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Return of Private Foundation

OMB No 1545-0052

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

2010

Department 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 VATTIKUTI FOUNDATION		A Employer identification number 38-3380162
Number and street (or P.O. box number if mail is not delivered to street address) 3350 EASTPOINTE LANE	Room/suite	B Telephone number (248) 380-5653
City or town, state, and ZIP code BLOOMFIELD HILLS, MI 48302		C If exemption application is pending, 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		D 1 Foreign organizations, check here ☐ 2 Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 28,053,887. (Part I, column (d) must be on cash basis)	J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify)	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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		800,766.	778,266.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		315,303.			
b Gross sales price for all assets on line 6a 15,318,680.					
7 Capital gain net income (from Part IV, line 2)			315,303.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less: Cost of goods sold					
c Gross profit or (loss)					
11 Other income		79,896.	79,896.		STATEMENT 2
12 Total. Add lines 1 through 11		1,195,965.	1,173,465.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages		41,511.	0.		41,511.
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 3		7,700.	3,850.		3,850.
c Other professional fees					
17 Interest		1,028.	1,028.		0.
18 Taxes STMT 4		10,658.	6,442.		4,216.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		42,893.	0.		42,893.
22 Printing and publications					
23 Other expenses STMT 5		161,142.	148,112.		13,030.
24 Total operating and administrative expenses. Add lines 13 through 23		264,932.	159,432.		105,500.
25 Contributions, gifts, grants paid		110,000.			110,000.
26 Total expenses and disbursements. Add lines 24 and 25		374,932.	159,432.		215,500.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		821,033.			
b Net investment income (if negative, enter -0-)			1,014,033.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of year amounts only

		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	1,017,008.	670,219.	670,219.
	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			
	7 Other notes and loans receivable ▶			
	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 STMT 6	638,103.	670,956.	670,956.
	b Investments - corporate stock STMT 7	3,924,990.	11,899,856.	11,899,856.
	c Investments - corporate bonds STMT 8	10,058,973.	9,521,029.	9,521,029.
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other STMT 9	10,901,993.	5,291,827.	5,291,827.	
14 Land, buildings, and equipment, basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	26,541,067.	28,053,887.	28,053,887.	
Liabilities	17 Accounts payable and accrued expenses		4,619.	
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	4,619.	
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	0.	0.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	26,541,067.	28,049,268.	
	30 Total net assets or fund balances	26,541,067.	28,049,268.	
31 Total liabilities and net assets/fund balances	26,541,067.	28,053,887.		

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	26,541,067.
2 Enter amount from Part I, line 27a	2	821,033.
3 Other increases not included in line 2 (itemize) ▶ UNREALIZED GAINS ON INVESTMENTS	3	687,168.
4 Add lines 1, 2, and 3	4	28,049,268.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	28,049,268.

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 CREDIT SUISSE - LT	P		
b CREDIT SUISSE - ST	P		
c CAPITAL GAINS DIVIDENDS			
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 5,249,139.		5,049,541.	199,598.
b 10,066,966.		9,953,836.	113,130.
c 2,575.			2,575.
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			199,598.
b			113,130.
c			2,575.
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	315,303.
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) If (loss), enter -0- in Part I, line 8	3	N/A

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 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	27,019.	29,087,626.	.000929
2008	1,390,908.	25,580,257.	.054374
2007	5,833,469.	19,557,827.	.298268
2006	26,839.	5,931,136.	.004525
2005	71,237.	4,863,744.	.014647

2 Total of line 1, column (d)	2	.372743
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	.074549
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	26,662,248.
5 Multiply line 4 by line 3	5	1,987,644.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	10,140.
7 Add lines 5 and 6	7	1,997,784.
8 Enter qualifying distributions from Part XII, line 4	8	215,500.

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 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	20,281.
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	20,281.
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	20,281.
6	Credits/Payments.		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	12,905.
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	12,905.
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	7,376.
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 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. ☐ \$ 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		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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?		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		X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ <u>MI</u>		
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	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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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 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 ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>RAJENDRA VATTIKUTI</u> Telephone no. ► <u>248-380-5653</u> Located at ► <u>3350 EASTPOINTE LANE, BLOOMFIELD HILLS, MI</u> ZIP+4 ► <u>48302</u>			
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 ► <u>15</u> <u>N/A</u>			
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 <u>N/A</u> ► ☐	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? ☐ Yes ☒ No If "Yes," list the years ►		
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 instructions.) <u>N/A</u>	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 ►		
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) <u>N/A</u>	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)?

☐ 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)?

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

6b

X

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

If "Yes" to 6b, file Form 8870

☐ Yes ☒ No

7b

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

N/A

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

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.

(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
RAJENDRA B. VATTIKUTI 3350 EASTPOINTE LANE BLOOMFIELD HILLS, MI 48302	PRESIDENT 4.00	0.	0.	0.
PADMAJA VATTIKUTI 3350 EASTPOINTE LANE BLOOMFIELD HILLS, MI 48302	VICE PRESIDENT 3.00	0.	0.	0.
NICHOLAS STASEVICH 150 W. JEFFERSON, SUITE 900 DETROIT, MI 48226	SECRETARY 2.00	0.	0.	0.
TIM MANNEY 1000 TOWN CENTER, SUITE 700 SOUTHFIELD, MI 48075	TREASURER 2.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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. 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**

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.

Form 990-PF (2010)

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	25,812,731.
b	Average of monthly cash balances	1b	1,255,541.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	27,068,272.
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	27,068,272.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	406,024.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	26,662,248.
6	Minimum investment return. Enter 5% of line 5	6	1,333,112.

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	1,333,112.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	20,281.
b	Income tax for 2010 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	20,281.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,312,831.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,312,831.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,312,831.

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	215,500.
b	Program-related investments - total from Part IX-B	1b	0.
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	215,500.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	215,500.

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				1,312,831.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007	5,018,678.			
d From 2008	124,227.			
e From 2009				
f Total of lines 3a through e	5,142,905.			
4 Qualifying distributions for 2010 from Part XII, line 4. ▶ \$ 215,500.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				215,500.
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).)	1,097,331.			1,097,331.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	4,045,574.			
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 instr			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	4,045,574.			
10 Analysis of line 9.				
a Excess from 2006				
b Excess from 2007	3,921,347.			
c Excess from 2008	124,227.			
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			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

RAJENDRA B. VATTIKUTI

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
<i>a</i> Paid during the year				
DETROIT COUNTRY DAY SCHOOL 22305 W. 13 MILE ROAD BEVERLY HILLS, MI 48025	NONE	PUBLIC	TO SUPPORT EDUCATION	50,000.
HENRY FORD HEALTH SYSTEM 1 FORD PLACE, 5B DETROIT, MI 482023450	NONE	PUBLIC	MEDICAL RESEARCH	55,000.
GEETMALA FOUNDATION 11052 MILLWOOD DR PLYMOUTH, MI 48170	NONE	PUBLIC	TO SUPPORT HUMANITARIAN CAUSES	5,000.
Total			3a	110,000.
<i>b</i> Approved for future payment				
NONE				
Total			3b	0.

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

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

[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 _____

PRESIDENT

Title

Print/Type preparer's name

Preparer's signature

Date

Check ☐ self-employed

PTIN

**Paid
Preparer
Use Only**

SEAN SANT

SEAN SANT

04/15/11

Firm's name ► BAKER TILLY VIRCHOW KRAUSE, LLP
ONE TOWNE SQUARE, SUITE 600

Firm's EIN ▶

Firm's address ► SOUTHFIELD, MI 48076

Phone no.	248-372-7300
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Recipient's Name and Address:
THE VATTIKUTI FOUNDATION
3350 EASTPOINTE

Account Number: 22N-002757
Recipient's Identification
Number: 38-3380162

2010 TAX and YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

Securities Purchased Securities purchased through your account during 2010 are displayed in this section. We provide this information to you because you will need it to calculate a gain or loss upon disposition of the securities. The net cost displayed includes commissions and fees. If the security purchased is a debt instrument, the net cost does not include accrued interest purchased. Accrued interest purchased is reported separately in this section of your Tax Information Statement. The cost of securities purchased during 2010 should be reported on your tax return in the year in which the securities are sold or redeemed on IRS Form 1040, Schedule D.

