



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990-PF**

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

OMB No 1545-0052

2010Department of the Treasury
Internal Revenue Service

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

For calendar year 2010, or tax year beginning , and ending

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

Name of foundation

THE PAINTSTONE FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)

7373 PRODUCTION DRIVE

Room/suite

City or town, state, and ZIP code

MENTOR**OH 44060**

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$ 612,441** (Part I, column (d) must be on cash basis)
 J Accounting method. ☒ Cash ☐ Accrual
☐ Other (specify)

A Employer identification number
34-1538822

B Telephone number (see page 10 of the instructions)

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 ☐

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

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

22 Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)	30,000			
	2	Check ☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	4,560	4,560		
	4	Dividends and interest from securities	13,083	13,083		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	48,615			
	b	Gross sales price for all assets on line 6a	257,292			
	7	Capital gain net income (from Part IV, line 2)		48,615		
	8	Net short-term capital gain			0	
Operating and Administrative Expenses	9	Income modifications				
	10a	Gross sales less returns & allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule) STMT 1	1,236	1,236		
	12	Total. Add lines 1 through 11	97,494	67,494	0	
	13	Compensation of officers, directors, trustees, etc	0			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
Operating and Administrative Expenses	b	Accounting fees (attach schedule) STMT 2	4,100	2,050		
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) STMT 3	1,509			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch) STMT 4	3,879	3,839		
	24	Total operating and administrative expenses. Add lines 13 through 23	9,488	5,889	0	0
Operating and Administrative Expenses	25	Contributions, gifts, grants paid	60,000			60,000
	26	Total expenses and disbursements. Add lines 24 and 25	69,488	5,889	0	60,000
	27	Subtract line 26 from line 12				
Operating and Administrative Expenses	a	Excess of revenue over expenses and disbursements	28,006			
	b	Net investment income (if negative, enter -0-)		61,605		
	c	Adjusted net income (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see page 30 of the instructions.

Form **990-PF** (2010)

15 P

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	6,501	17,161	17,161
	2 Savings and temporary cash investments	186,416	29,975	29,975
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶	0		
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule) STMT 5	25,028		
	b Investments—corporate stock (attach schedule) SEE STMT 6	157,149	246,286	301,214
	c Investments—corporate bonds (attach schedule) SEE STMT 7	80,008	144,345	143,613
	11 Investments—land, buildings, and equipment, basis ▶ Less: accumulated depreciation (attach sch) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule) SEE STATEMENT 8	45,639	92,212	120,478
	14 Land, buildings, and equipment, basis ▶ Less: accumulated depreciation (attach sch) ▶			
	15 Other assets (describe ▶ SEE STATEMENT 9)	856		
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	501,597	529,979	612,441
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶ SEE STATEMENT 10)		376	
	23 Total liabilities (add lines 17 through 22)	0	376	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	501,597	529,603	
	30 Total net assets or fund balances (see page 17 of the instructions)	501,597	529,603	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	501,597	529,979	

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	501,597
2 Enter amount from Part I, line 27a	2	28,006
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	529,603
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	529,603

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
b	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
c	PUBLICLY TRADED SECURITIES	P	03/31/06	12/31/10
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 83,184		82,703	481
b 174,085		125,963	48,122
c 23		11	12
d			
e			

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

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			481
b			48,122
c			12
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	48,615
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	481

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	61,891	555,507	0.111414
2008	57,000	638,584	0.089260
2007	71,000	702,448	0.101075
2006	83,931	686,221	0.122309
2005	70,830	660,774	0.107192

2 Total of line 1, column (d)	2	0.531250
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	0.106250
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	588,196
5 Multiply line 4 by line 3	5	62,496
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	616
7 Add lines 5 and 6	7	63,112
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	8	60,000

