	11-11-10	300	Dr Pepper Snapple Group Inc	5,678	10,854		5,176
11-07-00	11-11-10	200	Devon Energy Corporation	3,457	14,420		10,963
08-23-04	11-11-10	1,000	EMC Corp/Mass	10,887	21,600		10,713
09-01-10	11-11-10	200	Gilead Sciences Inc	6,563	7,670	1,107	
10-04-06	11-11-10	100	Home Depot Inc	3,705	3,145		-560
10-09-06	11-11-10	900	Home Depot Inc	33,756	28,305		-5,452
05-26-05	11-11-10	1,000	Intel Corp	27,375	20,653		-6,722
03-06-00	11-11-10	1,000	Microsoft Corp	46,125	26,382		-19,743
11-14-07	11-18-10	1,500	Cie Gen Geophysique Sa - Sp ADR	94,963	37,328		-57,635
03-19-08	12-02-10	1,000	Bank of America Corp	39,939	11,630		-28,309
08-11-05	12-02-10	300	Discovery Communication A	4,254	12,666		8,411
03-25-09	12-02-10	1,000	Kroger Co	21,526	21,620		94
07-11-07	12-02-10	800	Nextera Energy Inc	44,195	40,735		-3,460
06-06-05	12-15-10	100,000	Berkshire Hathaway 4 200 % Due 12-15-10	100,250	100,000		-250
03-25-09	12-30-10	1,100	Kroger Co	23,678	24,332		653

Pinnacle Associates Ltd.

REALIZED GAINS AND LOSSES

159 Vervane Foundation

Acct. # 25d024744768

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

						Gain Or Loss	
Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Short Term	Long Term
04-27-09	12-30-10	400	Kroger Co	8,633	8,848		215
04-30-09	12-30-10	500	Kroger Co	10,900	11,060		160
12-11-08	12-30-10	200	Regeneron Pharmaceuticals	3,352	6,663		3,312
04-17-09	12-30-10	100	Republic Services Inc	2,030	2,993		963
08-17-09	12-30-10	400	Seattle Genetics Inc	4,483	6,157		1,674
TOTAL GAINS						1,111	285,428
TOTAL LOSSES						-4,267	-294,829
				1,807,402	**1,794,846**	**-3,156**	**-9,401**
TOTAL REALIZED GAIN/LOSS			-12,556				

This statement may contain positions where Pinnacle has been unable to obtain accurate acquisition costs and may show a position with zero cost Please verify this statement with your own records to ensure accuracy

Pinnacle Associates Ltd.
REALIZED GAINS AND LOSSES
6220 Vervane Foundation Inc- International Growth
A/C# 368236271
From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss Short Term	Gain Or Loss Long Term
10-06-08	01-06-10	714	Tesco PLC	5,132.08		4,674.49		-457.59
05-21-08	01-14-10	105	America Movil-ADR	5,976.88		4,971.25		-1,005.63
12-08-08	01-14-10	100	America Movil-ADR	2,958.08		4,734.53		1,776.45
04-09-09	01-27-10	200	Mitsubishi Corp First Section (#8058 JP)	2,991.24		4,940.24	1,949.00	
03-25-09	01-27-10	100	Mitsubishi Corp First Section (#8058 JP)	1,431.78		2,470.12	1,038.34	
10-09-09	01-28-10	43	China Life Insurance Co - ADR	2,962.09		2,789.65	-172.44	
04-16-09	01-28-10	20	China Life Insurance Co - ADR	1,093.88		1,297.51	203.63	
03-26-09	01-28-10	17	China Life Insurance Co - ADR	883.82		1,102.89	219.07	
03-19-08	01-29-10	180	Finmeccanica SPA	5,869.04		2,517.68		-3,351.36
03-17-08	01-29-10	430	Finmeccanica SPA	13,491.22		6,014.45		-7,476.77
06-05-09	02-08-10	50	Societe Generale-A	3,093.78		2,632.66	-461.12	
06-26-09	02-08-10	25	Societe Generale-A	1,375.69		1,316.33	-59.36	
09-19-08	02-08-10	300	BG Group PLC	6,313.69		5,084.18		-1,229.51
10-01-08	02-08-10	210	BG Group PLC	3,778.48		3,558.93		-219.55
04-24-09	02-11-10	100	Suncor Energy Inc	2,579.49		2,903.80	324.31	
04-03-09	02-11-10	230	Suncor Energy Inc	5,552.12		6,678.80	1,126.68	
06-26-09	02-18-10	35	Societe Generale-A	1,925.97		1,849.13	-76.84	
05-15-09	02-18-10	60	Societe Generale-A	2,938.79		3,169.95	231.16	
09-16-09	04-14-10	102	Daimler Ag-Registered Share old	5,137.88		5,079.60	-58.28	
09-11-09	04-14-10	125	Daimler Ag-Registered Share old	6,117.69		6,224.90	107.21	