(Continued)

SCHEDULE of REALIZED GAINS and LOSSES

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
01/08/10	12/18/09	BUY	CALL 100 TEVA PHARMACEUT 06-19-10 @ 57.50	8816249FA	(8,000)	3,200.00	1,120.00	(2,080.00)
01/08/10	12/21/09	BUY	CALL 100 TEVA PHARMACEUT 06-19-10 @ 60.00	8816249FL	(15,000)	3,960.00	1,932.00	(2,028.00)
01/11/10	10/26/09	BUY	CALL 100 BP PLC SPONS AD 04-17-10 @ 65.00	0556239DM	(7,000)	777.00	518.00	(259.00)
01/11/10	10/13/09	BUY	CALL 100 CHEVRON CORP 03-20-10 @ 85.00	1667649CQ	(10,000)	980.00	1,000.00	20.00
01/11/10	11/09/09	BUY	CALL 100 TOTAL S A 05-22-10 @ 70.00	89151E9EN	(10,000)	2,850.00	2,500.00	(350.00)
01/12/10	03/26/09	SELL	ISHARES COMEX GOLD TR ISHARES	IAU	250,000	23,109.50	28,125.00	5,015.50
01/12/10	04/02/09	SELL	ISHARES COMEX GOLD TR ISHARES	IAU	500,000	44,436.50	56,250.00	11,813.50
01/13/10	11/06/09	BUY	CALL 100 GENERAL DYNAMIC 01-16-10 @ 70.00	3695509AN	(7,000)	728.00	777.00	49.00
01/13/10	04/27/09	SELL	GLAXOSMITHKLINE PLC SPONS ADR	GSK	1,000,000	31,693.00	41,635.00	9,942.00
01/13/10	05/04/09	SELL	GLAXOSMITHKLINE PLC SPONS ADR	GSK	750,000	23,175.00	31,226.25	8,051.25
01/13/10	05/18/09	SELL	GLAXOSMITHKLINE PLC SPONS ADR	GSK	1,250,000	40,261.38	52,043.75	11,782.37

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3350 EASTPOINTE

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2010 TAX and
YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

SCHEDULE of REALIZED GAINS and LOSSES

(Continued)

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
01/13/10	09/02/09	BUY	CALL 100 GLAXO WELLCOME 01-16-10 @ 45.00	37733W9AI	(15.000)	60.00	825.00	765.00
01/13/10	11/02/09	BUY	CALL 100 GLAXO WELLCOME 05-22-10 @ 45.00	37733W9EI	(15.000)	1,275.00	1,725.00	450.00
01/14/10	09/09/09	BUY	CALL 100 ISHARES COMEX G 01-16-10 @ 105.00	4642ES9AA	(7.000)	4,718.00	2,800.00	(1,918.00)
01/15/10	11/11/09	SELL	FPL GROUP INC COM N/C EFF 6/3/10 1 OLD	302571104	500.000	25,914.05	24,890.95	(1,023.10)
01/15/10	08/21/09	BUY	CALL 100 ISHARES TR 01-16-10 @ 40.00	4642B19AN	(10.000)	1,950.00	1,470.00	(480.00)
01/15/10	10/06/09	BUY	CALL 100 ISHARES TR 01-16-10 @ 43.00	4642B19AQ	(8.000)	8.00	840.00	832.00
01/15/10	08/21/09	BUY	CALL 100 ISHARES TR MSCI 01-16-10 @ 57.00	4642B89AE	(15.000)	135.00	1,875.00	1,740.00
01/15/10	12/04/09	BUY	CALL 100 KELLOGG CO 03-20-10 @ 55.00	4878369CK	(15.000)	1,425.00	1,350.00	(75.00)
01/16/10	08/21/09	XOPTS	CALL 100 EXXON MOBIL COR 01-16-10 @ 80.00	30231G9AP	(10.000)	0.00	1,160.00	1,160.00
01/16/10	10/19/09	XOPTS	CALL 100 ISHARES INC MSC 01-16-10 @ 80.00	4642FR9AB	(5.000)	0.00	1,550.00	1,550.00
01/16/10	09/28/09	XOPTS	CALL 100 ISHARES TR MSCI 01-16-10 @ 59.00	4642B89AG	(15.000)	0.00	1,875.00	1,875.00

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2010 TAX and YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

SCHEDULE of REALIZED GAINS and LOSSES

(Continued)

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
01/16/10	08/25/09	XOPTS	CALL 100 POWERSHARES DB 01-16-10 @ 28.00	7393689AB	(20 000)	0 00	1,600 00	1,600.00
01/19/10	10/20/09	BUY	CALL 100 PFIZER INC	7170819FD	(20 000)	2,060.00	1,480 00	(580 00)
01/19/10	12/15/09	BUY	06-19-10 @ 20.00 CALL 100 WILLIAMS COS IN	9694579EX	(25 000)	5,225 00	2,624 90	(2,600.10)
01/21/10	10/29/09	SELL	05-22-10 @ 22 50 BARCLAYS BK PLC	JJC	1,000.000	41,822.00	45,161.90	3,339.90
01/22/10	05/14/09	SELL	IPATH DOW JONES UBS SIMON PPTY GROUP INC	SPG PR	100 000	5,000 00	5,900 00	900 00
01/22/10	05/14/09	SELL	NEW PFD SER J 8.375% SIMON PPTY GROUP INC	SPG PR	200 000	10,000.00	11,900 00	1,900 00
01/22/10	05/14/09	SELL	NEW PFD SER J 8.375% SIMON PPTY GROUP INC	SPG PR	700 000	35,000.00	40,950.00	5,950.00
01/26/10	04/27/09	TNDG	NEW PFD SER J 8.375% SIMON PPTY GROUP L P NT	828807AW7	300,000.000	280,033.32	323,250.00	43,216 68
02/09/10	12/17/09	SELL	Original Cost Basis: 276,000 00 POWERSHARES DB U S DLR INDEX TR	UUP	5,000 000	114,891.00	117,552.50	2,661.50
02/09/10	12/18/09	SELL	POWERSHARES DB U S DLR INDEX TR	UUP	2,500.000	57,772.75	58,776.25	1,003.50
02/09/10	12/21/09	SELL	POWERSHARES DB U S DLR INDEX TR	UUP	2,500.000	57,645 25	58,776.25	1,131.00
02/20/10	09/29/09	XOPTS	CALL 100 MEAD JOHNSON 02-20-10 @ 50 00	5828399BJ	(10.000)	0.00	1,650 00	1,650.00
02/20/10	12/21/09	XOPTS	CALL 100 SPDR S&P 500 ET 02-20-10 @ 117 00	78462F98M	(15.000)	0.00	1,620.00	1,620.00

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2010 TAX and YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

SCHEDULE of REALIZED GAINS and LOSSES

(Continued)

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
02/20/10	10/13/09	XOPTS	CALL 100 TOTAL S A	89151E9BN	(10 000)	0.00	800 00	800.00
02/22/10	11/11/09	SELL	02-20-10 @ 70.00 FPL GROUP INC COM	302571104	500.000	25,914.05	23,495.95	(2,418.10)
02/22/10	10/15/09	SELL	N/C EFF 6/3/10 1 OLD PROSHARES TR	TBF	2,000 000	97,860 00	100,782 80	2,922.80
02/22/10	02/19/10	BUY	SHORT 20+ YR TREAS CALL 100	8816249IZ	(15 000)	3,390 00	2,775 00	(615 00)
02/23/10	06/05/09	SELL	TEVA PHARMACEUT 09-18-10 @ 62.50	DBV	1,000 000	21,457 00	23,013 00	1,556 00
02/23/10	06/11/09	SELL	POWERSHARES DB G10 CURRENCY HARVEST FD	DBV	1,000.000	21,708 00	23,013.00	1,305.00
02/23/10	10/08/09	SELL	POWERSHARES DB G10 CURRENCY HARVEST FD	DBV	1,000.000	23,368.00	23,013 00	(355.00)
02/23/10	12/21/09	SELL	POWERSHARES DB G10 CURRENCY HARVEST FD	PSA	500.000	40,094.05	40,115 95	21.90
02/23/10	12/22/09	SELL	PUBLIC STORAGE COMMON STOCK	PSA	500 000	40,924 05	40,115 95	(808.10)
02/24/10	02/19/10	BUY	COMMON STOCK CALL 100	74460D9IR	(10 000)	2,400.00	2,700 00	300 00
02/25/10	07/08/09	SELL	PUBLIC STORAGE 09-18-10 @ 90.00	PSFAX	30,425 963	294,219 06	300,000 00	5,780.94
03/02/10	05/22/09	SELL	*PIMCO SHORT-TERM FUND (ADMIN SHARES)	MSFT	500.000	9,949.25	14,156 50	4,207.25
03/05/10	03/26/09	SELL	MICROSOFT CORP COM	TIP	300 000	30,695.85	31,161 57	465.72
03/05/10	04/02/09	SELL	ISHARES TR BARCLAYS TIPS BD FD	TIP	300.000	30,623.94	31,161.57	537.63
03/05/10	04/22/09	SELL	ISHARES TR BARCLAYS TIPS BD FD	TIP	400 000	40,239.96	41,548.76	1,308.80