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b	1	1,232
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	1,232
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	1,232
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	141
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	141
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	1,091
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
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b , attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ▶ \$ NONE (2) On foundation managers ▶ \$ NONE		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ NONE		
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
4b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5	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, col (c), and Part XV	7	X
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ OH		
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 on page 27)? 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)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► JERRIE LEE RISPOLI 7373 PRODUCTION DR. Located at ► MENTOR	Telephone no ► 440-974-3800 ZIP+4 ► 44060		
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year	15	► ☐	
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)–3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ☐	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	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? If "Yes," list the years ► 20 , 20 , 20 , 20 ☐ Yes ☒ No		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20 , 20 , 20 , 20		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.) N/A	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	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 page 22 of the instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **N/A** ☐ **5b**

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

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

If "Yes," attach the statement required by Regulations section 53.4945-5(d)

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

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

If "Yes" to 6b, file Form 8870

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

b If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **N/A** **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 11				

2 Compensation of five highest-paid employees (other than those included on line 1 — see page 23 of the instructions).

If none, enter "NONE."

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

Total number of other employees paid over \$50,000

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶**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 page 24 of the instructions)

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

	Amount
1 N/A	
2	
All other program-related investments. See page 24 of the instructions	
3 N/A	

Total. Add lines 1 through 3 ▶

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	516,377
b	Average of monthly cash balances	1b	80,776
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	597,153
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	597,153
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	8,957
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	588,196
6	Minimum investment return. Enter 5% of line 5	6	29,410

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

1	Minimum investment return from Part X, line 6	1	29,410
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,232
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	1,232
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	28,178
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	28,178
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	28,178

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	1a	60,000
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	60,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	60,000

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

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

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				28,178
2 Undistributed income, if any, as of the end of 2010.				
a Enter amount for 2009 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2010				
a From 2005	38,131			
b From 2006	51,758			
c From 2007	37,127			
d From 2008	25,313			
e From 2009	34,334			
f Total of lines 3a through e	186,663			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 60,000				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2010 distributable amount				28,178
e Remaining amount distributed out of corpus	31,822			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	218,485			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	38,131			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	180,354			
10 Analysis of line 9				
a Excess from 2006	51,758			
b Excess from 2007	37,127			
c Excess from 2008	25,313			
d Excess from 2009	34,334			
e Excess from 2010	31,822			

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

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

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year—see page 28 of the instructions.)

1 Information Regarding Foundation Managers:

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

JOSEPH B. MILGRAM, JR. **\$30,000**

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

N/A

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

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

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

N/A

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

N/A

c Any submission deadlines

N/A

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

N/A

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	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
Name and address (home or business)				
a Paid during the year SEE STATEMENT 12				60,000
Total			3a	60,000
b Approved for future payment N/A				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See page 28 of the instructions)
1	Program service revenue					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	4,560	
4	Dividends and interest from securities			14	13,083	
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	48,615	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue a					
b	CAPITAL GAIN DISTRIBUTIONS			14	630	
c	LIMITED PARTNERSHIP INCOME			14	-266	
d	MISC. INCOME			14	872	
e						
12	Subtotal. Add columns (b), (d), and (e)		0		67,494	0
13	Total. Add line 12, columns (b), (d), and (e)				13	67,494

(See worksheet in line 13 instructions on page 29 to verify calculations.)

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

[illegible]

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

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

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

- b If "Yes," complete the following schedule.**

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

**Sign
Here**

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

Signature of officer or trustee

Date _____

Title

Paid
Preparer
Use Only

Print/Type preparer's name

Preparer's signature

Date _____

Check ☐ if self-employed

Firm's name ▶

LIBMAN, GOLDSTINE, KOPPERMAN & WOLF INC.

