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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

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

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

JOHN & CAROLYN PETERSON CHARITABLE
FOUNDATION, INC.
411 EAST WISCONSIN AVENUE #2040
MILWAUKEE, WI 53202-4497

A Employer identification number 43-1974269

B Telephone number (see the instructions) 414-277-5000

C If exemption application is pending, check here ▶ ☐

D 1 Foreign organizations, check here ▶ ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

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

I Fair market value of all assets at end of year *(from Part II, column (c), line 16)* ▶ $ 4,763,376.

J Accounting method [X] Cash ☐ Accrual
☐ Other (specify) ______________
(Part I, column (d) must be on cash basis)

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))*	**(a)** Revenue and expenses per books	**(b)** Net investment income	**(c)** Adjusted net income	**(d)** Disbursements for charitable purposes (cash basis only)
REVENUE 1 Contributions, gifts, grants, etc, received (att sch)				
2 Ck ▶ [X] if the foundn is **not** req to att Sch B				
3 Interest on savings and temporary cash investments			N/A	
4 Dividends and interest from securities	153,822.	153,822.		
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	62,912.			
b Gross sales price for all assets on line 6a 1,019,160.				
7 Capital gain net income (from Part IV, line 2)		62,912.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule)				
12 **Total.** Add lines 1 through 11	216,734.	216,734.		
OPERATING AND ADMINISTRATIVE EXPENSES 13 Compensation of officers, directors, trustees, etc	8,500.	4,250.		4,250.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) SEE ST 1	8,241.	4,121.		4,120.
b Accounting fees (attach sch)				
c Other prof fees (attach sch) SEE ST 2	21,066.	21,066.		
17 Interest				
18 Taxes (attach schedule)(see instr) SEE STM 3	1,690.	1,690.		
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) SEE STATEMENT 4	2,815.	1,428.		1,387.
24 **Total operating and administrative expenses.** Add lines 13 through 23	42,312.	32,555.		9,757.
25 Contributions, gifts, grants paid PART XV	205,500.			205,500.
26 **Total expenses and disbursements.** Add lines 24 and 25	247,812.	32,555.		215,257.
27 Subtract line 26 from line 12:				
a **Excess of revenue over expenses and disbursements**	-31,078.			
b **Net investment income** (if negative, enter -0-)		184,179.		
c **Adjusted net income** (if negative, enter -0-)				

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing	1,514.	1,514.	1,514.
	2 Savings and temporary cash investments	361,072.	155,880.	155,880.
	3 Accounts receivable ►			
	Less· allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less· allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S and state government obligations (attach schedule) STATEMENT 5	183,341.	177,395.	179,561.
	b Investments – corporate stock (attach schedule) STATEMENT 6	1,772,321.	1,951,566.	2,575,187.
	c Investments – corporate bonds (attach schedule) STATEMENT 7	1,620,968.	1,730,491.	1,797,889.
	11 Investments – land, buildings, and equipment. basis ►			
	Less· accumulated depreciation (attach schedule) ►			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) STATEMENT 8	158,708.	50,000.	53,345.
	14 Land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
	16 Total assets (to be completed by all filers – see instructions Also, see page 1, item I)	4,097,924.	4,066,846.	4,763,376.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here ► ☐ and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	4,097,924.	4,066,846.	
	30 Total net assets or fund balances (see the instructions)	4,097,924.	4,066,846.	
	31 Total liabilities and net assets/fund balances (see the instructions)	4,097,924.	4,066,846.	

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	4,097,924.
2	Enter amount from Part I, line 27a	2	-31,078.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	4,066,846.
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	4,066,846.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	SEE STATEMENT 9			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

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

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

2	Capital gain net income or (net capital loss). If gain, also enter in Part I, line 7. If (loss), enter -0- in Part I, line 7	2	62,912.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8	3	11,755.

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2009	216,143.	4,129,058.	0.052347
2008	187,450.	4,668,092.	0.040156
2007	102,500.	5,015,915.	0.020435
2006	224,059.	4,773,875.	0.046934
2005	210,502.	4,649,986.	0.045269

2	**Total** of line 1, column (d)	2	0.205141
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	0.041028
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	4,517,946.
5	Multiply line 4 by line 3	5	185,362.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,842.
7	Add lines 5 and 6	7	187,204.
8	Enter qualifying distributions from Part XII, line 4	8	215,257.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ► [ ] and enter 'N/A' on line 1 Date of ruling or determination letter: ________ (attach copy of letter if necessary – see instr.) b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► [X] and enter 1% of Part I, line 27b c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)		1	1,842.
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	1,842.
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	1,842.
6 Credits/Payments:			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a 1,692.		
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c 600.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d		7	2,292.
8 Enter any **penalty** for underpayment of estimated tax Check here [ ] if Form 2220 is attached		8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►		9	0.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►		10	450.
11 Enter the amount of line 10 to be **Credited to 2011 estimated tax** ► 450.	**Refunded** ►	11	0.

Part VII-A Statements Regarding Activities

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

Part VII-A Statements Regarding Activities *(Continued)*

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

Website address ► N/A

14 The books are in care of ► MICHAEL GUZNICZAK Telephone no. ► 262-821-5378

Located at ► 1355 BARRINGTON WOODS DRIVE BROOKFIELD WI ZIP + 4 ► 53045

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

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

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If 'Yes,' enter the name of the foreign country ►			

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

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

				Yes	No
1 a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is 'Yes' to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here	► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).				
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	☐ Yes ☒ No			
	If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement – see the instructions)		2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2010 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)*		3b	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		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 instructions)	☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No			
b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?		**5b**	N/A	
Organizations relying on a current notice regarding disaster assistance check here	► ☐			
c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A ☐ Yes ☐ No			
If 'Yes,' attach the statement required by Regulations section 53 4945-5(d)				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		**6b**		X
If 'Yes' to 6b, file Form 8870				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No			
b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		**7b**		

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	**(b)** Title and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
SEE STATEMENT 10		8,500.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see instructions). If none, enter 'NONE.'

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

Total number of other employees paid over $50,000 ► 0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)*

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
NONE		
Total number of others receiving over $50,000 for professional services ►		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

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

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

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:			
a Average monthly fair market value of securities		1a	4,379,763.
b Average of monthly cash balances		1b	206,984.
c Fair market value of all other assets (see instructions)		1c	
d **Total** (add lines 1a, b, and c)		1d	4,586,747.
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	4,586,747.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	68,801.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	4,517,946.
6 **Minimum investment return.** Enter 5% of line 5		6	225,897.

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	225,897.
2a Tax on investment income for 2010 from Part VI, line 5	2a 1,842.		
b Income tax for 2010 (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b		2c	1,842.
3 Distributable amount before adjustments Subtract line 2c from line 1		3	224,055.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	224,055.
6 Deduction from distributable amount (see instructions)		6	
7 **Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	224,055.

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	215,257.
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	215,257.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	1,842.
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	213,415.

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				224,055.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			199,021.	
b Total for prior years. 20___, 20___, 20___		0.		
3 Excess distributions carryover, if any, to 2010.				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ► $ 215,257.				
a Applied to 2009, but not more than line 2a			199,021.	
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				16,236.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				207,819.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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

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

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

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

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

1 **Information Regarding Foundation Managers:**

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

JOHN PETERSON

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT 11				
Total			► **3a**	205,500.
b *Approved for future payment*				
Total			► **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	153,822.	
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	62,912.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				216,734.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 216,734.

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

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

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

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

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

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

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

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

▶ John I Peterson | 6/11/11 ▶ President

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if ☐ if self-employed	PTIN
KENNETH M. SMITH	Kenneth M. Smith	6/2/11		N/A

Firm's name ▶ QUARLES & BRADY LLP — Firm's EIN ▶ N/A

Firm's address ▶ 411 E WISCONSIN AVE., STE 2040 MILWAUKEE, WI 53202-4497 — Phone no (414) 277-5000

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ATTORNEY FEES	$ 8,241.	$ 4,121.		$ 4,120.
TOTAL	$ 8,241.	$ 4,121.		$ 4,120.

STATEMENT 2
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MANAGEMENT FEES	$ 21,066.	$ 21,066.		
TOTAL	$ 21,066.	$ 21,066.		$ 0.

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX WITHELD	$ 1,690.	$ 1,690.		
TOTAL	$ 1,690.	$ 1,690.		$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADR FEES	$ 232.	$ 232.		
BOARD MEETING	2,393.	1,196.		$ 1,197.
PO BOX RENTAL	190.			190.
TOTAL	$ 2,815.	$ 1,428.		$ 1,387.

STATEMENT 5
FORM 990-PF, PART II, LINE 10A
INVESTMENTS - U.S. AND STATE GOVERNMENT OBLIGATIONS

U.S. GOVERNMENT OBLIGATIONS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
GOVERNMENT BONDS ACCOUNT 455	COST	$ 177,395.	$ 179,561.
GOVERNMENT BONDS ACCOUNT 459	COST	0.	0.
		$ 177,395.	$ 179,561.
	TOTAL	$ 177,395.	$ 179,561.

STATEMENT 6
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
COMMON STOCK ACCOUNT 455	COST	$ 403,599.	$ 504,796.
EXCHANGE TRADED FUND ACCOUNT 455	COST	110,912.	116,681.
COMMON STOCK ACCOUNT 457	COST	390,835.	385,839.
COMMON STOCK ACCOUNT 458	COST	789,569.	1,259,200.
EXCHANGE TRADED FUND ACCOUNT 459	COST	83,264.	126,379.
PREFERRED STOCK ACCOUNT 459	COST	66,771.	74,420.
COMMON STOCK ACCOUNT 459	COST	31,395.	32,992.
UNIT INVESTMENT TRUSTS 459	COST	75,221.	74,880.
	TOTAL	$ 1,951,566.	$ 2,575,187.