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2010 TAX and YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

SCHEDULE of REALIZED GAINS and LOSSES

(Continued)

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
<i>Short Term (continued)</i>								
03/05/10	05/20/09	SELL	ISHARES TR BARCLAYS TIPS BD FD	TIP	400.000	40,755.96	41,548.76	792.80
03/05/10	07/08/09	SELL	*PIMCO SHORT-TERM FUND (ADMIN SHARES)	PSFAX	50,709.939	490,365.11	500,000.00	9,634.89
03/05/10	08/25/09	SELL	POWER CORP COA ISIN#CA7392391016	PWCDF	1,250.000	33,125.00	36,725.00	3,600.00
03/11/10	09/30/09	BUY	CALL 100	5828399EK	(10.000)	1,525.00	1,500.00	(25.00)
			MEAD JOHNSON 05-22-10 @ 55.00					
03/15/10	08/26/09	BUY	CALL 100	7134489DM	(10.000)	1,670.00	1,150.00	(520.00)
			PEPSICO INC N C 04-17-10 @ 65.00					
03/15/10	10/02/09	BUY	CALL 100	7134489DM	(10.000)	1,670.00	1,500.00	(170.00)
			PEPSICO INC N C 04-17-10 @ 65.00					
03/16/10	02/18/10	BUY	CALL 100	1344299HG	(15.000)	2,070.00	1,800.00	(270.00)
			CAMPBELL SOUP C 08-21-10 @ 35.00					
03/16/10	03/05/10	SELL	GLG PARTNERS INC COM	37929X107	15,000.000	41,475.00	42,450.00	975.00
			CASH MERGER EFF					
03/16/10	03/11/10	SELL	CALL 100	78462F9CK	75.000	6,710.25	8,625.00	1,914.75
			SPDR S&P 500 ET 03-20-10 @ 115.00					
03/16/10	03/11/10	SELL	CALL 100	78462F9CK	100.000	8,947.00	11,000.00	2,053.00
			SPDR S&P 500 ET 03-20-10 @ 115.00					
03/17/10	01/20/10	SELL	POWERSHARES DB U S DLR INDEX TR	UUUP	2,500.000	57,747.00	58,379.75	632.75
03/17/10	02/04/10	SELL	POWERSHARES DB U S DLR INDEX TR	UUUP	2,500.000	58,872.50	58,379.75	(492.75)
03/17/10	10/15/09	SELL	PROSHARES TR SHORT 20+ YR TREAS	TBF	1,000.000	48,930.00	48,930.00	0.00
03/17/10	10/22/09	SELL	PROSHARES TR SHORT 20+ YR TREAS	TBF	2,000.000	96,799.00	97,860.00	1,061.00

Recipient's Name and Address:
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3350 EASTPOINTE

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2010 TAX and
YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

SCHEDULE of REALIZED GAINS and LOSSES

(Continued)

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
<i>Short Term (continued)</i>								
03/17/10	10/26/09	SELL	PROSHARES TR SHORT 20+ YR TREAS CALL 100	TBF 7434EO9FT	500 000 (10,000)	24,619.95 250.00	24,465.00 500.00	(154.95) 250.00
03/18/10	02/17/10	BUY	PROSHARES TR 06-19-10 @ 53.00 CALL 100	8816249IZ	(20 000)	6,840.00	3,700.00	(3,140.00)
03/18/10	02/19/10	BUY	TEVA PHARMACEUT 09-18-10 @ 62.50 CALL 100	50075N9FF	(30,000)	2,640.00	2,100.00	(540.00)
03/19/10	01/05/10	BUY	KRAFT FOODS INC 06-19-10 @ 30.00 NATIONAL GRID PLC	NGG	1,000 000	45,973.00	48,801.90	2,828.90
03/19/10	05/18/09	SELL	SPON ADR NEW NATIONAL GRID PLC	NGG	200 000	9,411.04	9,760.38	349.34
03/19/10	05/22/09	SELL	SPON ADR NEW NATIONAL GRID PLC	NGG	200 000	9,411.04	9,760.38	349.34
03/20/10	09/11/09	XOPTS	CALL 100 POWERSHARES DB 03-20-10 @ 31.00	73937A9CA	(1,000)	0.00	40.00	40.00
03/20/10	11/23/09	XOPTS	CALL 100 POWERSHARES DB 03-20-10 @ 30.00	73937A9CF	(10,000)	0.00	300.00	300.00
03/22/10	05/22/09	SELL	NATIONAL GRID PLC SPON ADR NEW	NGG	300 000	14,116.56	14,401.56	285.00
03/22/10	02/25/10	SELL	NATIONAL GRID PLC SPON ADR NEW	NGG	700 000	34,240.99	33,603.64	(637.35)
03/22/10	10/19/09	SELL	POWERSHARES DB U S DLR INDEX TR	UDN	1,100,000	31,304.90	29,306.09	(1,998.81)
03/24/10	02/19/10	BUY	CALL 100 MEAD JOHNSON 08-21-10 @ 55.00	5828399HK	(15 000)	4,650.00	2,475.00	(2,175.00)
03/24/10	11/06/09	BUY	CALL 100 REGIS CORP 06-19-10 @ 20.00	7589349FD	(30,000)	1,800.00	2,100.00	300.00

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2010 TAX and
YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

SCHEDULE of REALIZED GAINS and LOSSES

(Continued)

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
03/26/10	10/19/09	BUY	CALL 100 DISNEY WALT	2546A9DG	(20 000)	1,580 00	1,000 00	(580 00)
03/26/10	11/13/09	BUY	04-17-10 @ 35.00 CALL 100 DISNEY WALT	2546809AG	(10 000)	3,160.00	2,250.00	(910.00)
03/29/10	04/22/09	SELL	01-22-11 @ 35.00 ISHARES TR IBOX USD	LQD	250 000	23,982.00	26,357 98	2,375 98
03/29/10	12/18/09	SELL	INVT GRADE CORP BD REGAL ENTMT GROUP	RGC	2,000 000	27,620.40	34,519 00	6,898 60
04/08/10	03/19/10	SELL	INC CL A BARCLAYS BK PLC	06740C527	2,500,000	56,462.50	49,226.50	(7,236.00)
04/09/10	02/22/10	BUY	R/S EFF 11/9/10 1 CALL 100	78462F9IM	(20 000)	13,080 00	6,600 00	(6,480 00)
04/09/10	09/03/09	SELL	SPDR S&P 500 ET 09-18-10 @ 117.00	SMAVX	51,975 052	248,960 50	250,000.00	1,039.50
04/12/10	02/18/10	BUY	WELLS FARGO ADVTG ULTRA SHORT-TERM	25490A9IJ	(20,000)	4,440 00	3,080 00	(1,360 00)
04/13/10	02/18/10	BUY	CALL 100 DIRECTV EXP 09- 09-18-10 @ 36.00	9024959AD	(25 000)	5,625.00	2,250 00	(3,375 00)
04/14/10	02/18/10	BUY	TYSON FOODS INC 01-22-11 @ 20.00	9024959AD	(25,000)	6,000.00	2,250.00	(3,750.00)
04/14/10	12/21/09	BUY	CALL 100 TYSON FOODS INC	99QAABVOX	(30,000)	3,900.00	1,950.00	(1,950 00)
04/14/10	03/17/10	BUY	07-17-10 @ 23.00 CALL 100 INTEL CORP	99QAABVPB	(40 000)	5,320.00	3,640.00	(1,680 00)
			10-16-10 @ 24 00					