PTIN

Firm's address ►

600 SUPERIOR AVE E STE 925
CLEVELAND, OH 44114

Firm's EIN ▶

Phone no **216-373-2500**

Form **990-PF** (2010)

Schedule B
(Form 990, 990-EZ,
or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

OMB No 1545-0047

2010

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

Name of the organization

Employer identification number

THE PAINTSTONE FOUNDATION

34-1538822

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

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

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

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

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

☐ 501(c)(3) taxable private foundation

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

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

General Rule

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

Special Rules

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

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

Name of organization

THE PAINTSTONE FOUNDATION

Employer identification number

34-1538822

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	JOSEPH B. MILGRAM, JR. 7373 PRODUCTION DRIVE MENTOR OH 44060	\$ 30,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
CAPITAL GAIN DISTRIBUTIONS	\$ 630	630	\$
LIMITED PARTNERSHIP INCOME	-266	-266	
MISC. INCOME	872	872	
TOTAL	\$ 1,236	\$ 1,236	\$ 0

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
PROFESSIONAL FEES	\$ 4,100	\$ 2,050	\$	\$
TOTAL	\$ 4,100	\$ 2,050	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FEDERAL 990PF RETURN OF PRIVATE	\$ 1,232	\$	\$	\$
FOREIGN TAXES PAID	77			
STATE FILING FEES	200			
TOTAL	\$ 1,509	\$ 0	\$ 0	\$ 0

PAI029 THE PAINTSTONE FOUNDATION
34-1538822
FYE: 12/31/2010

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES	\$	\$	\$	\$
MANAGEMENT FEES	3,839	3,839		
MISC. EXPENSE	40			
TOTAL	<u>3,879</u>	<u>3,839</u>	<u>0</u>	<u>0</u>

Statement 5 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
U.S. TREASURY NOTE	\$ 25,028		COST	\$
TOTAL	\$ 25,028	\$ 0		\$ 0

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE ATTACHED	\$ 157,149	\$ 246,286	COST	\$ 301,214
TOTAL	\$ 157,149	\$ 246,286		\$ 301,214

Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE ATTACHED	\$ 80,008	\$ 144,345	COST	\$ 143,613
TOTAL	\$ 80,008	\$ 144,345		\$ 143,613

Statement 8 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
LTD PARTNERSHIP INTERESTS	\$ 20,056		COST	\$
FOREIGN STOCKS	13,519	46,986	COST	62,776
MUTUAL FUNDS	12,064	45,226	COST	57,702
TOTAL	\$ 45,639	\$ 92,212		\$ 120,478

PAINSTONE FOUNDATION
FEIN. 34-1538822
SCHEDULE OF INVESTMENTS

ATTACHMENTS TO AND MADE PART OF FORM 990
PART II - BALANCE SHEET - LINES 10 AND 13

COMMON STOCK			
QTY	SECURITY	DATE ACQUIRED	TOTAL COST
75	3M CO	2010	6,294 53
500	ANNALY CAP MGMT INC	2009	9,774 25
75	APACHE CORP	2010	7,375 50
100	APPLIED INDL TECHNOLOGIES	2010	3,169 98
500	ARES CAP CORP	2010	8,479 95
100	CATERPILLAR INC	2010	8,271 60
0	CHESAPEAKE ENERGY CORP	2008 2009 2009 2010 2010	-
100	CLIFFS NATURAL RESOURCES INC	2010	7,461 00
125	C S X CORP	2009 2010	5,555 00
300	DOW CHEMICAL CO	2006 2006 2009 2010	6,565 21
125	ECOLAB INC	2006 2010	4,909 07

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
200	ENERPLUS RESOURCES FUND	2010	4,386 96
100	EXXON MOBIL CORP	2010	7,217 99
80	FED EX CORP	2005	
		2010	7,839 97
150	FIRST POTOMAC REALTY TRUST	2007	2,936 37
0	FIRST TR ISE REVERE NAT GAS INDEX FUND	2008 2009 2009 2010	-
645	GENERAL ELECTRIC CO.	2005 2007 2008 2010 2010 2010	11,026 80
0	GILEAD SCIENCES INC 2 for 1 stock split 2 for 1 stock split	2003 2004 2007 2009 2009 2010	-
10	GOOGLE INC	2010	5,881 90
750	GOVERNMENT PROPERITES INC	2010	20,137 50
0	HEWLETT PACKARD CO	2009 2010	-
0	INTUITIVE SURGICAL INC	2009 2009	

