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 , 20

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

Name of foundation: The Carol Foundation

A Employer identification number: 26-0053395

Number and street (or P O box number if mail is not delivered to street address): 1050 Glenbrook Way, Suite 480 — Room/suite

B Telephone number (see page 10 of the instructions): 615-452-0034

City or town, state, and ZIP code: Hendersonville, TN 37075

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)* ▶ $ 1,884,793

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	12,382	12,382		
	4	Dividends and interest from securities	62,492	62,492		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-310			
	b	Gross sales price for all assets on line 6a 1,533,071				
	7	Capital gain net income (from Part IV, line 2)				
	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)	-98	-98		
	12	**Total.** Add lines 1 through 11	74,466	74,776		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	20,000			20,000
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)	1,015	507		508
	b	Accounting fees (attach schedule)	2,750	1,375		1,375
	c	Other professional fees (attach schedule)	28,267	28,267		
	17	Interest	3	3		
	18	Taxes (attach schedule) (see page 14 of the instructions)	1,733	203		1,530
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	2,947			2,947
	22	Printing and publications				
	23	Other expenses (attach schedule)	1,002	150		852
	24	**Total operating and administrative expenses.** Add lines 13 through 23	57,717	30,505		27,212
	25	Contributions, gifts, grants paid	22,500			22,500
	26	**Total expenses and disbursements.** Add lines 24 and 25	80,217	30,505		49,712
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	-5,751			
	b	**Net investment income** (if negative, enter -0-)		44,271		
	c	**Adjusted net income** (if negative, enter -0-)				

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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	Savings and temporary cash investments	78,612	232,079	232,079
	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 ▶			
	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)	1,700,542	1,539,124	1,612,109
	c	Investments—corporate bonds (attach schedule)			
	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 ▶ Prepaid Excise Tax)		605	605
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	1 779.154	1 771 808	1 844,793
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 ▶ Excise Tax)	710		
	23	**Total liabilities** (add lines 17 through 22)	710		
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	1,778,444	1,771,808	
	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, 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)			
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	1,779,154	1,771,808	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,778,444
2	Enter amount from Part I, line 27a	2	-5,751
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,772,693
5	Decreases not included in line 2 (itemize) ▶ 2009 Excise Tax paid in 2010	5	885
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,771,808

The Carol Foundation 26-0053395

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	Publically Traded Securities	P	various	various
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	1,533,071	0	1,533,381	-310
b				
c				
d				
e				

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

	(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	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
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	-310
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	60,889	1,430,985	0.042550
2008	59,754	1,733,586	0.034468
2007	104,885	2,097,703	0.049999
2006	100,074	1,963,455	0.050968
2005	22,579	557,290	0 040516

2	**Total** of line 1, column (d)	2	0.218501
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 0437002
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,673,353
5	Multiply line 4 by line 3	5	73,126
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	443
7	Add lines 5 and 6	7	73,569
8	Enter qualifying distributions from Part XII, line 4	8	49,712

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	885
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	
3	Add lines 1 and 2	3	885
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	885
6	Credits/Payments.		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 1,490		
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	1,490
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	605
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ 605 **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		✓
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		✓
	*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		✓
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		✓
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		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	✓	
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		✓
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	✓	
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	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ Texas, Tennessee			
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	✓	
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		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

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 page 20 of the instructions)	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	
	Website address ▶			
14	The books are in care of ▶ Dwight Martin Telephone no ▶ 615-452-0034 Located at ▶ 1050 Glenbrook Was, Suite 480, Hendersonville, TN ZIP+4 ▶ 37075			
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		✓
	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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☑ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	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		✓
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 22 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		✓
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		✓

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** ✓

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 Schedule 9		22,750	0	0

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 ▶				

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 ▶		

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 none	
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 none	
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	1,698,231
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see page 25 of the instructions)	1c	605
d	**Total** (add lines 1a, b, and c)	1d	1,698,836
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	1,698,836
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	25,483
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,673,353
6	**Minimum investment return.** Enter 5% of line 5	6	83,668

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	83,668
2a	Tax on investment income for 2010 from Part VI, line 5	2a	885		
b	Income tax for 2010. (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	885
3	Distributable amount before adjustments Subtract line 2c from line 1			3	82,783
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	32,783
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	82,783

