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

MITCHELL W WATTS
FAMILY FOUNDATION, INC
PO BOX 39
CONCORD, NC 28026-0039

A **Employer identification number** 26-0850536

B Telephone number (see the instructions) 704 788-6021

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)* ►$ 730,083.

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)
REVENUE 1 Contributions, gifts, grants, etc, received (att sch)	77,940.			
2 Ck ► ☒ if the foundn is **not** req to att Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	14,880.	14,880.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	20,190.			
b Gross sales price for all assets on line 6a 314,004.				
7 Capital gain net income (from Part IV, line 2)		20,190.		
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	113,010.	35,070.	0.	
OPERATING AND ADMINISTRATIVE EXPENSES 13 Compensation of officers, directors, trustees, etc	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach sch) SEE ST 1	1,800.			1,800.
c Other prof fees (attach sch) SEE ST 2	7,027.	7,027.		
17 Interest				
18 Taxes (attach schedule)(see instr) SEE STM 3	539.	539.		
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)				
24 **Total operating and administrative expenses.** Add lines 13 through 23	9,366.	7,566.		1,800.
25 Contributions, gifts, grants paid PART XV	29,000.			29,000.
26 **Total expenses and disbursements.** Add lines 24 and 25	38,366.	7,566.	0.	30,800.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	74,644.			
b Net investment income (if negative, enter -0-)		27,504.		
c Adjusted net income (if negative, enter -0-)			0.	

		Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	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		33,518.	32,481.	32,481.
	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)		41,709.	45,825.	45,825.
	b	Investments – corporate stock (attach schedule)		467,450.	597,217.	597,217.
	c	Investments – corporate bonds (attach schedule)		57,096.	54,560.	54,560.
	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 ►)				
	16	**Total assets** (to be completed by all filers – see instructions. Also, see page 1, item I)		599,773.	730,083.	730,083.
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		599,773.	730,083.	
	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				
	30	**Total net assets or fund balances** (see the instructions)		599,773.	730,083.	
	31	**Total liabilities and net assets/fund balances** (see the instructions)		599,773.	730,083.	

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	599,773.
2	Enter amount from Part I, line 27a	2	74,644.
3	Other increases not included in line 2 (itemize) ► SEE STATEMENT 4	3	55,666.
4	Add lines 1, 2, and 3	4	730,083.
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	730,083.

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	SECURITY SALES - SUMMARY ATTACHED	P	VARIOUS	VARIOUS
b	CAPITAL GAIN DIVIDENDS	P	VARIOUS	VARIOUS
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	313,465.		293,814.	19,651.
b	539.			539.
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
	(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	
a				19,651.
b				539.
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	20,190.
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	0.

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	31,413.	537,045.	0.058492
2008	7,060.	690,428.	0.010226
2007		88,576.	
2006			
2005			

2	**Total** of line 1, column (d)	2	0.068718
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	0.022906
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	606,091.
5	Multiply line 4 by line 3	5	13,883.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	275.
7	Add lines 5 and 6	7	14,158.
8	Enter qualifying distributions from Part XII, line 4	8	30,800.

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 **c** All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)	1	275.
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	275.
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	275.
6 Credits/Payments		
a 2010 estimated tax pmts and 2009 overpayment credited to 2010 — **6a**		
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	0.
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	275.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►	10	
11 Enter the amount of line 10 to be Credited to 2011 estimated tax ► **Refunded** ►	11	

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) ► N/A			
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 ► N/A

14 The books are in care of ► MITCHELL W WATTS Telephone no ► 704 788-6021

Located at ► PO BOX 39 CONCORD NC ZIP + 4 ► 28026-0039

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

			Yes	No
	File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.			
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)?	1 b	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?	1 c		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.)	2 b	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__			
3 a	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.)*	3 b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a		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?	4 b		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 (No)

If 'Yes' to 6b, file Form 8870

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
MITCHELL W WATTS 1651 FLOWERFIELD DRIVE CONCORD, NC 28025	PRESIDENT 1.00	0.	0.	0.
LISA FAYE WATTS OVERCASH 709 PHARLAP LANE BAHAMA, NC 27503	SECRETARY 1.00	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	572,159.
b Average of monthly cash balances	1b	43,162.
c Fair market value of all other assets (see instructions)	1c	
d **Total** (add lines 1a, b, and c)	1d	615,321.
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	615,321.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	9,230.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	606,091.
6 **Minimum investment return.** Enter 5% of line 5	6	30,305.

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	30,305.
2a Tax on investment income for 2010 from Part VI, line 5 2a 275.		
b Income tax for 2010 (This does not include the tax from Part VI) 2b		
c Add lines 2a and 2b	2c	275.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	30,030.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	30,030.
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	30,030.

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	30,800.
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	30,800.
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	275.
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	30,525.

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				30,030.
2 Undistributed income, if any, as of the end of 2010.				
a Enter amount for 2009 only			23,696.	
b Total for prior years: 20___, 20___, 20___		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ► $ 30,800.				
a Applied to 2009, but not more than line 2a			23,696.	
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				7,104.
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 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				22,926.
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)	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				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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

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

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

	Tax year	Prior 3 years			
	(a) 2010	**(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 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))

MITCHELL W WATTS

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 STATEMENT 5				
Total			► **3a**	29,000.
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	14,880.	
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	20,190.	
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)				35,070.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 35,070.

(See worksheet in line 13 instructions 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			

2 a 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

Mitchell W Watts | 7-5-2011 | 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
CHARLES S SMITH, CPA	Charles S. Smith, CPA	6/27/2011		P00370503

Firm's name ▶ STOCKS, SMITH, CAMPBELL & DENDY, CPA'S | Firm's EIN ▶ 56-1310626

Firm's address ▶ P.O. BOX 166
KANNAPOLIS, NC 28082-0166 | Phone no (704) 933-2181

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING AND TAX RETURN FEES	$ 1,800.			$ 1,800.
TOTAL	$ 1,800.	$ 0.	$ 0.	$ 1,800.

STATEMENT 2
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
INVESTMENT CONSULTING FEE	$ 6,943.	$ 6,943.		
INVESTMENT SERVICE CHARGES, ETC	84.	84.		
TOTAL	$ 7,027.	$ 7,027.	$ 0.	$ 0.

STATEMENT 3
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
2009 FORM 990-PF BALANCE DUE	$ 87.	$ 87.		
FOREIGN TAXES WITHHELD ON DIVIDENDS	452.	452.		
TOTAL	$ 539.	$ 539.	$ 0.	$ 0.

STATEMENT 4
FORM 990-PF, PART III, LINE 3
OTHER INCREASES

CHANGE IN UNREALIZED GAINS	$ 55,666.
TOTAL	$ 55,666.

STATEMENT 5
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
UNITY OF CHARLOTTE 401 E ARROWOOD ROAD CHARLOTTE, NC 28217	NONE	.		$ 1,500.
NEW HOPE CHURCH 7619 FAYETTEVILLE RD DURHAM, NC 27713	NONE			3,000.
JOEL OSTEEN MINISTRIES PO BOX 4600 HOUSTON, TX 77210	NONE			2,500.
UNITY VILLAGE 1901 NW BLUE PARKWAY UNITY VILLAGE, MO 64065	NONE			5,000.
PHARMACY FOUNDATION OF NC, INC 194 FINLEY GOLF COURSE RD, STE 106 CHAPEL HILL, NC 27517	NONE			12,500.
THE MASONIC HOME FOR CHILDREN AT OXFORD 600 COLLEGE STREET OXFORD, NC 27565	NONE			2,000.
SAMARITAN'S PURSE PO BOX 3000 BOONE, NC	NONE			2,500.
			TOTAL	$ 29,000.

MITCHELL W WATS FAMILY FOUNDATION, INC
EIN 26-0850536
December 31, 2010

		Total 12/31/2010 Fair Market Value	US Government Obligations	Corporate Stocks	Corporate Bonds
Form 990-PF, Part II, Line 10, Investments - Fair Market Value					
MorganStanley Smith Barney Account #	819-73571-17	108,031 95		108,031 95	
MorganStanley Smith Barney Account #	819-73572-16	100,384 54	45,824 88		54,559 66
MorganStanley Smith Barney Account #	819-73573-15	97,675 00		97,675 00	
MorganStanley Smith Barney Account #	819-73574-14	136,017 92		136,017 92	
MorganStanley Smith Barney Account #	819-73575-13	95,079 82		95,079 82	
MorganStanley Smith Barney Account #	819-72576-12	77,133 04		77,133 04	
MorganStanley Smith Barney Account #	819-73600-12	83,280 00		83,280 00	
		697,602 27	45,824 88	597,217 73	54,559 66

MITCHELL W. WATTS FAMILY ***Account number 819-73571-17 534***

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
3,668.30	WESTERN ASSET CALIFORNIA MUNI MONEY MARKET FUND CLASS A	$ 3,668.30		.04 %	$ 1.46
Total money fund		**$ 3,668.30**	**$ 0.00**	**.03 %**	**$ 1.46**

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1	COVIDIEN PLC DUBLIN-USD	COV	04/08/08	$ 45.73	$ 45.73	$ 45.66	$ 45.66	($ .07) LT		
9			04/09/08	410.20	45.577	45.66	410.94	.74 LT		
5			04/24/08	236.51	47.302	45 66	228.30	(8.21) LT		
4			07/17/08	192.83	48.207	45.66	182.64	(10.19) LT		
4			02/25/09	142.85	35.712	45.66	182.64	39.79 LT		
23				**1,028.12**	**44.701**		**1,050.18**	**22.06**	**1.752**	**18.40**
35	AT&T INC	T	01/29/08	1,319.85	37.71	29.38	1,028.30	(291.55) LT		
13			05/25/10	310.48	23 882	29.38	381.94	71.46 ST		
15			06/11/10	379 17	25.278	29.38	440.70	61.53 ST		
63				**2,009.50**	**31.897**		**1,850.94**	**(158.56)**	**5 854**	**108.36**
2	AMGEN INC	AMGN	01/29/08	95.67	47.837	54.90	109.80	14.13 LT		
6			03/03/08	271.69	45.281	54.90	329.40	57.71 LT		
2			03/13/09	100.04	50.022	54.90	109.80	9.76 LT		
6			07/10/09	347.07	57.845	54.90	329.40	(17.67) LT		
2			07/21/09	116.98	58.489	54.90	109.80	(7.18) LT		
1			09/09/09	59.06	59.063	54.90	54.90	(4.16) LT		
7			04/21/10	409 86	58 551	54.90	384.30	(25.56) ST		
3			09/30/10	165.59	55.195	54.90	164.70	(89) ST		
29				**1,565.96**	**53.999**		**1,592.10**	**26 14**		
12	ANADARKO PETROLEUM CORP	APC	06/23/10	**490.18**	40.848	76.16	**913.92**	**423.74** ST	**.472**	**4 32**
6	APACHE CORP	APA	06/01/10	529.44	88.24	119.23	715.38	185.94 ST		
3			11/10/10	330 28	110.093	119.23	357.69	27.41 ST		
9				**859.72**	**95 524**		**1,073.07**	**213.35**	**.503**	**5.40**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
20	ARCHER-DANIELS-MIDLAND CO	ADM	12/08/09	$ 612.96	$ 30.648	$ 30 08	$ 601.60	($ 11.36) LT		
7			12/11/09	213 57	30.509	30.08	210.56	(3.01) LT		
7			12/15/09	216.55	30.935	30.08	210.56	(5.99) LT		
34				**1,043.08**	**30.679**		**1,022.72**	**(20 36)**	**1.994**	**20.40**
92	BANK OF AMERICA CORP	BAC	11/29/10	**1,036.44**	11.265	13.34	**1,227.28**	**190.84** ST	**299**	**3.68**
36	BANK NEW YORK MELLON CORP	BK	01/29/08	1,610.28	44.73	30.20	1,087.20	(523.08) LT		
18			07/18/08	643.47	35.748	30.20	543.60	(99.87) LT		
1			09/18/08	32.56	32.555	30.20	30.20	(2.36) LT		
5			09/30/08	151.08	30.215	30.20	151.00	(.08) LT		
3			10/01/08	95.04	31 678	30.20	90.60	(4.44) LT		
4			04/14/10	127 16	31 789	30.20	120 80	(6.36) ST		
67				**2,659.59**	**39.695**		**2,023.40**	**(636.19)**	**1.192**	**24.12**
4	BARRICK GOLD CORP CAD	ABX	11/23/09	175 43	43.857	53.18	212.72	37.29 LT		
7			12/07/09	297.08	42.44	53.18	372.26	75.18 LT		
5			06/21/10	223.14	44 627	53 18	265 90	42.76 ST		
4			09/30/10	183.89	45 972	53.18	212.72	28 83 ST		
20				**879 54**	**43 977**		**1,063.60**	**184 06**	**.902**	**9.60**
15	C I G N A CORP	CI	08/16/10	497.55	33.17	36.66	549.90	52 35 ST		
5			09/14/10	175.24	35.047	36.66	183 30	8.06 ST		
5			11/05/10	185.86	37.172	36.66	183.30	(2 56) ST		
25				**858 65**	**34.346**		**916.50**	**57 85**	**.109**	**1.00**
3	CANADIAN NATL RAILWAY CO	CNI	06/22/09	123 84	41.282	66.47	199.41	75.57 LT		
4			07/09/09	154 26	38.565	66.47	265 88	111.62 LT		
2			08/21/09	98 96	49.482	66.47	132 94	33 98 LT		
9				**377.06**	**41.896**		**598.23**	**221.17**	**1.587**	**9 50**
13	CARNIVAL CORP (PAIRED STOCK)	CCL	03/13/09	266 96	20.535	46.11	599.43	332.47 LT		
10			06/30/09	256 17	25.617	46 11	461 10	204.93 LT		
4			06/07/10	138.49	34 622	46.11	184.44	45 95 ST		
27				**661.62**	**24.504**		**1,244 97**	**583 35**	**.867**	**10.80**
5	CATERPILLAR INC	CAT	01/29/08	344.50	68 90	93.66	468 30	123 80 LT		
2			05/19/08	170.11	85.055	93 66	187.32	17.21 LT		
8			05/13/09	291 00	36.375	93.66	749 28	458.28 LT		
6			06/30/09	198 79	33 132	93.66	561.96	363 17 LT		
1			10/01/10	78.19	78 185	93.66	93.66	15.47 ST		
22				**1,082 59**	**49.209**		**2,060.52**	**977.93**	**1.879**	**38.72**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
10	CHEVRON CORP	CVX	01/29/08	$ 826.00	$ 82.60	$ 91.25	$ 912.50	$ 86.50 LT		
4			09/11/09	282.24	70 559	91.25	365.00	82.76 LT		
7			09/14/09	493.96	70.565	91.25	638.75	144.79 LT		
3			09/18/09	218.99	72.996	91.25	273.75	54 76 LT		
2			10/01/09	138 69	69.344	91.25	182.50	43.81 LT		
4			01/25/10	297.92	74 48	91.25	365.00	67.08 ST		
7			05/06/10	557.88	79.697	91.25	638.75	80.87 ST		
4			06/08/10	282 77	70 691	91.25	365.00	82.23 ST		
2			10/13/10	167.55	83 776	91.25	182.50	14.95 ST		
43				**3,266.00**	**75.953**		**3,923.75**	**657.75**	**3.156**	**123 84**
12	CLIFFS NATURAL RESOURCES	CLF	12/07/09	508.76	42.396	78.01	936.12	427.36 LT		
2			06/04/10	98.15	49 077	78.01	156.02	57.87 ST		
14				**606 91**	**43.351**		**1,092.14**	**485 23**	**.717**	**7 84**
13	COLGATE PALMOLIVE CO	CL	08/20/10	**987.62**	75.97	80.37	**1,044.81**	**57.19** ST	**2.637**	**27.56**
13	COMCAST CORP CL A	CMCSA	10/12/09	199 99	15.383	21 97	285 61	85.62 LT		
30			01/12/10	496 59	16.552	21.97	659.10	162.51 ST		
13			05/20/10	221.84	17.064	21.97	285 61	63.77 ST		
10			06/30/10	176.52	17.651	21.97	219.70	43.18 ST		
16			09/30/10	285 66	17.853	21.97	351.52	65.86 ST		
82				**1,380.60**	**16.837**		**1,801 54**	**420 94**	**1.72**	**31.00**
58	CORNING INC	GLW	12/21/10	**1,114.19**	19.21	19.32	**1,120.56**	**6.37** ST	**1.035**	**11.60**
9	DELTA AIR LINES INC (NEW)	DAL	08/08/08	82.41	9.157	12.60	113.40	30 99 LT		
15			10/20/08	135.91	9.06	12.60	189.00	53 09 LT		
15			10/21/08	145.17	9.677	12.60	189.00	43.83 LT		
4			10/22/08	39.98	9.995	12.60	50.40	10.42 LT		
10			10/27/08	76.94	7.693	12 60	126.00	49 06 LT		
10			10/28/08	78.63	7.862	12.60	126 00	47 37 LT		
15			11/24/08	104.79	6.985	12.60	189.00	84.21 LT		
54			12/18/08	593.40	10.988	12 60	680.40	87.00 LT		
21			12/31/08	237.64	11.316	12.60	264.60	26.96 LT		
14			01/13/09	154.02	11.001	12.60	176.40	22 38 LT		
5			01/15/09	52.19	10 437	12.60	63.00	10 81 LT		
172				**1,701 08**	**9 89**		**2,167.20**	**466.12**		
11	DEVON ENERGY CORP NEW	DVN	11/12/10	**793 97**	72.179	78.51	**863.61**	**69 64** ST	**.815**	**7.04**