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
		2010	-
400	INTEL CORP	1994	
"	"	1994	
"	"	1994	
"	"	1995	
"	"	1996	
"	"	1997	
	* DONATED 12/30 BY JSM W/BASIS OF 9,857 10	1997	
	* DONATED 12/23 BY JSM W/BASIS OF 30,780 75	1998	
	2 for 1 stock split	1999	
	2 for 1 stock split	2000	
		2008	
		2009	
		2010	5,043 50
80	INTERN'L BUSINESS MACHINES	2005	
		2006	
		2009	
		2009	6,650 38
		2010	
		2010	
100	LINCOLN ELEC HLDGS INC.	2007	
		2010	6,242 61
25	MASTERCARD INC	2010	6,354 96
100	MCDONALDS CORP	2010	6,919 78
0	MEDCO HEALTH SOLN	2010	-
190	MEDTRONIC, INC.	2000	
		2001	
		2003	
		2006	8,805 95
0	MESABI TR	2010	-

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
300	MICROSOFT CORP	2009	-
		2010	8,018 70
400	NEOGEN CORP	2002	
		2003	
	5 for 4 stock split	2004	
	3 for 2 stock split	2007	
		2009	
		2009	2,007 10
		2010	
		2010	
		2010	
100	NIKE INC	2010	7,563 46
200	NOBLE CORP	2010	6,707 21
	2010 basis adj - ROC	2010	-
0	NORTHROP GRUMMAN CORP	2010	-
75	NOVO NORDISK AS ADR	2010	7,868 24
350	NUANCE COMMUNICATIONS INC	2010	6,278 50
0	PRINCIPAL FINANCIAL GROUP INC.	2007	
		2008	
		2009	-
		2010	
		2010	
70	PROCTOR & GAMBLE	1995	
	" "	1997	
	" "	2000	
		2002	
	2 for 1 stock split	2004	

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
		2009	
		2009	1,191 11
50	RESMED INC	2006	
		2006	
		2007	
		2009	4,264 76
		2010	
225	RPM INTERNATIONAL INC	2008	
		2009	4,540 07
0	SABINE REALTY TR UBI	2004	
		2010	-
0	SCHLUMBERGER LTD	2007	
		2008	-
		2010	
400	SWIRE PAC LTD SPONS	2010	5,068 00
125	STERICYCLE INC.	2006	
	2 for 1 stock split	2007	
		2009	4,197 77
		2009	
		2010	
0	SUNPOWER CORP	2008	-
	spin off	2010	
150	TARGET	2010	8,887 49
200	TEXAS INSTRUMENTS INC	2010	5,014 00
200	T J X COS INC	2006	5,058 00

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
0	TRANSOCEAN INC.	2007	
	basis adjustment for New Transocean, Inc	2008	
		2009	
		2010	
		2010	
40	VORNADO RLTY TR	2004	
		2009	
		2009	2,320 85
	differences in basis		

246,286.02
=====

FOREIGN STOCK

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
4,000	HONG KONG & CHINA GAS LTD ADR	1993	
	20% stock dividend	1997	
	10% stock dividend	1998	
	10% stock dividend	1999	
	10% stock dividend	2000	
	10% stock dividend	2001	
	10% stock dividend	2002	
	10% stock dividend	2007	
		2008	
		2009	
		2009	1,799 80
		2010	
		2010	
165	HUTCHINSON WHAMPOA ADR	1993	
	10% stock dividend	2000	2,347 50
127	HSBC HLDGS PLC	1997	
	mandatory exchange (6 for 1 split)	1999	
		2009	
		2009	5,664 11
400	HSBC HLDGS PLC 6 20%	2010	9,060 85
		2010	
150	TATA MOTORS LTD ADR	2007	