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	49,712
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	49,712
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	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	49,712

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				82,783
2	Undistributed income, if any, as of the end of 2010.				
a	Enter amount for 2009 only			11,473	
b	Total for prior years. 20___,20___,20___				
3	Excess distributions carryover, if any, to 2010:				
a	From 2005 ... 0				
b	From 2006 ... 0				
c	From 2007 ... 0				
d	From 2008 ... 0				
e	From 2009 ... 0				
f	**Total** of lines 3a through e	0			
4	Qualifying distributions for 2010 from Part XII, line 4 ► $ 49,712				
a	Applied to 2009, but not more than line 2a			11,473	
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d	Applied to 2010 distributable amount				38,239
e	Remaining amount distributed out of corpus	0			
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	0			
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 page 27 of the instructions		0		
e	Undistributed income for 2009. Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f	Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				44,544
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)	0			
8	Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	0			
10	Analysis of line 9:				
a	Excess from 2006 ... 0				
b	Excess from 2007 ... 0				
c	Excess from 2008 ... 0				
d	Excess from 2009 ... 0				
e	Excess from 2010 ... 0				

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

	Tax year (a) 2010	Prior 3 years (b) 2009	(c) 2008	(d) 2007	(e) Total
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 foundation had $5,000 or more in assets at any time during the year—see page 28 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))

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.

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 Schedule 10				22,500
Total			▶ 3a	22,500
b *Approved for future payment*				
Total			▶ 3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See page 28 of the instructions)
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	12,382	
4 Dividends and interest from securities			14	62,492	
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	-310	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue. a Oil Royalties			15	370	
b Partnership Income	480000	-468			
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		-468		74,934	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 74,466

(See worksheet in line 13 instructions on page 29 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 page 29 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)		✓
	(2) Other assets	1a(2)		✓
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		✓
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		✓
	(3) Rental of facilities, equipment, or other assets	1b(3)		✓
	(4) Reimbursement arrangements	1b(4)		✓
	(5) Loans or loan guarantees	1b(5)		✓
	(6) Performance of services or membership or fundraising solicitations	1b(6)		✓
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		✓

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

Dwight Martin 4-22-2011 Trustee

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

Firm's name ▶ Firm's EIN ▶

Firm's address ▶ Phone no

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Schedule 1
Page 1 Line 11

Other Income	A Per Books	B Net Inv Inc	C Adj Net Inv Inc	D Charitable
Publicly Traded P/S	-468	-468		
Oil Royalty	370	370		
	-98	-98		

Schedule 2

	A	B	C	D
Page 1 Line 16a				
Legal Fees	1015	507		508
Page 1 Line 16b				
Accounting Fees	2750	1375		1375
Page 1 line 16c				
Other Professional Fees				
Investment Fees	28267	28267		

Schedule 3

Page 1 Line 23

Other Expense	A	B	C	D
Office Expense	502	75		427
Memberships	500	75		425
	1002	150		852

Schedule 4

Page 1 Line 18

Taxes	A	B	C	D
Foreign Tax Paid	203	203		
Payroll Tax	1530			1530
	1733	203		1530

Schedule 6

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Investments 12/31/2008

Part II Line10c

Shares	Investments	Cost	Market Value
	BONDS		
Corp Bonds Total		0 00	0 00

Schedule 7

Part III line 10b

Shares	Investments	Cost	Market Value
	Corporate Stock		
86 000	Aflac Inc	2,012 43	4,852 98
174 000	Aliagn Tech Inc	3,040 06	3,399 96
66 000	Alpha Natural Res	3,267 47	3,961 98
36 000	Amazon Com Inc	4,877 62	6,480 00
239 000	American Axle & Mfg	3,061 64	3,073 54
58 000	Anixter Intl	2,852 21	3,464 34
245 000	Annaly Capitol	3,410 40	4,390 40
18 000	Apple	2,232 89	5,806 08
136 000	Applied Indl Tech	4,118 12	4,417 28
269 000	Ares Capital	4,082 10	4,433 12
113 000	Arrow Electric	2,875 03	3,870 25
90 000	Atwood Oceanics	3,856 91	3,363 30
71 000	BHP Billiton	2,980 79	6,597 32
168 000	Brigham Exploratiojn	2,766 52	4,576 32
86 000	Celgene Corp	5,283 82	5,086 04
1,037 000	Chimera Investments	3,816 37	4,262 07
52 000	China Petroleum	4,512 01	4,975 88
88 000	Cliffs Natural Resources	5,996 33	6,864 88
96 000	Chinsure Inc	2,473 48	1,659 84
267 000	Compass Diversified	3,940 15	4,723 23
120 000	Complete Production	2,979 48	3,546 00
46 000	Concho Res	2,488 09	4,032 82
47 000	Credicorp	3,673 71	5,588 77