STATEMENT 7
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS ACCOUNT 455	COST	$ 0.	$ 0.
CORPORATE BONDS ACCOUNT 459	COST	1,579,645.	1,639,939.
CERTIFICATES OF DEPOSIT ACCOUNT 459	COST	150,846.	157,950.
	TOTAL	$ 1,730,491.	$ 1,797,889.

STATEMENT 8
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
OTHER PUBLICLY TRADED SECURITIES			
MUTUAL FUNDS ACCOUNT 459	COST	$ 0.	$ 0.
OTHER ACCOUNT 459	COST	50,000.	53,345.
	TOTAL	$ 50,000.	$ 53,345.

STATEMENT 9
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
1	MSSB 455 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
2	MSSB 455 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
3	MSSB 457 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
4	MSSB 457 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
5	MSSB 458 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
6	MSSB 459 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
7	MSSB 459 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I)-(J)	(L) GAIN (LOSS)
1	232,718.		237,291.	-4,573.				$ -4,573.
2	277,195.		230,843.	46,352.				46,352.
3	19,998.		25,156.	-5,158.				-5,158.
4	84,962.		98,320.	-13,358.				-13,358.
5	32,701.		11,114.	21,587.				21,587.
6	8,009.		8,110.	-101.				-101.
7	363,577.		345,414.	18,163.				18,163.
							TOTAL	$ 62,912.

STATEMENT 10
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN-SATION	CONTRI-BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JOHN PETERSON 411 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202-4497	PRESIDENT 1.00	$ 0.	$ 0.	$ 0.
MARK L. PETERSON 411 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202-4497	VICE PRESIDENT 1.00	0.	0.	0.
ELINOR GUZNICZAK 411 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202-4497	SECRETARY 1.00	0.	0.	0.
MICHAEL J. GUZNICZAK 411 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202-4497	TREASURER 5.00	8,500.	0.	0.
RYIA R. PETERSON 411 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202-4497	DIRECTOR 1.00	0.	0.	0.
	TOTAL	$ 8,500.	$ 0.	$ 0.

STATEMENT 11
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
FRIENDS OF WISCONSIN PUBLIC TELEVISION 821 UNIVERSITY AVENUE MADISON, WI 53706	NONE	PUBLIC	CONCERTS ON THE SQUARE	$ 40,000.
FRIENDS OF WISCONSIN PUBLIC TELEVISION 821 UNIVERSITY AVENUE MADISON, WI 53706	NONE	PUBLIC	FINAL FORTE	35,000.
MADISON SYMPHONY ORCHESTRA 222 W. WASHINGTON AVE. MADISON, WI 53703	NONE	PUBLIC	CHARITABLE	12,500.
DANE DANCES! INC PO BOX 1672 MADISON, WI 53701	NONE	PUBLIC	CHARITABLE	10,500.
MADISON OPERA 3414 MONROE ST. MADISON, WI 53711	NONE	PUBLIC	CHARITABLE	45,000.
MADISON MUSIC COLLECTIVE PO BOX 2096 MADISON, WI 53701	NONE	PUBLIC	CHARITABLE	25,000.
SHOREWOOD HILLS FOUNDATION INC 810 SHOREWOOD BLVD MADISON, WI 53705	NONE	PUBLIC	CHARITABLE	5,000.
FORWARD THEATER COMPANY PO BOX 14574 MADISON, WI 53708	NONE	PUBLIC	CHARITABLE	12,500.
MADISON YOUTH CHOIRS PO BOX 5233 MADISON, WI 53705	NONE	PUBLIC	CHARITABLE	5,000.
TOKEN CREEK FESTIVAL PO BOX 55142 MADISON, WI 53705	NONE	PUBLIC	CHARITABLE	5,000.
UW FOUNDATION SCHOOL OF MUSIC 1848 UNIVERSITY AVE MADISON, WI 53726	NONE	PUBLIC	PRO ARTE QUARTET	10,000.
			TOTAL	$ 205,500.

Reserved
Client Statement
2010 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted] [redacted]

Details of Short Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor. For additional information regarding this section see enclosed brochure.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000010	11	TRANSOCEAN LTD SWITZERLAND	04/02/09	02/24/10	$ 878.39	$ 691.31	$ 187.08	$ 0.00
		NEW				**$ 691.31**	**$ 187.08**	$ 0.00
	24	MorganStanley SmithBarney LLC	04/14/09		1,916.50	1,606.28	310.22	0.00
		acted as your agent				**1,606.28**	**310.22**	0.00
	27		04/30/09		2,156.06	1,852.09	303.97	0.00
						1,852.09	**303.97**	0.00
	39		05/04/09		3,114.30	2,878.07	236.23	0.00
						2,878.07	**236.23**	0.00
125000020	21	TRANSOCEAN LTD SWITZERLAND	05/27/09	05/20/10	1,238.34	1,589.14	(350.80)	0.00
		NEW				**1,589.14**	**(350.80)**	0.00
	18	MorganStanley SmithBarney LLC	10/08/09		1,061.43	1,626.20	(564.77)	0.00
		acted as your agent				**1,626.20**	**(564.77)**	0.00
	47		11/25/09		2,771.52	4,032.99	(1,261.47)	0.00
						4,032.99	**(1,261.47)**	0.00
	17		01/22/10		1,002.46	1,483.27	(480.81)	0.00
						1,483.27	**(480.81)**	0.00
125000030	123	ADOBE SYSTEMS INC (DE)	09/14/09	04/15/10	4,224.58	4,334.13	(109.55)	0.00
		MorganStanley SmithBarney LLC				**4,334.13**	**(109.55)**	0.00
		acted as your agent						
		in this transaction.						
125000070	162	BB&T CORP	03/11/10	06/30/10	4,303.68	4,911.58	(607.90)	0.00
		MorganStanley SmithBarney LLC				**4,911.58**	**(607.90)**	0.00
	66	acted as your agent	03/18/10		1,753.35	2,124.29	(370.94)	0.00
		in this transaction.				**2,124.29**	**(370.94)**	0.00
125000110	64	BANK OF AMERICA CORP	10/14/09	09/20/10	868.93	1,170.96	(302.03)	0.00
		MorganStanley SmithBarney LLC				**1,170.96**	**(302.03)**	0.00
	14	acted as your agent	01/22/10		190.08	214.03	(23.95)	0.00
		in this transaction.				**214.03**	**(23.95)**	0.00
125000120	59	BANK OF AMERICA CORP	01/22/10	09/30/10	774.64	901.99	(127.35)	0.00
		MorganStanley SmithBarney LLC				**901.99**	**(127.35)**	0.00
	99	acted as your agent	02/01/10		1,299.83	1,522.92	(223.09)	0.00
		in this transaction.				**1,522.92**	**(223.09)**	0.00

2010 YEAR END SUMMARY

Reserved
Client Statement
2010 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted] [redacted]

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000130	38	BANK OF AMERICA CORP	02/01/10	10/14/10	$ 484.30	$ 584.55	($ 100.25)	$ 0.00
		MorganStanley SmithBarney LLC				**$ 584.55**	**($ 100 25)**	$ 0.00
	140	acted as your agent	02/18/10		1,784.27	2,208.42	(424.15)	0.00
		in this transaction.				**2,208.42**	**(424.15)**	0.00
	186		03/17/10		2,370.53	3,204.35	(833.82)	0.00
						3,204.35	**(833.82)**	0.00
125000140	77	BAXTER INTL INC	12/11/09	03/11/10	4,443.39	4,492.43	(49.04)	0.00
		MorganStanley SmithBarney LLC				**4,492 43**	**(49 04)**	0.00
		acted as your agent						
		in this transaction.						
125000150	65	BOEING CO	01/07/10	07/16/10	4,070.96	3,909 30	161.66	0.00
		MorganStanley SmithBarney LLC				**3,909.30**	**161 66**	0.00
		acted as your agent						
		in this transaction						
125000160	12	BOEING CO	01/07/10	11/12/10	764 19	721.72	42.47	0.00
		MorganStanley SmithBarney LLC				**721.72**	**42.47**	0.00
	41	acted as your agent	01/27/10		2,610 98	2,482.85	128.13	0.00
		in this transaction.				**2,482.85**	**128.13**	0.00
	34		02/09/10		2,165.21	2,046.03	119.18	0.00
						2,046.03	**119.18**	0.00
125000170	2	BOEING CO	02/09/10	11/15/10	125.69	120.35	5.34	0.00
		MorganStanley SmithBarney LLC				**120.35**	**5.34**	0.00
	23	acted as your agent	02/22/10		1,445.41	1,476.79	(31.38)	0.00
		in this transaction.				**1,476.79**	**(31.38)**	0.00
125000180	75	CAPITAL ONE FINL CORP	04/13/09	01/25/10	2,713.09	1,375.43	1,337.66	0.00
		MorganStanley SmithBarney LLC				**1,375.43**	**1,337.66**	0.00
		acted as your agent						
		in this transaction.						
125000200	121	CARNIVAL CORP	04/22/10	06/30/10	3,719 13	5,021.19	(1,302.06)	0.00
		(PAIRED STOCK)				**5,021.19**	**(1,302.06)**	0.00
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000250	95	CISCO SYS INC	11/25/09	11/15/10	1,908.97	2,260.26	(351.29)	0.00
		MorganStanley SmithBarney LLC				**2,260.26**	**(351.29)**	0.00
	31	acted as your agent	12/04/09		622.92	748.60	(125.68)	0.00
		in this transaction.				**748.60**	**(125.68)**	0.00

2010 YEAR END SUMMARY

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted] [redacted]