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
		2007	
		2007	3,008 74
100	CHINA FUND INC	2010	3,465 19
500	USB CAPITAL XII 6.3% PFD	2010	11,734 97
250	ULTRASHORT LEHMAN BROS	2010	9,905 00
			46,986 16

MUTUAL FUNDS

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
150	ISHARES MSCI EMERGING MKTS	2005	
75	ISHARES FTSE CHINA INDEX FUND	2010	3,909 63
425	ISHARES MSCI AUSTRALIA ETF	2010	10,459 21
250	ISHARE MSCI CANADA ETF	2010	7,397 50
150	ISHARES MSCI GERMANY	2010	3,638 97
250	ISHARES MSCI SINGAPORE	2010	3,449 98
125	IQ CANADA SMALL CAP ETF	2010	3,870 00
50	SPDR GOLD TRUST	2008	2,908 50
300	FIRST EAGLE GOLD FUND	2003	
		2003	
		2009	
		2009	4,268 99
		2010	
			45,225.78

CORPORATE BONDS

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
-----	----------	------------------	---------------

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
0	WESTERN ST BK CD 5.000%	2007	-
	9/14/10	2010	
20,000	LEHMAN BROS. FSB CD 4.950%	2007	20,000.00
	9/26/11		
20,000	LEHMAN BROS. FSB CD 4.950%	2007	20,000.00
	9/26/12		
0	BANCO POPULAR CD 5.000%	2007	-
	9/27/10	2010	
400	DB CAP FNDG X PFD	2010	9,788.57
400	GEN ELECTRIC CAP 6.10%	2010	9,951.99
		2010	
750	GOLDMAN SACHS	2010	18,750.00
400	METLIFE INC 5.875% PFD	2010	9,868.52
400	PUBLIC 6.625% PFD	2010	9,714.24
10,000	ARCADIA CA REDEV AGY 6.250%	2010	10,184.00
15,000	UNION COUNTY IL BUILD 7.250%	2010	15,799.95
10,000	AMERENENERGY 6.3%	2010	10,162.50
10,000	PROLOGIS 5.625%	2010	10,125.00

			144,344.77
			=====

GOVERNMENT BONDS

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
0	US TREASURY NOTES	2009	
	1.250% DUE 4/15/14		-
		2010	-

			-
			=====

QTY	SECURITY	DATE ACQUIRED	TOTAL COST
PARTNERSHIP INTERESTS			
0	BUCKEYE PARTNERS LP	2007	-
0	CEDAR FAIR LP	1995/1997 2000	-
0	ENERGY TRANSFER PTNRS LP	2007	-
0	ENTERPRISE PRODUCTS PTNRS LP	2007	-
0	MAGELLAN MIDSTREAM PARTNERS	2006	-
0	PLAINS ALL-AMERICAN PIPELINE LP	2006 2007	-
		= = = = =	-

Statement 9 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
PREPAID TAXES	\$ 856	\$	\$
TOTAL	\$ 856	\$ 0	\$ 0

Statement 10 - Form 990-PF, Part II, Line 22 - Other Liabilities

Description	Beginning of Year	End of Year
ACCRUED TAXES	\$	\$ 376
TOTAL	\$ 0	\$ 376

Federal Statements

Statement 11 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees,
Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
JOSEPH B. MILGRAM, JR. 7373 PRODUCTION DRIVE MENTOR OH 44060	TRUSTEE	1.00	0	0	0
MARGARETTA SC MILGRAM 7373 PRODUCTION DRIVE MENTOR OH 44060	TRUSTEE	0.00	0	0	0
JOHN S. MILGRAM 7373 PRODUCTION DRIVE MENTOR OH 44060	TRUSTEE	0.00	0	0	0
ANDREW MILGRAM 7373 PRODUCTION DRIVE MENTOR OH 44060	TRUSTEE	0.00	0	0	0
THOMAS MILGRAM 7373 PRODUCTION DRIVE MENTOR OH 44060	TRUSTEE	0.00	0	0	0