Investments 12/31/2008 Schedule 7

Shares	Investments	Cost	Market Value
125 000	Directv	4,411 84	4,991 25
175 000	Dollar General	4,828 64	5,367 25
520 000	Dryships Inc	3,087 60	2,854 80
90 000	Express Scripts Inc	1,505 06	4,864 50
142 000	Ezcorp Inc	3,242 25	3,852 46
204 000	Ferro Corp	3,024 54	2,986 56
105 000	Fomento Economico	4,951 78	5,871 60
69 000	Freeport-Mcmoran	5,660 37	8,286 21
98 000	Gentiva Health	1,990 53	2,606 80
124 000	Gilead Science	5,399 83	4,493 76
9 000	Google Inc	3,771 42	5,345 73
232 000	Great Plains Energy	4,458 72	4,498 48
137 000	Harabin Electric	2,642 47	2,376 95
105 000	Hewlett-Packard	5,493 28	4,420 50
90 000	HSBC Holdings	4,602 23	4,593 60
199 000	Imax	2,551 21	5,585 93
640 000	ING Groep	6,168 64	6,265 60
113 000	Insituform Technologies	2,835 46	2,995 63
36 000	IBM	4,703 60	5,283 36
68 000	Ishares Emerging Mkt	2,860 76	3,239 65
150 000	Koninklijke Philips	5,025 49	4,605 00
282 000	LDK Solar	2,830 26	2,853 84
49 000	Lincoln Electric	2,858 88	3,198 23
135 000	LKQ Corp	3,052 17	3,067 20
31 000	Nacco Ind	2,837 41	3,359 47
112 000	Nalco	2,864 84	3,577 28
745 000	Navios Masritime	4,184 89	3,933 60
129 000	Nelnet Inc	2,776 42	3,056 01
108 000	Novellus	2,706 92	3,490 56
201 000	Olin Corp	3,764 34	4,124 52
91 000	Orthofix Intl	2,862 68	2,639 00
107 000	Osi Sys	2,826 38	3,890 52
805 000	PDL Biopharma	4,281 71	5,015 15
13 000	Priceline Com	1,496 19	5,194 15
125 000	Qualcomm	4,852 56	6,186 25
101 000	Rio Tinto	4,865 67	7,237 66
69 000	Rockwell Automation	4,230 63	4,947 99
134 000	Royal Caribbean	5,382 30	6,298 00
128 000	Rubicon Tech	2,733 91	2,698 24
61 000	Schlumberger	4,386 69	5,093 50
326 000	Seaspan	4,264 50	4,048 92
50 000	Siemens	4,901 99	6,212 50
89 000	Sothebys	2,849 34	4,005 00

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Investments 12/31/2008 Schedule 7