Business FMA Statement

December 31, 2010

MITCHELL W. WATTS FAMILY ***Account number 819-73571-17 534***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
16	DOW CHEMICAL CO	DOW	07/27/09	$ 321.34	$ 20.083	$ 34.14	$ 546.24	$ 224.90 LT		
13			08/27/09	276.56	21.274	34.14	443.82	167.26 LT		
1			10/01/09	24.97	24.97	34.14	34.14	9.17 LT		
9			10/22/09	227.86	25.317	34.14	307.26	79.40 LT		
9			10/28/09	221.17	24.574	34.14	307.26	86.09 LT		
8			12/09/10	269.66	33.707	34.14	273.12	3.46 ST		
56				**1,341.56**	**23.956**		**1,911.84**	**570.28**	**1.757**	**33.60**
20	EMC CORP-MASS	EMC	03/16/10	375.21	18.76	22.90	458.00	82.79 ST		
13			03/29/10	234.30	18.022	22.90	297.70	63.40 ST		
15			12/13/10	340.02	22.668	22.90	343.50	3.48 ST		
48				**949.53**	**19.782**		**1,099.20**	**149.67**		
9	EATON CORP	ETN	01/29/08	739.71	82.19	101.51	913.59	173.88 LT		
4			04/23/08	335.76	83.939	101.51	406.04	70.28 LT		
7			06/30/08	599.19	85.598	101.51	710.57	111.38 LT		
4			12/29/08	186.41	46.602	101.51	406.04	219.63 LT		
24				**1,861.07**	**77.545**		**2,436.24**	**575.17**	**2.285**	**55.68**
28	EL PASO CORP	EP	01/29/08	459.76	16.42	13.76	385.28	(74.48) LT		
20			02/06/08	325.38	16.269	13.76	275.20	(50.18) LT		
21			11/19/09	202.70	9.652	13.76	288.96	86.26 LT		
11			12/03/09	104.93	9.539	13.76	151.36	46.43 LT		
80				**1,092.77**	**13.66**		**1,100.80**	**8.03**	**.29**	**3.20**
10	EMERSON ELECTRIC CO	EMR	07/31/09	**366.23**	36.622	57.17	**571.70**	**205.47** LT	**2.413**	**13.80**
2.0417	EXXON MOBIL CORP	XOM	10/28/09	121.85	59.708	73.12	149.29	27.44 LT		
4.9583			11/05/09	296.52	59.83	73.12	362.55	66.03 LT		
6			12/02/09	453.65	75.643	73.12	438.72	(14.93) LT		
20			12/14/09	1,391.43	69.603	73.12	1,462.40	70.97 LT		
3			03/16/10	198.82	66.303	73.12	219.36	20.54 ST		
3			04/27/10	209.75	69.949	73.12	219.36	9.61 ST		
3			04/29/10	206.48	68.856	73.12	219.36	12.88 ST		
42				**2,878.50**	**68.536**		**3,071.04**	**192.54**	**2.407**	**73.92**
16	FORD MOTOR COMPANY	F	06/04/09	101.84	6.365	16.79	268.64	166.80 LT		
31			07/07/09	173.37	5.592	16.79	520.49	347.12 LT		
31			09/30/09	230.77	7.444	16.79	520.49	289.72 LT		
37			12/31/09	368.86	9.969	16.79	621.23	252.37 ST		
115				**874.84**	**7.607**		**1,930.85**	**1,056.01**		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
25	GENERAL ELECTRIC CO	GE	01/29/08	$ 866.56	$ 34.662	$ 18.29	$ 457.25	($ 409.31) LT		
19			11/26/08	303.59	15.978	18.29	347.51	43.92 LT		
44				**1,170.15**	**26.594**		**804.76**	**(365 39)**	**3.061**	**24.64**
1	GOLDMAN SACHS GROUP INC	GS	12/02/08	64.07	64 065	168.16	168.16	104.09 LT		
7			02/03/09	581.60	83.086	168.16	1,177.12	595.52 LT		
3			02/09/09	291.41	97.137	168.16	504.48	213 07 LT		
3			07/28/10	442.72	147.572	168.16	504.48	61.76 ST		
2			08/31/10	272 98	136.487	168.16	336.32	63.34 ST		
16				**1,652 78**	**103.299**		**2,690 56**	**1,037.78**	**.832**	**22.40**
3	HSN INC	HSNI	12/10/09	53 38	17.794	30.65	91.95	38.57 LT		
20			12/11/09	357.42	17.871	30.65	613.00	255.58 LT		
24			12/16/09	431 55	17.981	30 65	735.60	304.05 LT		
8			03/31/10	239.53	29.941	30.65	245.20	5.67 ST		
7			05/20/10	172.92	24.703	30.65	214.55	41.63 ST		
5			06/18/10	121.49	24.298	30 65	153.25	31.76 ST		
4			08/31/10	104.48	26.12	30.65	122.60	18.12 ST		
71				**1,480.77**	**20.856**		**2,176.15**	**695.38**		
22	HALLIBURTON CO HOLDINGS CO	HAL	06/30/09	456.50	20.75	40 83	898 26	441.76 LT		
9			09/09/09	227 21	25.246	40.83	367.47	140.26 LT		
31				**683 71**	**22.055**		**1,265.73**	**582 02**	**.881**	**11.16**
14	HERTZ GLOBAL HOLDINGS INC	HTZ	06/02/08	181.65	12.974	14.49	202.86	21.21 LT		
12			07/01/08	107.68	8.973	14.49	173.88	66.20 LT		
17			08/07/08	152.25	8.956	14.49	246.33	94.08 LT		
30			02/24/09	99.54	3.318	14.49	434.70	335.16 LT		
25			02/25/09	80.86	3.234	14.49	362.25	281.39 LT		
44			02/26/09	143.53	3.262	14 49	637.56	494 03 LT		
10			05/20/10	103 53	10.353	14 49	144.90	41 37 ST		
6			05/20/10	62.12	10.353	14 49	86.94	24.82 ST		
18			09/30/10	189 88	10.548	14.49	260 82	70.94 ST		
176				**1,121.04**	**6.37**		**2,550.24**	**1,429.20**		
4	HESS CORP	HES	03/31/09	218.52	54.629	76.54	306.16	87.64 LT		
6			06/02/09	383.24	63.874	76.54	459.24	76.00 LT		
5			09/08/10	269.97	53.993	76 54	382.70	112.73 ST		
15				**871.73**	**58.115**		**1,148.10**	**276.37**	**.522**	**6.00**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
17	HYATT HOTELS CORP CL A	H	01/29/10	$ 505.34	$ 29.726	$ 45.76	$ 777.92	$ 272.58 ST		
8			06/30/10	295.95	36.993	45.76	366.08	70.13 ST		
25				**801.29**	**32.052**		**1,144.00**	**342.71**		
14	INTEL CORP	INTC	04/01/09	209.09	14.934	21.03	294.42	85.33 LT		
7			04/09/09	112.30	16.042	21.03	147.21	34.91 LT		
14			06/30/09	229.64	16.402	21.03	294.42	64.78 LT		
35				**551.03**	**15.744**		**736.05**	**185.02**	**2.995**	**22.05**
47	INTERNATIONAL PAPER CO	IP	09/23/10	**988.96**	21.041	27.24	**1,280 28**	**291.32** ST	**1 835**	**23.50**
27	JPMORGAN CHASE & CO	JPM	01/29/08	1,260.40	46.681	42.42	1,145.34	(115.06) LT		
23			03/03/08	918.23	39.923	42.42	975.66	57 43 LT		
20			06/11/08	753.03	37.651	42.42	848.40	95.37 LT		
6			06/20/08	233 97	38.995	42.42	254.52	20.55 LT		
8			09/15/08	321.93	40.241	42.42	339.36	17 43 LT		
10			12/01/08	290 00	29.00	42.42	424.20	134 20 LT		
10			09/22/10	399 03	39.903	42.42	424.20	25.17 ST		
10			11/22/10	386.79	38.678	42.42	424 20	37.41 ST		
114				**4,563.38**	**40.03**		**4,835.88**	**272.50**	**471**	**22.80**
9	JOHNSON & JOHNSON	JNJ	08/04/09	547.75	60 861	61.85	556.65	8.90 LT		
4			09/11/09	241.74	60.433	61.85	247.40	5.66 LT		
1			09/21/09	60.63	60 625	61.85	61 85	1.22 LT		
3			11/11/10	191.27	63.755	61.85	185.55	(5.72) ST		
17				**1,041 39**	**61 258**		**1,051.45**	**10.06**	**3.492**	**36.72**
77	KEYCORP -NEW	KEY	01/12/10	495 27	6.432	8.85	681.45	186.18 ST		
29			04/08/10	241.69	8.334	8 85	256 65	14.96 ST		
15			07/01/10	112.63	7.508	8.85	132.75	20.12 ST		
5			10/13/10	41.85	8.37	8.85	44.25	2.40 ST		
22			10/20/10	178.42	8.11	8.85	194.70	16.28 ST		
148				**1,069 86**	**7.229**		**1,309 80**	**239.94**	**.451**	**5.92**
15	KROGER CO	KR	04/09/08	365.09	24.339	22.36	335.40	(29 69) LT		
7			10/30/09	162.65	23.235	22 36	156.52	(6.13) LT		
8			11/06/09	186.62	23.327	22.36	178.88	(7 74) LT		
9			12/02/09	204.14	22.682	22.36	201.24	(2 90) LT		
23			12/31/09	473.33	20.579	22 36	514.28	40.95 ST		
62				**1,391 83**	**22.449**		**1,386.32**	**(5.51)**	**1.878**	**26.04**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1	M & T BK CORP	MTB	12/19/08	$ 56.33	$ 56.329	$ 87.05	$ 87.05	$ 30.72 LT		
4			12/30/08	216.83	54.206	87.05	348.20	131.37 LT		
5			03/13/09	184.97	36 994	87.05	435.25	250 28 LT		
10				**458 13**	**45 813**		**870.50**	**412 37**	**3.216**	**28 00**
10	MARATHON OIL CORP	MRO	09/24/09	321.94	32.193	37 03	370.30	48 36 LT		
3			10/01/09	93.41	31.135	37.03	111 09	17.68 LT		
6			10/21/09	213.70	35 616	37.03	222.18	8.48 LT		
6			12/04/09	190.87	31.811	37.03	222.18	31.31 LT		
3			04/26/10	99.29	33.097	37.03	111.09	11.80 ST		
8			04/27/10	258.20	32.274	37.03	296.24	38.04 ST		
36				**1,177.41**	**32.706**		**1,333.08**	**155.67**	**2.70**	**36.00**
27	MARRIOTT INTL INC NEW CL A	MAR	03/13/09	412.82	15.443	41.54	1,121.58	708.76 LT		
9			06/30/09	196.27	22.028	41.54	373.86	177.59 LT		
36				**609 09**	**16.919**		**1,495 44**	**886.35**	**.842**	**12 60**
20	MERCK & CO INC NEW	MRK	08/04/09	594.15	29 707	36.04	720.80	126.65 LT		
3			08/13/10	104.90	34.965	36.04	108.12	3 22 ST		
3			08/19/10	103.96	34.654	36.04	108.12	4.16 ST		
26				**803 01**	**30 885**		**937 04**	**134 03**	**4 217**	**39 52**
8	METLIFE INC	MET	07/01/09	237.94	29.742	44 44	355.52	117.58 LT		
6			08/16/10	232 05	38.675	44 44	266.64	34.59 ST		
5			11/05/10	210.78	42.156	44 44	222 20	11.42 ST		
19				**680.77**	**35.83**		**844 36**	**163 59**	**1.665**	**14.06**
4	MORGAN STANLEY	MS	03/19/09	88 03	22.009	27.21	108.84	20.81 LT		
5			04/02/09	118.03	23 605	27.21	136.05	18.02 LT		
20			04/23/09	433.69	21.684	27.21	544.20	110.51 LT		
3			05/07/09	85.69	28.561	27.21	81.63	(4.06) LT		
18			05/08/09	462.99	25.721	27.21	489.78	26.79 LT		
50				**1,188.43**	**23.769**		**1,360 50**	**172.07**	**.735**	**10.00**
7	MOSAIC COMPANY	MOS	11/24/09	377.43	53 917	76.36	534.52	157.09 LT		
5			12/08/09	296.86	59 371	76.36	381.80	84 94 LT		
5			01/13/10	306.50	61.299	76.36	381.80	75.30 ST		
17				**980 79**	**57 694**		**1,298.12**	**317.33**	**.261**	**3.40**
3	NEWMONT MINING CORP	NEM	06/30/10	186 72	62.238	61.43	184.29	(2.43) ST		
9			07/26/10	521.72	57.968	61.43	552.87	31.15 ST		
3			08/02/10	166.74	55.579	61.43	184.29	17.55 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2	NEWMONT MINING CORP	NEM	09/20/10	$ 126.58	$ 63.288	$ 61.43	$ 122.86	($ 3.72) ST		
17				**1,001.76**	**58.927**		**1,044.31**	**42.55**	**.976**	**10.20**
10	NEXTERA ENERGY INC	NEE	08/10/10	**534 51**	53.45	51.99	**519 90**	**(14.61)** ST	**3 846**	**20.00**
4	OMNICOM GROUP INC	OMC	05/12/09	126.20	31.548	45.80	183.20	57.00 LT		
6			10/02/09	216.17	36.029	45.80	274.80	58 63 LT		
19			12/06/10	904.22	47.59	45.80	870.20	(34.02) ST		
29				**1,246.59**	**42.986**		**1,328.20**	**81.61**	**1.746**	**23.20**
40	ORACLE CORP	ORCL	09/08/10	**962.43**	24.06	31.30	**1,252.00**	**289.57** ST	**.638**	**8.00**
2	P G & E CORPORATION	PCG	10/01/09	80.65	40.325	47.84	95.68	15.03 LT		
4			01/25/10	177.12	44.279	47.84	191.36	14.24 ST		
7			05/07/10	301.83	43 118	47.84	334.88	33.05 ST		
13				**559.60**	**43.046**		**621.92**	**62.32**	**3 804**	**23 66**
8	PNC FINANCIAL SERVICES GROUP	PNC	04/11/08	516 02	64 502	60.72	485.76	(30 26) LT		
8			04/18/08	532.24	66.53	60.72	485.76	(46.48) LT		
3			06/20/08	172.57	57.522	60.72	182.16	9.59 LT		
2			07/16/08	106.42	53.209	60.72	121.44	15.02 LT		
21				**1,327 25**	**63.202**		**1,275 12**	**(52.13)**	**658**	**8.40**
9	PPL CORP	PPL	06/23/10	223.58	24.841	26.32	236 88	13.30 ST		
6			08/10/10	158.12	26.353	26.32	157.92	(.20) ST		
15				**381.70**	**25 447**		**394 80**	**13.10**	**5.319**	**21.00**
12	PEPSICO INC	PEP	01/27/10	720.05	60 004	65.33	783.96	63.91 ST		
4			11/10/10	261.25	65.311	65.33	261.32	.07 ST		
16				**981.30**	**61.331**		**1,045.28**	**63.98**	**2.938**	**30.72**
85	PFIZER INC	PFE	11/11/10	**1,443.04**	16.976	17.51	**1,488.35**	**45.31** ST	**4.568**	**68.00**
20	PROCTER & GAMBLE CO	PG	11/18/10	**1,282 83**	64.141	64 33	**1,286.60**	**3.77** ST	**2.995**	**38.54**
11	PROGRESS ENERGY INC	PGN	01/29/08	489 06	44.46	43.48	478 28	(10.78) LT		
5			05/18/10	199.72	39.943	43 48	217.40	17.68 ST		
16				**688.78**	**43.049**		**695.68**	**6.90**	**5.703**	**39.68**
24	PRUDENTIAL FINANCIAL INC	PRU	12/17/10	**1,395.15**	58.131	58.71	**1,409 04**	**13.89** ST	**1.958**	**27.60**
28	REGIONS FINANCIAL CORP (NEW)	RF	09/30/09	175.30	6.26	7.00	196.00	20.70 LT		
10			10/14/09	60.61	6.061	7.00	70.00	9.39 LT		
34			01/26/10	210.77	6.199	7.00	238.00	27.23 ST		
30			04/14/10	264 29	8.809	7.00	210.00	(54 29) ST		
102				**710.97**	**6.97**		**714.00**	**3 03**	**.571**	**4.08**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
14	SCHLUMBERGER LTD	SLB	01/29/08	$ 1,097.88	$ 78.42	$ 83.50	$ 1,169.00	$ 71.12 LT		
4			11/24/08	184.20	46.05	83 50	334.00	149.80 LT		
5			05/15/09	264.38	52.875	83.50	417 50	153.12 LT		
5			06/22/09	262.99	52.597	83.50	417.50	154 51 LT		
4			01/22/10	261.17	65 292	83.50	334.00	72.83 ST		
32				**2,070.62**	**64.707**		**2,672.00**	**601.38**	**1.005**	**26.88**
5	STATE STREET CORP	STT	04/13/09	191.70	38.34	46.34	231.70	40.00 LT		
5			04/14/09	181.29	36 257	46.34	231.70	50.41 LT		
5			05/12/09	185 60	37.12	46.34	231.70	46.10 LT		
5			05/27/09	217.01	43.401	46.34	231.70	14.69 LT		
4			04/01/10	184.23	46.056	46.34	185.36	1.13 ST		
24				**959.83**	**39 993**		**1,112 16**	**152.33**	**.086**	**.96**
9	SUNCOR ENERGY INC NEW	SU	10/28/09	305.40	33.932	38.29	344.61	39.21 LT		
7			12/07/09	244.32	34 902	38.29	268.03	23.71 LT		
8			11/10/10	289.95	36 243	38.29	306.32	16.37 ST		
24				**839 67**	**34.986**		**918 96**	**79 29**	**1.034**	**9.50**
28	SUNTRUST BANKS INC	STI	06/30/09	457 42	16.336	29.51	826.28	368 86 LT		
8			07/01/09	129.76	16 219	29.51	236.08	106.32 LT		
20			09/24/09	455.72	22.785	29.51	590 20	134.48 LT		
8			10/19/09	168.29	21.036	29.51	236 08	67.79 LT		
8			11/16/09	166.80	20.85	29.51	236.08	69 28 LT		
6			12/18/09	120 82	20.136	29.51	177.06	56.24 LT		
9			02/03/10	207.11	23.012	29.51	265.59	58 48 ST		
4			10/20/10	100.47	25.116	29.51	118.04	17.57 ST		
91				**1,806.39**	**19.85**		**2,685.41**	**879.02**	**.135**	**3 64**
11	TARGET CORP	TGT	12/18/08	395.67	35.969	60.13	661.43	265.76 LT		
19			12/26/08	616.45	32.444	60 13	1,142 47	526 02 LT		
30				**1,012 12**	**33.737**		**1,803 90**	**791.78**	**1.663**	**30 00**
18	TEVA PHARMACEUTICAL INDS LTD ADR	TEVA	01/29/08	**803 12**	44 618	52.13	**938.34**	**135.22** LT	**1.279**	**12.01**
40	TEXAS INSTRUMENTS INC	TXN	12/09/10	**1,353.55**	33 838	32.50	**1,300.00**	**(53 55)** ST	**1 60**	**20 80**
5	TIME WARNER CABLE INC	TWC	08/07/09	175.76	35.151	66.03	330.15	154 39 LT		
4			09/30/09	173.98	43 494	66.03	264.12	90.14 LT		
9				**349.74**	**38.86**		**594.27**	**244.53**	**2.423**	**14.40**

MITCHELL W. WATTS FAMILY **Account number 819-73571-17 534**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
8	UNITED STATES STEEL CORP NEW	X	01/27/10	$ 364.21	$ 45.526	$ 58.42	$ 467.36	$ 103.15 ST		
6			07/01/10	227.92	37.987	58.42	350 52	122.60 ST		
6			09/21/10	271.35	45.224	58 42	350.52	79.17 ST		
20				**863 48**	**43.174**		**1,168.40**	**304 92**	**.342**	**4 00**
5	UNITEDHEALTH GROUP INC	UNH	02/24/09	121.38	24.275	36.11	180.55	59.17 LT		
11			02/27/09	222.15	20.195	36.11	397 21	175 06 LT		
5			03/16/09	107.81	21.561	36 11	180.55	72.74 LT		
8			03/27/09	169.68	21.209	36.11	288 88	119.20 LT		
3			09/30/09	74.66	24 887	36.11	108 33	33.67 LT		
7			11/09/09	201.42	28.773	36.11	252 77	51.35 LT		
16			12/31/09	492.98	30.811	36.11	577 76	84.78 ST		
7			10/04/10	245.22	35.03	36.11	252.77	7.55 ST		
62				**1,635.30**	**26.376**		**2,238.82**	**603.52**	**1 384**	**31.00**
25	VALERO ENERGY CORP-NEW	VLO	03/31/10	492.89	19.715	23.12	578.00	85.11 ST		
4			05/06/10	79.10	19.775	23 12	92 48	13.38 ST		
8			05/21/10	143.68	17.96	23.12	184.96	41.28 ST		
37				**715 67**	**19 342**		**855 44**	**139 77**	**865**	**7.40**
5	VERIZON COMMUNICATIONS	VZ	05/01/09	142.17	28 434	35.78	178 90	36 73 LT		
7			05/29/09	190.95	27.278	35.78	250.46	59.51 LT		
14			06/19/09	390.16	27.868	35.78	500.92	110.76 LT		
6			07/30/10	174.39	29.064	35.78	214.68	40 29 ST		
32				**897.67**	**28.052**		**1,144.96**	**247 29**	**5 449**	**62.40**
3	WELLS FARGO & CO NEW	WFC	01/29/08	97.68	32.56	30.99	92.97	(4.71) LT		
5			02/08/08	147.32	29.464	30.99	154.95	7.63 LT		
16			02/11/08	470 04	29.377	30.99	495.84	25.80 LT		
10			03/03/08	289.34	28 933	30.99	309 90	20.56 LT		
9			03/31/08	263.72	29.302	30 99	278.91	15.19 LT		
18			04/15/08	490 26	27 236	30.99	557 82	67.56 LT		
36			06/26/08	877.72	24.381	30.99	1,115 64	237 92 LT		
10			11/13/08	269.20	26.919	30.99	309 90	40.70 LT		
12			11/14/08	332 25	27.687	30.99	371.88	39.63 LT		
4			12/31/08	114.78	28.694	30 99	123.96	9.18 LT		
11			05/11/09	308.71	28.064	30 99	340.89	32 18 LT		
21			12/31/09	565.72	26.939	30 99	650.79	85.07 ST		
155				**4,226.74**	**27.269**		**4,803.45**	**576.71**	**.645**	**31.00**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
3	ZIONS BANCORP	ZION	01/07/09	$ 70.78	$ 23.592	$ 24.23	$ 72.69	$ 1.91 LT		
27			03/16/09	288.53	10.686	24.23	654.21	365.68 LT		
10			09/09/09	162.70	16 269	24 23	242.30	79 60 LT		
8			09/25/09	141.38	17.672	24.23	193.84	52 46 LT		
5			10/14/09	92.08	18 415	24.23	121.15	29.07 LT		
6			11/12/09	79.04	13.172	24.23	145.38	66 34 LT		
59				**834.51**	**14.144**		**1,429.57**	**595 06**	**.165**	**2 36**
Total common stocks and options				**$ 87,936.79**			**$ 108,031.95**	**$ 5,198.13 ST**	**1.45**	
								$ 14,897.03 LT		**$ 1,567 62**
Total portfolio value				**$ 91,605.09**			**$ 111,700.25**	**$ 5,198.13 ST**	**1.40**	**$ 1,569.08**
								$ 14,897.03 LT		

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

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/13/10	Bought	EMC CORP-MASS	15	$ 22.6681	$ -340.02
12/14/10	Sold	NEWMONT MINING CORP	-11	61 3262	674 57
12/17/10	Sold	FRANKLIN RESOURCES INC	-8	114.7562	918.03
12/17/10	Sold	METLIFE INC	-11	43.706	480.76
12/17/10	Bought	PRUDENTIAL FINANCIAL INC	24	58.1312	-1,395.15
12/21/10	Bought	CORNING INC	58	19.2102	-1,114 19
Total securities bought and other subtractions					**$ -2,849.36**
Total securities sold and other additions					**$ 2,073.36**

Other security activity

Date	Activity	Description	Quantity	Value
12/09/10	Conversion	TFR FROM A/C# 132 24242 1 7		
12/09/10	Conversion	COVIDIEN PLC DUBLIN-USD TFR FROM A/C# 132 24242 1 7	23	998.20
12/09/10	Conversion	AT&T INC TFR FROM A/C# 132 24242 1 7	63	1,815.66
12/09/10	Conversion	ABBOTT LABORATORIES TFR FROM A/C# 132 24242 1 7	16	754.08