Pinnacle Associates Ltd.
REALIZED GAINS AND LOSSES
6220 Vervane Foundation Inc- International Growth
A/C# 368236271
From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss Short Term	Gain Or Loss Long Term
03-26-09	04-19-10	83	China Life Insurance Co - ADR	4,315.10		5,856.85		1,541.75
08-28-08	04-28-10	700	Alcatel Lucent ADR	4,488.28		2,140.63		-2,347.65
09-12-08	04-28-10	940	Alcatel Lucent ADR	4,869.20		2,874.57		-1,994.63
12-10-08	04-28-10	1,400	Alcatel Lucent ADR	3,402.00		4,281.27		879.27
12-17-08	05-10-10	60	BHP Billiton Ltd - Sp ADR	2,675.57		4,231.35		1,555.78
12-11-08	05-10-10	15	BHP Billiton Ltd - Sp ADR	620.22		1,057.84		437.62
09-30-09	05-10-10	30	Rio Tinto Plc Sponsored ADR old	1,301.29		1,480.98	179.69	
02-06-09	05-11-10	125	Tenaris SA - ADR	2,875.30		4,808.12		1,932.82
09-16-09	05-19-10	459	Cheung Kong Hldg - Unspons ADR	5,816.63		5,235.35	-581.28	
09-11-09	05-19-10	81	Cheung Kong Hldg - Unspons ADR	1,023.03		923.89	-99.14	
09-09-09	05-19-10	350	UBS AG-Registered	6,352.50		4,746.23	-1,606.27	
04-29-10	05-26-10	575	Banco Bilbao Vizcaya -Sp ADR	7,545.10		5,678.83	-1,866.27	
11-24-09	06-15-10	65	KB Financial Group Inc - ADR	3,510.31		2,769.82	-740.49	
11-11-09	06-15-10	75	KB Financial Group Inc - ADR	3,851.10		3,195.95	-655.15	
05-14-10	06-15-10	93	Michelin (CGDE)B	0.00		0.00	0.00	
04-14-10	06-16-10	250	Nokia Corp Spon ADR	3,844.93		2,188.00	-1,656.93	
03-10-10	06-16-10	250	Nokia Corp Spon ADR	3,655.00		2,187.00	-1,468.00	
06-24-09	06-23-10	100	Tokyo Electron Ltd	4,583.94		6,156.38	1,572.44	
04-19-10	07-07-10	80	Nestle-ADR (reg)	3,867.20		3,876.64	9.44	
02-04-10	07-07-10	32	Nestle-ADR (reg)	1,497.92		1,550.65	52.73	