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
04/15/10	03/22/10	BUY	CALL 100 HASBRO INC FORM 07-17-10 @ 40.00	4180569GH	(15 000)	2,550 00	1,425 00	(1,125.00)
04/16/10	07/08/09	SELL	*PIMCO SHORT-TERM FUND (ADMIN SHARES)	PSFAX	15,182.186	146,811.74	150,000 00	3,188.26
04/17/10	10/20/09	XOPTS	CALL 100 DIAGEO PLC	25243QSD0	(5 000)	0 00	425 00	425 00
04/17/10	11/19/09	XOPTS	04-17-10 @ 75.00 CALL 100 EXXON MOBIL COR	30231G9DP	(10 000)	0 00	1,860 00	1,860.00
04/17/10	10/14/09	XOPTS	04-17-10 @ 80 00 CALL 100 POWERSHARES DB	7393689DD	(30,000)	0 00	1,800 00	1,800 00
04/17/10	12/04/09	XOPTS	04-17-10 @ 30 00 CALL 100 BP PLC SPONS AD	99QAADQ8Y	(10 000)	0 00	920 00	920 00
04/19/10	07/08/09	SELL	*PIMCO SHORT-TERM FUND (ADMIN SHARES)	PSFAX	25,303.644	244,686.24	250,000 00	5,313.76
04/19/10	09/03/09	SELL	WELLS FARGO ADVTG ULTRA SHORT-TERM	SMANX	51,975.052	248,980.50	250,000 00	1,039.50
04/20/10	03/19/10	SELL	BARCLAYS BK PLC R/S EFF 11/9/10 1	06740C527	2,500 000	56,462.50	46,475 00	(9,987 50)
04/20/10	01/20/10	BUY	CALL 100 INTEL CORP	99QAABVOX	(30 000)	5,400 00	1,920 00	(3,480.00)
04/21/10	07/08/09	SELL	*PIMCO SHORT-TERM FUND (ADMIN SHARES)	PSFAX	30,364.372	293,623.48	300,000 00	6,376 52
04/26/10	03/17/10	SELL	BLACKROCK INC COM	BLK	250,000	55,250 00	48,290 47	(6,959.53)
04/26/10	04/16/10	SELL	BLACKROCK INC COM	BLK	10,000	2,017.20	1,931 62	(85.58)
04/29/10	03/30/10	SELL	ANADARKO PETE CORP	APC	500 000	35,984 05	33,675 95	(2,308.10)

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
<i>Short Term (Continued)</i>								
04/29/10	04/08/10	SELL	ANADARKO PETE CORP	APC	500.000	36,614.05	33,675.95	(2,938.10)
04/29/10	04/16/10	SELL	ANADARKO PETE CORP	APC	30.000	2,207.10	2,020.56	(186.54)
04/29/10	04/20/10	SELL	ANADARKO PETE CORP	APC	500.000	36,765.00	33,675.95	(3,089.05)
04/30/10	09/08/09	SELL	MEAD JOHNSON NUTRITION CO COM	MJN	773.000	31,208.02	40,518.57	9,310.55
05/03/10	05/18/09	SELL	BP PLC SPONS ADR	BP	750.000	35,370.00	36,595.50	1,225.50
05/03/10	05/20/09	SELL	BP PLC SPONS ADR	BP	250.000	12,000.00	12,198.50	198.50
05/04/10	11/23/09	BUY	CALL 100 KELLOGG CO	4878369FL	(7.000)	70.00	490.00	420.00
05/04/10	04/29/10	BUY	06-19-10 @ 60.00 CALL 100 MEAD JOHNSON	99QAA6VQ	(7.000)	1,176.00	1,400.00	224.00
05/05/10	08/17/09	SELL	11-20-10 @ 60.00 ISHARES TR IBOX \$ HIGH YIELD CORP BD	HYG	200.000	16,058.20	17,303.06	1,244.86
05/05/10	08/18/09	SELL	ISHARES TR IBOX \$ HIGH YIELD CORP BD	HYG	500.000	40,639.00	43,257.65	2,618.65
05/05/10	04/16/10	SELL	ISHARES TR IBOX \$ HIGH YIELD CORP BD	HYG	20.000	1,772.20	1,730.31	(41.89)
05/05/10	10/26/09	SELL	PROSHARES TR SHORT 20+ YR TREAS	TBF	2,000.000	98,479.80	94,102.20	(4,377.60)
05/05/10	12/04/09	SELL	PROSHARES TR SHORT 20+ YR TREAS	TBF	1,500.000	73,572.00	70,576.65	(2,995.35)
05/07/10	07/08/09	SELL	*PIMCO SHORT-TERM FUND (ADMIN SHARES)	PSFAX	50,658.561	489,868.28	500,000.00	10,131.72
05/18/10	02/16/10	SELL	AUTOMATIC DATA PROCESSING INC COM	ADP	1,000.000	40,998.10	41,801.90	803.80
05/18/10	02/16/10	SELL	DIRECTV COM CL A	DTV	1,500.000	46,482.15	57,242.70	10,760.55

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Short Term (Continued)								
05/18/10	11/04/09	SELL	GENERAL DYNAMICS CORP COM	GD	750,000	48,000.00	53,123.93	5,123.93
05/18/10	02/25/10	SELL	GENERAL DYNAMICS CORP COM	GD	250,000	17,757.03	17,707.97	(49.06)
05/18/10	05/18/09	SELL	TOTAL S A SPONSORED ADR	TOT	1,000,000	54,913.00	47,701.90	(7,211.10)
05/18/10	05/20/09	SELL	TOTAL S A SPONSORED ADR	TOT	250,000	14,027.50	11,925.48	(2,102.02)
05/20/10	04/16/10	SELL	BARCLAYS BK PLC R/S EFF 11/9/10 1	06740C527	1,270,000	26,236.17	41,355.52	15,119.35
05/20/10	04/16/10	SELL	ISHARES TR IBOX USD INVT GRADE CORP BD	LQD	20,000	2,122.40	2,128.44	6.04
05/21/10	03/16/10	CLEU	VALLEY NATL BANCORP COM	VLY	0.500	7.24	6.98	(0.26)
05/22/10	11/24/09	XOPTS	CALL 100 CAMPBELL SOUP C	1344299EU	(20,000)	0.00	1,300.00	1,300.00
05/22/10	12/14/09	XOPTS	05-22-10 @ 37.50 CALL 100	78390X9ED	(30,000)	0.00	2,099.88	2,099.88
06/01/10	01/06/10	SELL	SALIC INC EXP 05 05-22-10 @ 20.00 HARRY WINSTON	HWD	1,350,000	13,945.09	17,577.00	3,631.91
06/04/10	04/16/10	SELL	DIAMOND CORP COM BARCLAYS BK PLC R/S EFF 11/9/10 1	06740C527	1,230,000	25,409.83	38,427.04	13,017.21
06/04/10	04/16/10	SELL	BARCLAYS BK PLC R/S EFF 11/9/10 1	06740C527	70,000	1,419.60	2,186.91	767.31
06/08/10	04/16/10	SELL	BP PLC SPONS ADR	BP	50,000	2,986.00	1,795.18	(1,190.82)
06/08/10	04/20/10	SELL	BP PLC SPONS ADR	BP	750,000	45,315.00	26,927.63	(18,387.37)
06/08/10	04/29/10	SELL	BP PLC SPONS ADR	BP	1,000,000	55,068.90	35,903.49	(19,165.41)

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
06/10/10	01/20/10	BUY	CALL 100 BP PLC SPONS AD 07-17-10 @ 70.00	99QAADQ9I	(7.000)	35.00	364.00	329.00
06/17/10	02/16/10	SELL	DIRECTV COM CL A	DTV	500.000	15,494.05	18,875.95	3,381.90
06/17/10	02/19/10	SELL	DIRECTV COM CL A	DTV	500.000	16,819.05	18,875.95	2,056.90
06/17/10	04/16/10	SELL	DIRECTV COM CL A	DTV	70.000	2,485.00	2,642.63	157.63
06/17/10	05/06/10	SELL	DIRECTV COM CL A	DTV	430.000	14,953.68	16,233.32	1,279.64
06/18/10	05/06/10	SELL	DIRECTV COM CL A	DTV	1,570.000	54,598.32	58,705.28	4,106.96
06/19/10	11/23/09	XOPTS	CALL 100 CHEVRON CORP 06-19-10 @ 90.00	1667649FR	(15.000)	0.00	2,235.00	2,235.00
06/19/10	01/19/10	XOPTS	CALL 100 ISHARES TR	46428R9FU	(9.000)	0.00	1,107.00	1,107.00
06/19/10	01/19/10	XOPTS	06-19-10 @ 47.00 CALL 100 ISHARES TR MSCI	46428R9FJ	(15.000)	0.00	1,875.00	1,875.00
06/19/10	01/15/10	XOPTS	06-19-10 @ 62.00 CALL 100 ISHARES TR MSCI	46428R9FJ	(15.000)	0.00	1,800.00	1,800.00
06/19/10	11/23/09	XOPTS	06-19-10 @ 62.00 CALL 100 KELLOGG CO	4878369FL	(8.000)	0.00	560.00	560.00
06/19/10	01/13/10	XOPTS	06-19-10 @ 60.00 CALL 100 KRAFT FOODS INC	50075N9FM	(30.000)	0.00	2,940.00	2,940.00
06/19/10	02/17/10	XOPTS	06-19-10 @ 31.00 CALL 100 PROSHARES TR	7434EO9FT	(40.000)	0.00	2,000.00	2,000.00
06/19/10	02/17/10	XOPTS	06-19-10 @ 53.00					