Other security activity *continued*

Date	Activity	Description	Quantity	Value
12/09/10	Conversion	AMGEN INC TFR FROM A/C# 132 24242 1 7	29	$ 1,548 60
12/09/10	Conversion	ANADARKO PETROLEUM CORP TFR FROM A/C# 132 24242 1 7	12	828 84
12/09/10	Conversion	APACHE CORP TFR FROM A/C# 132 24242 1 7	9	1,030 41
12/09/10	Conversion	ARCHER-DANIELS-MIDLAND CO TFR FROM A/C# 132 24242 1 7	34	1,034.96
12/09/10	Conversion	BANK OF AMERICA CORP TFR FROM A/C# 132 24242 1 7	92	1,163.80
12/09/10	Conversion	BANK NEW YORK MELLON CORP TFR FROM A/C# 132 24242 1 7	93	2,695.14
12/09/10	Conversion	BARRICK GOLD CORP CAD TFR FROM A/C# 132 24242 1 7	41	2,188.58
12/09/10	Conversion	C I G N A CORP TFR FROM A/C# 132 24242 1 7	25	940.50
12/09/10	Conversion	CANADIAN NATL RAILWAY CO TFR FROM A/C# 132 24242 1 7	9	600.57
12/09/10	Conversion	CARNIVAL CORP (PAIRED STOCK) TFR FROM A/C# 132 24242 1 7	27	1,180.98
12/09/10	Conversion	CATERPILLAR INC TFR FROM A/C# 132 24242 1 7	22	1,972.74
12/09/10	Conversion	CHEVRON CORP TFR FROM A/C# 132 24242 1 7	43	3,725.95
12/09/10	Conversion	CLIFFS NATURAL RESOURCES TFR FROM A/C# 132 24242 1 7	14	1,007.72
12/09/10	Conversion	COLGATE PALMOLIVE CO TFR FROM A/C# 132 24242 1 7	13	1,016 47
12/09/10	Conversion	COMCAST CORP CL A TFR FROM A/C# 132 24242 1 7	82	1,709.53
12/09/10	Conversion	DELTA AIR LINES INC (NEW) TFR FROM A/C# 132 24242 1 7	172	2,289.32
12/09/10	Conversion	DEVON ENERGY CORP NEW TFR FROM A/C# 132 24242 1 7	11	800.47
12/09/10	Conversion	DOW CHEMICAL CO TFR FROM A/C# 132 24242 1 7	48	1,629.60
12/09/10	Conversion	EMC CORP-MASS TFR FROM A/C# 132 24242 1 7	33	729.59

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
2,569.49	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 2,569.49		.06%	$ 1.54
Total money fund		$ 2,569 49	$ 0.00	.05%	$ 1.54

Bonds

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

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

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

Corporate bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted	Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
5,000	CISCO SYSTEMS INC DTD 02/22/2006 INT: 05.250% MATY: 02/22/2011 Rating: A1/A+	01/29/08 17275RAB8	$ 5,201.45 $ 5,009 40	$ 104 029 $ 100.188	100.627 $ 94 06	$ 5,031.35	($ 170.10) LT $ 21.95 LT	5 217 $ 262.50	$ 0 00 $ 21.95
5,000	DISNEY (WALT) COMPANY NOTES BOOK/ENTRY DD 7/18/06 INT: 05.700% MATY: 07/15/2011 Rating: A2/A	01/30/08 254687CC8	5,263.30 5,043 50	105.266 100 87	102.82 131.42	5,141.00	(122.30) LT 97 50 LT	5.543 285.00	0.00 97.50
5,000	BANK OF AMERICA CORP GLOBAL DTD 9/25/02 INT: 04 875% MATY: 09/15/2012 Rating. A2/A	01/29/08 060505AR5	5,110.70 5,043.20	102.214 100.864	104.414 71.77	5,220.70	110.00 LT 177.50 LT	4 668 243 75	0.00 177.50

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
5,000	PEPSICO INC BOOK/ENTRY DTD 12/04/2007 INT: 04 650% MATY: 02/15/2013 Rating: AA3/A-	01/31/08 713448BG2	$ 5,227.70 **$ 5,101.00**	$ 104.554 $ 102.02	107.681 **$ 87.83**	**$ 5,384.05**	$ 156.35 **$ 283.05**	LT LT	**4 318** **$ 232 50**	**$ 0.00** **$ 283.05**
5,000	GENERAL ELECTRIC CAPITAL CORP BOOK ENTRY DTD 04/21/08 INT: 04.800% MATY: 05/01/2013 Rating: AA2/AA+	06/18/08 36962G3T9	4,935.35 **4,935.35**	98.707 98.707	106.909 **40.00**	**5,345 45**	410.10 **410.10**	LT LT	**4 489** **240.00**	**31.40** **378.70**
5,000	ELI LILLY & CO BOOK/ENTRY DTD 03/06/2009 INT: 04.200% MATY: 03/06/2014 Rating: A2/AA-	04/24/09 532457BE7	5,182.15 **5,122.60**	103 643 102 452	107.205 **67.08**	**5,360.25**	178.10 **237.65**	LT LT	**3 917** **210 00**	**0.00** **237.65**
5,000	GOLDMAN SACHS GROUP INC BOOK/ENTRY DTD 05/06/2009 INT: 06 000% MATY: 05/01/2014 Rating: A1/A	05/28/09 38141EA33	5,122.35 **5,086.20**	102.447 101.724	110.164 **50.00**	**5,508.20**	385.85 **422.00**	LT LT	**5.446** **300.00**	**0.00** **422.00**
5,000	BANK OF NEW YORK MELLON BOOK/ENTRY DTD 05/12/2009 INT: 04.300% MATY: 05/15/2014 Rating: AA2/AA-	08/04/10 06406HBL2	5,434.10 **5,390.05**	108.682 107.801	106.699 **27.47**	**5,334.95**	(99.15) **(55.10)**	ST ST	**4.03** **215 00**	**0.00** **(55.10)**
2,000	CONOCOPHILLIPS BK/ENTRY DTD 05/21/2009 INT: 04.600% MATY: 01/15/2015 Rating: A1/A	08/03/10 20825CAT1	2,221.56 **2,202.26**	111.078 110.113	108.994 **42.42**	**2,179 88**	(41.68) **(22.38)**	ST ST	**4.22** **92.00**	**0.00** **(22.38)**
5,000	UNITED PARCEL SVC SR NOTES BOOK/ENTRY DD 1/15/2008 INT: 05.500% MATY: 01/15/2018 Rating: AA3/AA-	04/11/08 911312AH9	5,283.10 **5,217.15**	105.662 104 343	113.603 **126.81**	**5,680.15**	397.05 **463.00**	LT LT	**4.841** **275.00**	**0.00** **463.00**

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
4,000	COCA COLA CO BK/ENTRY DTD 03/06/2009 INT: 04.875% MATY: 03/15/2019 Rating: AA3/A+	03/05/09 191216AM2	$ 4,024.48 **$ 4,020.60**	$ 100.612 $ 100.515	109.342 **$ 57 42**	**$ 4,373.68**	$ 349.20 **$ 353 08**	LT LT	**4.458** **$ 195.00**	**$ 0.00** **$ 353.08**
Total corporate bonds			$ 53,006.24		**$ 796.28**	**$ 54,559.66**	**($ 77.48)**	**ST**	**4.67**	**$ 31.40**
51,000			**$ 52,171.31**				**$ 2,465.83**	**LT**	**$ 2,550.75**	**$ 2,356.95**

Government & government sponsored entity (GSE) bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
8,000	U S TREASURY NOTES SER AK-2012 DTD 04/30/2010 INT. 01.000% MATY· 04/30/2012	05/20/10 912828NB2	$ 8,048.12 **$ 8,032.96**	$ 100.601 $ 100.412	100.809 **$ 13 70**	**$ 8,064.72**	$ 16.60 **$ 31.76**	ST ST	**.991** **$ 80.00**	**$ 0 00** **$ 31 76**
4,000	FEDERAL HOME LN MTG CRP GLOBAL REFERENCE NOTES BK/ENTRY DTD 7/16/02 INT· 05.125% MATY· 07/15/2012	01/28/08 3134A4QD9	4,320.63 **4,115.80**	108 015 102.895	106.909 **94.53**	**4,276.36**	(44.27) **160.56**	LT LT	**4 793** **205 00**	**0 00** **160.56**
2,000	U S TREASURY NOTES SER E-2012 DTD 11/15/2002 INT: 04.000% MATY: 11/15/2012	01/28/08 912828AP5	2,114.69 **2,046.54**	105.734 102.327	106.461 **10.39**	**2,129.22**	14.53 **82 68**	LT LT	**3.757** **80 00**	**0.00** **82.68**
6,000	U S TREASURY NOTES SER Y-2013 DTD 05/15/2010 INT: 01.375% MATY: 05/15/2013	08/04/10 912828NC0	6,099.38 **6,085.02**	101.656 101.417	101.438 **10.71**	**6,086 28**	(13 10) **1 26**	ST ST	**1.355** **82 50**	**0 00** **1.26**
5,000	FEDERAL HOME LOAN MTG CORP GLOBAL REFERENCE NOTES DTD 07/18/2003 INT: 04.500% MATY: 07/15/2013	01/28/08 3134A4TZ7	5,271.88 **5,132.65**	105.437 102.653	108.949 **103.75**	**5,447.45**	175.57 **314.80**	LT LT	**4.13** **225.00**	**0.00** **314.80**
5,000	FEDERAL NATL MTG ASSN SER BOOK/ENTRY DTD 09/17/2004 INT: 04 625% MATY: 10/15/2014	01/28/08 31359MWJ8	5,290.63 **5,172.55**	105 812 103.451	111.223 **48.82**	**5,561 15**	270.52 **388 60**	LT LT	**4.158** **231.25**	**0.00** **388 60**
6,000	U S TREASURY NOTES SER C-2017 DTD 05/15/2007 INT: 04.500% MATY: 05/15/2017	10/10/08 912828GS3	6,288.75 **6,222.96**	104.812 103.716	111.891 **35.06**	**6,713.46**	424.71 **490.50**	LT LT	**4.021** **270.00**	**0 00** **490 50**

Government & government sponsored entity (GSE) bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
8,000	U S TREASURY NOTES SER F-2010	12/15/10	$ 7,473.75	$ 93.421	94.328	**$ 7,546.24**	$ 72.49	ST	**2.782**	**$ 1.77**
	DTD 11/15/2010	912828PC8	**$ 7,473.75**	$ 93.421	**$ 27.27**		**$ 72.49**	ST	**$ 210.00**	**$ 70.72**
	INT: 02.625% MATY. 11/15/2020									
Total government & government sponsored entity (GSE) bonds			$ 44,907.83		**$ 344.23**	**$ 45,824.88**	**$ 105.51**	**ST**	**3.01**	**$ 1.77**
44,000			**$ 44,282.23**				**$ 1,437.14**	**LT**	**$ 1,383.75**	**$ 1,540.88**
Total portfolio value			**$ 99,023.03**			**$ 102,954.03**	**$ 28.03**	**ST**	**3.82**	**$ 33.17**
							$ 3,902.97	**LT**	**$ 3,936.04**	**$ 3,897.83**

TRANSACTION DETAILS

All transactions appearing are based on trade-date.

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/15/10	Sold	U S TREASURY NOTES SER C-2011 DTD 08/15/2001 DUE 08/15/2011 RATE 5 000 YIELD .297MTY 5.0000% FA-15 DUE 08/15/2011 FULL PRICE IS 103.12500000 ACCRUED INT REC $ 50.14	-3,000	$ 103.125	$ 3,143 89
12/15/10	Sold	U S TREASURY NOTE SER B-2012 DTD 02/15/2002 DUE 02/15/2012 RATE 4.875 YIELD .397MTY 4.8750% FA-15 DUE 02/15/2012 FULL PRICE IS 105.20312500 ACCRUED INT REC $ 32.59	-2,000	105.20312	2,136.65
12/15/10	Bought	U S TREASURY NOTES SER F-2010 DTD 11/15/2010 DUE 11/15/2020 RATE 2.625 YIELD 3.412MTY 2 6250% MN-15 DUE 11/15/2020 FULL PRICE IS 93.42187500 ACCRUED INT PD $ 17.98	8,000	93 42187	-7,491.73
Total securities bought and other subtractions					**$ -7,491.73**
Total securities sold and other additions					**$ 5,280 54**
Total accrued interest paid					17 98
Total accrued interest received					82 73

Money fund

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Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
4,752.13	WESTERN ASSET MONEY MARKET FUND CLASS A	**$ 4,752.13**		.06%	**$ 2.85**
Total money fund		**$ 4,752.13**	**$ 0.00**	**.05%**	**$ 2.85**

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
14	ACE LIMITED	ACE	01/25/08	$ 809 34	$ 57.81	$ 62 25	$ 871.50	$ 62.16 LT		
8			09/22/08	478.02	59.752	62.25	498.00	19.98 LT		
22				**1,287 36**	**58 516**		**1,369.50**	**82.14**	**2.12**	**29.04**
38	CHECK POINT SOFTWARE TECH Exchange rate: .2820078 Shares traded in: Israeli shekels	CHKP	01/25/08	**797.03**	20 974	46.26	**1,757 88**	**960 85** LT		
31	FLEXTRONICS INTL LTD USD	FLEX	05/07/10	215.32	6.945	7 85	243.35	28 03 ST		
51			10/21/10	315.30	6.182	7 85	400.35	85.05 ST		
82				**530 62**	**6 471**		**643.70**	**113 08**		
15	ADECCO SA-CHF	AHEXY	04/23/09	287.44	19.162	32.62	489.30	201 86 LT		
23			06/05/09	507 30	22.056	32.62	750 26	242.96 LT		
38				**794.74**	**20.914**		**1,239 56**	**444.82**	**579**	**7.18**
5	AKZO NOBEL N.V.ADR-EUR	AKZOY	05/12/09	223 67	44 733	62.13	310 65	86.98 LT		
5			10/16/09	344 16	68 832	62.13	310.65	(33 51) LT		
5			04/14/10	295 44	59 088	62.13	310.65	15.21 ST		
4			11/17/10	236 54	59.135	62.13	248.52	11.98 ST		
4			12/23/10	245.14	61.286	62.13	248.52	3.38 ST		
23				**1,344 95**	**58.476**		**1,428.99**	**84.04**	**2 403**	**34.34**
68	AVIVA PLC ADR	AV	10/21/09	1,007 65	14.818	12.41	843.88	(163 77) LT		
20			12/22/10	246 72	12 336	12.41	248.20	1 48 ST		
88				**1,254 37**	**14 254**		**1,092.08**	**(162.29)**	**5 914**	**64.59**