PAI029 THE PAINTSTONE FOUNDATION

34-1538822

Federal Statements

FYE: 12/31/2010

Form 990-PF, Part XV, Line 1a - Managers Who Contributed Over 2% or \$5,000

<u>Name of Manager</u>	<u>Amount</u>
JOSEPH B. MILGRAM, JR.	\$ <u>30,000</u>
TOTAL	\$ <u><u>30,000</u></u>

PAI029 THE PAINTSTONE FOUNDATION

34-1538822

FYE: 12/31/2010

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the
Year

Name	Address	Relationship	Status	Purpose	Amount
CITY MISSION		CLEVELAND, OH 44103		HEALTH & WELFARE	2,000
CLEVELAND FOOD BANK		CLEVELAND, OH 44110		HEALTH & WELFARE	4,000
FUTURE HEIGHTS		CLEVELAND, OH 44118		HEALTH & WELFARE	2,000
LEAF		CONCORD, OH 44077		HEALTH & WELFARE	2,000
MUSICAL ARTS ASSN		CLEVELAND, OH 44106		ARTS & EDUCATION	10,000
CARE		CLEVELAND, OH 44115		HEALTH & WELFARE	2,000
DRS WITHOUT BORDERS		CLEVELAND, OH 44106		HEALTH & WELFARE	2,000
OXFAM AMERICA		BOSTON, MA 02111		HEALTH & WELFARE	2,000
POLYTECHNIC UNIV		BROOKLYN, NY 11201		HEALTH & WELFARE	2,000
LAWRENCE SCHOOL		BROADVIEW HTS, OH 44147		EDUCATION	2,000
GREAT LAKES THEATER		CLEVELAND, OH 44115		EDUCATION	2,000
CENTER FOR FAMILIES & CHI		CLEVELAND, OH		ARTS & EDUCATION	2,000
AMERICAN RED CROSS		CLEVELAND, OH		HEALTH & WELFARE	4,000
SALVATION ARMY -CLEVELAND		CLEVELAND, OH		HEALTH & WELFARE	1,000
WHARTON SCHOOL		PHILADELPHIA, PA		HEALTH & WELFARE	3,000
LAKELAND FOUNDATION		KIRTLAND, OH 44094		EDUCATION	2,000
SALVATION ARMY - LAKE CO.		CLEVELAND, OH		EDUCATION	4,000
MUSIC SETTLEMENT		CLEVELAND, OH 44106		HEALTH & WELFARE	4,000
				ARTS & EDUCATION	4,000
					12

PAI029 THE PAINTSTONE FOUNDATION

34-1538822

FYE: 12/31/2010

Federal Statements

Statement 12 - Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year (continued)

Name	Address	Relationship	Status	Purpose	Amount
PARKWORKS		CLEVELAND, OH 44115		HEALTH & WELFARE	2,000
LEARNING DISABILITIES NEO PEPPER PIKE, OH 44124				EDUCATION	2,000
ALZHEIMERS ASSOCIATION		BEACHWOOD, OH 44122		HEALTH & WELFARE	1,000
APPOLLO'S FIRE		CLEVELAND HTS, OH 44118		ARTS & EDUCATION	1,000
TOTAL					60,000

Federal Statements

NYE: 12/31/2010

Taxable Interest on Investments

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>US Obs (\$ or %)</u>
INTEREST INCOME, U.S. BANK, VARIOUS PAYERS	\$ 4,560		14		
TOTAL	\$ 4,560				

Taxable Dividends from Securities

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>	<u>US Obs (\$ or %)</u>
DIVIDEND INCOME, U.S. BANK, VARIOUS PAYERS	\$ 13,083		14		
TOTAL	\$ 13,083				