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
06/21/10	02/05/10	SELL	POWERSHARES DB U S DLR INDEX TR	UUP	2,500.000	59,171.50	62,500.00	3,328.50
06/21/10	04/12/10	BUY	CALL 100 DIRECTV EXP 09- 09-18-10 @ 38.00	99QAAFI1	(25.000)	4,500.00	3,275.00	(1,225.00)
06/23/10	02/05/10	SELL	POWERSHARES DB U S DLR INDEX TR	UUP	2,500.000	59,171.50	62,379.75	3,208.25
06/29/10	03/16/10	SELL	VALLEY NATL BANCORP COM	VLY	5,249.500	76,056.76	72,723.94	(3,332.82)
06/29/10	04/16/10	SELL	VALLEY NATL BANCORP COM	VLY	157.500	2,434.50	2,181.93	(252.57)
06/29/10	05/06/10	SELL	VALLEY NATL BANCORP COM	VLY	1,000.000	14,724.00	13,853.50	(870.50)
07/01/10	03/16/10	BUY	CALL 100 SIEMENS A G 07-17-10 @ 105.00	99QAAH6CJ	(15.000)	375.00	3,375.00	3,000.00
07/06/10	07/08/09	SELL	*PIMCO SHORT-TERM FUND (ADMIN SHARES)	PSFAX	293,884.536	2,841,863.46	2,897,701.52	55,838.06
07/07/10	05/03/10	BUY	CALL 100 NORTHERN TR COR 07-17-10 @ 60.00	99QAAHESH	(20.000)	100.00	1,340.00	1,240.00
07/12/10	03/17/10	SELL	PAYCHEX INC	PAYX	2,000.000	64,976.20	51,502.80	(13,473.40)
07/12/10	03/25/10	SELL	PAYCHEX INC	PAYX	1,000.000	31,328.10	25,751.40	(5,576.70)
07/12/10	04/16/10	SELL	PAYCHEX INC	PAYX	90.000	2,778.30	2,317.63	(460.67)
07/12/10	05/06/10	SELL	PAYCHEX INC	PAYX	1,000.000	29,506.00	25,751.40	(3,754.60)
07/17/10	12/15/09	XOPTS	CALL 100 DIAGEO PLC 07-17-10 @ 75.00	25243Q9GO	(10.000)	0.00	2,499.96	2,499.96

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
<i>Short Term (continued)</i>								
07/17/10	01/15/10	XOPTS	CALL 100 EXXON MOBIL COR 07-17-10 @ 75.00	30231C9GO	(10 000)	0.00	1,330.00	1,330.00
07/17/10	12/14/09	XOPTS	CALL 100 JOHNSON & JOHNS 07-17-10 @ 70.00	4781609GN	(20.000)	0.00	2,539.92	2,539.92
07/17/10	11/23/09	XOPTS	CALL 100 NOVARTIS A G 07-17-10 @ 60.00	66987V9GL	(12.000)	0.00	1,320.00	1,320.00
07/17/10	03/22/10	XOPTS	CALL 100 MERCK & CO INC 07-17-10 @ 40.00	99QAAG8YK	(20 000)	0.00	2,860.00	2,860.00
07/17/10	02/16/10	XOPTS	CALL 100 MERCK & CO INC 07-17-10 @ 41.00	99QAAG8YL	(16 000)	0.00	1,936.00	1,936.00
07/17/10	12/15/09	XOPTS	CALL 100 MICROSOFT CORP 07-17-10 @ 33.00	99QAAG9HA	(30.000)	0.00	3,569.88	3,569.88
07/17/10	12/21/09	XOPTS	CALL 100 MICROSOFT CORP 07-17-10 @ 34.00	99QAAG9HB	(20 000)	0.00	1,940.00	1,940.00
07/17/10	11/23/09	XOPTS	CALL 100 PROCTER & GAMBL 07-17-10 @ 67.50	99QAAHLJW	(10 000)	0.00	2,040.00	2,040.00
07/17/10	07/07/10	XOPTS	CALL 100 MADISON SQUARE 07-17-10 @ 22.50	99QAAJU4G	(25.000)	0.00	1,625.00	1,625.00
07/19/10	12/16/09	SELL	ISHARES INC MSCI JAPAN INDEX FD	EWJ	5,000.000	50,140.50	46,704.00	(3,436.50)
07/19/10	01/13/10	SELL	ISHARES INC MSCI JAPAN INDEX FD	EWJ	2,500.000	25,820.25	23,352.00	(2,468.25)
07/19/10	01/14/10	SELL	ISHARES INC MSCI JAPAN INDEX FD	EWJ	2,500.000	26,245.25	23,352.00	(2,893.25)

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
07/19/10	04/16/10	SELL	ISHARES INC MSCI JAPAN INDEX FD	EWJ	290.000	3,041.55	2,708.83	(332.72)
07/21/10	05/27/10	BUY	CALL 100 COCA COLA CO	1912169HX	(15.000)	3,255.00	1,620.00	(1,635.00)
07/26/10	07/06/10	BUY	08-21-10 @ 52.50 CALL 100	67551U9IV	(20.000)	2,700.00	1,500.00	(1,200.00)
07/26/10	07/01/10	BUY	OCH ZIFF CAP MG 09-18-10 @ 12.50 CALL 100	99QAAA217	(20.000)	18,200.00	12,600.00	(5,600.00)
07/28/10	07/27/10	BUY	SIEMENS A G 10-16-10 @ 95.00 CALL 100	99QAAEPHR	(2.000)	200.00	232.00	32.00
07/30/10	07/14/10	BUY	KELLOGG CO 12-18-10 @ 55.00 CALL 100	99QAAAL78	(40.000)	2,800.00	1,600.00	(1,200.00)
08/03/10	07/23/10	BUY	POWERSHARES DB 10-16-10 @ 26.00 CALL 100	99QAAA3GC	(25.000)	6,850.00	2,954.00	(3,896.00)
08/18/10	07/20/10	BUY	SONY CORP ADR 10-16-10 @ 30.00 CALL 100	99QAAAYCT	(7.000)	1,442.00	1,001.00	(441.00)
08/20/10	04/20/10	SELL	PEPSICO INC N.C 10-16-10 @ 65.00 COCA COLA COMPANY	KO	1,500.000	81,687.60	83,445.00	1,757.40
08/21/10	01/13/10	XOPTS	CALL 100 GENERAL DYNAMIC	3695509HP	(7.000)	0.00	945.00	945.00
08/21/10	02/18/10	XOPTS	08-21-10 @ 80.00 CALL 100	89151E9HM	(12.000)	0.00	1,440.00	1,440.00
08/21/10	01/19/10	XOPTS	TOTAL S A 08-21-10 @ 65.00 CALL 100	9694579HE	(40.000)	0.00	5,720.00	5,720.00
			WILLIAMS COS IN 08-21-10 @ 25.00					

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
08/21/10	03/05/10	XOPTS	CALL 100 AUTOMATIC DATA 08-21-10 @ 45.00	99QAADD3V	(20,000)	0.00	1,900.00	1,900.00
08/23/10	02/25/10	SELL	GENERAL DYNAMICS CORP COM	GD	250,000	17,757.02	14,855.47	(2,901.55)
08/23/10	04/16/10	SELL	GENERAL DYNAMICS CORP COM	GD	40,000	3,031.20	2,376.88	(654.32)
08/23/10	05/06/10	SELL	GENERAL DYNAMICS CORP COM	GD	500,000	35,848.00	29,710.95	(6,137.05)
08/24/10	08/23/10	BUY	CALL 100 NEXTERA ENERGY 12-18-10 @ 55.00	99QAALTET	(20,000)	3,870.00	2,900.00	(970.00)
09/02/10	07/06/10	BUY	CALL 100 OCH ZIFF CAP MG 09-18-10 @ 12.50	67551USIV	(20,000)	3,500.00	1,500.00	(2,000.00)
09/09/10	07/20/10	BUY	CALL 100 PEPSICO INC N C 10-16-10 @ 65.00	99QAAAAYCT	(8,000)	1,448.00	1,144.00	(304.00)
09/14/10	08/10/10	BUY	CALL 100 NOVARTIS A G 01-22-11 @ 55.00	99QAAHFER	(22,000)	7,260.00	2,420.00	(4,840.00)
09/14/10	08/27/10	BUY	CALL 100 NOVARTIS A G 01-22-11 @ 55.00	99QAAHFER	(15,000)	4,950.00	2,205.00	(2,745.00)
09/15/10	08/03/10	BUY	CALL 100 PFIZER INC 03-19-11 @ 17.00	99QAAM6VA	(50,000)	6,000.00	3,750.00	(2,250.00)
09/18/10	04/29/10	XOPTS	CALL 100 CHEVRON CORP 09-18-10 @ 95.00	1667649IS	(10,000)	0.00	460.00	460.00
09/18/10	06/04/10	XOPTS	CALL 100 POWERSHARES DB 09-18-10 @ 26.00	7393789IZ	(50,000)	0.00	3,250.00	3,250.00