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000260	77	CISCO SYS INC	12/04/09	11/16/10	$ 1,493.90	$ 1,859.42	($ 365.52)	$ 0.00
		MorganStanley SmithBarney LLC				**$ 1,859.42**	**($ 365.52)**	$ 0.00
	118	acted as your agent	12/18/09		2,289.36	2,753.01	(463.65)	0.00
		in this transaction.				**2,753.01**	**(463.65)**	0.00
	50		01/22/10		970.07	1,189.43	(219.36)	0.00
						1,189.43	**(219.36)**	0.00
125000270	794	CITIGROUP INC	04/08/10	05/17/10	3,016.43	3,543.54	(527.11)	0.00
		MorganStanley SmithBarney LLC acted as your agent in this transaction.				**3,543.54**	**(527.11)**	0.00
125000280	324	CITIGROUP INC	04/08/10	05/18/10	1,207.50	1,445.98	(238.48)	0.00
		MorganStanley SmithBarney LLC				**1,445.98**	**(238.48)**	0.00
	453	acted as your agent	04/14/10		1,688.26	2,186.13	(497.87)	0.00
		in this transaction.				**2,186.13**	**(497.87)**	0.00
	478		04/14/10		1,781.42	2,306.78	(525.36)	0.00
						2,306.78	**(525.36)**	0.00
125000290	28	CUMMINS INC	03/02/10	06/03/10	1,968.42	1,660.18	308.24	0.00
		MorganStanley SmithBarney LLC acted as your agent in this transaction.				**1,660.18**	**308.24**	0.00
125000300	35	CUMMINS INC	03/02/10	07/15/10	2,540.86	2,075.22	465.64	0.00
		MorganStanley SmithBarney LLC acted as your agent in this transaction.				**2,075.22**	**465.64**	0.00
125000310	18	CUMMINS INC	03/02/10	08/24/10	1,348.47	1,067.25	281.22	0.00
		MorganStanley SmithBarney LLC				**1,067.25**	**281.22**	0.00
	48	acted as your agent	03/09/10		3,595.92	2,932.54	663.38	0.00
		in this transaction.				**2,932.54**	**663.38**	0.00
125000350	165	DOW CHEMICAL CO	08/03/09	02/08/10	4,373.05	3,690.04	683.01	0.00
		MorganStanley SmithBarney LLC acted as your agent in this transaction.				**3,690.04**	**683.01**	0.00
125000360	115	DOW CHEMICAL CO	09/10/09	08/04/10	2,855.43	2,668.81	186.62	0.00
		MorganStanley SmithBarney LLC acted as your agent in this transaction.				**2,668.81**	**186.62**	0.00

Ref: 00000636 00017862

MorganStanley
SmithBarney

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JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted]

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000370	24	EXPRESS SCRIPTS INC.COMMON MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/20/09	04/14/10	$ 2,405.81	$ 1,401.30 **$ 1,401.30**	$ 1,004.51 **$ 1,004.51**	$ 0.00 $ 0 00
125000380	40 9	EXPRESS SCRIPTS INC COMMON MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/20/09 04/28/09	04/15/10	3,962.69 891.60	2,335.49 **2,335.49** 552.76 **552.76**	1,627.20 **1,627.20** 338.84 **338.84**	0.00 0.00 0.00 0 00
125000400	49	FEDEX CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/15/09	02/05/10	3,730.85	4,491.43 **4,491.43**	(760.58) **(760.58)**	0 00 0.00
125000410	88	FORD MOTOR COMPANY MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/25/10	08/25/10	975.06	1,037.55 **1,037.55**	(62.49) **(62.49)**	0 00 0.00
125000420	43	FREEPORT MCMORAN COPPER & GOLD CL B MorganStanley SmithBarney LLC acted as your agent	01/29/09	01/25/10	3,231.79	1,149.95 **1,149.95**	2,081.84 **2,081 84**	0.00 0.00
125000430	30	FREEPORT MCMORAN COPPER & GOLD CL B MorganStanley SmithBarney LLC acted as your agent	01/29/09	01/26/10	2,189.68	802.28 **802.28**	1,387.40 **1,387.40**	0.00 0.00
125000440	36 27	FREEPORT MCMORAN COPPER & GOLD CL B MorganStanley SmithBarney LLC acted as your agent	09/11/09 01/22/10	02/05/10	2,407.34 1,805.50	2,542.45 **2,542.45** 2,065.97 **2,065.97**	(135 11) **(135.11)** (260 47) **(260.47)**	0.00 0.00 0.00 0.00
125000450	22	GENERAL DYNAMICS CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/20/09	06/03/10	1,494.17	1,484.33 **1,484.33**	9.84 **9.84**	0.00 0.00

2010 YEAR END SUMMARY

MorganStanley
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Ref: 00000636 00017863

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JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted]

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
125000460	44	GENERAL DYNAMICS CORP	10/20/09	06/07/10	$ 2,768.41	$ 2,968.67	($ 200.26)	$ 0.00
		MorganStanley SmithBarney LLC				**$ 2,968.67**	**($ 200.26)**	$ 0.00
	35	acted as your agent	11/25/09		2,202.14	2,373.11	(170.97)	0.00
		in this transaction.				**2,373.11**	**(170.97)**	0.00
	28		12/14/09		1,761.72	1,964.36	(202.64)	0.00
						1,964.36	**(202.64)**	0.00
	31		12/15/09		1,950.47	2,185.17	(234.70)	0.00
						2,185.17	**(234.70)**	0.00
125000470	192	GENERAL ELECTRIC CO	03/16/10	05/21/10	3,131.27	3,473.07	(341.80)	0.00
		MorganStanley SmithBarney LLC				**3,473.07**	**(341.80)**	0.00
		acted as your agent						
		in this transaction.						
125000480	215	GENERAL ELECTRIC CO	03/16/10	05/25/10	3,300.25	3,889.11	(588.86)	0.00
		MorganStanley SmithBarney LLC				**3,889.11**	**(588.86)**	0.00
	55	acted as your agent	03/18/10		844.25	1,000.05	(155.80)	0.00
		in this transaction.				**1,000.05**	**(155.80)**	0.00
125000490	81	GENERAL ELECTRIC CO	03/18/10	06/01/10	1,301.17	1,472.81	(171.64)	0.00
		MorganStanley SmithBarney LLC				**1,472.81**	**(171.64)**	0.00
	114	acted as your agent	03/24/10		1,831.28	2,129.44	(298.16)	0.00
		in this transaction.				**2,129.44**	**(298.16)**	0.00
	240		04/15/10		3,855.31	4,702.66	(847.35)	0.00
						4,702.66	**(847.35)**	0.00
125000500	24	GILEAD SCIENCES INC	03/11/09	01/08/10	1,070.46	1,078.39	(7.93)	0.00
		MorganStanley SmithBarney LLC				**1,078.39**	**(7.93)**	0.00
	41	acted as your agent	04/07/09		1,828.70	1,967.28	(138.58)	0.00
		in this transaction.				**1,967.28**	**(138.58)**	0.00
	31		07/22/09		1,382.68	1,480.23	(97.55)	0.00
						1,480.23	**(97.55)**	0.00
	61		09/08/09		2,720.75	2,847.14	(126.39)	0.00
						2,847.14	**(126.39)**	0.00
125000510	152	GILEAD SCIENCES INC	03/03/10	07/16/10	4,924.77	7,226.34	(2,301.57)	0.00
		MorganStanley SmithBarney LLC				**7,226.34**	**(2,301.57)**	0.00
		acted as your agent						
		in this transaction.						
125000540	4	GOLDMAN SACHS GROUP INC	03/05/10	05/07/10	581.40	667.02	(85.62)	0.00
		MorganStanley SmithBarney LLC				**667.02**	**(85.62)**	0.00
		acted as your agent						
		in this transaction.						

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Ref: 00000636 00017864

MorganStanley SmithBarney

Reserved Client Statement 2010 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted]

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000660	89	JPMORGAN CHASE & CO	03/11/09	01/21/10	$ 3,629 72	$ 1,801.75	$ 1,827.97	$ 0.00
		MorganStanley SmithBarney LLC				**$ 1,801.75**	**$ 1,827.97**	$ 0.00
	9	acted as your agent	03/12/09		367 05	195 93	171.12	0.00
		in this transaction				**195.93**	**171.12**	0.00
125000700	84	KOHLS CORP	03/26/09	03/10/10	4,496.22	3,605.12	891.10	0.00
		MorganStanley SmithBarney LLC				**3,605.12**	**891.10**	0.00
	27	acted as your agent	10/08/09		1,445.21	1,614.76	(169.55)	0.00
		in this transaction.				**1,614.76**	**(169.55)**	0.00
125000750	52	MEDCO HEALTH SOLUTIONS INC	07/15/10	10/21/10	2,642.20	2,982.45	(340.25)	0.00
		MorganStanley SmithBarney LLC				**2,982.45**	**(340.25)**	0.00
		acted as your agent						
		in this transaction.						
125000780	38	MICROSOFT CORP	03/23/09	03/18/10	1,123.70	673.62	450 08	0.00
		MorganStanley SmithBarney LLC				**673.62**	**450.08**	0.00
		acted as your agent						
		in this transaction.						
125000800	31	NETFLIX INC	09/22/10	12/14/10	5,562.51	4,800.18	762.33	0.00
		MorganStanley SmithBarney LLC				**4,800.18**	**762.33**	0.00
		acted as your agent						
		in this transaction.						
125000820	85	PNC FINANCIAL SERVICES GROUP	03/10/10	08/25/10	4,249.61	4,868.70	(619.09)	0 00
		MorganStanley SmithBarney LLC				**4,868.70**	**(619.09)**	0.00
		acted as your agent						
		in this transaction.						
125000830	243	PFIZER INC	11/25/09	03/03/10	4,217.33	4,515.81	(298 48)	0.00
		MorganStanley SmithBarney LLC				**4,515 81**	**(298.48)**	0.00
	99	acted as your agent	01/19/10		1,718 17	1,979 17	(261.00)	0.00
		in this transaction.				**1,979 17**	**(261.00)**	0.00
	119		01/20/10		2,065.28	2,370.52	(305 24)	0.00
						2,370.52	**(305.24)**	0.00
125000860	53	PRAXAIR INC	04/30/09	01/27/10	4,003.02	3,952.10	50.92	0.00
		MorganStanley SmithBarney LLC				**3,952.10**	**50.92**	0.00
		acted as your agent						
		in this transaction.						
125000870	25	PRECISION CASTPARTS CORP	11/18/09	08/10/10	3,060.31	2,628 53	431.78	0.00
		MorganStanley SmithBarney LLC				**2,628.53**	**431.78**	0.00
		acted as your agent						
		in this transaction.						