Shares	Investments	Cost	Market Value
142 000	Southern Copper	4,384 73	6,921 08
120 000	Southwest Energy	4690 84	4491 60
120 000	Spdr High Yield Bond	8,479 28	8,378 81
39 000	Spdr Gold	4,419 45	5,410 08
154 000	Tal International	3,929 75	4,753 98
426 000	TATA Motors	11,997 21	12,498 84
122 000	Teck Resources LTD	4,920 17	7,543 26
569 000	Telecom New Zealand	4,679 23	4,779 60
101 000	Telus Corp	4,101 11	4,399 56
82 000	Teva Pharmaceutical	2,581 45	4,274 66
159 000	Textainer	3,970 28	4,529 91
82 000	Timken	2,702 16	3,913 86
106 000	Trina Solar	2,770 90	2,482 52
59 000	Union Pacific	5,321 42	5,466 94
55 000	United Therapeutics	2,848 45	3,477 10
139 000	Vale S A Adr	4,652 33	4 805 23
156 000	Validus Holdings	4,102 44	4,775 16
117 000	Vanguard Emerging Mkt	5,353 58	5,633 08
60 000	Visa	5,586 89	4,222 80
126 000	Wisdontree Emerging Mkt	7,316 04	7,520 94
47 000	3M Co	4,197 07	4,056 10
465 000	Eaton Vance Short	8,813 52	7,849 20
671 000	First Trust	9,322 26	9,373 87
540 000	NFL Div Strategy	12,317 51	9,455 40
1,073 000	Nuveen Multi-strategy	13,155 27	8,959 55
200 000	Proshares Ultra Tech	5,977 20	12,674 00
104 000	Teck Resources LTD	1,432 70	6,430 32
4,850 154	T Rowe Price Intl Fds	64,445 27	64,410 04
1,849 790	Wells Fargo Advantage	25,440 47	21,568 55
1,000 000	Blackrock R/E	15,000 00	14,620 00
500 000	Blackrock Build America	10,000 00	8 680 00
1,200 000	Pimco Inc Opportunity	30,000 00	30,708 00
1,250 000	Pimco High Income	20,003 50	15,887 50
1,000 000	Tortoise MLP	25,000 00	24,240 00
1,000 000	Wells Fargo Advantage	20,000 00	9,550 00
1,200 000	AIG Grp	30,000 00	29,280 00
800 000	Bank of America	20,000 00	20,648 00
1,000 000	Bank of America	25,000 00	25,500 00
1,200 000	Citigroup	30,000 00	30,516 00
1,600 000	HSBC	40,000 00	42,928 00
1,500 000	HSBC	37,500 00	39,975 00
1,000 000	ING Groep	20,145 00	25,290 00
1,000 000	Keycorp	25,000 00	25,420 00

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Investments 12/31/2008 Schedule 7

Shares	Investments	Cost	Market Value
1,000 000	Lloyds Bkg Grp	25,000 00	25,950 00
1,000 000	Prudential Financial	25,000 00	27,490 00
1,500 000	Royal Bank of Scotland	20,251 83	24,240 00
119 000	Aetna Inc	3,503 84	3,630 69
34 000	Affiliated Managers	2,894 42	3,373 48
66 000	Altera	1,627 97	2,348 28
46 000	Analog Devices	1,494 93	1,732 82
15 000	Apachi Corp	1,440 72	1,788 45
10 000	Apple	2,548 21	3,225 60
103 000	Arrow	2,842 47	3,527 75
153 000	Avnet	4,288 11	5,053 59
122 000	Cigna	4,080 36	4,472 52
59 000	Coach	2,294 30	3,263 29
71 000	Community Health	2,574 48	2,653 27
119 000	Corning	2,128 78	2,299 08
25 000	Cracket Barrell	1,221 91	1,369 25
41 000	Cummins	2,793 63	4,510 41
22 000	Deere & Co	1,330 47	1,827 10
24 000	Devon Energy	1,693 50	1,884 24
18 000	Eastman Chemical	1,117 49	1,513 44
17 000	Eaton Corp	1,395 22	1,725 67
59 000	Endo Pharm	1,248 76	2,106 89
47 000	Family Dollar	1,872 68	2,336 37
229 000	Fifth Third Bank	2,968 18	3,361 72
704 000	Financial Select	10,243 85	11,228 80
43 000	Forest Labs	1,222 37	1,375 14
151 000	Gamestop	3,242 08	3,454 88
84 000	Halliburton	2,922 03	3,429 72
64 000	Harris Corp	2,940 93	2,899 20
47 000	Hes Corp	2,715 81	3,597 38
38 000	Humana Inc	1,736 33	2,080 12
64 000	I Shares Silver	1,746 43	1,931 52
30 000	S Korea	1,733 30	1,835 70
206 000	Ingram Micro	3,613 21	3,932 54
66 000	Ishares Australia	1,730 97	1,679 04
21 000	I Shares Brazil	1,716 69	1,625 40
58 000	I Shares Canada	1,734 95	1,798 00
199 000	I Shares USD Tlecom	3,951 69	4,650 63
182 000	Keycorp	1,546 52	1,610 79
46 000	Lazard Ltd	1,742 80	1,816 54
58 000	Lexmark	2,118 20	2,019 56
32 000	Magna Intl	1,376 22	1,664 00
144 000	Medicis Pharm	3,430 31	3,857 76