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(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
09/18/10	03/01/10	XOPTS	CALL 100 TEVA PHARMACEUT 09-18-10 @ 67.50	99QAAIILY	(15,000)	0.00	1,500.00	1,500.00
09/18/10	07/22/10	XOPTS	CALL 100 PROCTER & GAMBL 09-18-10 @ 62.50	99QAAM6WY	(10,000)	0.00	1,240.00	1,240.00
09/20/10	04/19/10	BUY	CALL 100 HASBRO INC FORM 10-16-10 @ 45.00	99QAABDOM	(25,000)	3,875.00	1,875.00	(2,000.00)
09/20/10	07/13/10	BUY	CALL 100 CHEVRON CORP 12-18-10 @ 80.00	99QAAEHX7	(15,000)	4,335.00	2,520.00	(1,815.00)
09/20/10	08/23/10	BUY	CALL 100 REGIS CORP 12-18-10 @ 20.00	99QAAEWTY	(30,000)	4,050.00	1,350.00	(2,700.00)
09/22/10	10/06/09	BUY	CALL 100 GENERAL MILLS I 01-22-11 @ 37.50	99QAAUC5J	(34,000)	4,692.00	3,060.00	(1,632.00)
09/24/10	04/29/10	BUY	CALL 100 MEAD JOHNSON 11-20-10 @ 60.00	99QAAAC6VQ	(23,000)	4,968.00	4,600.00	(368.00)
09/27/10	04/19/10	BUY	CALL 100 HASBRO INC FORM 10-16-10 @ 45.00	99QAABDOM	(15,000)	1,875.00	1,125.00	(750.00)
09/27/10	07/26/10	BUY	CALL 100 SIEMENS A G 10-16-10 @ 105.00	99QAAH6CS	(15,000)	4,950.00	5,550.00	600.00
09/28/10	08/23/10	BUY	CALL 100 JOHNSON & JOHNS 01-22-11 @ 62.50	99QAACX9V	(20,000)	3,920.00	1,960.00	(1,960.00)
09/30/10	02/19/10	SELL	POWERSHARES DB U S DLR INDEX TR	UUP	5,000,000	119,190.50	114,153.00	(5,037.50)
09/30/10	03/24/10	SELL	POWERSHARES DB U S DLR INDEX TR	UUP	2,500,000	60,000.00	57,076.50	(2,923.50)

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TRANSACTIONS WE DO NOT REPORT TO THE IRS SCHEDULE of REALIZED GAINS and LOSSES

(Continued)

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
Short Term (continued)								
10/01/10	08/23/10	BUY	CALL 100 ISHARES INC MSC 01-22-11 @ 55.00	99QAAFOXH	(20,000)	5,400.00	2,580.00	(2,820.00)
10/04/10	09/14/10	BUY	CALL 100 POWERSHARES DB 01-22-11 @ 29.00	99QAAKRSU	(25,000)	850.00	1,625.00	775.00
10/16/10	03/05/10	XOPTS	CALL 100 PEPSICO INC N C 10-16-10 @ 70.00	99QAAAYCV	(10,000)	0.00	1,210.00	1,210.00
10/16/10	05/27/10	XOPTS	CALL 100 TYSON FOODS INC 10-16-10 @ 20.00	99QAAA45V	(40,000)	0.00	3,000.00	3,000.00
10/16/10	04/09/10	XOPTS	CALL 100 ISHARES INC 10-16-10 @ 71.00	99QAA8G24	(15,000)	0.00	2,175.00	2,175.00
10/16/10	07/14/10	XOPTS	CALL 100 INTEL CORP 10-16-10 @ 23.00	99QAA8VPA	(25,000)	0.00	1,925.00	1,925.00
10/16/10	04/14/10	XOPTS	CALL 100 INTEL CORP 10-16-10 @ 25.00	99QAA8VPC	(50,000)	0.00	4,350.00	4,350.00
10/16/10	04/21/10	XOPTS	CALL 100 VAIL RESORTS IN 10-16-10 @ 50.00	99QAA81A5	(30,000)	0.00	4,500.00	4,500.00
10/16/10	04/09/10	XOPTS	CALL 100 DISNEY WALT 10-16-10 @ 40.00	99QAAFE9T	(30,000)	0.00	3,060.00	3,060.00
10/16/10	07/07/10	XOPTS	CALL 100 NORTHERN TR COR 10-16-10 @ 55.00	99QAAHESQ	(20,000)	0.00	1,620.00	1,620.00
10/16/10	03/05/10	XOPTS	CALL 100 PROCTER & GAMBL 10-16-10 @ 70.00	99QAAHLJ1	(30,000)	0.00	2,700.00	2,700.00

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
10/16/10	07/06/10	XOPTS	CALL 100 GENERAL MILLS I 10-16-10 @ 37.50	99QAACKO9R	(10 000)	0 00	810 00	810 00
10/18/10	09/24/10	BUY	CALL 100 HASBRO INC FORM 01-22-11 @ 47.50	99QAACKROX	(30 000)	8,850.00	4,230.00	(4,620.00)
10/20/10	12/04/09	SELL	SAIC INC COM	SAI	1,000,000	17,835 70	15,751.30	(2,084.40)
10/20/10	08/12/10	BUY	CALL 100 POWERSHARES DB 01-22-11 @ 30.00	99QAACFCCJ	(40 000)	3,750 00	800 00	(2,950.00)
10/20/10	08/23/10	BUY	CALL 100 DIAGEO PLC 01-22-11 @ 75 00	99QAACFDHD	(25 000)	5,100 00	2,250 00	(2,850.00)
10/21/10	09/02/10	BUY	CALL 100 MCDONALD'S CORP 12-18-10 @ 80.00	99QAACEQN1	(15 000)	1,875 00	1,260.00	(615.00)
10/25/10	09/20/10	BUY	CALL 100 CHEVRON CORP 12-18-10 @ 85.00	99QAAEHX8	(20 000)	4,260 00	1,860.00	(2,400.00)
10/25/10	09/27/10	BUY	CALL 100 CHEVRON CORP 12-18-10 @ 85 00	99QAAEHX8	(10 000)	2,130.00	980 00	(1,150.00)
10/25/10	07/21/10	BUY	CALL 100 COCA COLA CO 01-22-11 @ 60 00	99QAAGZ3N	(30 000)	7,020 00	1,950 00	(5,070.00)
10/25/10	09/27/10	BUY	CALL 100 SIEMENS A G 01-22-11 @ 115.00	99QAACKG5	(10 000)	7,600.00	3,300.00	(4,300.00)
10/25/10	09/30/10	BUY	CALL 100 SIEMENS A G 01-22-11 @ 115 00	99QAACKG5	(10 000)	7,600 00	3,900 00	(3,700.00)
11/01/10	10/21/10	SELL	WILMINGTON TRUST CORP	WL	10,000 000	83,385 00	40,200 00	(43,185 00)