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JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted]

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000880	18	PRECISION CASTPARTS CORP	11/18/09	08/27/10	$ 2,090.63	$ 1,892.55	$ 198.08	$ 0.00
		MorganStanley SmithBarney LLC				**$ 1,892.55**	**$ 198.08**	$ 0.00
	1	acted as your agent	12/07/09		116.15	111.10	5.05	0.00
		in this transaction.				**111.10**	**5.05**	0.00
125000890	13	SALESFORCE.COM INC	12/30/09	08/13/10	1,262.84	954.17	308.67	0.00
		MorganStanley SmithBarney LLC				**954.17**	**308.67**	0.00
		acted as your agent						
		in this transaction.						
125000900	171	STAPLES INC	06/09/09	03/03/10	3,807.15	3,573.62	233.53	0.00
		MorganStanley SmithBarney LLC				**3,573.62**	**233.53**	0.00
		acted as your agent						
		in this transaction.						
125000910	20	STAPLES INC	06/09/09	03/10/10	457.18	417.97	39.21	0.00
		MorganStanley SmithBarney LLC				**417.97**	**39.21**	0.00
	95	acted as your agent	08/11/09		2,171.62	2,091.87	79.75	0.00
		in this transaction.				**2,091.87**	**79.75**	0.00
	100		02/09/10		2,285.92	2,395.23	(109.31)	0.00
						2,395.23	**(109.31)**	0.00
125000920	54	TEVA PHARMACEUTICAL INDS	02/23/10	12/02/10	2,698.56	3,220.32	(521.76)	0.00
		LTD ADR				**3,220.32**	**(521.76)**	0.00
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000930	26	TEVA PHARMACEUTICAL INDS	02/23/10	12/20/10	1,331.38	1,550.53	(219.15)	0.00
		LTD ADR				**1,550.53**	**(219.15)**	0.00
	38	MorganStanley SmithBarney LLC	03/02/10		1,945.87	2,319.73	(373.86)	0.00
		acted as your agent				**2,319.73**	**(373.86)**	0.00
	34		03/22/10		1,741.04	2,190.43	(449.39)	0.00
						2,190.43	**(449.39)**	0.00
	12		09/08/10		614.48	650.79	(36.31)	0.00
						650.79	**(36.31)**	0.00
125000940	23	3M COMPANY	10/08/09	06/03/10	1,789.92	1,716.28	73.64	0.00
		MorganStanley SmithBarney LLC				**1,716.28**	**73.64**	0.00
		acted as your agent						
		in this transaction.						
125000950	34	3M COMPANY	10/08/09	06/07/10	2,581.30	2,537.11	44.19	0.00
		MorganStanley SmithBarney LLC				**2,537.11**	**44.19**	0.00
		acted as your agent						
		in this transaction.						

2010 YEAR END SUMMARY

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted] [redacted]

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000960	2	3M COMPANY	10/08/09	06/08/10	$ 147.47	$ 149.24	($ 1.77)	$ 0.00
		MorganStanley SmithBarney LLC				**$ 149.24**	**($ 1.77)**	$ 0.00
	26	acted as your agent	10/20/09		1,917.16	1,973.69	(56.53)	0.00
		in this transaction.				**1,973.69**	**(56.53)**	0.00
125000970	36	3M COMPANY	12/14/09	11/09/10	3,069.66	2,944.97	124.69	0.00
		MorganStanley SmithBarney LLC				**2,944.97**	**124.69**	0.00
	10	acted as your agent	03/09/10		852.68	819.10	33.58	0.00
		in this transaction.				**819.10**	**33.58**	0.00
125000980	83	TIME WARNER CABLE INC	08/03/10	09/17/10	4,221.37	4,871.14	(649.77)	0.00
		MorganStanley SmithBarney LLC				**4,871.14**	**(649.77)**	0 00
		acted as your agent						
		in this transaction						
125001010	22	VALE S A SPON ADR	02/26/09	01/26/10	596.78	296 70	300.08	0.00
		MorganStanley SmithBarney LLC				**296.70**	**300.08**	0.00
	138	acted as your agent	03/11/09		3,743.46	1,893.53	1,849.93	0.00
		in this transaction.				**1,893.53**	**1,849.93**	0.00
125001020	148	VALE S A SPON ADR	04/16/10	07/15/10	3,686.79	4,932.60	(1,245 81)	0.00
		MorganStanley SmithBarney LLC				**4,932.60**	**(1,245.81)**	0.00
		acted as your agent						
		in this transaction.						
125001050	26	VISA INC COM CL A	11/10/09	09/10/10	1,757.90	2,106 84	(348 94)	0.00
		MorganStanley SmithBarney LLC				**2,106.84**	**(348.94)**	0.00
	2	acted as your agent	06/10/10		135.22	152.64	(17.42)	0.00
		in this transaction.				**152.64**	**(17.42)**	0.00
125001060	38	VISA INC COM CL A	06/10/10	12/17/10	2,562.98	2,900 06	(337.08)	0.00
		MorganStanley SmithBarney LLC				**2,900.06**	**(337.08)**	0.00
	31	acted as your agent	07/12/10		2,090.85	2,381.96	(291.11)	0.00
		in this transaction.				**2,381 96**	**(291.11)**	0 00
Total						$ 237,291.02	($ 4,572.59)	$ 0.00
					$ 232,718.43	**$ 237,291.02**	**($ 4,572.59)**	$ 0.00

2010 YEAR END SUMMARY

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted]

Details of Long Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor. For additional information regarding this section see enclosed brochure.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000020	10	TRANSOCEAN LTD SWITZERLAND NEW MorganStanley SmithBarney LLC acted as your agent	05/04/09	05/20/10	$ 589.68	$ 737.97 **$ 737.97**	($ 148.29) **($ 148.29)**	$ 0.00 $ 0.00
125000040	50	AMERICAN TOWER CORP-CLASS A MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/11/07	04/19/10	2,067.05	1,917.50 **1,917.50**	149.55 **149.55**	0.00 0.00
125000050	15	APPLE INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/14/08	01/27/10	3,044.06	1,927.40 **1,927.40**	1,116.66 **1,116.66**	0.00 0.00
125000060	17	APPLE INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/14/08	03/16/10	3,805.95	2,184.39 **2,184.39**	1,621.56 **1,621.56**	0.00 0.00
125000080	44	BANK OF AMERICA CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/04/09	07/01/10	614.79	446.56 **446.56**	168.23 **168.23**	0.00 0.00
125000090	143 45	BANK OF AMERICA CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/04/09 05/05/09	07/19/10	1,924.90 605.74	1,451.32 **1,451.32** 495.65 **495.65**	473.58 **473.58** 110.09 **110.09**	0.00 0.00 0.00 0.00
125000100	106 95	BANK OF AMERICA CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/05/09 06/18/09	09/09/10	1,439.62 1,290.23	1,167.52 **1,167.52** 1,224.44 **1,224.44**	272.10 **272.10** 65.79 **65.79**	0.00 0.00 0.00 0.00
125000110	56	BANK OF AMERICA CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/18/09	09/20/10	760.32	721.78 **721.78**	38.54 **38.54**	0.00 0.00

2010 YEAR END SUMMARY

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted]

Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000190	45	CAPITAL ONE FINL CORP	04/13/09	10/15/10	$ 1,722.55	$ 825.26	$ 897.29	$ 0.00
		MorganStanley SmithBarney LLC				**$ 825.26**	**$ 897.29**	$ 0.00
		acted as your agent						
		in this transaction.						
125000210	18	CELGENE CORP	02/26/09	12/07/10	1,027 82	901.11	126.71	0.00
		MorganStanley SmithBarney LLC				**901.11**	**126.71**	0.00
	65	acted as your agent	04/07/09		3,711.58	2,671.79	1,039.79	0.00
		in this transaction.				**2,671.79**	**1,039 79**	0.00
125000220	88	CISCO SYS INC	11/24/08	09/22/10	1,886 14	1,429.37	456.77	0.00
		MorganStanley SmithBarney LLC				**1,429.37**	**456.77**	0.00
		acted as your agent						
		in this transaction						
125000230	3	CISCO SYS INC	11/24/08	11/11/10	62.47	48.73	13.74	0.00
		MorganStanley SmithBarney LLC				**48.73**	**13.74**	0.00
	139	acted as your agent	12/01/08		2,894.64	2,098.11	796.53	0.00
		in this transaction				**2,098 11**	**796.53**	0.00
	30		03/10/09		624.75	441.05	183.70	0.00
						441 05	**183.70**	0.00
125000240	84	CISCO SYS INC	03/10/09	11/12/10	1,727.85	1,234.94	492.91	0.00
		MorganStanley SmithBarney LLC				**1,234 94**	**492.91**	0.00
	33	acted as your agent	03/23/09		678.80	551.84	126.96	0.00
		in this transaction.				**551.84**	**126.96**	0.00
125000250	49	CISCO SYS INC	03/23/09	11/15/10	984.63	819.40	165.23	0 00
		MorganStanley SmithBarney LLC				**819.40**	**165.23**	0.00
	65	acted as your agent	04/02/09		1,306.14	1,200.95	105.19	0.00
		in this transaction				**1,200.95**	**105 19**	0.00
125000320	82	WALT DISNEY CO	11/24/08	06/30/10	2,637 38	1,806.28	831.10	0 00
		MorganStanley SmithBarney LLC				**1,806.28**	**831.10**	0.00
	5	acted as your agent	12/08/08		160.82	128.71	32.11	0.00
		in this transaction.				**128.71**	**32.11**	0.00
125000330	64	WALT DISNEY CO	12/08/08	08/25/10	2,025.92	1,647.51	378.41	0.00
		MorganStanley SmithBarney LLC				**1,647.51**	**378.41**	0 00
		acted as your agent						
		in this transaction						
125000340	78	DIRECTV CL A	11/11/09	12/07/10	3,111 48	2,309.89	801.59	0 00
		MorganStanley SmithBarney LLC				**2,309.89**	**801.59**	0.00
		acted as your agent						
		in this transaction.						