Business FMA Statement
December 31, 2010

MITCHELL W. WATTS FAMILY ***Account number 819-73573-15 534***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
34	AXA S.A.SPONS ADR	AXAHY	01/25/08	$ 1,160.42	$ 34.13	$ 16.65	$ 566.10	($ 594.32) LT		
14			03/20/09	177.05	12 646	16.65	233.10	56.05 LT		
16			12/22/10	272.22	17.013	16 65	266.40	(5.82) ST		
64				**1,609.69**	**25.151**		**1,065 60**	**(544 09)**	**3 513**	**37.44**
42	BAE SYSTEMS PLC SPON ADR	BAESY	01/25/08	**1,564 50**	37.25	20.85	**875.70**	**(688 80)** LT	**4.575**	**40.07**
27	BP PLC SPONS ADR	BP	01/25/08	**1,712.07**	63 41	44.17	**1,192.59**	**(519.48)** LT		
15	BMW UNSPONSORED ADR	BAMXY	12/21/09	227.57	15.171	26.09	391.35	163.78 LT		
16			04/19/10	253 66	15.853	26.09	417 44	163 78 ST		
31				**481.23**	**15.524**		**808.79**	**327.56**	**.306**	**2.48**
36	BRAMBLES LTD-AUD	BMBLY	03/27/09	**265 24**	7.367	14.38	**517.68**	**252.44** LT	**3.045**	**15.77**
14	BRITISH AIRWAYS PLC FINAL INSTALLMENT ADR -GBP	BAIRY	05/07/09	187.64	13.403	21.15	296.10	108.46 LT		
20			06/04/09	246 62	12.331	21.15	423.00	176.38 LT		
34				**434.26**	**12 772**		**719 10**	**284 84**	**4 633**	**33.32**
12	BRITISH SKY BROADCASTING GROUP PLC SPONSORED ADR-USD-	BSYBY	01/25/08	**509.46**	42.454	46 45	**557.40**	**47.94** LT	**2.583**	**14.40**
12	CRH PLC ADR-USD	CRH	05/06/09	303.38	25.281	20 80	249.60	(53.78) LT		
11			07/02/09	245.01	22.273	20.80	228.80	(16.21) LT		
15			08/27/10	234.29	15.619	20.80	312.00	77.71 ST		
38				**782 68**	**20.597**		**790.40**	**7.72**	**3.875**	**30.63**
54	CELESIO AG	CAKFY	10/14/08	395.50	7.324	4.89	264.06	(131.44) LT		
18			12/08/08	96.28	5 349	4.89	88.02	(8.26) LT		
23			12/09/08	131.25	5 706	4 89	112.47	(18.78) LT		
95				**623.03**	**6 558**		**464.55**	**(158.48)**	**1.717**	**7.98**
100	CHEUNG KONG HOLDING-ADR	CHEUY	01/25/08	**1,645.00**	16.45	15.40	**1,540.00**	**(105 00)** LT	**2.038**	**31.40**
9	CHINA MOBILE LTD SPONSORED ADR	CHL	05/29/09	**440.89**	48.987	49.62	**446 58**	**5.69** LT	**3.351**	**14.97**
9	CHINA TELECOM CORP LTD SPONSORED ADR REPSTG H SHS	CHA	01/25/08	665.28	73.92	52.28	470.52	(194.76) LT		
10			02/11/09	365.03	36.502	52.28	522.80	157.77 LT		
6			04/01/09	261.14	43 523	52.28	313.68	52.54 LT		
4			06/01/09	201 87	50.468	52 28	209.12	7.25 LT		
6			06/02/09	299 19	49.864	52.28	313.68	14.49 LT		
35				**1,792.51**	**51.215**		**1,829.80**	**37.29**	**1.876**	**34.34**
62	CREDIT AGRICOLE S A-EUR	CRARY	08/18/10	422.64	6 816	6.37	394.94	(27.70) ST		
55			12/22/10	360 81	6.56	6.37	350 35	(10 46) ST		
117				**783 45**	**6.696**		**745.29**	**(38.16)**	**3.249**	**24.22**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
23	DBS GROUP HLDG LTD SP ADR	DBSDY	01/25/08	$ 1,214.40	$ 52.80	$ 44 94	$ 1,033 62	($ 180.78) LT		
9			02/25/09	187.06	20.784	44.94	404.46	217.40 LT		
14			04/23/09	337.32	24.094	44.94	629.16	291.84 LT		
46				**1,738 78**	**37 80**		**2,067.24**	**328 46**	**3 615**	**74.75**
34	DEUTSCHE POST	DPSGY	03/18/09	334 78	9 846	17.09	581 06	246 28 LT		
32			04/06/09	385 37	12.042	17.09	546.88	161.51 LT		
66				**720 15**	**10.911**		**1,127.94**	**407.79**	**4 452**	**50.23**
23	ENI SPA SPONSORED ADR	E	01/25/08	**1,463.95**	63.65	43.74	**1,006.02**	**(457.93)** LT	**4 266**	**42.92**
50	E ON AG SPONS ADR	EONGY	01/25/08	**3,100.00**	62.00	30 41	**1,520.50**	**(1,579.50)** LT	**4 59**	**69 80**
14	EMBRAER S A-BRL	ERJ	01/25/08	**574.75**	41.053	29.40	**411 60**	**(163.15)** LT	**.581**	**2.39**
23	ERICSSON L M TEL CO CL B ADR NEW -USD-	ERIC	10/16/09	240.26	10.445	11.53	265 19	24.93 LT		
49			11/20/09	493.38	10.068	11.53	564.97	71.59 LT		
25			05/07/10	249.14	9.965	11.53	288.25	39.11 ST		
22			10/06/10	236 58	10.753	11 53	253.66	17 08 ST		
45			10/20/10	485.38	10.786	11.53	518 85	33 47 ST		
164				**1,704 74**	**10 395**		**1,890 92**	**186.18**	**1 682**	**31.82**
53	FRANCE TELECOM SA SPON ADR	FTE	01/25/08	**1,791.49**	33.801	21 08	**1,117.24**	**(674.25)** LT	**7 006**	**78.28**
21	FUJIFILM HLDGS CORP-JPY	FUJIY	01/25/08	**808 63**	38.506	35.74	**750.54**	**(58 09)** LT	**654**	**4 91**
26	GDF SUEZ-EUR	GDFZY	07/25/08	**1,703 30**	67.00	36 04	**937 04**	**(766.26)** LT	**6.245**	**58.53**
15	GAZPROM OAO SPONS ADR	OGZPY	01/25/08	759.75	50 65	25.44	381 60	(378.15) LT		
6			05/09/08	361.17	60.195	25 44	152.64	(208.53) LT		
21				**1,120 92**	**53.377**		**534.24**	**(586 68)**	**963**	**5.15**
29	G4S PLC UNSPON ADR	GFSZY	10/31/08	439 51	15.155	19 73	572.17	132.66 LT		
24			01/16/09	355 32	14.805	19.73	473 52	118 20 LT		
53				**794.83**	**14.997**		**1,045 69**	**250 86**	**2 584**	**27 03**
33	GLAXOSMITHKLINE PLC SP ADR	GSK	01/25/08	**1,550 34**	46.98	39.22	**1,294.26**	**(256.08)** LT	**5 096**	**65.97**
6	HSBC HLDG PLC SP ADR NEW	HBC	01/25/08	455 46	75.91	51.04	306.24	(149.22) LT		
8			08/18/10	409 13	51.141	51.04	408 32	(.81) ST		
14				**864.59**	**61.756**		**714 56**	**(150.03)**	**3 33**	**23 80**
11	HUTCHISON WHAMPOA LTD-ADR	HUWHY	01/25/08	541.53	49.23	51.41	565.51	23.98 LT		
7			05/06/09	212.26	30 322	51 41	359.87	147 61 LT		
18				**753 79**	**41.877**		**925.38**	**171.59**	**2.083**	**19.28**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
13	ICICI BANK LTD-SPONS ADR-INR	IBN	01/25/08	$ 807 95	$ 62.15	$ 50.64	$ 658.32	($ 149.63) LT		
6			05/05/08	277.87	46.312	50.64	303.84	25.97 LT		
16			10/14/08	282.79	17.674	50.64	810 24	527.45 LT		
35				**1,368.61**	**39.103**		**1,772 40**	**403.79**	**1.016**	**18.03**
54	ING GROEP NV SPONS ADR	ING	01/25/08	1,704.11	31 557	9.79	528.66	(1,175 45) LT		
8			05/13/08	304 64	38.08	9.79	78.32	(226.32) LT		
54			12/17/09	338.37	6.266	9.79	528 66	190.29 LT		
27			10/20/10	294 48	10 906	9 79	264.33	(30.15) ST		
143				**2,641 60**	**18.473**		**1,399.97**	**(1,241.63)**		
27	INTESA SANPAOLO S P A SPONSORED ADR	ISNPY	01/25/08	**1,107.00**	41.00	16.22	**437.94**	**(669 06)** LT	**2.509**	**10.99**
25	ITOCHU CORP ADR	ITOCY	06/18/10	426.16	17.046	20.15	503.75	77.59 ST		
15			06/30/10	237.54	15.835	20.15	302.25	64.71 ST		
10			12/03/10	195.03	19.503	20 15	201.50	6.47 ST		
50				**858.73**	**17.175**		**1,007.50**	**148 77**	**1.682**	**16 95**
18	KB FINANCIAL GROUP INC ADR	KB	01/25/08	1,172.16	65 12	52.89	952.02	(220.14) LT		
6			02/28/08	386.98	64.496	52 89	317.34	(69.64) LT		
4			02/04/10	171.31	42.827	52.89	211.56	40.25 ST		
28				**1,730.45**	**61.802**		**1,480 92**	**(249 53)**	**283**	**4.20**
161	KINGFISHER PLC SPONSORED ADR NEW	KGFHY	01/25/08	909.65	5.65	8.16	1,313.76	404.11 LT		
52			05/13/08	309 04	5 943	8.16	424.32	115 28 LT		
213				**1,218 69**	**5 722**		**1,738.08**	**519 39**	**1 813**	**31 52**
31	KONINKLIJKE PHILIPS ELECTRONCIS NS SPON ADR NEW	PHG	01/25/08	**1,163 74**	37 54	30.70	**951.70**	**(212.04)** LT	**2.583**	**24 58**
20	KONICA MINOLTA HLDGS UNSPON ADR	KNCAY	06/05/09	445.12	22.256	20 50	410.00	(35 12) LT		
20			07/01/10	385 24	19.262	20 50	410.00	24.76 ST		
40				**830.36**	**20.759**		**820.00**	**(10.36)**	**1.512**	**12.40**
43	LONZA GROUP AG UNSPON ADR	LZAGY	10/16/08	457.35	10 635	7.97	342.71	(114.64) LT		
36			10/28/09	378.74	10.52	7.97	286.92	(91.82) LT		
79				**836.09**	**10 583**		**629 63**	**(206 46)**	**1.191**	**7.51**
24	MARKS & SPENCER GROUP PLC SPONSORED ADR	MAKSY	11/06/09	295.64	12.318	11 50	276.00	(19.64) LT		
22			05/07/10	214.68	9 758	11.50	253.00	38 32 ST		
23			12/16/10	275.84	11.992	11.50	264 50	(11 34) ST		
69				**786 16**	**11.394**		**793 50**	**7.34**	**3 947**	**31 33**
20	MERCK KGAA ADR	MKGAY	01/25/08	800 00	40.00	26.55	531 00	(269.00) LT		
7			07/10/08	303 14	43 306	26 55	185.85	(117 29) LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
7	MERCK KGAA ADR	MKGAY	10/09/08	$ 223.65	$ 31.949	$ 26.55	$ 185.85	($ 37.80) LT		
7			11/06/09	227.55	32 506	26 55	185 85	(41.70) LT		
9			01/25/10	278.79	30.976	26.55	238.95	(39.84) ST		
50				**1,833.13**	**36.663**		**1,327.50**	**(505 63)**	**1.178**	**15 65**
29	MICHELIN CGDE UNSPON ADR	MGDDY	10/14/08	367.08	12.658	14.34	415.86	48.78 LT		
41			12/09/08	444.08	10.831	14.34	587.94	143.86 LT		
70				**811.16**	**11.588**		**1,003.80**	**192.64**	**1.269**	**12.74**
55	MITSUBISHI UFJ FINANCIAL GROUP INC ADR	MTU	12/17/09	**288.09**	5.238	5.41	**297.55**	**9.46** LT	**2.347**	**6.99**
48	MUNICH RE GROUP UNSPON ADR	MURGY	10/17/08	596.10	12.418	15 11	725.28	129.18 LT		
19			02/26/09	225 07	11 845	15.11	287.09	62.02 LT		
67				**821 17**	**12 256**		**1,012.37**	**191.20**	**3.56**	**36.05**
3	NATIONAL AUSTRALIA BK LTD SPONSORED ADR -USD-	NABZY	01/25/08	95.25	31.75	24.16	72.48	(22.77) LT		
15			03/25/08	419.60	27.973	24 16	362.40	(57.20) LT		
18				**514.85**	**28.603**		**434.88**	**(79 97)**	**5 769**	**25.09**
6	NATIONAL GRID PLC GBP SPONS ADR NEW	NGG	10/21/08	**350.38**	58.397	44.38	**266.28**	**(84.10)** LT	**6.304**	**16.79**
22	NESTLE S A SPONSORED ADR	NSRGY	01/25/08	**959.20**	43 60	58.82	**1,294.04**	**334.84** LT	**1.524**	**19.73**
26	NINTENDO CO LTD ADR NEW	NTDOY	01/25/08	1,576.90	60.65	36.33	944.58	(632.32) LT		
7			01/30/09	255 40	36 485	36.33	254.31	(1.09) LT		
5			05/22/09	167.94	33.588	36.33	181.65	13.71 LT		
38				**2,000.24**	**52.638**		**1,380.54**	**(619.70)**	**2.78**	**38.38**
45	NORDEA BK AB SWEDEN-EUR	NDBAY	04/08/09	**267.68**	5.948	10.80	**486.00**	**218.32** LT	**2.407**	**11.70**
23	NOVARTIS AG ADR	NVS	01/25/08	**1,155 75**	50.25	58.95	**1,355.85**	**200.10** LT	**2.804**	**38 02**
16	PEARSON PLC SPONSORED ADR	PSO	01/25/08	210 03	13.126	15.89	254.24	44.21 LT		
41			10/10/08	370.48	9.036	15.89	651.49	281.01 LT		
57				**580.51**	**10.184**		**905.73**	**325.22**	**3 41**	**30 89**
5	PETROLEO BRASILEIRO SA ADR	PBRA	09/05/08	182 71	36.541	34.17	170 85	(11.86) LT		
7			10/01/08	250.03	35.718	34.17	239.19	(10.84) LT		
7			03/11/09	164.53	23.504	34.17	239.19	74.66 LT		
7			03/20/09	183.18	26.169	34.17	239.19	56 01 LT		
9			06/01/09	326.02	36.223	34.17	307.53	(18 49) LT		
35				**1,106.47**	**31 613**		**1,195.95**	**89 48**	**.438**	**5.25**
21	PORTUGAL TELECOM SPON ADR	PT	01/25/08	**265.02**	12.62	11 46	**240 66**	**(24 36)** LT	**13 839**	**33 31**
20	PREMIER FOODS PLC UNSPON ADR	PRRFY	03/18/09	75.06	3.753	2.93	58.60	(16.46) LT		
54			03/19/09	222.89	4.127	2 93	158 22	(64.67) LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
10	PREMIER FOODS PLC UNSPON	PRRFY	03/20/09	$ 42.68	$ 4 268	$ 2.93	$ 29 30	($ 13 38) LT		
78	ADR		04/29/10	320.88	4.113	2 93	228 54	(92 34) ST		
58			09/21/10	170.17	2.934	2.93	169.94	(23) ST		
220				**831.68**	**3.78**		**644.60**	**(187.08)**		
23	REED ELSEVIER NV	ENL	01/25/08	812.99	35.347	24.88	572.24	(240.75) LT		
10			06/16/10	224.96	22.495	24.88	248.80	23 84 ST		
10			10/27/10	259 59	25 959	24.88	248 80	(10.79) ST		
11			12/20/10	267.91	24.355	24 88	273 68	5.77 ST		
54				**1,565.45**	**28 99**		**1,343.52**	**(221.93)**	**3 444**	**46.28**
22	REPSOL S A SPONSORED ADR	REP	01/25/08	**675 62**	30.71	27.94	**614 68**	**(60 94)** LT	**3 546**	**21.80**
12	REXAM PLC SPONS ADR -NEW-	REXMY	01/25/08	**506.88**	42.24	25.81	**309.72**	**(197.16)** LT	**3.487**	**10.80**
6	ROCHE HLDG LTD SPON ADR	RHHBY	11/11/08	211.70	35 283	36.65	219.90	8 20 LT		
6			12/09/08	213.26	35 544	36.65	219.90	6 64 LT		
11			03/06/09	314.22	28 565	36.65	403.15	88.93 LT		
7			12/16/09	294.40	42.056	36 65	256.55	(37.85) LT		
8			05/28/10	276 48	34.559	36.65	293.20	16 72 ST		
38				**1,310.06**	**34 475**		**1,392.70**	**82 64**	**3 165**	**44 08**
10	ROLLS ROYCE GROUP PLC	RYCEY	01/25/08	465 20	47.00	48.68	486 80	21.60 LT		
8	SPONSORED ADR		05/14/08	346.01	43.731	48.68	389 44	43 43 LT		
18				**811.21**	**45.067**		**876 24**	**65 03**	**.979**	**8.59**
17	ROYAL DUTCH SHELL PLC ADR	RDSB	01/25/08	1,202 92	70.76	66.67	1,133 39	(69 53) LT		
8	CL B		04/16/10	474.75	59.344	66.67	533.36	58.61 ST		
4			12/27/10	262.36	65.591	66.67	266.68	4.32 ST		
29				**1,940.03**	**66.898**		**1,933 43**	**(6 60)**	**5.039**	**97.44**
38	SBM OFFSHORE NV-EUR	SBFFY	04/02/09	**497.02**	13.122	22.62	**859.56**	**362.54** LT	**2.183**	**18 77**
33	SAGE GROUP PLC UNCPON ADR	SGPYY	10/09/09	**493 14**	14.943	17 21	**567.93**	**74.79** LT	**2.405**	**13 66**
49	SANOFI-AVENTIS	SNY	01/25/08	1,976.66	40.34	32.23	1,579.27	(397.39) LT		
12	SPONS ADR		05/14/08	449.62	37.468	32 23	386.76	(62 86) LT		
61				**2,426.28**	**39.775**		**1,966 03**	**(460.25)**	**3.419**	**67 22**
23	SAP AG SPONS ADR-USD	SAP	01/25/08	1,053.63	45.81	50.61	1,164.03	110.40 LT		
12			02/21/08	585.81	48.817	50.61	607.32	21.51 LT		
8			06/08/09	335.76	41.97	50.61	404 88	69.12 LT		
43				**1,975 20**	**45 935**		**2,176.23**	**201.03**	**.829**	**18.06**

MorganStanley
SmithBarney

Ref· 00000125 00015765

Business FMA Statement
December 31, 2010

MITCHELL W. WATTS FAMILY ***Account number* 819-73573-15 534**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
13	SHANGHAI ELEC GROUP CO LTD-CNY	SIELY	03/19/09	$ 68.75	$ 5.288	$ 13 07	$ 169.91	$ 101.16 LT		
29			04/01/09	172.98	5.964	13 07	379.03	206.05 LT		
30			06/30/10	269.61	8.987	13.07	392.10	122.49 ST		
72				**511.34**	**7.102**		**941.04**	**429.70**	**1.094**	**10.30**
17	SIEMENS A G SPONS ADR	SI	01/25/08	**2,089.13**	122.89	124.25	**2,112.25**	**23 12** LT	**2 185**	**46.17**
52	SILICONWARE PRECISION INDS SPON ADR	SPIL	12/23/10	**304.49**	5.855	5.95	**309.40**	**4 91** ST	**5.109**	**15.81**
76	SINGAPORE TELECOMMUNICATIO SPONSORED ADR NEW	SGAPY	01/25/08	**1,983 60**	26.10	23.75	**1,805.00**	**(178 60)** LT	**4 492**	**81.09**
15	SONY CORP SPON ADR-NEW	SNE	01/25/08	**700.95**	46 73	35.71	**535.65**	**(165.30)** LT	**.728**	**3.90**
17	STATOILHYDRO ASA SPONS ADR	STO	05/12/09	367.02	21.589	23 77	404.09	37.07 LT		
22			06/03/09	459 65	20.893	23.77	522.94	63.29 LT		
16			12/20/10	367.04	22.94	23.77	380.32	13 28 ST		
10			12/23/10	232.81	23.28	23.77	237.70	4.89 ST		
65				**1,426.52**	**21.946**		**1,545 05**	**118.53**	**3 277**	**50 64**
12	SUEZ ENVIRONNEMENT CO S A-EUR	SZEVY	11/10/08	104.09	8 674	10.28	123.36	19.27 LT		
31			12/10/08	248.25	8.008	10.28	318.68	70 43 LT		
43				**352.34**	**8 194**		**442.04**	**89.70**	**3 054**	**13 50**
45	SWIRE PACIFIC LTD SP ADR	SWRAY	01/25/08	**605.25**	13.45	16.43	**739.35**	**134.10** LT	**2.288**	**16.92**
19	SWISS REINSURANCE SPON ADR	SWCEY	01/25/08	**1,391.75**	73.25	53.72	**1,020.68**	**(371.07)** LT	**1.478**	**15 09**
92	TAIWAN SEMICONDUCTOR MFG CO LTD ADR	TSM	01/25/08	796 98	8.75	12.54	1,153.68	356.70 LT		
38			02/26/08	378.38	10.057	12.54	476.52	98.14 LT		
28			01/30/09	213.85	7 675	12.54	351.12	137.27 LT		
30			10/21/10	312.99	10 432	12.54	376.20	63.21 ST		
188				**1,702.20**	**9 054**		**2,357.52**	**655.32**	**2.974**	**70.12**
13	TALISMAN ENERGY INC	TLM	05/12/09	182.72	14.055	22.19	288.47	105.75 LT		
15			04/23/10	255 35	17.023	22.19	332.85	77 50 ST		
15			10/06/10	266 72	17.781	22.19	332.85	66.13 ST		
43				**704.79**	**16.39**		**954.17**	**249.38**	**1.099**	**10.49**
18	TELEFONICA S.A. SPON ADR	TEF	01/25/08	1,547.10	85.95	68 42	1,231.56	(315 54) LT		
6			06/12/09	391 34	65.223	68 42	410.52	19.18 LT		
24				**1,938 44**	**80.768**		**1,642.08**	**(296.36)**	**6.103**	**100.22**
29	TELEKOM AUSTRIA AG SPON ADR	TKAGY	01/25/08	**1,590 36**	54.84	28.00	**812.00**	**(778.36)** LT	**4 707**	**38 22**
35	TELENOR ASA ADR REPSTG	TELNY	01/25/08	**2,166.50**	61.90	48.90	**1,711.50**	**(455.00)** LT	**1.967**	**33 67**

Business FMA Statement
December 31, 2010

MITCHELL W. WATTS FAMILY | ***Account number** 819-73573-15 534*

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
23	TESCO PLC SPONSORED ADR	TSCDY	06/11/08	$ 538.12	$ 23.396	$ 20.18	$ 464.14	($ 73.98) LT		
10			09/25/08	210.54	21.053	20.18	201.80	(8 74) LT		
13			12/10/08	196.50	15.115	20 18	262.34	65 84 LT		
46				**945.16**	**20 547**		**928 28**	**(16 88)**	2.874	26 68
33	TOTAL S.A SPONS ADR	TOT	01/25/08	**2,405.04**	72 88	53.48	**1,764 84**	**(640 20)** LT	4.642	81.94
6	TOYOTA MOTOR CORP ADR NEW	TM	02/27/08	677.14	112 856	78.63	471 78	(205 36) LT		
3			04/21/08	309.63	103 208	78.63	235 89	(73.74) LT		
3			05/05/08	314.48	104 828	78.63	235.89	(78.59) LT		
5			10/01/08	420.79	84.157	78.63	393.15	(27.64) LT		
17				**1,722.04**	**101 296**		**1,336 71**	**(385.33)**	1 21	16.18
41	TURKCELL ILETISM HIZMET ADR	TKC	01/25/08	**935 21**	22.81	17.13	**702 33**	**(232 88)** LT	3 45	24.23
53	UNILEVER NV NY SHS-NEW	UN	01/25/08	**1,694 41**	31 97	31.40	**1,664.20**	**(30 21)** LT	3 019	50 24
12	VALE SA SPON ADR REPSTG 1 CLASS A PFD	VALEP	03/30/09	137.25	11.437	30.22	362 64	225.39 LT		
17			06/18/09	272 95	16.055	30.22	513.74	240.79 LT		
17			07/08/09	238.62	14.036	30 22	513.74	275.12 LT		
46				**648.82**	**14.105**		**1,390.12**	**741.30**	.632	8.79
24	VINCI S.A. ADR	VCISY	05/23/08	466.13	19.422	13 65	327 60	(138.53) LT		
22			06/04/08	395 19	17 963	13.65	300.30	(94.89) LT		
20			01/16/09	192.94	9 647	13.65	273 00	80 06 LT		
66				**1,054.26**	**15 974**		**900 90**	**(153.36)**	2 82	25 41
48	VODAFONE GROUP PLC SPONS ADR NEW	VOD	01/25/08	1,658 88	34 56	26.44	1,269 12	(389.76) LT		
14			03/12/09	225.50	16.106	26.44	370.16	144.66 LT		
21			06/21/10	451.42	21.496	26.44	555 24	103.82 ST		
83				**2,335 80**	**28.142**		**2,194 52**	**(141.28)**	4.931	108.23
166	WOLSELEY PLC SPONSORED ADR	WOSYY	06/02/09	**295.18**	1.778	3.13	**519 58**	**224 40** LT		
Total common stocks and options				**$ 103,374.57**			**$ 97,675.00**	**$ 1,064.39 ST** **($ 6,763.96) LT**	**2.68**	**$ 2,619.67**
Total portfolio value				**$ 108,126.70**			**$ 102,427.13**	**$ 1,064.39 ST** **($ 6,763.96) LT**	**2.56**	**$ 2,622.52**