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
<i>Short Term (Continued)</i>								
11/02/10	08/23/10	BUY	CALL 100 REGIS CORP 12-18-10 @ 20.00	99QAAEWTY	(30.000)	6,060 00	1,350.00	(4,710.00)
11/02/10	08/03/10	BUY	CALL 100 EXXON MOBIL COR 01-22-11 @ 67.50	99QAAJB3R	(20.000)	4,340 00	2,280 00	(2,060.00)
11/04/10	09/27/10	BUY	CALL 100 ISHARES TR MSCI 12-18-10 @ 59.00	EFA-LG	(20.000)	3,500 00	1,700.00	(1,800 00)
11/04/10	09/24/10	BUY	CALL 100 AUTOMATIC DATA 01-22-11 @ 45 00	99QAADD4M	(35.000)	5,775 00	2,100.00	(3,675 00)
11/05/10	09/29/10	BUY	CALL 100 MADISON SQUARE 02-19-11 @ 22 50	99QAALDC1	(15.000)	2,250 00	1,425 00	(825 00)
11/08/10	08/12/10	BUY	CALL 100 POWERSHARES DB 01-22-11 @ 30.00	99QAAFFCJ	(10.000)	1,450 00	200 00	(1,250 00)
11/08/10	09/27/10	BUY	CALL 100 POWERSHARES DB 01-22-11 @ 30.00	99QAAFFCJ	(30.000)	4,350 00	1,530.00	(2,820.00)
11/08/10	09/29/10	BUY	CALL 100 ISHARES INC MSC 01-22-11 @ 80.00	99QAAFO5G	(5.000)	1,875.00	1,195.00	(680 00)
11/08/10	08/23/10	BUY	CALL 100 EDISON INTERNAT 04-16-11 @ 37 50	99QAAOPOT	(30.000)	6,585 00	2,550.00	(4,035 00)
11/08/10	09/27/10	BUY	CALL 100 SPDR S&P 500 ET 11-20-10 @ 121.00	99QAAO8LU	(20.000)	4,640 00	1,680.00	(2,960.00)
11/09/10	10/13/10	BUY	CALL 100 WILLIAMS COS IN 01-22-11 @ 22 50	99QAAIV0U	(50.000)	8,450 00	4,700.00	(3,750.00)

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TRANSACTIONS WE DO NOT REPORT TO THE IRS

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
11/10/10	07/07/10	BUY	CALL 100 MADISON SQUARE 11-20-10 @ 22.50	99QAACG9W	(25,000)	1,125.00	4,625.00	3,500.00
11/20/10	05/03/10	XOPTS	CALL 100 CAMPBELL SOUP C 11-20-10 @ 37.50	99QAAB6TB	(20,000)	0.00	2,600.00	2,600.00
11/20/10	06/16/10	XOPTS	CALL 100 SAIC INC EXP 11 11-20-10 @ 20.00	99QAACNQH	(40,000)	0.00	1,400.00	1,400.00
11/23/10	11/23/09	SELL	CAMPBELL SOUP CO	CPB	1,000,000	34,369.10	34,094.60	(274.50)
11/23/10	02/25/10	SELL	CAMPBELL SOUP CO	CPB	1,100,000	36,165.91	37,504.06	1,338.15
11/23/10	07/19/10	SELL	CAMPBELL SOUP CO	CPB	2,000,000	72,297.20	68,189.20	(4,108.00)
11/23/10	09/03/10	SELL	CAMPBELL SOUP CO	CPB	1,400,000	50,932.00	47,732.44	(3,199.56)
11/24/10	06/10/10	SELL	ISHARES INC MSCI SOUTH KOREA INDEX FD	EWY	1,000,000	44,580.00	55,461.10	10,881.10
11/24/10	06/16/10	SELL	ISHARES INC MSCI SOUTH KOREA INDEX FD	EWY	1,000,000	47,048.90	55,461.10	8,412.20
12/01/10	09/29/10	BUY	CALL 100 TOYOTA MTR CO 01-22-11 @ 80.00	99QAALJ9N	(20,000)	4,660.00	2,120.00	(2,540.00)
12/06/10	12/01/10	BUY	CALL 100 VAIL RESORTS IN 01-22-11 @ 50.00	99QAAJUBD	(20,000)	3,700.00	2,400.00	(1,300.00)
12/09/10	08/03/10	BUY	CALL 100 CHEVRON CORP 01-22-11 @ 85.00	99QAAD200	(10,000)	3,400.00	1,630.00	(1,770.00)
12/14/10	04/22/10	SELL	MATTHEWS CHINA FUND	MCHFX	940,911	25,000.00	28,312.01	3,312.01
12/14/10	05/18/10	SELL	MATTHEWS CHINA FUND	MCHFX	1,043,406	25,000.00	31,396.09	6,396.09

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
12/14/10	10/18/10	BUY	CALL 100 HASBRO INC FORM 01-22-11 @ 50.00	99QAAAF1JB	(45 000)	5,850.00	5,020.20	(829.80)
12/14/10	10/26/10	BUY	CALL 100 NORTHERN TR COR 01-22-11 @ 55.00	99QAAAHES9	(30 000)	5,850.00	3,150.00	(2,700.00)
12/16/10	09/13/10	SELL	EURO CURRENCY	EUR999995	7,875 000	10,133.55	10,412.33	278.78
12/16/10	12/15/10	SELL	EURO CURRENCY	EUR999995	152,500 810	204,076.59	201,636.57	(2,440.02)
12/16/10	12/02/10	NCT		99QAAOSH3	(50,000)	Please Provide	3,500.00	3,500.00
12/17/10	12/08/10	BUY	CALL 100 BLACKROCK INC 04-16-11 @ 180.00	99QAAOJHQ	(15,000)	24,585.00	12,000.00	(12,585.00)
12/18/10	07/27/10	XOPTS	CALL 100 KELLOGG CO	99QAAEPHR	(8 000)	0.00	928.00	928.00
12/18/10	05/03/10	XOPTS	12-18-10 @ 55.00 CALL 100 REGIS CORP	99QAAEWZ	(40 000)	0.00	3,400.00	3,400.00
12/18/10	08/04/10	XOPTS	12-18-10 @ 22.50 CALL 100 ELECTRONIC ARTS	99QAAFMXH	(50,000)	0.00	5,450.00	5,450.00
12/18/10	10/04/10	XOPTS	12-18-10 @ 18.00 CALL 100 ELECTRONIC ARTS	99QAAFMXH	(20 000)	0.00	1,660.00	1,660.00
12/18/10	09/21/10	XOPTS	12-18-10 @ 18.00 CALL 100 TEVA PHARMACEUT	99QAAIME	(15,000)	0.00	1,695.00	1,695.00
			12-18-10 @ 57.50					

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
<i>Short Term (Continued)</i>								
12/18/10	09/27/10	XOPTS	CALL 100 ARCHER DANIELS 12-18-10 @ 34.00	99QAAAN2YS	(30,000)	0.00	3,270.00	3,270.00
12/22/10	12/01/10	BUY	CALL 100 VAIL RESORTS IN 01-22-11 @ 50.00	99QAAJU8D	(20,000)	9,000.00	2,400.00	(6,600.00)
Total Short Term						9,953,836.23	10,066,966.39	113,130.16
<i>Long Term</i>								
04/30/10	04/14/09	SELL	CGM FOCUS FUND	CGMFX	1,679,543	39,250.92	50,000.00	10,749.08
05/20/10	04/22/09	SELL	ISHARES TR IBOX USD INVT GRADE CORP BD	LOD	750,000	71,946.00	79,816.42	7,870.42
06/08/10	05/20/09	SELL	BP PLC SPONS ADR	BP	750,000	36,000.00	26,927.63	(9,072.37)
06/18/10	04/14/09	SELL	CGM FOCUS FUND	CGMFX	2,599,447	60,749.08	71,692.75	10,943.67
09/13/10	05/04/09	SELL	PFIZER INC COM	PFE	2,000,000	27,855.20	34,147.80	6,292.60
09/13/10	05/04/09	SELL	PFIZER INC COM	PFE	3,000,000	41,874.60	51,221.70	9,347.10
10/01/10	03/26/09	SELL	POWERSHARES DB MULTI SECTOR COMMODITY TR	DBA	2,000,000	48,638.00	54,201.60	5,563.60
10/01/10	05/18/09	SELL	POWERSHARES DB MULTI SECTOR COMMODITY TR	DBA	500,000	13,398.00	13,550.40	152.40
10/15/10	04/24/09	SELL	PROCTER & GAMBLE CO COM	PG	1,000,000	49,714.80	64,130.00	14,415.20
10/20/10	10/19/09	SELL	SAIC INC COM	SAI	2,000,000	37,839.20	31,502.60	(6,336.60)
10/21/10	09/03/09	SELL	WELLS FARGO ADVTG ULTRA SHORT-TERM	SMAVX	313,912,631	1,503,641.50	1,513,058.88	9,417.38
10/22/10	03/31/09	SELL	CHEVRON CORP NTS 3.450% 03/03/12 B/E	166751AK3	100,000,000	101,728.30	103,919.00	2,190.70
Original Cost Basis 103,634.99								