Pinnacle Associates Ltd.
REALIZED GAINS AND LOSSES
6220 Vervane Foundation Inc- International Growth
A/C# 368236271
From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss Short Term	Gain Or Loss Long Term
09-15-09	07-08-10	50	Mitsubishi Estate - Unspon ADR	9,052.50		7,275.87	-1,776.63	
03-05-08	07-09-10	80	Alstom	8,721.62		3,907.06		-4,814.56
03-03-08	07-09-10	80	Alstom	8,285.32		3,907.05		-4,378.27
03-24-08	07-15-10	100	Petroleo Brasileiro Sa-ADR	4,916.24		3,500.97		-1,415.27
12-08-08	07-15-10	130	Petroleo Brasileiro Sa-ADR	2,443.39		4,551.27		2,107.88
08-14-09	07-20-10	95	Deutsche Bank AG Reg	6,232.08		5,729.38	-502.70	
07-01-09	07-20-10	50	Deutsche Bank AG Reg	3,068.52		3,015.47		-53.05
10-09-09	07-23-10	85	Credit Suisse Group-Spon ADR	4,877.33		3,555.46	-1,321.87	
03-25-08	07-23-10	110	Credit Suisse Group-Spon ADR	5,585.94		4,601.19		-984.75
10-09-09	07-28-10	125	Teva Pharmaceutical-Spon ADR	6,415.17		6,153.18	-261.99	
07-23-09	08-12-10	1,000	Asahi Glass Y50 (#5201 JP)	8,277.12		9,951.97		1,674.85
09-11-09	08-13-10	344	Cheung Kong Hldg - Unspons ADR	4,344.72		4,425.14	80.42	
01-14-10	08-23-10	189	Vimpelcom - Sp ADR	3,939.91		2,789.18	-1,150.73	
12-16-09	08-23-10	190	Vimpelcom - Sp ADR	3,771.50		2,803.94	-967.56	
01-06-10	08-24-10	52	Flsmidth & Co A/S	3,762.62		2,978.01	-784.61	
12-23-09	08-24-10	53	Flsmidth & Co A/S	3,770.74		3,035.28	-735.46	
12-15-08	09-15-10	200	Statoil Asa ADR	3,264.81		4,097.25		832.44
12-16-08	09-15-10	150	Statoil Asa ADR	2,399.03		3,072.93		673.90
11-05-09	09-28-10	93	Michelin (CGDE) - B	7,313.53		7,369.67	56.14	
04-29-09	10-07-10	115	Nidec Corp Sponsored ADR	1,558.02		2,508.81		950.79
04-09-09	10-07-10	450	Nidec Corp Sponsored ADR	5,690.75		9,817.07		4,126.32
07-14-10	10-19-10	30	Novo-Nordisk A/S-B	2,611.84		2,815.51	203.67	

Pinnacle Associates Ltd.
REALIZED GAINS AND LOSSES
6220 Vervane Foundation Inc- International Growth
A/C# 368236271
From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss Short Term	Gain Or Loss Long Term
03-07-08	10-19-10	95	Novo-Nordisk A/S-B	6,539.14		8,915.77		2,376.63
12-16-08	10-27-10	100	Royal Caribbean Cruises LTD	1,023.31		3,969.45		2,946.14
12-08-08	10-27-10	207	Royal Caribbean Cruises LTD	1,997.09		8,216.76		6,219.67
07-15-10	11-01-10	142	Societe Generale-A	7,059.81		8,414.85	1,355.04	
06-26-09	11-17-10	200	Prudential Plc Adr	2,666.84		3,894.43		1,227.59
03-18-09	11-17-10	360	Prudential Plc Adr	2,517.18		7,009.98		4,492.80
08-30-10	11-17-10	400	Trina Solar Ltd- Spons ADR	10,305.64		8,845.05	-1,460.59	
03-07-08	12-07-10	33	Schlumberger Ltd.	2,877.20		2,721.74		-155.46
06-05-09	12-13-10	160	Axa Sp ADR	3,356.11		2,747.20		-608.91
06-26-09	12-13-10	140	Axa Sp ADR	2,655.20		2,403.80		-251.40
05-15-09	12-13-10	180	Axa Sp ADR	2,986.56		3,090.60		104.04
06-05-09	12-16-10	130	Hochtief AG	6,487.41		11,179.01		4,691.60
TOTAL GAINS							8,708.97	40,548.32
TOTAL LOSSES							-18,463.71	-30,744.37
				312,472.52	**0.00**	**312,521.74**	**-9,754.74**	**9,803.95**

TOTAL REALIZED GAIN/LOSS 49.22
NO CAPITAL GAINS DISTRIBUTIONS

This statement may contain positions where Pinnacle has been unable to obtain accurate acquisition costs and may show a position with zero cost Please verify this statement with your own records to ensure accuracy