MITCHELL W. WATTS FAMILY **Account number 819-73574-14 534**

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2	DAIMLER AG	DDAIF	03/22/10	$ 93.01	$ 46.506	$ 68.044	$ 136.09	$ 43 08 ST		
5	Exchange rate: 1.3363000		03/30/10	232.01	46.401	68.044	340.22	108.21 ST		
3	Shares traded in:		03/30/10	140.00	46.667	68.044	204.13	64.13 ST		
5	EURO Monetary Unit		03/31/10	233 80	46.76	68.044	340.22	106 42 ST		
6			04/14/10	299.29	49 882	68.044	408.26	108.97 ST		
6			04/15/10	299.61	49.935	68.044	408.26	108.65 ST		
6			04/15/10	301.40	50 233	68.044	408.26	106.86 ST		
8			04/16/10	399.90	49 987	68.044	544.35	144.45 ST		
41				**1,999.02**	**48.757**		**2,789.79**	**790.77**	**1.171**	**32.68**
1	LYONDELLBASELL INDU CL A	LYB	10/08/10	25.00	25.00	34.40	34.40	9.40 ST		
24			10/11/10	629.21	26.217	34.40	825 60	196.39 ST		
10			10/12/10	259.22	25 922	34 40	344.00	84.78 ST		
12			10/13/10	324.59	27.049	34.40	412.80	88.21 ST		
14			10/15/10	373.38	26 67	34.40	481.60	108 22 ST		
61				**1,611.40**	**26.416**		**2,098.40**	**487.00**		
5	AGILENT TECHNOLOGIES INC	A	02/03/10	148.51	29 702	41.43	207.15	58.64 ST		
10			02/04/10	291.74	29.174	41.43	414.30	122.56 ST		
10			02/04/10	292.35	29.234	41.43	414.30	121.95 ST		
10			02/05/10	287.40	28.74	41.43	414.30	126.90 ST		
10			02/05/10	291.39	29.138	41.43	414 30	122.91 ST		
9			02/05/10	254.87	28.319	41.43	372.87	118.00 ST		
9			06/15/10	287.34	31.926	41 43	372 87	85.53 ST		
5			08/30/10	140.08	28 016	41.43	207.15	67.07 ST		
9			09/02/10	259.47	28.83	41.43	372.87	113.40 ST		
11			09/03/10	328.16	29.833	41.43	455.73	127.57 ST		
88				**2,581.31**	**29.333**		**3,645.84**	**1,064.53**		
3	ALLERGAN INC	AGN	02/05/10	174.48	58.16	68.67	206.01	31.53 ST		
5			02/08/10	291 57	58.313	68.67	343.35	51 78 ST		
4			02/09/10	235 74	58.934	68.67	274.68	38 94 ST		
5			02/10/10	293.49	58.698	68.67	343.35	49.86 ST		
6			03/01/10	357.68	59.613	68.67	412.02	54.34 ST		
3			03/29/10	193 56	64.519	68.67	206.01	12 45 ST		
4			03/30/10	258.43	64.607	68.67	274.68	16.25 ST		
4			03/31/10	259 28	64.82	68 67	274.68	15.40 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
4	ALLERGAN INC	AGN	04/01/10	$ 262 09	$ 65.522	$ 68.67	$ 274.68	$ 12.59 ST		
38				**2,326.32**	**61 219**		**2,609 46**	**283.14**	**.291**	**7.60**
2	AMAZON COM INC	AMZN	10/23/09	235.06	117.529	180.00	360 00	124.94 LT		
1			10/26/09	123.89	123.888	180.00	180.00	56.11 LT		
2			10/30/09	238.10	119.051	180.00	360.00	121.90 LT		
1			01/27/10	122.64	122.643	180.00	180.00	57.36 ST		
3			01/28/10	373.69	124.564	180.00	540.00	166.31 ST		
9			07/27/10	1,051.01	116.778	180.00	1,620.00	568.99 ST		
2			08/25/10	250 49	125.242	180.00	360.00	109.51 ST		
5			09/01/10	647.16	129.432	180.00	900.00	252 84 ST		
25				**3,042 04**	**121.682**		**4,500 00**	**1,457 96**		
7	AMERICAN EXPRESS CO	AXP	08/06/09	218.47	31.209	42 92	300 44	81.97 LT		
18			08/07/09	591.74	32.874	42.92	772.56	180.82 LT		
8			02/02/10	310.03	38.753	42 92	343 36	33 33 ST		
7			03/29/10	291.28	41.611	42 92	300.44	9.16 ST		
8			03/30/10	331.11	41 388	42.92	343.36	12.25 ST		
8			03/31/10	328.33	41.04	42 92	343.36	15 03 ST		
14			04/23/10	678.37	48.455	42 92	600.88	(77 49) ST		
7			10/14/10	274.64	39.234	42 92	300.44	25.80 ST		
77				**3,023.97**	**39 272**		**3,304 84**	**280 87**	**1.677**	**55 44**
10	AMERICAN TOWER CORP-CLASS A	AMT	01/28/08	366 17	36 617	51 64	516.40	150 23 LT		
11			07/07/08	440.67	40 06	51.64	568.04	127.37 LT		
11			09/25/08	418 67	38 061	51.64	568 04	149.37 LT		
15			09/26/08	566 22	37.747	51.64	774 60	208.38 LT		
2			09/26/08	74.61	37.306	51.64	103 28	28.67 LT		
5			10/03/08	175.70	35.14	51.64	258.20	82.50 LT		
4			10/10/08	113.07	28.268	51 64	206.56	93 49 LT		
9			03/29/10	384 17	42.685	51 64	464.76	80 59 ST		
10			03/30/10	426 72	42.671	51 64	516 40	89.68 ST		
8			11/03/10	415.07	51.883	51.64	413 12	(1.95) ST		
85				**3,381.07**	**39.777**		**4,389.40**	**1,008 33**		
4	APPLE INC	AAPL	06/17/08	725 78	181 444	322.56	1,290 24	564.46 LT		
3			07/02/08	522.65	174 215	322.56	967.68	445 03 LT		
2			07/09/08	354 52	177.261	322.56	645.12	290 60 LT		
2			01/27/09	180 17	90.082	322.56	645 12	464 95 LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2	APPLE INC	AAPL	01/28/09	$ 189 01	$ 94.504	$ 322.56	$ 645.12	$ 456.11 LT		
2			01/29/09	186.58	93.291	322.56	645.12	458 54 LT		
4			03/18/09	406 44	101.609	322 56	1,290 24	883.80 LT		
2			04/29/09	251.60	125.802	322.56	645.12	393.52 LT		
4			05/27/09	533.33	133.331	322.56	1,290 24	756.91 LT		
3			10/15/09	570 08	190.026	322.56	967.68	397.60 LT		
2			10/21/09	412.46	206.231	322.56	645.12	232.66 LT		
30				**4,332 62**	**144 421**		**9,676 80**	**5,344.18**		
13	BAIDU INC SPON ADR RPTNG ORD SHS CL A	BIDU	05/28/10	950 76	73.135	96 53	1,254 89	304.13 ST		
2			05/28/10	146.08	73.038	96.53	193.06	46.98 ST		
7			06/15/10	521.50	74.50	96.53	675.71	154.21 ST		
2			12/30/10	196 90	98.447	96.53	193.06	(3.84) ST		
1			12/31/10	97.44	97.442	96.53	96.53	(.91) ST		
25				**1,912.68**	**76.507**		**2,413.25**	**500 57**		
149	CITIGROUP INC	C	11/08/10	665.64	4.467	4.73	704.77	39.13 ST		
152			11/09/10	662 99	4.361	4.73	718.96	55.97 ST		
143			11/10/10	618.95	4 328	4.73	676.39	57.44 ST		
150			12/07/10	692.99	4.619	4.73	709.50	16.51 ST		
5			12/17/10	23 39	4 678	4.73	23.65	.26 ST		
599				**2,663 96**	**4.447**		**2,833.27**	**169.31**		
2	CITRIX SYSTEMS INC	CTXS	08/13/10	114 25	57.123	68.41	136.82	22 57 ST		
11			08/16/10	631.55	57.413	68.41	752.51	120.96 ST		
10			08/17/10	583.93	58.393	68.41	684.10	100.17 ST		
9			08/18/10	526.49	58.498	68.41	615.69	89.20 ST		
11			08/24/10	643 02	58.456	68 41	752.51	109.49 ST		
7			09/08/10	445.08	63.582	68 41	478.87	33.79 ST		
6			09/09/10	379.34	63 223	68.41	410.46	31.12 ST		
56				**3,323 66**	**59.351**		**3,830.96**	**507.30**		
16	CONOCOPHILLIPS	COP	07/28/10	872 46	54 528	68.10	1,089 60	217.14 ST		
12			07/28/10	654.71	54.559	68.10	817.20	162.49 ST		
6			07/30/10	331.02	55.169	68.10	408.60	77.58 ST		
5			07/30/10	276 99	55.398	68.10	340 50	63 51 ST		
5			08/02/10	280 93	56.186	68.10	340 50	59 57 ST		
4			08/03/10	228 24	57.06	68.10	272.40	44 16 ST		
5			08/04/10	289 57	57 913	68.10	340.50	50 93 ST		

Business FMA Statement

December 31, 2010

MITCHELL W. WATTS FAMILY ***Account number 819-73574-14 534***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
9	CONOCOPHILLIPS	COP	08/05/10	$ 516.79	$ 57.42	$ 68.10	$ 612.90	$ 96.11 ST		
62				**3,450.71**	**55 657**		**4,222.20**	**771.49**	**3 23**	**136.40**
5	CUMMINS INC	CMI	07/07/10	335 05	67 009	110.01	550.05	215.00 ST		
7			07/08/10	477.13	68.16	110.01	770.07	292 94 ST		
7			07/09/10	496.22	70.888	110.01	770 07	273.85 ST		
7			07/12/10	494.09	70.584	110.01	770.07	275.98 ST		
7			07/13/10	506.45	72.35	110.01	770.07	263.62 ST		
5			07/14/10	370 37	74.074	110.01	550.05	179.68 ST		
38				**2,679.31**	**70.508**		**4,180.38**	**1,501.07**	**.954**	**39.90**
21	DELTA AIR LINES INC (NEW)	DAL	10/19/09	188 07	8.955	12.60	264.60	76 53 LT		
34			10/20/09	306.90	9.026	12.60	428.40	121.50 LT		
32			10/21/09	276.57	8.642	12 60	403.20	126.63 LT		
17			10/23/09	138.99	8.176	12 60	214.20	75.21 LT		
14			10/23/09	114.24	8.159	12 60	176.40	62.16 LT		
20			10/26/09	159 97	7.998	12.60	252.00	92 03 LT		
32			04/30/10	385.52	12.047	12 60	403.20	17.68 ST		
170				**1,570.26**	**9.237**		**2,142.00**	**571.74**		
3	WALT DISNEY CO	DIS	01/21/10	92.95	30.982	37.51	112 53	19 58 ST		
5			01/22/10	150.90	30.18	37.51	187.55	36.65 ST		
7			01/25/10	208.22	29.745	37.51	262.57	54.35 ST		
22			01/28/10	641.48	29 158	37.51	825 22	183 74 ST		
10			02/03/10	304.83	30.482	37.51	375.10	70.27 ST		
10			02/03/10	307.70	30.77	37.51	375.10	67.40 ST		
19			03/02/10	602.00	31.684	37.51	712 69	110 69 ST		
14			03/24/10	479 73	34 266	37.51	525.14	45.41 ST		
13			03/25/10	457 79	35.214	37 51	487.63	29.84 ST		
8			04/27/10	291.33	36.415	37.51	300.08	8.75 ST		
8			05/11/10	285 32	35.664	37.51	300 08	14.76 ST		
119				**3,822.25**	**32.12**		**4,463 69**	**641 44**	**1.066**	**47.60**
15	DIRECTV CL A	DTV	09/08/10	597 13	39.808	39.93	598.95	1.82 ST		
14			09/08/10	557.90	39.85	39 93	559.02	1.12 ST		
12			09/09/10	478.87	39.905	39.93	479.16	.29 ST		
10			10/11/10	421 38	42.137	39.93	399.30	(22.08) ST		
10			11/04/10	432 91	43.291	39.93	399 30	(33.61) ST		
61				**2,488 19**	**40.79**		**2,435.73**	**(52.46)**		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
7	EMC CORP-MASS	EMC	08/12/09	$ 107.18	$ 15.31	$ 22.90	$ 160.30	$ 53.12 LT		
16			12/04/09	273.31	17.081	22 90	366.40	93.09 LT		
13			12/07/09	220.85	16.988	22 90	297.70	76 85 LT		
37			01/28/10	635.67	17.18	22.90	847.30	211.63 ST		
15			02/01/10	254.16	16 944	22.90	343.50	89.34 ST		
13			06/30/10	241.59	18 583	22.90	297 70	56.11 ST		
101				**1,732.76**	**17.156**		**2,312.90**	**580.14**		
4	EATON CORP	ETN	07/22/10	300.13	75 033	101 51	406.04	105.91 ST		
13			07/23/10	990.48	76.19	101.51	1,319.63	329.15 ST		
7			07/26/10	542.04	77.434	101.51	710.57	168.53 ST		
12			07/27/10	935 22	77.934	101.51	1,218.12	282.90 ST		
4			07/30/10	311.66	77 914	101.51	406.04	94.38 ST		
40				**3,079.53**	**76 988**		**4,060.40**	**980.87**	**2.285**	**92 80**
6	EMERSON ELECTRIC CO	EMR	10/28/10	327.75	54 625	57.17	343.02	15.27 ST		
6			10/28/10	328.39	54.731	57.17	343 02	14.63 ST		
11			10/29/10	604.14	54.921	57.17	628.87	24.73 ST		
12			11/01/10	666.09	55.507	57.17	686.04	19.95 ST		
20			11/02/10	1,086.68	54.334	57.17	1,143.40	56.72 ST		
6			11/02/10	328.06	54.677	57.17	343.02	14.96 ST		
61				**3,341.11**	**54 772**		**3,487.37**	**146.26**	**2.413**	**84.18**
20	EXPRESS SCRIPTS INC.COMMON	ESRX	11/10/09	865.49	43 274	54.05	1,081.00	215.51 LT		
6			01/08/10	274.19	45 698	54 05	324.30	50.11 ST		
4			01/11/10	184.30	46.074	54 05	216 20	31.90 ST		
12			02/05/10	501.39	41.782	54.05	648.60	147.21 ST		
6			02/05/10	254.87	42.478	54.05	324 30	69.43 ST		
4			12/30/10	216.90	54.226	54.05	216.20	(.70) ST		
3			12/31/10	161.77	53.924	54.05	162.15	.38 ST		
55				**2,458 91**	**44 707**		**2,972.75**	**513 84**		
2	F5 NETWORKS INC	FFIV	06/22/10	149.49	74.745	130 16	260.32	110.83 ST		
5			06/23/10	365.04	73.007	130.16	650 80	285.76 ST		
7			06/30/10	490 38	70.054	130.16	911.12	420.74 ST		
4			10/22/10	393.51	98.378	130.16	520.64	127.13 ST		
2			10/25/10	202 84	101.421	130.16	260.32	57.48 ST		
20				**1,601 26**	**80 063**		**2,603.20**	**1,001 94**		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
12	FORD MOTOR COMPANY	F	11/06/09	$ 91.18	$ 7.598	$ 16.79	$ 201.48	$ 110.30 LT		
70			11/09/09	563.93	8.056	16.79	1,175.30	611.37 LT		
68			11/10/09	556.36	8.181	16.79	1,141.72	585.36 LT		
30			06/03/10	360.41	12.013	16.79	503.70	143 29 ST		
76			06/30/10	788.61	10 376	16 79	1,276.04	487 43 ST		
5			09/09/10	59.49	11 898	16.79	83 95	24.46 ST		
23			11/03/10	338.49	14.717	16.79	386.17	47.68 ST		
284				**2,758.47**	**9.713**		**4,768 36**	**2,009.89**		
4	GOOGLE INC CLASS A	GOOG	10/18/10	2,470 01	617.501	593 97	2,375 88	(94.13) ST		
1			10/19/10	612.19	612.193	593 97	593.97	(18.22) ST		
5				**3,082 20**	**616 44**		**2,969.85**	**(112.35)**		
19	HALLIBURTON CO HOLDINGS CO	HAL	12/08/10	775.48	40.814	40.83	775.77	.29 ST		
19			12/09/10	767.49	40.394	40.83	775.77	8 28 ST		
35			12/17/10	1,405.50	40.157	40 83	1,429 05	23.55 ST		
73				**2,948.47**	**40 39**		**2,980 59**	**32.12**	**.881**	**26.28**
62	ITAU UNIBANCO BANCO HLDG S A ADR	ITUB	05/25/10	1,060.38	17 102	24 01	1,488 62	428.24 ST		
21			05/28/10	386 16	18.388	24.01	504 21	118.05 ST		
21			05/28/10	386 23	18 391	24.01	504.21	117.98 ST		
104				**1,832.77**	**17.623**		**2,497.04**	**664.27**	**.341**	**8.53**
8	JUNIPER NETWORKS INC	JNPR	10/30/09	204.42	25.552	36.92	295 36	90.94 LT		
29			11/05/09	753.94	25.997	36 92	1,070.68	316.74 LT		
19			11/10/09	475 91	25.048	36.92	701 48	225.57 LT		
13			11/13/09	338.77	26.058	36 92	479 96	141.19 LT		
12			05/28/10	322.48	26.873	36.92	443.04	120 56 ST		
10			11/03/10	326.86	32.686	36.92	369.20	42.34 ST		
91				**2,422 38**	**26 62**		**3,359.72**	**937.34**		
9	KOHLS CORP	KSS	11/19/10	491.89	54.654	54.34	489 06	(2.83) ST		
8			11/22/10	445.49	55.686	54.34	434 72	(10 77) ST		
8			11/23/10	443 98	55 498	54 34	434.72	(9.26) ST		
8			11/24/10	455.41	56 926	54.34	434.72	(20 69) ST		
9			11/26/10	517.31	57.479	54.34	489.06	(28 25) ST		
42				**2,354 08**	**56 05**		**2,282.28**	**(71.80)**		
23	MACYS INC	M	08/12/10	465.20	20.226	25.30	581.90	116 70 ST		
29			08/13/10	589 83	20.339	25.30	733.70	143.87 ST		
32			08/16/10	647.98	20.249	25.30	809 60	161.62 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
28	MACYS INC	M	10/11/10	$ 701.77	$ 25.063	$ 25.30	$ 708.40	$ 6.63 ST		
112				**2,404.78**	**21.471**		**2,833 60**	**428.82**	**.79**	**22.40**
7	MARRIOTT INTL INC NEW CL A	MAR	06/14/10	241.04	34.434	41 54	290.78	49 74 ST		
11			06/15/10	377.90	34.354	41.54	456.94	79.04 ST		
11			06/16/10	386 75	35.159	41 54	456.94	70.19 ST		
11			06/17/10	388.00	35.272	41.54	456.94	68.94 ST		
12			06/18/10	425.64	35.47	41.54	498.48	72 84 ST		
7			06/21/10	253.26	36 179	41.54	290.78	37.52 ST		
7			06/29/10	216.50	30 928	41.54	290.78	74.28 ST		
10			07/15/10	313.40	31.339	41.54	415.40	102.00 ST		
76				**2,602.49**	**34.243**		**3,157.04**	**554.55**	**842**	**26.60**
11	NETAPP INC	NTAP	12/09/09	368.97	33.543	54.96	604 56	235.59 LT		
8			02/18/10	247.07	30.883	54.96	439 68	192.61 ST		
8			05/28/10	300.76	37.594	54.96	439.68	138.92 ST		
4			06/18/10	165.70	41.425	54.96	219.84	54.14 ST		
6			06/21/10	250 59	41.764	54.96	329.76	79.17 ST		
4			06/29/10	152.88	38.219	54.96	219.84	66 96 ST		
4			08/19/10	161.14	40 286	54.96	219.84	58.70 ST		
45				**1,647.11**	**36.602**		**2,473 20**	**826.09**		
5	NEWFIELD EXPLORATION COMPANY	NFX	02/24/10	244.96	48.992	72.11	360.55	115.59 ST		
6			02/25/10	299.16	49.859	72.11	432.66	133.50 ST		
6			02/26/10	304.78	50.796	72.11	432.66	127.88 ST		
6			03/01/10	313.86	52.309	72.11	432.66	118.80 ST		
5			03/29/10	248.65	49.729	72.11	360.55	111.90 ST		
2			03/30/10	101.05	50.523	72.11	144.22	43.17 ST		
4			03/31/10	206.58	51.645	72.11	288.44	81.86 ST		
4			04/01/10	213.53	53.381	72.11	288.44	74.91 ST		
38				**1,932.57**	**50 857**		**2,740.18**	**807.61**		
6	OCCIDENTAL PETROLEUM CORP-DEL	OXY	08/19/10	451.22	75.203	98 10	588 60	137.38 ST		
8			08/20/10	602 97	75.37	98.10	784 80	181.83 ST		
8			08/20/10	598.34	74.793	98 10	784.80	186.46 ST		
8			08/23/10	607 81	75.976	98.10	784.80	176.99 ST		
5			10/11/10	418.36	83 671	98.10	490 50	72.14 ST		
3			10/14/10	253.75	84 581	98 10	294.30	40.55 ST		
38				**2,932.45**	**77.17**		**3,727.80**	**795.35**	**1.549**	**57 76**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
31	ORACLE CORP	ORCL	09/15/10	$ 795.91	$ 25.674	$ 31.30	$ 970.30	$ 174.39 ST		
31			09/15/10	795.82	25.671	31.30	970.30	174.48 ST		
31			09/16/10	790.34	25.494	31.30	970.30	179.96 ST		
49			09/17/10	1,321.17	26.962	31.30	1,533.70	212.53 ST		
19			09/30/10	515.84	27.149	31.30	594.70	78.86 ST		
9			10/25/10	261.09	29.009	31.30	281.70	20.61 ST		
170				**4,480.17**	**26.354**		**5,321.00**	**840.83**	**.638**	**34.00**
1	PRECISION CASTPARTS CORP	PCP	04/21/10	127.23	127.229	139.21	139.21	11.98 ST		
2			04/22/10	264.73	132.364	139.21	278.42	13.69 ST		
2			04/22/10	266.06	133.028	139.21	278.42	12.36 ST		
2			04/23/10	265.55	132.773	139.21	278.42	12.87 ST		
3			04/26/10	404.82	134.941	139.21	417.63	12.81 ST		
2			04/27/10	263.89	131.944	139.21	278.42	14.53 ST		
2			04/28/10	261.79	130.892	139.21	278.42	16.63 ST		
1			04/28/10	130.20	130.199	139.21	139.21	9.01 ST		
4			04/30/10	516.42	129.105	139.21	556.84	40.42 ST		
2			05/03/10	259.92	129.959	139.21	278.42	18.50 ST		
2			05/10/10	248.94	124.47	139.21	278.42	29.48 ST		
2			09/14/10	248.44	124.221	139.21	278.42	29.98 ST		
25				**3,257.99**	**130.32**		**3,480.25**	**222.26**	**.086**	**3.00**
3	PRICELINE.COM INC (NEW)	PCLN	11/05/09	508.35	169.448	399.55	1,198.65	690.30 LT		
2			11/06/09	342.14	171.07	399.55	799.10	456.96 LT		
3			11/09/09	525.44	175.146	399.55	1,198.65	673.21 LT		
8				**1,375.93**	**171.991**		**3,196.40**	**1,820.47**		
14	QUALCOMM INC	QCOM	11/04/10	678.93	48.495	49.49	692.86	13.93 ST		
17			11/05/10	819.22	48.189	49.49	841.33	22.11 ST		
14			11/05/10	674.50	48.178	49.49	692.86	18.36 ST		
10			11/10/10	477.15	47.715	49.49	494.90	17.75 ST		
17			11/11/10	807.45	47.497	49.49	841.33	33.88 ST		
72				**3,457.25**	**48.017**		**3,563.28**	**106.03**	**1.535**	**54.72**
5	SALESFORCE.COM INC	CRM	06/30/10	434.94	86.989	132.00	660.00	225.06 ST		
8			07/01/10	677.77	84.721	132.00	1,056.00	378.23 ST		
3			10/12/10	312.86	104.287	132.00	396.00	83.14 ST		
16				**1,425.57**	**89.098**		**2,112.00**	**686.43**		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
8	UNION PACIFIC CORP	UNP	11/01/10	$ 713.49	$ 89.186	$ 92.66	$ 741.28	$ 27.79 ST		
8			11/02/10	715.05	89.381	92.66	741.28	26.23 ST		
7			11/03/10	635.05	90.72	92.66	648.62	13.57 ST		
5			11/04/10	459 35	91.869	92.66	463.30	3 95 ST		
5			12/17/10	455.30	91.06	92.66	463.30	8.00 ST		
2			12/31/10	185.43	92.714	92.66	185.32	(.11) ST		
35				**3,163.67**	**90 391**		**3,243 10**	**79.43**	**1.64**	**53.20**
20	UNITEDHEALTH GROUP INC	UNH	02/05/10	642.35	32.117	36.11	722.20	79.85 ST		
3			02/05/10	97.38	32.459	36.11	108.33	10.95 ST		
9			02/08/10	293 29	32 588	36.11	324.99	31 70 ST		
18			02/09/10	589.12	32.729	36.11	649 98	60.86 ST		
9			02/09/10	292.74	32 526	36.11	324.99	32.25 ST		
13			11/30/10	480.03	36.925	36.11	469.43	(10 60) ST		
6			12/30/10	215.76	35 959	36.11	216.66	.90 ST		
4			12/31/10	144.24	36 059	36.11	144 44	.20 ST		
82				**2,754.91**	**33.596**		**2,961.02**	**206 11**	**1 384**	**41.00**
4	VMWARE INC CL A COM	VMW	10/01/10	342.02	85.505	88.91	355.64	13.62 ST		
4			10/04/10	329.01	82.251	88.91	355.64	26 63 ST		
3			10/04/10	251.75	83.915	88.91	266.73	14.98 ST		
3			10/04/10	247.62	82 541	88.91	266.73	19.11 ST		
4			10/11/10	307.61	76 902	88.91	355 64	48.03 ST		
7			10/25/10	544.41	77.773	88 91	622.37	77.96 ST		
4			11/03/10	310 31	77 577	88.91	355 64	45 33 ST		
9			12/08/10	771.38	85.709	88.91	800.19	28.81 ST		
38				**3,104.11**	**81.687**		**3,378.58**	**274.47**		
Total common stocks and options				**$ 106,359.71**			**$ 136,017.92**	**$ 17,778.12 ST**	**.60**	
								$ 11,880.09 LT		**$ 824.09**
Total portfolio value				**$ 109,104.34**			**$ 138,762.55**	**$ 17,778.12 ST**	**.59**	**$ 825.73**
								$ 11,880.09 LT		

Unsettled purchases/sales

This section only displays transactions that have not settled during this statement period. The "Portfolio details" section includes any securities purchased and omits any securities sold or sold short as of the trade-date.