2010 YEAR END SUMMARY

MorganStanley SmithBarney

Ref: 00000636 00017869

Reserved Client Statement 2010 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted]

Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000360	25	DOW CHEMICAL CO MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/03/09	08/04/10	$ 620.74	$ 559.10 **$ 559.10**	$ 61.64 **$ 61.64**	$ 0.00 $ 0.00
125000390	63,000	FEDERAL HOME LN MTG CRP GLOBAL REFERENCE NOTES BK/ENTRY DTD 7/16/02 DUE 07/15/2012 RATE 5.125	09/11/07	09/01/10	68,186.16	64,791.56 **63,734.58**	3,394.60 **4,451.58**	0.00 4,451.58
125000440	2	FREEPORT MCMORAN COPPER & GOLD CL B MorganStanley SmithBarney LLC acted as your agent	01/29/09	02/05/10	133.74	53.49 **53.49**	80.25 **80.25**	0.00 0.00
125000520	22	GOLDMAN SACHS GROUP INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/29/08	03/29/10	3,793.46	1,664.13 **1,664.13**	2,129.33 **2,129.33**	0.00 0.00
	8		01/05/09		1,379.44	717.96 **717.96**	661.48 **661.48**	0.00 0.00
125000530	33	GOLDMAN SACHS GROUP INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/05/09	04/30/10	4,852.93	2,961.57 **2,961.57**	1,891.36 **1,891.36**	0.00 0.00
	16		01/06/09		2,352.93	1,430.84 **1,430.84**	922.09 **922.09**	0.00 0.00
125000540	31	GOLDMAN SACHS GROUP INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/06/09	05/07/10	4,505.83	2,772.26 **2,772.26**	1,733.57 **1,733.57**	0.00 0.00
	16		03/24/09		2,325.59	1,824.62 **1,824.62**	500.97 **500.97**	0.00 0.00
125000550	3	GOOGLE INC CLASS A MorganStanley SmithBarney LLC acted as your agent	09/11/07	03/16/10	1,691.42	1,555.23 **1,555.23**	136.19 **136.19**	0.00 0.00
	8		03/13/08		4,510.47	3,477.41 **3,477.41**	1,033.06 **1,033.06**	0.00 0.00
125000560	1	GOOGLE INC CLASS A MorganStanley SmithBarney LLC acted as your agent	03/13/08	03/24/10	541.65	434.68 **434.68**	106.97 **106.97**	0.00 0.00
	3		04/29/08		1,624.95	1,684.03 **1,684.03**	(59.08) **(59.08)**	0.00 0.00
	3		08/06/08		1,624.96	1,423.90 **1,423.90**	201.06 **201.06**	0.00 0.00
125000570	4	GOOGLE INC CLASS A MorganStanley SmithBarney LLC acted as your agent	08/06/08	04/26/10	2,130.55	1,898.54 **1,898.54**	232.01 **232.01**	0.00 0.00
	4		10/14/08		2,130.55	1,483.59 **1,483.59**	646.96 **646.96**	0.00 0.00

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Client Statement
2010 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted] [redacted]

Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000580	5	GOOGLE INC	10/14/08	05/10/10	$ 2,596.18	$ 1,854.49	$ 741.69	$ 0.00
		CLASS A				**$ 1,854.49**	**$ 741.69**	$ 0.00
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000590	23,000	HEWLETT PACKARD CO	12/23/08	07/12/10	26,247.14	24,576.42	1,670.72	0.00
		BOOK/ENTRY				**24,143.79**	**2,103.35**	2,103.35
		DTD 12/05/2008						
		DUE 03/01/2014 RATE 6.125						
125000600	35	HEWLETT PACKARD CO	09/11/07	01/28/10	1,668.40	1,728.87	(60.47)	0.00
		MorganStanley SmithBarney LLC				**1,728.87**	**(60 47)**	0.00
	32	acted as your agent	01/25/08		1,525.39	1,430.97	94.42	0.00
		in this transaction.				**1,430.97**	**94.42**	0.00
125000610	9	HEWLETT PACKARD CO	01/25/08	09/08/10	349.83	402.46	(52.63)	0.00
		MorganStanley SmithBarney LLC				**402.46**	**(52.63)**	0.00
	53	acted as your agent	03/25/08		2,060.10	2,561.85	(501.75)	0.00
		in this transaction.				**2,561 85**	**(501.75)**	0.00
	36		05/01/08		1,399.32	1,713.49	(314.17)	0.00
						1,713.49	**(314.17)**	0.00
125000620	22	HEWLETT PACKARD CO	05/01/08	12/02/10	942.67	1,047 14	(104.47)	0.00
		MorganStanley SmithBarney LLC				**1,047.14**	**(104.47)**	0.00
	57	acted as your agent	10/14/08		2,442.36	2,294.31	148.05	0.00
		in this transaction				**2,294.31**	**148.05**	0.00
125000630	29	INTL BUSINESS MACHINES CORP	01/25/08	01/28/10	3,604.46	3,072 44	532.02	0.00
		MorganStanley SmithBarney LLC				**3,072.44**	**532 02**	0.00
		acted as your agent						
		in this transaction						
125000640	19	INTL BUSINESS MACHINES CORP	01/25/08	03/18/10	2,430.61	2,012.97	417 64	0 00
		MorganStanley SmithBarney LLC				**2,012.97**	**417.64**	0 00
	17	acted as your agent	03/25/08		2,174.75	2,008.17	166.58	0.00
		in this transaction.				**2,008 17**	**166.58**	0.00
125000650	9	INTL BUSINESS MACHINES CORP	03/25/08	04/21/10	1,158.75	1,063 15	95.60	0.00
		MorganStanley SmithBarney LLC				**1,063 15**	**95.60**	0.00
	14	acted as your agent	07/11/08		1,802.49	1,691.88	110.61	0.00
		in this transaction.				**1,691.88**	**110.61**	0 00
125000670	60	JPMORGAN CHASE & CO	03/12/09	10/14/10	2,316.14	1,306 18	1,009.96	0 00
		MorganStanley SmithBarney LLC				**1,306.18**	**1,009.96**	0.00
	33	acted as your agent	03/18/09		1,273.87	835.54	438.33	0.00
		in this transaction.				**835 54**	**438.33**	0.00

2010 YEAR END SUMMARY

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted] [redacted]

Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
125000680	49	JPMORGAN CHASE & CO	03/18/09	10/15/10	$ 1,813.54	$ 1,240.66	$ 572.88	$ 0.00
		MorganStanley SmithBarney LLC				**$ 1,240.66**	**$ 572.88**	$ 0.00
		acted as your agent						
		in this transaction.						
125000690	37	JPMORGAN CHASE & CO	03/18/09	11/02/10	1,364.17	936.82	427.35	0.00
		MorganStanley SmithBarney LLC				**936.82**	**427.35**	0.00
	30	acted as your agent	03/18/09		1,106.08	759.59	346.49	0.00
		in this transaction.				**759.59**	**346.49**	0.00
125000710	8,000	MARATHON OIL CORP	03/06/09	07/12/10	9,479.68	7,930.48	1,549.20	0.00
		BOOK/ENTRY				**7,930.48**	**1,549.20**	1,549.20
	4,000	DTD 02/17/2009	03/26/09		4,739.84	4,050.24	689.60	0.00
		DUE 02/15/2019 RATE 7.500				**4,045.60**	**694.24**	694.24
125000720	34	MEDCO HEALTH SOLUTIONS INC	06/30/08	04/14/10	2,100.91	1,632.33	468.58	0.00
		MorganStanley SmithBarney LLC				**1,632.33**	**468.58**	0.00
		acted as your agent						
		in this transaction.						
125000730	12	MEDCO HEALTH SOLUTIONS INC	06/30/08	04/15/10	743.73	576.12	167.61	0.00
		MorganStanley SmithBarney LLC				**576.12**	**167.61**	0.00
	29	acted as your agent	07/11/08		1,797.34	1,358.30	439.04	0.00
		in this transaction.				**1,358.30**	**439.04**	0.00
125000740	55	MEDCO HEALTH SOLUTIONS INC	07/11/08	08/24/10	2,446.93	2,576.09	(129.16)	0.00
		MorganStanley SmithBarney LLC				**2,576.09**	**(129.16)**	0.00
	14	acted as your agent	03/10/09		622.86	547.31	75.55	0.00
		in this transaction.				**547.31**	**75.55**	0.00
125000750	52	MEDCO HEALTH SOLUTIONS INC	03/10/09	10/21/10	2,642.19	2,032.85	609.34	0.00
		MorganStanley SmithBarney LLC				**2,032.85**	**609.34**	0.00
		acted as your agent						
		in this transaction.						
125000760	84	MERCK & CO INC NEW	03/09/09	04/14/10	3,028.79	1,761.70	1,267.09	0.00
		MorganStanley SmithBarney LLC				**1,761.70**	**1,267.09**	0.00
		acted as your agent						
		in this transaction.						
125000770	9	MERCK & CO INC NEW	03/09/09	04/15/10	325.21	188.75	136.46	0.00
		MorganStanley SmithBarney LLC				**188.75**	**136.46**	0.00
	138	acted as your agent	03/10/09		4,986.51	3,040.08	1,946.43	0.00
		in this transaction.				**3,040.08**	**1,946.43**	0.00
	60		03/12/09		2,168.05	1,432.04	736.01	0.00
						1,432.04	**736.01**	0.00

2010 YEAR END SUMMARY

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Client Statement
2010 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted]

Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000780	59	MICROSOFT CORP	03/10/09	03/18/10	$ 1,744 68	$ 964.04	$ 780.64	$ 0.00
		MorganStanley SmithBarney LLC				**$ 964.04**	**$ 780.64**	$ 0.00
		acted as your agent						
		in this transaction.						
125000790	54	MICROSOFT CORP	03/23/09	05/07/10	1,516.36	957.24	559.12	0.00
		MorganStanley SmithBarney LLC				**957.24**	**559.12**	0.00
	95	acted as your agent	03/26/09		2,667.68	1,760.35	907.33	0.00
		in this transaction.				**1,760.35**	**907.33**	0.00
	172		04/01/09		4,829.90	3,296.31	1,533.59	0 00
						3,296 31	**1,533.59**	0.00
	113		05/06/09		3,173.13	2,247.59	925.54	0.00
						2,247.59	**925.54**	0 00
125000810	47	OCCIDENTAL PETROLEUM CORP-DEL	01/06/09	08/25/10	3,420.99	2,915.55	505.44	0.00
		MorganStanley SmithBarney LLC				**2,915.55**	**505.44**	0.00
	1	acted as your agent	03/30/09		72.79	55.93	16 86	0.00
		in this transaction.				**55.93**	**16.86**	0.00
125000840	35	PHILIP MORRIS INTL INC	07/11/08	04/22/10	1,777.01	1,875.71	(98.70)	0.00
		MorganStanley SmithBarney LLC				**1,875.71**	**(98.70)**	0.00
	4	acted as your agent	10/13/08		203.09	171.90	31.19	0.00
		in this transaction.				**171.90**	**31.19**	0.00
125000850	52	PHILIP MORRIS INTL INC	10/13/08	04/28/10	2,541.89	2,234.72	307.17	0.00
		MorganStanley SmithBarney LLC				**2,234.72**	**307.17**	0.00
	47	acted as your agent	11/24/08		2,297.47	1,982.34	315.13	0.00
		in this transaction				**1,982.34**	**315.13**	0.00
125000970	2	3M COMPANY	10/20/09	11/09/10	170.54	151.82	18.72	0.00
		MorganStanley SmithBarney LLC				**151.82**	**18.72**	0.00
	28	acted as your agent	10/23/09		2,387.52	2,184.16	203.36	0 00
		in this transaction.				**2,184.16**	**203 36**	0 00
125000990	14	UNION PACIFIC CORP	11/03/08	07/15/10	1,009.67	900 48	109.19	0.00
		MorganStanley SmithBarney LLC				**900 48**	**109.19**	0 00
	28	acted as your agent	12/11/08		2,019.34	1,366.87	652 47	0 00
		in this transaction.				**1,366.87**	**652.47**	0.00

2010 YEAR END SUMMARY

MorganStanley
SmithBarney

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2010 Year End Summary

JOHN & CAROLYN PETERSON

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Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125001000	1	UNITED TECHNOLOGIES CORP	01/25/08	06/07/10	$ 64.61	$ 73.68	($ 9.07)	$ 0.00
		MorganStanley SmithBarney LLC				**$ 73.68**	**($ 9.07)**	$ 0.00
	34	acted as your agent	07/17/08		2,196.90	2,197.30	(.40)	0.00
		in this transaction.				**2,197.30**	**(.40)**	0.00
	30		07/22/08		1,938.44	1,945.30	(6.86)	0.00
						1,945.30	**(6.86)**	0.00
	9		08/06/08		581.53	591.38	(9.85)	0.00
						591.38	**(9.85)**	0.00
125001030	54	VISA INC COM CL A	04/30/09	08/13/10	3,917.01	3,597.23	319.78	0.00
		MorganStanley SmithBarney LLC				**3,597.23**	**319.78**	0.00
		acted as your agent						
		in this transaction.						
125001040	5	VISA INC COM CL A	04/30/09	08/25/10	354.10	333.08	21.02	0.00
		MorganStanley SmithBarney LLC				**333.08**	**21.02**	0.00
	26	acted as your agent	05/06/09		1,841.32	1,748.26	93.06	0.00
		in this transaction.				**1,748.26**	**93.06**	0.00
Total						$ 232,337.31	$ 44,857.63	$ 0.00
					$ 277,194.94	**$ 230,843.06**	**$ 46,351.88**	$ 8,798.37

2010 YEAR END SUMMARY

JOHN & CAROLYN PETERSON
Account Number [redacted]-0457C-[redacted]

2010 YEAR END SUMMARY

Details of Short Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000040	45	BP PLC SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/22/10	05/19/10	$ 2,027.21	$ 2,637.59	($ 610.38)	
125000050	578	BANCO BILBAO VIZCAYA-SP ADR SALE OF RTS ON 578 0000 SHS	11/09/10	11/09/10	212.09	01		212.08
125000060	270	BANK OF CHINA-CNY SALE OF RTS ON 270.0000 SHS	12/03/10	12/03/10	122.51	.01		122.50
125000080	107	BRASIL TELECOM S A	11/24/09	04/08/10	2,039.97	3,330.85	(1,290 88)	
	85	SPONSORED ADR REPSTG PFD SHS MorganStanley SmithBarney LLC acted as your agent	01/22/10		1,620.54	1,902.42	(281.88)	

MorganStanley SmithBarney

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JOHN & CAROLYN PETERSON

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Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000090	61	BRASIL TELECOM SA ADR	11/24/09	04/13/10	$ 480.39	$ 1,019.19	($ 538.80)	
	40	MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/22/10		315.01	461.96	(146.95)	
125000160	17	FOMENTO ECONOMICO MEXICANO S.A.B DE CV SPONS ADR MorganStanley SmithBarney LLC acted as your agent	03/17/10	09/24/10	869.87	786.93		82.94
125000180	200	HUANENG POWER INTL SP ADR	07/17/09	05/27/10	4,361.66	5,536.66	(1,175.00)	
	55	MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/22/10		1,199.46	1,250.58	(51.12)	
125000210	65	MARKS & SPENCER GROUP PLC SPONSORED ADR MorganStanley SmithBarney LLC acted as your agent	01/22/10	05/06/10	680.27	730.16	(49.89)	
125000220	20	RWE AG SPONS ADR -USD MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/22/10	09/15/10	1,357.68	1,875.96	(518.28)	
125000250	30	SANOFI-AVENTIS SPONS ADR MorganStanley SmithBarney LLC acted as your agent	01/22/10	11/29/10	928.87	1,151.70	(222.83)	
125000260	30	SHIN ETSU CHEM CO LTD-JPY MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/22/10	11/26/10	1,493.26	1,649.66	(156.40)	
125000310	35	TOTAL S.A SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/22/10	06/16/10	1,738.39	2,124.11	(385.72)	
125000330	25	VIVENDI SA SPONSORED ADR FRANCE MorganStanley SmithBarney LLC acted as your agent	01/22/10	08/26/10	551.11	698.75	(147.64)	
Total					**$ 19,998.29**	**$ 25,156.54**	**($ 5,575.77)**	**$ 417.52**

2010 YEAR END SUMMARY

JOHN & CAROLYN PETERSON

Account Number [redacted]-0457C-[redacted] [redacted]

Details of Long Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000010	87	SIGNET JEWELERS LTD-USD MorganStanley SmithBarney LLC acted as your agent in this transaction	09/06/07	03/22/10	$ 2,474.28	$ 3,178.42	($ 704.14)	
125000020	115	AXA S.A.SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/06/07	04/20/10	2,636.76	4,506.51	(1,869.75)	
125000030	3	BP PLC SPONS ADR	06/01/06	05/17/10	139.73	212.29	(72.56) c	
	16	MorganStanley SmithBarney LLC	09/14/06		745.23	1,065.43	(320.20) c	
	26	acted as your agent	12/04/06		1,211.00	1,754.22	(543 22) c	
	17	in this transaction.	01/22/07		791.81	1,095.98	(304.17) c	
	13		02/05/07		605.51	828.96	(223.45) c	
125000040	12	BP PLC SPONS ADR	02/05/07	05/19/10	540.59	765 19	(224.60) c	
	18	MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/13/07		810.89	1,127 60	(316 71) c	
125000070	25	BHP BILLITON LTD SPONS ADR MorganStanley SmithBarney LLC acted as your agent	03/17/09	04/20/10	1,979 56	1,026.92		952.64
125000100	242	CENTRAL JAPAN RY CO-JPY UNSPONS ADR MorganStanley SmithBarney LLC acted as your agent	02/19/09	09/16/10	1,856.41	1,488.30		368 11
125000110	30	CHINA PETROLEUM&CHEM ADR	11/05/07	03/25/10	2,395 61	4,231.13	(1,835.52)	
	35	MorganStanley SmithBarney LLC acted as your agent in this transaction.	11/15/07		2,794.87	4,977.63	(2,182.76)	
125000120	26	COCA-COLA FEMSA S.A.B DE C.V.SPONS ADR MorganStanley SmithBarney LLC acted as your agent	09/06/07	03/10/10	1,711.38	1,077.91		633 47