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
10/22/10	04/27/09	SELL	CHEVRON CORP NTS 3.450% 03/03/12 B/E Original Cost Basis: 208,525.99	166751AK3	200,000.000	204,149.77	207,838.00	3,688.23
10/22/10	06/23/09	SELL	MERCK & CO INC NTS 1.875% 06/30/11 B/E Original Cost Basis: 300,786.89	589331AR8	300,000.000	300,272.67	302,568.00	2,295.33
10/22/10	03/31/09	SELL	PEPSICO INC NT 5.150% 05/15/12 B/E Original Cost Basis: 107,381.99	7134488F4	100,000.000	103,781.08	107,033.72	3,252.64
10/22/10	04/27/09	SELL	PEPSICO INC NT 5.150% 05/15/12 B/E Original Cost Basis: 214,843.99	7134488F4	200,000.000	207,779.05	214,067.44	6,288.39
10/22/10	03/26/09	SELL	Pfizer Inc SR NT Original Cost Basis: 102,532.99	717081CZ4	100,000.000	101,229.48	105,237.38	4,007.90
10/22/10	03/31/09	SELL	3M CO MEDIUM TERM NTS MEDIUM-TERM NTS Original Cost Basis: 105,969.99	88579EAE5	100,000.000	103,933.54	109,822.06	5,888.52
10/22/10	04/27/09	SELL	3M CO MEDIUM TERM NTS MEDIUM-TERM NTS Original Cost Basis: 211,483.99	88579EAE5	200,000.000	207,692.40	219,644.12	11,951.72
10/22/10	03/31/09	SELL	WYETH NT 5.500% 03/15/13 B/E Original Cost Basis: 105,369.00	983024AA8	100,000.000	105,369.00	110,752.00	5,383.00
10/22/10	04/27/09	SELL	WYETH NT 5.500% 03/15/13 B/E Original Cost Basis: 213,012.00	983024AA8	200,000.000	213,012.00	221,504.00	8,492.00
11/23/10	04/27/09	SELL	CAMPBELL SOUP CO	CPB	1,500.000	37,692.00	51,141.90	13,449.90
11/23/10	05/26/09	SELL	CAMPBELL SOUP CO	CPB	1,000.000	27,770.00	34,094.60	6,324.60
12/14/10	11/16/09	SELL	FORWARD TACTICAL GROWTH FUND	FTGWX	19,201.229	500,000.00	502,688.18	2,688.18

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Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
<i>Long Term (continued)</i>								
12/14/10	03/27/09	SELL	GATEWAY FUND CLASS A	GATEX	11,081.560	250,000.00	288,674.64	38,674.64
12/14/10	04/01/09	SELL	GATEWAY FUND CLASS A	GATEX	11,057.054	250,000.00	288,036.25	38,036.25
12/14/10	04/13/09	SELL	HUSSMAN STRATEGIC GROWTH FUND	HSGFX	15,174.507	200,000.00	190,591.81	(9,408.19)
12/15/10	09/11/09	SELL	SIEMENS FINANCIERING SMAT	N7993Y8G8	150,000.000	204,224.23	201,275.99	(2,948.24)
Original Cost Basis 204,224.23								
Total Long Term						5,049,540.82	5,249,138.87	199,598.05
Total Short Term and Long Term						15,003,377.05	15,316,105.26	312,728.21

The Schedule of Realized Gains and Losses is not reported to the IRS. This Schedule may not reflect all cost basis adjustments necessary for tax reporting purposes, for example, it does not reflect disallowed losses from wash sale events. Adjustments to cost basis may have been made for prior income received and subsequently reclassified by the issuer as a return of capital. Typically these adjustments are received after year-end and there may be differences in cost basis reflected on your monthly client brokerage statement at year end versus any subsequent reports or online displays you may have available to you. Return of capital information has been obtained from sources we believe to be reliable.

When you report your cost basis on your tax return, it should be verified with your own records. In particular, there may be other adjustments which you need to make and you should consult with your tax advisor in order to properly report your gain or loss for tax purposes. Pershing shall not be responsible for and makes no representations or warranties with respect to the accuracy of any information that you report to the IRS or other taxing authorities, and, accordingly, disclaims any and all liability that may arise with respect to your use and reliance on the information provided herein for such reporting.

Cost Basis on fixed income securities is adjusted for amortization, accretion or principal paydowns. The method of calculation is based upon the type of fixed income security and certain attributes, obtained from sources believed to be reliable. In the event, one or more of these attributes is changed, there may be a temporary incorrect adjusted cost basis reflected until the portfolio system is amended to reflect this change. These calculations will not be performed under certain circumstances, including those involving continuously callable bonds, foreign bonds, variable rates, bonds in default, index-linked bonds, bonds sold short or bonds that have a negative yield. This information is meant as a general guide and you should consult your tax advisor in the preparation of your tax returns.

There may be differences between the Schedule of Realized Gains and Losses and 1099 reporting. Below are some of the reasons for these differences:

- ◆ **Account Number Changes** - If your account number changed during the year, the Schedule of Realized Gains and Losses may have been transferred from the original account to the new account. The new account will provide you with the complete Schedule of Realized Gains and Losses. However, you will receive a complete 1099 for each account open during the year.
- ◆ **Corporate Actions** - For corporate actions, especially cash and stock mergers, the Schedule of Realized Gains and Losses may report the economic gain or loss resulting from the transaction, including the value of any stock or securities received. Thus, the Schedule of Realized Gains and Losses may report no capital gain, a capital gain equal to the difference between the original cost basis versus the fair market value of the new security, or a capital gain equal to the cash received, depending on the terms of the corporate action. In all events, however, the 1099 will only report the cash portion of the corporate action.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CREDIT SUISSE	803,323.	2,575.	800,748.
JP MORGAN	18.	0.	18.
TOTAL TO FM 990-PF, PART I, LN 4	803,341.	2,575.	800,766.

FORM 990-PF	OTHER INCOME	STATEMENT	2
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
PARTNERSHIP INCOME	79,896.		
TOTAL TO FORM 990-PF, PART I, LINE 11	79,896.		

FORM 990-PF	ACCOUNTING FEES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	7,700.	3,850.		3,850.
TO FORM 990-PF, PG 1, LN 16B	7,700.	3,850.		3,850.

FORM 990-PF	TAXES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	6,442.	6,442.		0.
EMPLOYMENT TAXES	4,216.	0.		4,216.
TO FORM 990-PF, PG 1, LN 18	10,658.	6,442.		4,216.

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
INSURANCE EXPENSE	3,775.	1,314.		2,461.	
INVESTMENT FEES	146,798.	146,798.		0.	
OFFICE EXPENSES	10,569.	0.		10,569.	
TO FORM 990-PF, PG 1, LN 23	161,142.	148,112.		13,030.	

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS			STATEMENT	6
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE	
CREDIT SUISSE - MUNICIPAL BONDS		X	670,956.	670,956.	
TOTAL U.S. GOVERNMENT OBLIGATIONS					
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			670,956.	670,956.	
TOTAL TO FORM 990-PF, PART II, LINE 10A			670,956.	670,956.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	7
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE	
CREDIT SUISSE - EQUITIES	11,899,856.		11,899,856.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	11,899,856.		11,899,856.	

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CREDIT SUISSE - CORPORATE BONDS	9,521,029.	9,521,029.
TOTAL TO FORM 990-PF, PART II, LINE 10C	9,521,029.	9,521,029.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	9
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CREDIT SUISSE - REAL ESTATE INVESTMENT TRUSTS	FMV	66,192.	66,192.
CREDIT SUISSE - MUTUAL FUNDS	FMV	491,600.	491,600.
BOARDWALK PIPELINE LIMITED PARTNERS LP	FMV	127,944.	127,944.
CREDIT SUISSE - EXCHANGE TRADED PRODUCTS	FMV	2,562,091.	2,562,091.
POWERSHARES DB AGRICULTURAL FUND	FMV	388,200.	388,200.
POWERSHARES DB CURRENCY HARVEST FUND	FMV	0.	0.
POWERSHARES DB DOLLAR INDEX BULLISH FUND	FMV	0.	0.
POWERSHARES DB DOLLAR INDEX BEARISH FUND	FMV	0.	0.
GLOBAL SECURITIES	FMV	0.	0.
OCH-ZIFF CAPITAL MANAGEMENT	FMV	155,800.	155,800.
JPMORGAN SAPIC GLOBAL MACRO	FMV	1,000,000.	1,000,000.
CITIBANK PIP HOLDING	FMV	500,000.	500,000.
TOTAL TO FORM 990-PF, PART II, LINE 13		5,291,827.	5,291,827.