Trade Date	Settlement Date	Activity	Description	Quantity	Price	Amount
12/31/10	01/05/11	Bought	BAIDU INC SPON ADR RPTNG ORD SHS CL A CGMI AND/OR ITS AFFILIATES	1	$ 97.4424	$ -97.44
12/31/10	01/05/11	Bought	EXPRESS SCRIPTS INC.COMMON CGMI AND/OR ITS AFFILIATES	3	53.9247	-161.77
12/31/10	01/05/11	Bought	UNION PACIFIC CORP	2	92.7141	-185.43
12/31/10	01/05/11	Bought	UNITEDHEALTH GROUP INC	4	36.0594	-144.24
12/30/10	01/04/11	Bought	BAIDU INC SPON ADR RPTNG ORD SHS CL A CGMI AND/OR ITS AFFILIATES	2	98.4475	-196.90
12/30/10	01/04/11	Bought	EXPRESS SCRIPTS INC.COMMON CGMI AND/OR ITS AFFILIATES	4	54.226	-216.90
12/30/10	01/04/11	Bought	UNITEDHEALTH GROUP INC	6	35.9599	-215.76
Total Securities Bought						**$ -1,218.44**
Total Securities Sold						**$ 0.00**
Total Unsettled purchases/sales						**$ -1,218.44**

TRANSACTION DETAILS

All transactions appearing are based on trade-date

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/17/10	Bought	CITIGROUP INC THE ISSUER MAY BE DEEMED TO CONTROL, BE CONTROLLED BY, OR BE UNDER COMMON CONTROL WITH MSSB DUE TO OWNERSHIP, BOARD AND/OR OTHER RELATIONSHIP	5	$ 4.6785	$ -23.39
12/17/10	Bought	HALLIBURTON CO HOLDINGS CO	35	40 1571	-1,405.50
12/17/10	Sold	NOBLE ENERGY INC	-18	85 46	1,538 25
12/17/10	Bought	UNION PACIFIC CORP	5	91.06	-455 30
12/30/10	Bought	BAIDU INC SPON ADR RPTNG ORD SHS CL A CGMI AND/OR ITS AFFILIATES	2	98 4475	-196.90
12/30/10	Bought	EXPRESS SCRIPTS INC.COMMON CGMI AND/OR ITS AFFILIATES	4	54.226	-216.90
12/30/10	Bought	UNITEDHEALTH GROUP INC	6	35 9599	-215.76

Business FMA Statement
December 31, 2010

MITCHELL W. WATTS FAMILY FNDTN ***Account number 819-73575-13 534***

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
47	COVIDIEN PLC DUBLIN-USD	COV	01/25/08	**$ 2,001 26**	$ 42.58	$ 45.66	**$ 2,146.02**	**$ 144.76** LT	**1.752%**	**$ 37.60**
39	ENDURANCE SPECIALTY HOLDINGS L-USD	ENH	01/25/08	1,508.01	38.667	46.07	1,796.73	288.72 LT		
5			05/07/09	128 45	25.69	46.07	230.35	101.90 LT		
5			08/19/09	170.74	34 148	46.07	230.35	59.61 LT		
49				**1,807.20**	**36 882**		**2,257.43**	**450.23**	**2 17**	**49 00**
30	SEADRILL LTD ORD	SDRL	11/05/10	**995.22**	33.174	33.92	**1,017.60**	**22.38** ST	**7.665**	**78.00**
55	WEATHERFORD INTERNATIONAL LTD.-CHF	WFT	04/30/10	1,007.58	18 319	22.80	1,254.00	246.42 ST		
30			10/27/10	508.50	16 95	22.80	684.00	175.50 ST		
25			11/05/10	480 78	19 231	22.80	570.00	89.22 ST		
110				**1,996 86**	**18.153**		**2,508.00**	**511.14**		
20	MILLICOM INTL CELLULAR SA NEW	MICC	01/25/08	**1,999 60**	99.98	95 60	**1,912.00**	**(87.60)** LT	**2.761**	**52.80**
85	ACTIVISION BLIZZARD INC	ATVI	07/16/10	950 89	11.186	12.44	1,057.40	106.51 ST		
50			08/12/10	547.45	10.949	12.44	622.00	74 55 ST		
45			09/27/10	488.24	10 849	12 44	559.80	71.56 ST		
180				**1,986 58**	**11 037**		**2,239.20**	**252.62**	**1.205**	**27.00**
55	ALLSTATE CORP	ALL	03/30/09	1,047.51	19.045	31.88	1,753.40	705.89 LT		
10			05/08/09	249.77	24.976	31.88	318 80	69.03 LT		
10			06/02/09	264.77	26.476	31.88	318.80	54.03 LT		
25			06/15/09	617.70	24.707	31 88	797 00	179.30 LT		
100				**2,179.75**	**21.798**		**3,188.00**	**1,008 25**	**2.509**	**80 00**
20	AMEREN CORP	AEE	01/25/08	**890 20**	44.51	28.19	**563.80**	**(326.40)** LT	**5.462**	**30 80**
12	ANALOG DEVICES INC	ADI	06/03/09	288.45	24.037	37.67	452.04	163 59 LT		
20			06/04/09	481.60	24.079	37.67	753.40	271.80 LT		
10			12/02/09	304.30	30.43	37.67	376.70	72.40 LT		
15			12/09/09	452.78	30.185	37.67	565.05	112 27 LT		
57				**1,527.13**	**26.792**		**2,147.19**	**620 06**	**2.336**	**50 16**
68	ANNALY CAPITAL MANAGEMENT INC	NLY	01/25/08	1,300.84	19.13	17.92	1,218.56	(82 28) LT		
15			05/01/08	257.20	17.146	17.92	268.80	11.60 LT		
35			10/20/08	442.51	12.643	17.92	627.20	184.69 LT		
20			08/19/09	340.11	17.005	17.92	358.40	18.29 LT		
25			09/29/09	453.81	18.152	17.92	448.00	(5.81) LT		
10			02/04/10	177.42	17.741	17.92	179.20	1.78 ST		
173				**2,971.89**	**17 179**		**3,100.16**	**128 27**	**14.285**	**442.88**
19	AON CORP	AON	01/25/08	**812 28**	42.751	46.01	**874.19**	**61.91** LT	**1.304**	**11.40**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
10	THE BABCOCK & WILCOX COMPANY	BWC	02/05/08	$ 439 64	$ 43.964	$ 25.59	$ 255.90	($ 183.74) LT		
5			02/28/08	245 15	49.03	25 59	127 95	(117.20) LT		
20			10/16/08	312 18	15.609	25.59	511.80	199 62 LT		
5			05/06/10	114.72	22.944	25.59	127.95	13 23 ST		
25			09/17/10	549 93	21 997	25 59	639.75	89 82 ST		
65				**1,661 62**	**25.563**		**1,663.35**	**1 73**		
37	BRANDYWINE REALTY TR SBI-NEW	BDN	01/25/08	650.39	17.67	11.65	431.05	(219.34) LT		
45			12/09/08	265.51	5 90	11.65	524.25	258 74 LT		
82				**915 90**	**11.17**		**955.30**	**39.40**	**5 15**	**49.20**
66	BROADRIDGE FINANCIAL SOLUTIONS INC	BR	01/25/08	1,491.78	22.602	21.93	1,447.38	(44.40) LT		
20			09/24/09	409.96	20.497	21.93	438.60	28.64 LT		
86				**1,901.74**	**22.113**		**1,885 98**	**(15.76)**	**2.735**	**51.60**
68	CABLEVISION SYSTEMS CORP CABLEVISION NY GROUP CL A	CVC	01/25/08	**1,231 66**	18.112	33.84	**2,301.12**	**1,069.46** LT	**1.477**	**34.00**
230	CHIMERA INVESTMENT CORP	CIM	05/28/09	762 54	3 315	4.11	945.30	182.76 LT		
135			06/08/09	451.20	3.342	4.11	554 85	103.65 LT		
145			04/08/10	569.82	3.929	4.11	595.95	26.13 ST		
510				**1,783.56**	**3.497**		**2,096.10**	**312 54**	**16 545**	**346.80**
15	CHUBB CORP	CB	06/10/09	618.38	41.225	59.64	894.60	276 22 LT		
20			08/05/09	964.58	48.228	59.64	1,192.80	228.22 LT		
35				**1,582 96**	**45 227**		**2,087.40**	**504 44**	**2.481**	**51.80**
20	CLOROX COMPANY DE	CLX	11/09/09	1,215.98	60.799	63 28	1,265.60	49 62 LT		
10			11/18/09	601.45	60.145	63.28	632.80	31.35 LT		
30				**1,817.43**	**60.581**		**1,898.40**	**80 97**	**3.476**	**66.00**
62	COLONIAL PPTYS TRUST SBI	CLP	01/25/08	**1,494.78**	24.109	18.05	**1,119.10**	**(375.68)** LT	**3.324**	**37.20**
18	CONSOLIDATED EDISON INC	ED	05/22/08	749 17	41.62	49 57	892.26	143.09 LT		
15			06/26/08	591.34	39.422	49.57	743.55	152.21 LT		
33				**1,340.51**	**40 622**		**1,635.81**	**295.30**	**4 801**	**78.54**
36	DREAMWORKS ANIMATION INC CL A	DWA	01/25/08	**833.59**	23.155	29.47	**1,060.92**	**227 33** LT		
15	ENTERGY CORPORATION-NEW	ETR	09/15/08	**1,420 48**	97 698	70 83	**1,062.45**	**(358 03)** LT *R*	**4.687**	**49 80**
25	GENUINE PARTS CO	GPC	01/25/08	1,016 25	40.65	51.34	1,283.50	267.25 LT		
5			10/15/10	239.64	47 927	51 34	256.70	17 06 ST		
30				**1,255.89**	**41.863**		**1,540.20**	**284 31**	**3 194**	**49.20**

Business FMA Statement

December 31, 2010

MITCHELL W. WATTS FAMILY FNDTN ***Account number 819-73575-13 534***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
34	GENZYME CORP	GENZ	01/25/08	$ 2,504.27	$ 73.655	$ 71.20	$ 2,420.80	($ 83.47) LT		
5			03/23/10	295.16	59.032	71.20	356.00	60.84 ST		
39				**2,799.43**	**71.78**		**2,776 80**	**(22 63)**		
55	GREAT PLAINS ENERGY INC	GXP	01/25/08	1,481.56	26 937	19 39	1,066.45	(415.11) LT		
20			09/02/09	350.92	17.546	19 39	387.80	36 88 LT		
5			12/03/10	95 95	19.189	19.39	96 95	1 00 ST		
80				**1,928.43**	**24 105**		**1,551 20**	**(377.23)**	**4 28**	**66.40**
46	HCP INC (NEW)	HCP	01/25/08	**1,483.96**	32.259	36.79	**1,692.34**	**208.38** LT	**5 055**	**85.56**
47	HASBRO INC	HAS	01/25/08	**1,128.58**	24.012	47.18	**2,217.46**	**1,088.88** LT	**2.119**	**47.00**
35	HEALTH CARE REIT INC	HCN	01/25/08	**1,501.79**	43.395	47.64	**1,667.40**	**165.61** LT *R*	**5.793**	**96.60**
30	H J HEINZ CO	HNZ	11/17/09	1,270.04	42.334	49.46	1,483.80	213.76 LT		
10			12/02/09	434.33	43.432	49.46	494.60	60 27 LT		
40				**1,704.37**	**42.609**		**1,978.40**	**274.03**	**3.639**	**72.00**
80	HUDSON CITY BANCORP INC	HCBK	09/27/10	970.38	12.129	12.74	1,019 20	48.82 ST		
50			11/03/10	575 32	11.506	12.74	637.00	61.68 ST		
130				**1,545.70**	**11.89**		**1,656.20**	**110 50**	**4.709**	**78.00**
96	HUTCHISON TELECOMMUNICATIONS H-HKD	HTHKY	05/14/09	**156.12**	1.626	4.45	**427.20**	**271.08** LT	**3 348**	**14.30**
57	IVANHOE MINES LIMITED-CAD	IVN	01/25/08	**527.72**	9.258	22.92	**1,306.44**	**778.72** LT		
110	MFA FINANCIAL INC	MFA	08/28/09	859.10	7.81	8.16	897.60	38.50 LT		
60			09/24/09	474.41	7.906	8.16	489.60	15.19 LT		
65			11/20/09	490.61	7.547	8 16	530.40	39 79 LT		
235				**1,824.12**	**7.762**		**1,917 60**	**93 48**	**11.519**	**220.90**
52	MATTEL INC DE	MAT	01/25/08	984.36	18.93	25.43	1,322.36	338.00 LT		
10			03/11/10	228.02	22 802	25.43	254.30	26.28 ST		
20			04/21/10	470.76	23.538	25.43	508.60	37.84 ST		
82				**1,683.14**	**20.526**		**2,085.26**	**402.12**	**3.263**	**68.06**
30	MCGRAW HILL COS INC	MHP	05/19/10	869.81	28.993	36.41	1,092.30	222.49 ST		
20			06/07/10	547.75	27.387	36 41	728.20	180 45 ST		
15			07/06/10	413.17	27 544	36 41	546 15	132.98 ST		
65				**1,830.73**	**28.165**		**2,366 65**	**535 92**	**2.581**	**61.10**
15	MCKESSON CORPORATION	MCK	04/07/10	993 42	66.227	70.38	1,055.70	62 28 ST		
5			05/17/10	338 54	67 708	70.38	351 90	13.36 ST		
10			11/01/10	671.83	67.182	70.38	703.80	31.97 ST		
30				**2,003 79**	**66.793**		**2,111 40**	**107.61**	**1.023**	**21.60**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
75	NEW YORK COMMUNITY BANCORP	NYB	12/03/09	$ 891.26	$ 11.883	$ 18.85	$ 1,413.75	$ 522.49 LT		
30			12/08/09	382.88	12.762	18 85	565 50	182 62 LT		
25			12/22/09	356.17	14.246	18.85	471.25	115.08 LT		
130				**1,630.31**	**12 541**		**2,450.50**	**820.19**	**5.305**	**130.00**
83	NISOURCE INC	NI	01/25/08	1,489.85	17.95	17 62	1,462.46	(27.39) LT		
10			03/11/10	155.20	15.519	17.62	176.20	21.00 ST		
93				**1,645.05**	**17.689**		**1,638 66**	**(6.39)**	**5.221**	**85.56**
67	OLD REPUBLIC INTERNATIONAL CORP	ORI	01/25/08	**900.25**	13.436	13.63	**913.21**	**12 96** LT	**5 062**	**46.23**
20	OMNICOM GROUP INC	OMC	04/26/10	862.98	43.148	45 80	916.00	53.02 ST		
15			05/17/10	617.31	41.153	45.80	687 00	69.69 ST		
35				**1,480 29**	**42.294**		**1,603.00**	**122.71**	**1.746**	**28.00**
45	PROGRESS ENERGY INC	PGN	01/25/08	1,973.70	43.86	43.48	1,956 60	(17.10) LT		
5			10/21/08	189.03	37.806	43.48	217.40	28.37 LT		
50				**2,162.73**	**43.255**		**2,174.00**	**11.27**	**5.703**	**124.00**
20	RANGE RESOURCES CORP	RRC	05/21/08	1,503.38	75.169	44.98	899.60	(603 78) LT		
5			09/23/09	260.36	52.071	44.98	224.90	(35.46) LT		
25				**1,763 74**	**70.55**		**1,124.50**	**(639 24)**	**.355**	**4.00**
20	ROCKWELL COLLINS INC	COL	07/14/08	**943 59**	47.179	58.26	**1,165.20**	**221.61** LT	**1.647**	**19.20**
37	ST JUDE MEDICAL INC	STJ	01/25/08	1,513.30	40.90	42.75	1,581.75	68.45 LT		
5			02/27/09	169.51	33.901	42.75	213.75	44 24 LT		
5			10/15/10	199.23	39.846	42.75	213.75	14.52 ST		
47				**1,882.04**	**40.043**		**2,009.25**	**127.21**		
20	SCANA CORP NEW	SCG	02/11/09	684.33	34.216	40.60	812.00	127.67 LT		
15			04/14/09	457.98	30.531	40.60	609.00	151.02 LT		
35				**1,142.31**	**32.637**		**1,421.00**	**278.69**	**4.679**	**66.50**
27	SEMPRA ENERGY	SRE	01/25/08	1,470 69	54.47	52.48	1,416.96	(53.73) LT		
10			05/04/10	494.24	49.424	52.48	524.80	30.56 ST		
37				**1,964 93**	**53.106**		**1,941.76**	**(23 17)**	**2.972**	**57.72**
40	TELEPHONE & DATA SYS INC SPECIAL SHARES	TDSS	01/25/08	2,012 00	50 299	31.52	1,260.80	(751.20) LT		
10			09/01/09	249 82	24.981	31.52	315.20	65.38 LT		
50				**2,261.82**	**45.236**		**1,576.00**	**(685.82)**	**1.427**	**22.50**
19.7143	TIME WARNER CABLE INC	TWC	01/25/08	1,477.90	76.052	66.03	1,301.74	(176.16) LT		
3.2857			05/21/08	306.67	94.686	66.03	216 95	(89.72) LT		

Ref: 00000125 00015804

MorganStanley
SmithBarney

Business FMA Statement
December 31, 2010

MITCHELL W. WATTS FAMILY FNDTN ***Account number 819-73575-13 534***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
5	TIME WARNER CABLE INC	TWC	02/22/10	$ 236.30	$ 47.26	$ 66.03	$ 330.15	$ 93.85 ST		
28				**2,020 87**	**72.174**		**1,848.84**	**(172.03)**	**2.423**	**44.80**
23	ULTRA PETROLEUM CORP-CAD	UPL	01/25/08	1,514.09	65.83	47.77	1,098.71	(415.38) LT		
5			03/18/10	231.70	46.339	47.77	238 85	7.15 ST		
28				**1,745 79**	**62.35**		**1,337 56**	**(408.23)**		
73	XCEL ENERGY INC	XEL	01/25/08	**1,483.36**	20.32	23.55	**1,719.15**	**235 79** LT	**4.288**	**73.73**
113	XEROX CORP	XRX	01/25/08	953 41	8.475	11.52	1,301.76	348.35 LT		
35			03/04/10	333.43	9.526	11.52	403.20	69.77 ST		
50			03/18/10	489 34	9.786	11.52	576.00	86.66 ST		
15			12/13/10	180.00	12.00	11.52	172.80	(7.20) ST		
213				**1,956.18**	**9.184**		**2,453.76**	**497.58**	**1 475**	**36 21**
10	ZIMMER HOLDINGS INC	ZMH	03/17/08	765.95	76.594	53.68	536.80	(229 15) LT		
5			09/21/10	259.19	51.837	53.68	268 40	9 21 ST		
15				**1,025.14**	**68.343**		**805.20**	**(219.94)**		
Total common stocks and options				**$ 82,534.37**			**$ 91,195.66**	**$ 2,262.38 ST**	**3.55**	
								$ 6,398.91 LT		**$ 3,243.75**

Exchange traded & closed end funds

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

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

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

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
28	SPDR GOLD TR GOLD SHS Equity portfolio **Rating:** CG RESEARCH . AL	GLD	01/25/08	**$ 2,513.20**	$ 90.122	$ 138 72	**$ 3,884 16**	**$ 1,370.96** LT *R*		
Total closed end fund equity allocation							**$ 3,884.16**			
Total exchange traded funds and closed end funds				**$ 2,513.20**			**$ 3,884.16**	**$ 0.00** ST		
								$ 1,370.96 LT		**$ 0.00**
Total portfolio value				**$ 96,077.49**			**$ 106,109.74**	**$ 2,262.38** ST	**3.06**	
								$ 7,769.87 LT		**$ 3,250 36**

R *The basis for this tax lot has been adjusted due to a reclassification of income.*

TRANSACTION DETAILS

All transactions appearing are based on trade-date.