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Investments 12/31/2008 Schedule 7

Shares	Investments	Cost	Market Value
130 000	Molex	2,355 43	2,953 60
26 000	Newfield Exp	1,741 54	1,874 86
24 000	Norfolk Southern	1,429 55	1,507 68
37 000	Petsmart	1,234 30	1,473 34
23 000	Polo Ralph Lauren	1,793 40	2,551 16
20 000	Posco	2,168 91	2,153 80
116 000	Sp dr Utilities	3,502 31	3,635 44
357 000	Spdr Consumer Staples	9,896 71	10,463 67
61 000	T Rowe price	3,531 72	3,936 94
117 000	Thomas & Betts	4,516 63	5,651 10
185 000	Tyson Foods	3,307 06	3,185 70
17 000	Whirlpool	1,433 16	1,510 11
729 225	Pimco R/E	3,353 14	3,223 17
44 278	Tocqueville Gold	3,149 08	3,829 95
25 000	Amazon Com	4,220 00	4,500 00
400 000	American Capital Agency	10,819 10	11,496 00
375 000	AIG	28,342 00	21,607 50
550 000	Annaly Capital	10,014 07	9,856 00
2,500 000	Ashford Hospitality	23,749 93	24,125 00
1,100 000	ATP Oil	20,207 17	18,414 00
100 000	Baidu	10,122 34	9 653 00
800 000	Bank of America	13,641 67	10,672 00
1,000 000	Bond Labs	760 00	120 00
1,000 000	Citigroup	4,916 67	4,730 00
300 000	Continental Resources	17,237 16	17,655 00
250 000	Emerging Global	5,994 36	6,725 00
70 000	Exxon Mobil	4,201 92	5,118 40
100 000	Copper	3,726 00	4,371 00
340 000	Hatteras Financial	10,024 18	10,291 80
300 000	Human Genome Science	7,064 45	7,167 00
100 000	Ireland Bk	276 99	265 00
100 000	I Shares Mexico	5,242 57	6,192 00
100 000	I Shares Biotech	8,644 24	9,342 00
300 000	I Shares Taiwan	3,711 00	4,686 00
100 000	Russell 1000	6,173 65	6,986 00
150 000	Market Vectors Russia	4,531 20	5,686 50
225 000	Market Vectors Vietnam	5,725 28	5,890 50
250 000	Market Vectors Brazil	14,399 31	14,420 00
100 000	Marvell Tech	1,522 71	1,855 00
1,000 000	MFA Financial	7,675 20	8,160 00
400 000	Mylan	8,711 14	8,452 00
100 000	National Bank of Greece	186 90	168 00
100 000	Pfizer	1,781 78	1,751 00
60 000	Proshares Credit Suisse	3,118 20	3,421 80

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Investments 12/31/2008 Schedule 7

Shares	Investments	Cost	Market Value
100.000	Sabine Royalty Trust	4,178 00	5,955 00
300.000	Sandisk	14,778 00	14,958 00
60.000	Spdr Govt Inflation Prote	3,236 40	3,486 60
200.000	Teva Pharm	12,244 74	10,426 00
1,000.000	Vaalco Energy	5,859 99	7,160 00
1,000.000	Visa	80,751 00	70,380 00
12.000	Visteon Corp	216 00	316 68
7.000	Visteon Corp	420 00	519 75
301.000	Wells Fargo	8,041 60	9,327 99
300.000	Williams Partners	5,461 25	13,995 00
125.000	Wisdontree Emerging Cu	2,651 00	2,820 00
3,000.000	Alpine Dynamic Dividend	29,072 70	17,760 00
1,500.000	Blackrock Intl Growth	17,564 30	15,255 00
1,000.000	First Trust High Income	20,000 00	18,170 00
500.000	Pimco High Income	6,498 60	6,355 00
2,000.000	Pimco Corp Opportunity	30,650 49	33,940 00
200.000	Temelton Dragon Fnd	5,087 85	6,147 00
Corporate Stock Total		1,539,124 51	1,612,108 82