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MorganStanley
SmithBarney

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JOHN & CAROLYN PETERSON
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Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000130	54	COCA-COLA FEMSA S.A.B DE C.V.SPONS ADR MorganStanley SmithBarney LLC acted as your agent	09/06/07	03/11/10	$ 3,531.27	$ 2,238.74		$ 1,292.53
125000140	31	COCA-COLA FEMSA S.A.B DE C.V.SPONS ADR MorganStanley SmithBarney LLC acted as your agent	09/06/07	03/12/10	2,043.47	1,285.21		758.26
125000150	8	DBS GROUP HLDG LTD SP ADR	11/01/04	10/22/10	352.70	301.20		51.50 c
	26	MorganStanley SmithBarney LLC	03/07/06		1,146.27	1,041.38		104.89 c
	19	acted as your agent	03/31/06		837.66	771.51		66.15 c
	8	in this transaction.	06/26/06		352.70	346.34		6.36 c
	31		12/04/06		1,366.70	1,731.35	(364.65) c	
	15		04/09/07		661.31	898.50	(237.19) c	
	15		09/06/07		661.30	806.25	(144.95)	
125000170	14	HANNOVER REINS CORP-EUR	12/15/05	09/24/10	326.96	249.15		77.81 c
	36	ADR	01/27/06		840.74	697.50		143.24 c
	36	MorganStanley SmithBarney LLC acted as your agent	12/04/06		840.74	775.80		64.94 c
125000190	14	HUTCHISON WHAMPOA LTD-ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/26/06	08/27/10	526.83	629.34	(102.51) c	
125000200	75	MACQUARIE GROUP SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/06/07	10/20/10	2,439.75	4,455.00	(2,015.25)	
125000210	515	MARKS & SPENCER GROUP PLC SPONSORED ADR MorganStanley SmithBarney LLC acted as your agent	12/22/08	05/06/10	5,389.84	3,369.80		2,020.04
125000220	40	RWE AG SPONS ADR -USD	09/06/07	09/15/10	2,715.37	4,376.00	(1,660.63)	
	20	MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/01/09		1,357.69	1,412.99	(55.30)	
125000230	18	REXAM PLC SPONS ADR	02/08/07	08/10/10	426.42	958.51	(532.09) c	
	4	-NEW-	02/09/07		94.76	212.34	(117.58) c	
	25	MorganStanley SmithBarney LLC	03/20/07		592.25	1,313.47	(721.22) c	
	13	acted as your agent	06/12/07		307.98	645.91	(337.93) c	

2010 YEAR END SUMMARY

JOHN & CAROLYN PETERSON

Account Number [redacted]-0457C-[redacted]

Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000240	7	SANOFI-AVENTIS	10/18/05	04/20/10	$ 255.95	$ 285.00	($ 29.05) c	
	8	SPONS ADR	10/21/05		292 51	324.87	(32 36) c	
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000250	2	SANOFI-AVENTIS	10/21/05	11/29/10	61.93	81.22	(19.29) c	
	10	SPONS ADR	08/08/06		309.63	444.48	(134.85) c	
	18	MorganStanley SmithBarney LLC	08/09/06		557.33	797.33	(240.00) c	
	21	acted as your agent	09/13/06		650.22	920.02	(269.80) c	
	5		09/14/06		154.81	216.70	(61.89) c	
	24		10/13/06		743.11	1,036.30	(293.19) c	
	22		12/01/06		681.18	962.50	(281.32) c	
	59		12/04/06		1,826.80	2,590.69	(763.89) c	
	28		02/07/07		866.96	1,237.68	(370.72) c	
	31		03/21/07		959.85	1,330.97	(371.12) c	
	19		06/14/07		588.29	793.85	(205.56) c	
125000260	95	SHIN ETSU CHEM CO LTD-JPY	01/16/09	11/26/10	4,728.64	4,532.54		196.10
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction.						
125000270	145	TAKEDA PHARMACEUTICAL CO	02/27/09	10/21/10	3,393 69	2,933.50		460 19
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction.						
125000280	55	TAKEDA PHARMACEUTICAL CO	02/27/09	10/22/10	1,291.96	1,112.70		179.26
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction.						
125000290	38	TELENOR ASA	09/06/07	09/27/10	1,816 39	2,202.89	(386.50)	
		ADR REPSTG						
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000300	92	TELENOR ASA	09/06/07	10/07/10	4,149.61	5,333.31	(1,183 70)	
		ADR REPSTG						
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000310	36	TOTAL S.A SPONS ADR	05/17/04	06/16/10	1,788.07	1,662.90		125.17 c
	16	MorganStanley SmithBarney LLC	02/21/06		794.70	1,016.90	(222.20) c	
	26	acted as your agent	12/04/06		1,291 38	1,826.50	(535.12) c	
	23	in this transaction	02/23/07		1,142.38	1,598.66	(456 28) c	

2010 YEAR END SUMMARY

JOHN & CAROLYN PETERSON

Account Number [redacted]-0457C-[redacted]

Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000320	140	TREND MICRO INC SPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/10/09	04/07/10	$ 5,032.14	$ 4,209.52		$ 822.62
125000330	175	VIVENDI SA SPONSORED ADR	01/28/09	08/26/10	3,857.81	4,775.35	(917.54)	
	10	FRANCE MorganStanley SmithBarney LLC acted as your agent	05/11/09		220.45	240.89	(20.44)	
Total					**$ 84,962.13**	**$ 98,320.05**	**($ 21,681.20)**	**$ 8,323.28**

JOHN & CAROLYN PETERSON CH. FD

Account Number [redacted]-0458C-[redacted]

2010 YEAR END SUMMARY

Details of Short Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000010	-70	CALL ITW JAN 10 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS	10/12/09	01/19/10	5,707.90			5,707.90
125000020	-30	CALL ITW FEB 10 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS	01/19/10	02/22/10	1,853.03			1,853.03
125000030	-30	CALL ITW MAR 10 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS	12/18/09	03/22/10	4,351.88			4,351.88
125000040	-42	CALL ITW APR 10 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS	02/22/10	04/19/10	1,997.59			1,997.59
125000050	-32	CALL ITW MAY 10 @ 52.50 ILLINOIS TOOL WORKS INC 100 SHS	04/20/10	05/24/10	1,669.92			1,669.92

MorganStanley SmithBarney

Ref: 00000636 00017906

Reserved Client Statement 2010 Year End Summary

JOHN & CAROLYN PETERSON CH. FD

Account Number [redacted]-0458C-[redacted]

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000060	-18	CALL ITW JUN 10 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS	03/23/10	06/21/10	1,188.05			1,188.05
125000070	-40	CALL ITW SEP 10 @ 50 00 ILLINOIS TOOL WORKS INC 100 SHS	06/15/10	09/20/10	4,418.72			4,418.72
125000080	-22	CALL ITW SEP 10 @ 55.00 ILLINOIS TOOL WORKS INC 100 SHS	04/20/10	09/20/10	2,314.77			2,314 77
125000090	-40	CALL ITW NOV 10 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS	09/24/10	11/22/10	1,901.21			1,901.21
125000100	-80	CALL ITW DEC 10 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS EXP 12/18/2010	09/14/10	12/07/10	7,298.25	11,114 00	(3,815.75)	
					$ 32,701.32	**$ 11,114.00**	**($ 3,815.75)**	**$ 25,403.07**

2010 YEAR END SUMMARY

MorganStanley SmithBarney

Ref: 00000636 00017918

Reserved Client Financial Management Account 2010 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0459C-[redacted] [redacted]

Details of Short Term Gain (Loss) 2010

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor. For additional information regarding this section see enclosed brochure.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000060	22.059	PIMCO TOTAL RETURN FUND CL C	01/04/10	12/13/10	$ 238.02	$ 238.24	($ .22)	$ 0.00
		FIFO				**$ 238.24**	**($ .22)**	$ 0.00
	15.931	FIFO	02/01/10		171.90	174.60	(2.70)	0.00
						174.60	**(2.70)**	0.00
	15.516		03/01/10		167.42	170.52	(3.10)	0.00
						170.52	**(3.10)**	0.00
	15.621		04/01/10		168.55	172.46	(3.91)	0.00
						172.46	**(3.91)**	0.00
	15.91		05/03/10		171.67	177.08	(5.41)	0.00
						177.08	**(5.41)**	0.00
	14.623		06/01/10		157.78	162.32	(4.54)	0.00
						162.32	**(4.54)**	0.00
	16.91		07/01/10		182.46	190.41	(7.95)	0.00
						190.41	**(7.95)**	0.00
	17.796		08/02/10		192.02	202.87	(10.85)	0.00
						202.87	**(10.85)**	0.00
	16.09		09/01/10		173.61	185.68	(12.07)	0.00
						185.68	**(12.07)**	0.00
	16.713		10/01/10		180.33	193.87	(13.54)	0.00
						193.87	**(13.54)**	0.00
	18.832		11/01/10		203.20	220.15	(16.95)	0.00
						220.15	**(16.95)**	0.00
	20.41		12/01/10		220.22	234.51	(14.29)	0.00
						234.51	**(14.29)**	0.00
	367.734		12/16/10		3,967.85	3,971.53	(3.68)	0.00
						3,971.53	**(3.68)**	0.00
	168.145		12/16/10		1,814.28	1,815.97	(1.69)	0.00
						1,815.97	**(1.69)**	0.00
Total						$ 8,110.21	($ 100.90)	$ 0.00
					$ 8,009.31	**$ 8,110.21**	**($ 100.90)**	$ 0.00

2010 YEAR END SUMMARY

JOHN & CAROLYN PETERSON
Account Number [redacted]-0459C-[redacted]

Details of Long Term Gain (Loss) 2010

This section shows your sales of securities during the year The "Sale Proceeds" column excludes any accrued income you may have received In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor For additional information regarding this section see enclosed brochure