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/03/10	Bought	GREAT PLAINS ENERGY INC	5	$ 19 1895	$ -95 95
12/13/10	Sold	ANNALY CAPITAL MANAGEMENT INC	-37	18.2073	673 65
12/13/10	Bought	XEROX CORP	15	12.00	-180 00
Total securities bought and other subtractions					**$ -275 95**
Total securities sold and other additions					**$ 673 65**

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
13	ACADIA RLTY TR	AKR	07/17/09	$ 161 18	$ 12.398	$ 18.24	$ 237.12	$ 75.94 LT		
12			10/28/09	195.11	16.258	18.24	218.88	23.77 LT		
5			04/27/10	94.54	18 908	18.24	91.20	(3.34) ST		
6			11/15/10	116.25	19 375	18.24	109.44	(6.81) ST		
36				**567.08**	**15 752**		**656.64**	**89.56**	**3.947**	**25.92**
1	ALEXANDRIA REAL EST EQUITIES	ARE	05/26/09	34.40	34.408	73 26	73.26	38.86 LT *R*		
6			06/04/09	237.00	39.51	73.26	439.56	202 56 LT *R*		
4			07/17/09	136.99	34 252	73.26	293.04	156.05 LT *R*		
3			01/08/10	189 45	63.15	73.26	219.78	30.33 ST		
2			01/12/10	126.23	63.117	73 26	146.52	20.29 ST		
3			01/25/10	185.66	61.885	73.26	219.78	34.12 ST		
2			04/06/10	143.27	71.636	73.26	146 52	3.25 ST		
2			04/23/10	147.25	73.624	73.26	146.52	(.73) ST		
23				**1,200.25**	**52.185**		**1,684.98**	**484.73**	**2.457**	**41.40**
3	AVALONBAY CMNTYS INC	AVB	02/27/09	127 51	42.501	112.55	337.65	210 14 LT		
2			10/26/09	149.49	74.745	112.55	225.10	75.61 LT		
2			10/29/09	139 34	69 671	112.55	225.10	85.76 LT		
4			04/21/10	384 29	96 072	112 55	450.20	65.91 ST		
1			04/29/10	105.20	105.20	112.55	112.55	7.35 ST		
3			06/11/10	304.39	101.463	112 55	337.65	33 26 ST		
15				**1,210.22**	**80.681**		**1,688.25**	**478 03**	**2 487**	**42.00**
18	BIOMED REALTY TRUST INC	BMR	08/03/10	333 86	18.548	18.65	335.70	1.84 ST		
9			08/17/10	156.18	17.353	18.65	167.85	11.67 ST		
12			09/01/10	210 48	17.539	18.65	223.80	13.32 ST		
10			09/23/10	175.63	17.562	18.65	186.50	10.87 ST		
10			10/05/10	188.64	18.864	18.65	186.50	(2.14) ST		
12			11/23/10	207 26	17.271	18 65	223.80	16 54 ST		
71				**1,272.05**	**17.916**		**1,324.15**	**52.10**	**3.646**	**48.28**
2	BOSTON PROPERTIES INC	BXP	06/08/09	99.43	49.806	86.10	172.20	72 77 LT *R*		
7			09/10/09	437 73	62.579	86.10	602.70	164.97 LT *R*		
2			09/11/09	127 72	63 904	86.10	172.20	44.48 LT *R*		
5			01/06/10	342.94	68.588	86.10	430.50	87.56 ST		
3			05/11/10	243.12	81.039	86 10	258.30	15.18 ST		
2			06/10/10	156 26	78.127	86.10	172.20	15.94 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
3	BOSTON PROPERTIES INC	BXP	06/11/10	$ 234.08	$ 78 025	$ 86.10	$ 258.30	$ 24.22 ST		
24				**1,641.28**	**68.387**		**2,066.40**	**425.12**	**2.322**	**48 00**
31	CBL & ASSOC PPTYS INC	CBL	10/15/10	451 65	14.569	17 50	542 50	90.85 ST		
26			10/22/10	409.70	15.757	17.50	455.00	45.30 ST		
57				**861.35**	**15.111**		**997 50**	**136.15**	**4.571**	**45.60**
2	CAMDEN PROPERTY TRUST SBI	CPT	07/14/08	86.07	43 036	53 98	107.96	21.89 LT		
10			07/24/08	476.72	47.671	53.98	539 80	63.08 LT		
5			10/03/08	225.69	45.137	53.98	269.90	44.21 LT		
4			02/24/09	82.90	20.724	53.98	215.92	133.02 LT		
4			05/06/09	115 52	28 88	53.98	215.92	100.40 LT		
6			01/28/10	234.76	39.127	53 98	323.88	89 12 ST		
3			02/23/10	118 05	39.349	53.98	161.94	43 89 ST		
9			03/19/10	388.89	43 21	53.98	485.82	96.93 ST		
9			04/13/10	412 18	45.798	53.98	485.82	73.64 ST		
6			04/16/10	266.19	44.365	53.98	323.88	57.69 ST		
5			05/25/10	218.15	43.63	53 98	269.90	51.75 ST		
63				**2,625.12**	**41.669**		**3,400.74**	**775.62**	**3 334**	**113.40**
7	CORPORATE OFFICE PROPERTIES TR SBI (MD)	OFC	06/24/10	266.83	38.119	34 95	244.65	(22.18) ST		
5			07/08/10	184.05	36.809	34 95	174 75	(9.30) ST		
6			09/01/10	220 97	36.828	34 95	209.70	(11 27) ST		
18				**671.85**	**37 325**		**629 10**	**(42 75)**	**4 721**	**29 70**
16	DCT INDUSTRIAL TRUST INC	DCT	01/12/10	81 04	5.064	5 31	84.96	3 92 ST		
46			05/10/10	247 66	5 384	5.31	244.26	(3.40) ST		
23			10/06/10	112.37	4 885	5.31	122.13	9.76 ST		
85				**441.07**	**5 189**		**451.35**	**10.28**	**5 273**	**23.80**
11	DIAMONDROCK HOSPITALITY CO	DRH	10/06/09	95.00	8 636	12.00	132.00	37.00 LT		
12			10/09/09	105.57	8.797	12.00	144.00	38 43 LT		
23			01/07/10	203.86	8 863	12.00	276.00	72 14 ST		
22			02/11/10	180.29	8.195	12.00	264.00	83 71 ST		
17			09/02/10	153.34	9.02	12.00	204 00	50.66 ST		
85				**738.06**	**8.683**		**1,020.00**	**281 94**	**2.75**	**28.05**
5	DIGITAL REALTY TR INC	DLR	08/06/08	222.59	44.516	51.54	257 70	35.11 LT		
7			01/14/09	211 92	30.274	51.54	360 78	148.86 LT		
5			01/26/09	161 76	32.352	51.54	257 70	95.94 LT		
5			02/24/09	142 66	28.532	51.54	257.70	115 04 LT		

MorganStanley
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Ref: 00000125 00015818

Business FMA Statement
December 31, 2010

MITCHELL W. WATTS FAMILY FNDTN ***Account number** 819-73576-12 534*

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
8	DIGITAL REALTY TR INC	DLR	08/04/09	$ 334.80	$ 41.849	$ 51.54	$ 412.32	$ 77.52 LT		
3			09/01/09	125.63	41.877	51.54	154.62	28.99 LT		
8			10/08/09	366 86	45.858	51.54	412.32	45.46 LT		
3			10/26/09	138.78	46.261	51.54	154.62	15 84 LT		
4			04/23/10	236.82	59.205	51.54	206.16	(30.66) ST		
7			11/04/10	393.97	56 281	51.54	360.78	(33.19) ST		
55				**2,335.79**	**42 469**		**2,834.70**	**498.91**	**4.113**	**116 60**
3	EQUITY RESIDENTIAL	EQR	03/26/09	57.49	19.163	51.95	155.85	98.36 LT		
15			10/09/09	448.35	29.89	51 95	779.25	330.90 LT		
1			04/29/10	46.26	46.258	51 95	51.95	5 69 ST		
15			05/11/10	707.63	47.175	51.95	779.25	71.62 ST		
8			05/25/10	333.39	41.673	51.95	415.60	82.21 ST		
4			06/11/10	175.30	43.824	51.95	207.80	32 50 ST		
46				**1,768.42**	**38.444**		**2,389.70**	**621.28**	**3.522**	**84.18**
3	ESSEX PROPERTY TRUST INC	ESS	03/17/08	322.66	107.552	114 22	342.66	20.00 LT		
2			07/18/08	230.49	115 245	114.22	228.44	(2.05) LT		
5			02/09/09	294.74	58.947	114.22	571.10	276 36 LT		
3			02/23/09	161.79	53 929	114.22	342.66	180.87 LT		
3			02/25/09	167.22	55 741	114.22	342.66	175.44 LT		
1			02/27/09	54.69	54 692	114.22	114.22	59.53 LT		
2			10/09/09	156.38	78.19	114.22	228.44	72.06 LT		
3			04/16/10	290 35	96.783	114.22	342.66	52.31 ST		
22				**1,678 32**	**76.287**		**2,512.84**	**834 52**	**3 615**	**90 86**
43	EXTRA SPACE STORAGE INC	EXR	12/10/10	**747.34**	17.38	17.40	**748.20**	**.86** ST	**2.298**	**17.20**
4	HEALTH CARE REIT INC	HCN	06/13/08	185.86	46.954	47.64	190.56	4 70 LT *R*		
3			07/03/08	131.12	44.185	47.64	142.92	11.80 LT *R*		
4			07/21/08	190 26	48.054	47.64	190.56	.30 LT *R*		
6			08/07/08	302 42	50.89	47.64	285 84	(16 58) LT *R*		
5			10/03/08	261.77	52.841	47.64	238.20	(23 57) LT *R*		
3			01/13/09	109.46	36 968	47.64	142.92	33.46 LT *R*		
5			04/23/09	160.47	32.46	47.64	238 20	77.73 LT *R*		
5			09/01/09	200.30	40 181	47.64	238.20	37 90 LT *R*		
2			01/08/10	88.00	44.00	47.64	95 28	7.28 ST		
2			01/28/10	86 63	43.313	47.64	95.28	8.65 ST		
9			04/09/10	409.23	45.469	47.64	428.76	19 53 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
4	HEALTH CARE REIT INC	HCN	08/10/10	$ 182.21	$ 45.551	$ 47 64	$ 190.56	$ 8 35 ST		
6			08/18/10	272.04	45 34	47.64	285.84	13.80 ST		
5			08/19/10	224.21	44.842	47 64	238 20	13.99 ST		
4			09/21/10	189.11	47.277	47.64	190 56	1.45 ST		
6			10/05/10	290.38	48 396	47.64	285.84	(4.54) ST		
73				**3,283.47**	**44.979**		**3,477.72**	**194.25**	**5 793**	**201.48**
39	HERSHA HOSPITALITY TRUST CL A SHS BEN INT	HT	10/19/10	233.46	5.986	6 60	257.40	23.94 ST		
16			11/12/10	100.51	6 281	6 60	105 60	5.09 ST		
55				**333.97**	**6.072**		**363.00**	**29 03**	**3.03**	**11.00**
11	HIGHWOODS PROPERTIES INC	HIW	06/04/10	309.72	28.156	31.85	350.35	40.63 ST		
6			07/29/10	190.42	31.736	31.85	191.10	.68 ST		
8			08/04/10	259.19	32.398	31.85	254.80	(4.39) ST		
10			08/19/10	305.56	30.555	31.85	318.50	12.94 ST		
13			10/05/10	430.60	33.123	31 85	414.05	(16.55) ST		
48				**1,495.49**	**31.156**		**1,528.80**	**33.31**	**5 337**	**81.60**
14	HOME PROPERTIES INC	HME	10/27/10	753.95	53.853	55.49	776.86	22.91 ST		
1			11/12/10	53.51	53.51	55.49	55.49	1.98 ST		
3			11/16/10	157.71	52.568	55.49	166.47	8.76 ST		
18				**965.17**	**53.621**		**998.82**	**33.65**	**4.18**	**41.76**
37	HOST HOTELS & RESORTS INC	HST	04/29/09	264.89	7.159	17 87	661.19	396.30 LT		
30			07/17/09	248.93	8.297	17.87	536.10	287.17 LT		
20			08/06/09	205.22	10.261	17.87	357.40	152.18 LT		
9			10/06/09	103 60	11.511	17.87	160.83	57.23 LT		
9			10/26/09	96 60	10.733	17.87	160.83	64.23 LT		
5			11/06/09	52 29	10.458	17.87	89.35	37.06 LT		
30			12/04/09	326 30	10.876	17.87	536.10	209.80 LT		
8			02/03/10	89 52	11.189	17.87	142.96	53.44 ST		
6			03/26/10	88 08	14.679	17.87	107.22	19.14 ST		
20			04/19/10	294 99	14 749	17.87	357.40	62.41 ST		
24			08/10/10	346.88	14.453	17.87	428.88	82.00 ST		
19			10/05/10	289.06	15.213	17.87	339.53	50.47 ST		
23			10/15/10	370.19	16.095	17.87	411.01	40.82 ST		
240				**2,776 55**	**11.569**		**4,288 80**	**1,512 25**	**.223**	**9.60**
8	KILROY REALTY CORPORATION	KRC	05/29/09	167.33	20.916	36.47	291.76	124.43 LT		
8			11/16/09	244.22	30.528	36.47	291.76	47.54 LT		

MITCHELL W. WATTS FAMILY FNDTN ***Account number 819-73576-12 534***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
7	KILROY REALTY CORPORATION	KRC	04/15/10	$ 242.71	$ 34.672	$ 36.47	$ 255.29	$ 12.58 ST		
23				**654.26**	**28.446**		**838 81**	**184 55**	**3.838**	**32.20**
39	KIMCO REALTY CORPORATION	KIM	09/20/10	646.16	16.568	18.04	703 56	57.40 ST		
47			10/06/10	786.48	16.733	18.04	847.88	61.40 ST		
15			10/14/10	253.70	16.913	18.04	270.60	16.90 ST		
21			10/15/10	356 84	16.992	18.04	378.84	22.00 ST		
22			10/21/10	382.54	17.388	18.04	396.88	14.34 ST		
63			12/10/10	1,081 08	17.16	18 04	1,136.52	55.44 ST		
207				**3,506.80**	**16.941**		**3,734.28**	**227.48**	**3 991**	**149 04**
14	LASALLE HOTEL PPTYS SBI	LHO	04/27/10	370.18	26.44	26.40	369.60	(.58) ST		
9			05/25/10	186 26	20 695	26.40	237.60	51.34 ST		
6			12/10/10	152.88	25.48	26.40	158.40	5.52 ST		
29				**709.32**	**24.459**		**765.60**	**56 28**	**1.666**	**12.76**
2	LIBERTY PROPERTY TRUST-SBI	LRY	07/09/08	66.17	33.084	31.92	63 84	(2.33) LT		
7			08/04/08	257.09	36.727	31.92	223 44	(33.65) LT		
1			08/05/08	38.19	38.19	31.92	31.92	(6.27) LT		
7			10/07/08	206.56	29.509	31.92	223 44	16.88 LT		
6			10/08/08	175.40	29.233	31.92	191.52	16.12 LT		
10			10/22/08	230.99	23.099	31 92	319.20	88.21 LT		
9			06/08/09	214 93	23.88	31.92	287.28	72 35 LT		
5			07/17/09	116.63	23.326	31.92	159.60	42 97 LT		
11			01/05/10	346 98	31.544	31 92	351.12	4.14 ST		
17			05/04/10	584.56	34.386	31.92	542.64	(41.92) ST		
75				**2,237.50**	**29.833**		**2,394.00**	**156 50**	**5.952**	**142.50**
13	MACERICH COMPANY	MAC	05/20/09	229.76	17.673	47.37	615 81	386.05 LT		
20			07/21/09	350.68	17.533	47.37	947.40	596.72 LT		
1			08/12/09	28.51	28.51	47.37	47.37	18 86 LT		
4			02/24/10	139.72	34.928	47.37	189.48	49.76 ST		
10			04/15/10	405.63	40 563	47 37	473.70	68 07 ST		
12			08/20/10	475 45	39.62	47 37	568.44	92 99 ST		
60				**1,629.75**	**27.163**		**2,842 20**	**1,212.45**	**4.222**	**120 00**
4	MARRIOTT INTL INC NEW CL A	MAR	04/23/10	149.94	37.485	41.54	166.16	16.22 ST		
7			05/07/10	235.38	33.625	41.54	290.78	55.40 ST		
10			05/21/10	327.31	32.731	41.54	415.40	88.09 ST		
21				**712 63**	**33.935**		**872.34**	**159.71**	**.842**	**7.35**

MorganStanley
SmithBarney

Ref: 00000125 00015821

Business FMA Statement

December 31, 2010

MITCHELL W. WATTS FAMILY FNDTN **Account number 819-73576-12 534**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
5	MID-AMERICA APARTMENT CMNTYS	MAA	05/24/10	$ 264.10	$ 52.819	$ 63.49	$ 317 45	$ 53.35 ST		
5			08/18/10	281.44	56.287	63 49	317 45	36.01 ST		
4			10/05/10	238 30	59.574	63.49	253.96	15.66 ST		
14				**783.84**	**55.989**		**888.86**	**105.02**	**3.953**	**35.14**
1	NATIONAL RETAIL PROPERTIES INC	NNN	07/06/10	21.76	21.76	26.50	26 50	4 74 ST		
19			08/06/10	440.06	23.161	26.50	503.50	63.44 ST		
11			10/11/10	289.47	26.315	26.50	291.50	2.03 ST		
14			11/02/10	383.93	27.423	26.50	371.00	(12.93) ST		
45				**1,135 22**	**25.227**		**1,192 50**	**57.28**	**5 735**	**68.40**
2	NATIONWIDE HEALTH PPTYS INC	NHP	06/04/09	54.87	27.505	36 38	72.76	17.89 LT *R*		
7			01/29/10	234 39	33.484	36 38	254 66	20.27 ST		
8			06/24/10	287.64	35.955	36 38	291.04	3.40 ST		
11			08/24/10	405.01	36 818	36 38	400.18	(4.83) ST		
6			10/05/10	239 49	39.915	36 38	218.28	(21 21) ST		
6			12/29/10	216 12	36.02	36 38	218 28	2.16 ST		
40				**1,437.52**	**35 938**		**1,455 20**	**17 68**	**5.167**	**75.20**
19	OMEGA HEALTHCARE INVESTORS INC	OHI	06/30/10	383.62	20 19	22.44	426.36	42 74 ST		
5			08/19/10	105.44	21.088	22.44	112.20	6 76 ST		
4			08/24/10	84 56	21.139	22.44	89.76	5 20 ST		
2			10/05/10	46.00	23.002	22.44	44.88	(1.12) ST		
30				**619.62**	**20 654**		**673.20**	**53.58**	**6.595**	**44.40**
4	PIEDMONT OFFICE REALTY TRUST	PDM	02/18/10	68 10	17 024	20.14	80.56	12 46 ST		
11			03/25/10	212.64	19.331	20.14	221.54	8.90 ST		
10			04/06/10	198.00	19 80	20 14	201.40	3.40 ST		
10			04/26/10	199.75	19.975	20 14	201.40	1.65 ST		
14			06/24/10	263.98	18.855	20 14	281.96	17.98 ST		
49				**942 47**	**19.234**		**986 86**	**44.39**	**6 256**	**61.74**
33	PROLOGIS SH BEN INT	PLD	07/24/09	292 94	8.876	14.44	476.52	183 58 LT		
24			01/29/10	306.80	12.783	14.44	346 56	39 76 ST		
23			02/02/10	305.12	13 266	14 44	332.12	27.00 ST		
19			02/10/10	233 02	12.264	14 44	274 36	41 34 ST		
11			02/23/10	137.18	12 47	14.44	158 84	21.66 ST		
13			04/09/10	180.79	13.907	14.44	187 72	6.93 ST		
9			04/19/10	124 61	13.845	14 44	129.96	5 35 ST		
48			09/29/10	564.48	11.76	14.44	693.12	128 64 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
53	PROLOGIS SH BEN INT	PLD	10/06/10	$ 653.02	$ 12.321	$ 14.44	$ 765.32	$ 112.30 ST		
24			11/18/10	320.07	13.336	14 44	346.56	26.49 ST		
257				**3,118 03**	**12.132**		**3,711.08**	**593 05**	**3.116**	**115.65**
6	REGENCY CENTERS CORP	REG	05/26/09	208.43	34.739	42.24	253.44	45.01 LT		
1			05/27/09	34 58	34.579	42.24	42 24	7.66 LT		
12			11/17/09	406.96	33.913	42.24	506.88	99.92 LT		
5			11/23/09	167.99	33 598	42.24	211.20	43.21 LT		
10			12/04/09	330.35	33.035	42.24	422.40	92.05 LT		
5			12/08/09	161 15	32.23	42.24	211.20	50.05 LT		
5			12/18/09	167.59	33.518	42.24	211.20	43.61 LT		
11			01/15/10	400.82	36.438	42.24	464.64	63 82 ST		
6			03/26/10	231.96	38.66	42.24	253.44	21.48 ST		
7			05/07/10	272.42	38.917	42.24	295.68	23.26 ST		
3			10/05/10	123.29	41 098	42.24	126.72	3.43 ST		
4			11/12/10	171.76	42.94	42.24	168 96	(2.80) ST		
75				**2,677.30**	**35.697**		**3,168.00**	**490.70**	**5 018**	**159.00**
48	RETAIL OPPORTUNITY INVESTMENTS CORP	ROIC	10/27/09	**503 80**	10.495	9.91	**475.68**	**(28.12)** LT	**1.816**	**8.64**
2	SL GREEN REALTY CORP	SLG	07/17/09	42.89	21.445	67.51	135.02	92.13 LT		
12			09/23/09	542.11	45.175	67.51	810.12	268.01 LT		
6			10/14/10	416.06	69.343	67.51	405.06	(11.00) ST		
4			10/15/10	277.27	69 317	67.51	270.04	(7.23) ST		
3			11/12/10	193 28	64.425	67.51	202.53	9.25 ST		
27				**1,471.61**	**54.504**		**1,822.77**	**351.16**	**.592**	**10.80**
5	SENIOR HOUSING PPTYS TR SBI	SNH	07/10/08	98.42	20.08	21.94	109.70	11.28 LT *R*		
9			07/18/08	179.98	20.39	21.94	197 46	17 48 LT *R*		
12			08/12/08	258.77	21.958	21.94	263.28	4 51 LT *R*		
1			08/13/08	21.75	22.151	21.94	21 94	.19 LT *R*		
14			10/07/08	265.06	19.271	21 94	307.16	42.10 LT *R*		
4			10/09/08	67.57	17.228	21.94	87.76	20.19 LT *R*		
5			06/01/09	86.90	17.552	21.94	109.70	22.80 LT *R*		
8			06/29/09	127.47	16.106	21.94	175.52	48.05 LT *R*		
20			01/28/10	415.82	20 791	21.94	438.80	22.98 ST		
11			08/17/10	256.97	23 36	21.94	241 34	(15 63) ST		
9			08/19/10	207.96	23.106	21.94	197 46	(10.50) ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
4	SENIOR HOUSING PPTYS TR SBI	SNH	08/30/10	$ 93.34	$ 23.335	$ 21.94	$ 87.76	($ 5.58) ST		
102				**2,080 01**	**20.392**		**2,237.88**	**157 87**	**6 745**	**150.96**
17	SIMON PPTY GROUP INC NEW	SPG	01/28/08	1,456 94	86.21	99.49	1,691.33	234.39 LT		
2			07/03/08	176.73	88.614	99.49	198.98	22 25 LT		
2			07/21/08	180 88	90.562	99.49	198.98	18.10 LT		
7			08/04/08	634.93	90.831	99.49	696.43	61.50 LT		
6			10/07/08	460.39	76.858	99.49	596 94	136.55 LT		
5			10/22/08	300.79	60 158	99.49	497.45	196.66 LT		
2			02/12/09	67.88	33.94	99 49	198.98	131.10 LT		
4			03/04/09	117.32	29 329	99.49	397.96	280.64 LT		
6			03/23/09	206.96	34.493	99.49	596.94	389.98 LT		
5			04/08/09	181.44	36 288	99.49	497.45	316.01 LT		
13			05/07/09	678.66	52.204	99 49	1,293.37	614 71 LT		
1			05/14/09	52 88	52.875	99 49	99.49	46.61 LT		
3			01/28/10	215.72	71.907	99.49	298.47	82.75 ST		
3			02/10/10	211.16	70.386	99.49	298.47	87.31 ST		
2			04/19/10	165.99	82.997	99.49	198.98	32.99 ST		
2			04/23/10	178.63	89.313	99.49	198.98	20.35 ST		
3			08/18/10	275.87	91.956	99 49	298.47	22.60 ST		
83				**5,563.17**	**67.026**		**8,257.67**	**2,694.50**	**3.216**	**265.60**
8	SOVRAN SELF STORAGE INC	SSS	05/06/10	307.01	38.376	36 81	294.48	(12.53) ST		
4			05/17/10	161.09	40.271	36.81	147.24	(13.85) ST		
2			08/18/10	76.36	38.178	36 81	73.62	(2.74) ST		
5			10/29/10	195.40	39.079	36 81	184.05	(11.35) ST		
19				**739 86**	**38 94**		**699 39**	**(40.47)**	**4.889**	**34.20**
5	STARWOOD HOTELS & RESORTS WORLDWIDE INC -NEW	HOT	11/01/10	275.53	55.105	60.78	303.90	28.37 ST		
6			11/05/10	356.19	59 364	60.78	364.68	8.49 ST		
11				**631.72**	**57.429**		**668.58**	**36.86**	**.691**	**4.62**
53	UDR INC	UDR	10/29/10	1,191.77	22.486	23.52	1,246.56	54.79 ST		
8			11/03/10	182.65	22.831	23.52	188.16	5.51 ST		
61				**1,374.42**	**22.531**		**1,434.72**	**60.30**	**3.146**	**45.14**
4	VENTAS INC	VTR	01/08/10	171 30	42.825	52.48	209 92	38.62 ST		
2			01/28/10	85.69	42.846	52.48	104.96	19 27 ST		
6				**256 99**	**42.832**		**314.88**	**57.89**	**4.077**	**12.84**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
3	VORNADO REALTY TR SBI	VNO	02/03/09	$ 149 45	$ 49.818	$ 83.33	$ 249.99	$ 100.54 LT		
6			03/04/09	188.79	31.464	83.33	499.98	311.19 LT		
5			04/24/09	241.25	48.25	83.33	416.65	175 40 LT		
1			08/07/09	58.74	58.736	83.33	83.33	24.59 LT		
7			08/26/09	405.87	57.982	83.33	583 31	177.44 LT		
3			09/01/09	165.84	55.279	83.33	249.99	84.15 LT		
5			09/02/09	272.50	54.50	83.33	416.65	144.15 LT		
2			09/10/09	119.48	59.738	83.33	166.66	47.18 LT		
2			09/11/09	120.32	60.159	83.33	166 66	46.34 LT		
5			06/21/10	400.75	80.15	83.33	416.65	15 90 ST		
4			11/23/10	321.24	80.31	83.33	333.32	12.08 ST		
43				**2,444.23**	**56.843**		**3,583.19**	**1,138 96**	**3.12**	**111 80**
3	WASHINGTON REAL EST INV TR SBI	WRE	05/19/10	87.27	29.088	30.99	92.97	5.70 ST		
7			06/02/10	200.98	28.712	30.99	216.93	15.95 ST		
7			06/29/10	195.85	27.978	30 99	216.93	21.08 ST		
5			08/04/10	157.31	31.461	30.99	154.95	(2.36) ST		
10			08/19/10	307.26	30.725	30.99	309.90	2.64 ST		
2			08/30/10	61.87	30.936	30.99	61.98	.11 ST		
34				**1,010 54**	**29.722**		**1,053.66**	**43.12**	**5.598**	**58.99**
Total common stocks and options				**$ 62,853.46**			**$ 77,133.04**	**$ 3,577.74 ST**	**3.66**	
								$ 10,701.84 LT		**$ 2,827.40**
Total portfolio value				**$ 64,320.02**			**$ 78,599.60**	**$ 3,577.74 ST**	**3.59**	**$ 2,828.27**
								$ 10,701.84 LT		

R The basis for this tax lot has been adjusted due to a reclassification of income.

Unsettled purchases/sales

This section only displays transactions that have not settled during this statement period. The "Portfolio details" section includes any securities purchased and omits any securities sold or sold short as of the trade-date.

Trade Date	Settlement Date	Activity	Description	Quantity	Price	Amount
12/30/10	01/04/11	Sold	HEALTH CARE REIT INC	-6	$ 47.3763	$ 284.25
12/29/10	01/03/11	Bought	NATIONWIDE HEALTH PPTYS INC	6	36 02	-216.12
Total Securities Bought						**$ -216.12**
Total Securities Sold						**$ 284.25**
Total Unsettled purchases/sales						**$ 68.13**

TRANSACTION DETAILS

All transactions appearing are based on trade-date

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/10/10	Bought	EXTRA SPACE STORAGE INC SBX=H1 SBX CONNECTIVITY BUSINESS	43	$ 17 38	$ -747.34
12/10/10	Sold	KILROY REALTY CORPORATION SBX=H1 SBX CONNECTIVITY BUSINESS	-3	33.65	100.94
12/10/10	Bought	KIMCO REALTY CORPORATION SBX=H1 SBX CONNECTIVITY BUSINESS	63	17.16	-1,081.08
12/10/10	Bought	LASALLE HOTEL PPTYS SBI SBX=H1 SBX CONNECTIVITY BUSINESS	6	25 48	-152.88
12/10/10	Sold	NATIONAL RETAIL PROPERTIES INC	-7	26.35	184 44
12/10/10	Sold	NATIONWIDE HEALTH PPTYS INC SBX=H1 SBX CONNECTIVITY BUSINESS	-4	34.90	139.59
12/10/10	Sold	PUBLIC STORAGE (MD) SBX=H1 SBX CONNECTIVITY BUSINESS CGMI AND/OR ITS AFFILIATES	-3	100.51	301.52
12/10/10	Sold	TANGER FACTORY OUTLET CTRS INC SBX=H1 SBX CONNECTIVITY BUSINESS	-6	49.56	297 35
12/10/10	Sold	VENTAS INC SBX=H1 SBX CONNECTIVITY BUSINESS	-8	49 92	399.35
12/14/10	Sold	CBL & ASSOC PPTYS INC	-3	17.2399	51.71

MorganStanley
SmithBarney

Ref: 00000125 00015837

Business FMA Statement
December 31, 2010

MITCHELL W. WATTS FAMILY **Account number 819-73600-12 534**

Common stocks & options

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Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2,000	INTERDIGITAL INC **Rating:** S&P*Quantitative : 2	IDCC		Please provide		$ 41.64	**$ 83,280.00**	Not available	.96%	**$ 800.00**
Total common stocks and options				**$ 0.00**			**$ 83,280.00**	**$ 0.00** ST**	**.96**	
								$ 0.00 LT**		**$ 800 00**
Total portfolio value				**$ 6,680.36**			**$ 89,960.36**	**$ 0.00** ST**	**.89**	
								$ 0.00 LT**		**$ 804 00**

***Unrealized Gain/Loss is only calculated when an original cost basis is available.*

TRANSACTION DETAILS

All transactions appearing are based on trade-date.

Other security activity

Date	Activity	Description	Quantity	Value
12/10/10	Received	INTERDIGITAL INC 0385 45867G101	2,000	$ 77,440 00
Net value of securities deposited/(withdrawn) + capital contributions				**$ 77,440.00**

=38^{72} / share

Money fund activity

Opening money fund balance **$ 0.00**

Date	Activity	Description	Amount
12/16/10	Journal	WESTERN ASSET MONEY MARKET FUND CLASS A FROM A/C 132-23934-1-4	6,680.03

All transactions are traded at $1.00 per share

Date	Activity	Description	Amount
		MONEY FUND EARNINGS REINVESTED (SEE DETAILS UNDER EARNINGS DETAILS)	.33
		Closing balance	**$ 6,680 36**
		Total money fund transfers	**$ 6,680 03**

MITCHELL W WATS FAMILY FOUNDATION, INC
EIN 26-0850536
December 31, 2010

Form 990-PF, Part IV, Capital Gains and Losses

		Gross Sales Price	Cost	Net Gain (Loss)
MorganStanley Smith Barney Account #	819-73571-17	44,077 36	44,166 20	(88 84)
MorganStanley Smith Barney Account #	819-73572-16	28,739.14	28,736.64	2.50
MorganStanley Smith Barney Account #	819-73573-15	13,753 58	14,299.38	(545 80)
MorganStanley Smith Barney Account #	819-73574-14	143,507.31	135,034 79	8,472 52
MorganStanley Smith Barney Account #	819-73575-13	21,330 88	18,551 86	2,779 02
MorganStanley Smith Barney Account #	819-72576-12	62,056.83	53,025 18	9,031 65
	Totals	313,465 10	293,814 05	19,651 05

Mitchell W. Watts Family
Foundation, Inc.
Attn: Mitchell Watts
Lord Abbett
PO Box 39
Concord NC 28026-0039

2010 Realized Gain/Loss - Detail

Prepared by A. LEE MORRIS III
Ph. 919 877 2402

As of 05/02/2011

Acct. 819-73571-17

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
	Total	31.514		$2,719.37		$1,906.97	($812.40)
ZIONS BANCORP	ZION	3.000	10/16/08	$106.17	04/15/10	$79.49	($26.68)
	ZION	7.000	10/17/08	247.41	04/15/10	185.49	(61.92)
	ZION	6.000	10/17/08	212.07	05/12/10	173.40	(38.67)
	ZION	1.000	10/17/08	35.34	09/02/10	19.55	(15.79)
	ZION	1.000	01/07/09	23.59	09/02/10	19.54	(4.05)
	Total	18.000		$624.58		$477.47	($147.11)
Long Term Total				**$33,386.00**		**$33,143.43**	**($242.57)**
2010 Short & Long Term Total				**$44,166.20**		**$44,077.36**	**($88.84)**

132-24242-17

** Gain/Loss is only calculated when an original cost basis is available.

Short Term Gain/(Loss)

Description	Quantity	Date Opened	Date Closed	Cost Basis	Net Proceeds	Gain/(Loss)
Government Bonds						
U S TREASURY NOTES SER C-2019 03 125 % DUE 05/15/19	2,000 000	12/15/09	05/20/10	$1,931 56	$1,996 25	$64 69
	2,000.000	12/23/09	05/20/10	1,913 75	1,996 25	82 50
	4,000 000	12/23/09	09/02/10	3,827 50	4,203 75	376.25
Subtotal	8,000.000			$7,672 81	$8,196 25	$523 44
Total this period (10/01/10-12/31/10)				**$0.00**		**$0.00**
Short Term Gain/(Loss) Year-To-Date				**$7,672.81**	**$8,196.25**	**$523.44**

Long Term Gain/(Loss)

Description	Quantity	Date Opened	Date Closed	Cost Basis	Net Proceeds	Gain/(Loss)
Corporate Bonds						
WELLS FARGO CO SR NOTES 04 200 % DUE 01/15/10	5,000.000	08/19/08	01/15/10	$5,043.50	$5,000.00	($43.50)
CONOCO FUNDING CO 06 350 % DUE 10/15/11	5,000 000	01/29/08	08/03/10	5,422.05	5,345.08	(76 97)
Corporate Bonds Subtotal				**$10,465.55**	**$10,345.08**	**($120.47)**
Government Bonds						
FEDERAL NATL MTG ASSN GLOBAL 04.125 % DUE 05/15/10	5,000 000	01/28/08	05/17/10	$5,162 50	$5,000.00	($162 50)
U S TREASURY NOTE SER B-2012 04.875 % DUE 02/15/12	2,000.000	01/28/08	12/15/10	2,177 50	2,104 06	(73 44)
U S TREASURY NOTES SER C-2011 05.000 % DUE 08/15/11	3,000 000	01/28/08	12/15/10	3,258.28	3,093.75	(164 53)
Government Bonds Subtotal				**$10,598.28**	**$10,197.81**	**($400.47)**
Total this period (10/01/10-12/31/10)				**$5,435.78**	**$5,197.81**	**($237.97)**
Long Term Gain/(Loss) Year-To-Date				**$21,063.83**	**$20,542.89**	**($520.94)**
Total Year-To-Date				**$28,736.64**	**$28,739.14**	**$2.50**

rganStanley
SmithBarney

Mitchell W. Watts Family
Foundation, Inc.
Attn: Mitchell Watts
Templeton
PO Box 39
Concord NC 28026-0039

2010 Realized Gain/Loss - Detail

As of 05/04/2011

Prepared by A. LEE MORRIS III
Ph. 919 877 2402

Acct. 819-73573-15

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
VODAFONE GROUP PLC SPONS	VOD	2.000	01/25/08	$69.12	09/02/10	$48.61	($20.51)
	VOD	12.000	01/25/08	414.72	09/22/10	308.78	(105.94)
	Total	14.000		$483.84		$357.39	($126.45)
VESTAS WIND SYS A/S UTD	VWDRY	23.000	10/15/08	510.63	07/01/10	319.28	(191.35)
WOLSELEY PLC	WOSCY	4.000	06/02/09	7.11	09/02/10	8.11	1.00
Long Term Total				**$13,618.37**		**$12,700.72**	**($917.65)**
2010 Short & Long Term Total				**$14,299.38**		**$13,753.58**	**($545.80)**

** Gain/Loss is only calculated when an original cost basis is available.

anStanley
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Mitchell W. Watts Family
Foundation, Inc
Attn: Mitchell Watts
Wells
PO Box 39
Concord NC 28026-0039

2010 Realized Gain/Loss - Detail

As of 05/02/2011

Prepared by A. LEE MORRIS III
Ph. 919 877 2402

Acct. 819-73574-14

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
	Total	56.000		$2,536.89		$3,048.75	$511.86
TJX COMPANIES INC NEW	TJX	3.000	07/17/09	$104.35	09/02/10	$123.47	$19.12
	TJX	3.000	07/17/09	104.75	11/04/10	140.70	35.95
	TJX	3.000	07/17/09	104.35	11/04/10	140.70	36.35
	TJX	3.000	07/17/09	105.11	11/05/10	141.01	35.90
	TJX	9.000	07/17/09	314.23	11/05/10	423.05	108.82
	TJX	6.000	07/27/09	215.10	11/08/10	276.02	60.92
	TJX	7.000	07/24/09	251.21	11/08/10	322.01	70.80
	TJX	2.000	07/17/09	70.07	11/08/10	92.00	21.93
	TJX	7.000	07/27/09	249.23	11/09/10	318.34	69.11
	TJX	7.000	07/28/09	250.99	11/09/10	318.35	67.36
	TJX	3.000	07/28/09	107.57	11/10/10	135.27	27.70
	Total	53.000		$1,876.96		$2,430.92	$553.96
Long Term Total				**$28,912.08**		**$34,820.20**	**$5,908.12**
2010 Short & Long Term Total				**$135,034.79**		**$143,507.31**	**$8,472.52**

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** Gain/Loss is only calculated when an original cost basis is available.

MorganStanley
SmithBarney

2010 Realized Gain/Loss - Detail

Mitchell W. Watts Family Fndtn
Attn: Mitchell Watts
Anchor
PO Box 39
Concord NC 28026-0039

Prepared by A. LEE MORRIS III
Ph. 919 877 2402

As of 05/04/2011

Acct. 819-73575-13

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
Long Term Total				**$15,220.54**		**$16,356.84**	**$1,136.30**
2010 Short & Long Term Total				**$18,551.86**		**$21,330.88**	**$2,779.02**

** Gain/Loss is only calculated when an original cost basis is available.

Mitchell W. Watts Family Fndtn
Attn: Mitchell Watts
Invesco Capital Mgmt
PO Box 39
Concord NC 28026-0039

2010 Realized Gain/Loss - Detail

Prepared by A. LEE MORRIS III
Ph. 919 877 2402

As of 05/04/2011

Acct. 819-73576-12

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
	VNO	1.000	12/17/08	$62.28	09/02/10	$85.62	$23.34
	VNO	5.000	12/17/08	311.44	10/08/10	435.16	123.72
	Total	25.000		$1,752.44		$1,926.05	$173.61
VENTAS INC	VTR	8.000	01/28/08	355.92	04/09/10	376.37	20.45
	VTR	4.000	01/28/08	177.96	04/16/10	178.87	0.91
	VTR	10.000	01/28/08	444.90	04/23/10	478.39	33.49
	VTR	5.000	01/28/08	222.45	08/25/10	248.48	26.03
	VTR	6.000	01/28/08	266.94	09/02/10	316.01	49.07
	VTR	2.000	01/28/08	88.98	09/21/10	105.55	16.57
	VTR	4.000	06/13/08	181.50	10/18/10	215.13	33.63
	VTR	4.000	07/10/08	165.27	10/22/10	210.79	45.52
	VTR	3.000	09/10/08	132.24	10/22/10	158.10	25.86
	VTR	7.000	09/10/08	308.54	10/25/10	368.30	59.76
	VTR	2.000	09/10/08	88.16	10/29/10	106.52	18.36
	VTR	1.000	02/03/09	28.87	10/29/10	53.26	24.39
	VTR	6.000	02/03/09	173.22	11/12/10	321.82	148.60
	VTR	7.000	04/08/09	166.43	12/10/10	349.43	183.00
	Total	69.000		$2,801.38		$3,487.02	$685.64
WASHINGTON REAL EST INV TR SBI	WRE	6.000	10/22/08	155.96	01/05/10	162.34	6.38
Long Term Total				**$32,408.15**		**$38,735.46**	**$6,327.31**
2010 Short & Long Term Total				**$53,025.18**		**$62,056.83**	**$9,031.65**

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