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000010	1,000	ALABAMA PWR CO 5.625%	09/11/07	10/29/10	$ 25,000.00	$ 24,710.00	$ 290.00	$ 0.00
		GTD FGIC				**$ 24,710.00**	**$ 290.00**	$ 0.00
125000020	40,000	FEDERAL FARM CREDIT BANK CONS	02/25/09	03/03/10	40,000.00	40,000.00	0.00	0.00
		BONDS BK/ENTRY				**40,000.00**	**0.00**	0.00
		DTD 03/03/2009						
		DUE 03/03/2016 RATE 4.000						
125000030	50,000	GENERAL ELEC CAP CORP MEDIUM	09/25/08	11/17/10	53,510.50	49,977.00	3,533.50	0.00
		TERM NTS BK/ENTRY				**49,977.00**	**3,533.50**	3,533.50
		DTD 06/07/2002						
		DUE 06/15/2012 RATE 6.000						
125000040	50,000	GE CAPITAL INTERNOTES	06/09/03	05/12/10	51,078.50	50,000.00 e	1,078.50	0.00
		BK/ENTRY DTD 6/12/03				**50,000.00**	**1,078.50**	1,078.50
		DUE 06/15/2013 RATE 4.150						
		YTM 3.401						
125000050	2,314.815	PIMCO TOTAL RETURN FUND CL C	02/25/09	12/08/10	25,000.00	23,171.30	1,828.70	0.00
		CONFIRM #500003420120478				**23,171.30**	**1,828.70**	0.00
125000060	1,681.189	PIMCO TOTAL RETURN FUND CL C	02/25/09	12/13/10	18,140.03	16,828.70	1,311.33	0.00
		FIFO				**16,828.70**	**1,311.33**	0.00
	17.05	FIFO	04/01/09		183.97	172.72	11.25	0.00
						172.72	**11.25**	0.00
	16.845		05/01/09		181.76	172.16	9.60	0.00
						172.16	**9.60**	0.00
	3,891.051		05/07/09		41,984 44	40,000.00	1,984 44	0.00
						40,000.00	**1,984.44**	0.00
	26.344		06/01/09		284.25	274.77	9.48	0.00
						274.77	**9.48**	0.00
	31.786		07/01/09		342.97	332.16	10.81	0.00
						332.16	**10.81**	0.00
	32.431		08/03/09		349.93	344.74	5.19	0 00
						344.74	**5.19**	0.00
	32.112		09/01/09		346.49	346.17	.32	0.00
						346.17	**.32**	0.00
	29.303		10/01/09		316 18	319.99	(3.81)	0.00
						319.99	**(3.81)**	0.00

2010 YEAR END SUMMARY

JOHN & CAROLYN PETERSON

Account Number [redacted]-0459C-[redacted], [redacted]

Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
	2,293.578		10/15/09		$ 24,747.71	$ 25,000.00	($ 252.29)	$ 0.00
						$ 25,000.00	**($ 252.29)**	$ 0.00
	28.28		11/02/09		305.14	309.38	(4.24)	0.00
						309.38	**(4.24)**	0.00
	25.242		12/01/09		272.36	278.67	(6.31)	0.00
						278.67	**(6.31)**	0.00
	83.14		12/09/09		897.08	905.39	(8.31)	0.00
						905.39	**(8.31)**	0.00
	23.127		12/09/09		249.54	251.85	(2.31)	0.00
						251.85	**(2.31)**	0.00
125000070	80	SPDR S&P 500ETF TRUST	01/31/03	09/15/10	8,914.10	6,890.41 e	2,023.69	0.00
						6,890.41	**2,023.69**	0.00
	195		02/10/03		21,728.12	16,155.75 e	5,572.37	0.00
						16,155.75	**5,572.37**	0.00
125000080	50,000	TEXTRON INC SR NOTES-BK/ENTRY DTD 07/25/2003 DUE 08/01/2010 RATE 4.500 YTM 6.876	03/06/06	05/12/10	49,744.00	48,973.50 e	770.50	770.50
						48,973.50	**770.50**	0.00
Total						$ 345,414.66	$ 18,162.41	$ 770.50
					$ 363,577.07	**$ 345,414.66**	**$ 18,162.41**	$ 4,612.00

2010 YEAR END SUMMARY

MorganStanley
SmithBarney

Ref: 00002749 00094484

Reserved
Client Statement
December 1 - December 31, 2010

JOHN & CAROLYN PETERSON *Account number [redacted]-0455C-[redacted]*

Money fund

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

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
38,659.53	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 38,659.53		.06%	$ 23.19
Total money fund		**$ 38,659.53**	**$ 0.00**	**.05%**	**$ 23.19**

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
256	AT&T INC	T	09/09/10	**$ 7,110.32**	$ 27.774	$ 29.38	**$ 7,521.28**	**$ 410 96** ST	**5 854%**	**$ 440.32**
32	AMAZON COM INC	AMZN	09/21/10	4,876.81	152.40	180.00	5,760.00	883 19 ST		
16			09/22/10	2,431.31	151 957	180.00	2,880.00	448.69 ST		
12			10/05/10	1,915 83	159 652	180.00	2,160.00	244.17 ST		
60				**9,223.95**	**153.733**		**10,800.00**	**1,576 05**		
120	AMERICAN TOWER CORP-CLASS A	AMT	09/11/07	4,602.00	38.35	51.64	6,196.80	1,594.80 LT		
60			09/08/10	2,961.31	49.355	51.64	3,098.40	137 09 ST		
180				**7,563.31**	**42.018**		**9,295 20**	**1,731.89**		
4	APPLE INC	AAPL	02/14/08	513.98	128.493	322.56	1,290.24	776.26 LT		
17			03/26/08	2,429.40	142.905	322.56	5,483.52	3,054 12 LT		
19			08/12/08	3,379 10	177.847	322 56	6,128.64	2,749.54 LT		
32			12/02/08	2,857.49	89.296	322.56	10,321 92	7,464.43 LT		
27			12/03/08	2,532.95	93 813	322.56	8,709.12	6,176.17 LT		
99				**11,712.92**	**118.312**		**31,933.44**	**20,220 52**		
45	BAIDU INC SPON ADR RPTNG ORD SHS CL A	BIDU	11/02/10	4,933.17	109.626	96 53	4,343.85	(589.32) ST		
24			11/10/10	2,616 14	109.006	96.53	2,316.72	(299.42) ST		
69				**7,549.31**	**109.41**		**6,660.57**	**(888.74)**		
47	BOEING CO	BA	02/22/10	3,017.78	64.208	65.26	3,067.22	49.44 ST		
28			03/05/10	1,882.09	67.217	65.26	1,827.28	(54.81) ST		
41			03/10/10	2,844.93	69.388	65.26	2,675.66	(169.27) ST		
116				**7,744.80**	**66.766**		**7,570.16**	**(174.64)**	**2.574**	**194.88**

Ref: 00002749 00094485

MorganStanley SmithBarney

Reserved
Client Statement
December 1 - December 31, 2010

JOHN & CAROLYN PETERSON ***Account number [redacted]-0455C-[redacted]***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
85	CAPITAL ONE FINL CORP	COF	04/13/09	$ 1,558.83	$ 18.339	$ 42.56	$ 3,617 60	$ 2,058.77 LT		
44			06/21/10	1,919.68	43.629	42.56	1,872.64	(47.04) ST		
129				**3,478.51**	**26.965**		**5,490.24**	**2,011.73**	**.469**	**25 80**
64	DEERE & CO	DE	11/12/10	**4,960.04**	77.50	83 05	**5,315 20**	**355.16** ST	**1.685**	**89.60**
4	WALT DISNEY CO	DIS	12/08/08	102.97	25.742	37.51	150 04	47.07 LT		
85			03/11/09	1,414.28	16.638	37.51	3,188.35	1,774.07 LT		
63			11/05/09	1,822.95	28.935	37.51	2,363.13	540.18 LT		
137			03/09/10	4,558.91	33.276	37.51	5,138.87	579 96 ST		
289				**7,899.11**	**27.333**		**10,840.39**	**2,941.28**	**1 066**	**115.60**
74	DIRECTV CL A	DTV	11/11/09	2,191.44	29.614	39.93	2,954.82	763.38 LT		
59			11/24/09	1,888.61	32.01	39.93	2,355.87	467.26 LT		
67			12/04/09	2,167.29	32.347	39.93	2,675.31	508.02 LT		
61			12/14/09	2,019.08	33.099	39.93	2,435.73	416.65 LT		
38			01/22/10	1,207.91	31.787	39.93	1,517.34	309.43 ST		
47			09/17/10	1,959.48	41.691	39.93	1,876.71	(82.77) ST		
346				**11,433.81**	**33.046**		**13,815.78**	**2,381 97**		
70	DOW CHEMICAL CO	DOW	09/10/09	1,624.50	23.207	34.14	2,389.80	765.30 LT		
88			10/20/09	2,363.18	26.854	34.14	3,004.32	641.14 LT		
56			01/22/10	1,602.61	28.618	34.14	1,911.84	309.23 ST		
71			05/04/10	2,168.18	30.537	34.14	2,423.94	255.76 ST		
285				**7,758.47**	**27.223**		**9,729 90**	**1,971.43**	**1.757**	**171.00**
128	E I DU PONT DE NEMOURS & CO	DD	03/24/10	4,952.33	38.69	49.88	6,384.64	1,432.31 ST		
119			04/26/10	4,870.04	40.924	49.88	5,935.72	1,065.68 ST		
75			09/17/10	3,306.80	44.09	49.88	3,741 00	434.20 ST		
322				**13,129 17**	**40.774**		**16,061.36**	**2,932.19**	**3.287**	**528.08**
36	EXPRESS SCRIPTS INC COMMON	ESRX	04/28/09	1,105.53	30.709	54.05	1,945.80	840.27 LT		
50			04/30/09	1,624.17	32.483	54.05	2,702 50	1,078.33 LT		
60			07/23/09	2,089.63	34.827	54.05	3,243.00	1,153.37 LT		
54			07/29/09	1,930.78	35.755	54.05	2,918.70	987.92 LT		
48			07/08/10	2,234.61	46.554	54.05	2,594.40	359.79 ST		
46			07/12/10	2,194.46	47.705	54.05	2,486.30	291.84 ST		
294				**11,179.18**	**38.024**		**15,890.70**	**4,711.52**		
315	FORD MOTOR COMPANY	F	02/25/10	3,713.94	11.79	16.79	5,288.85	1,574.91 ST		
181			03/01/10	2,229.78	12.319	16.79	3,038.99	809.21 ST		
161			03/05/10	2,086 91	12.962	16.79	2,703.19	616.28 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
171	FORD MOTOR COMPANY	F	03/29/10	$ 2,303.32	$ 13.469	$ 16.79	$ 2,871.09	$ 567.77 ST		
154			04/21/10	2,161.88	14.038	16.79	2,585.66	423.78 ST		
982				**12,495.83**	**12.725**		**16,487 78**	**3,991.95**		
50	FREEPORT MCMORAN COPPER & GOLD CL B	FCX	10/13/10	4,932.89	98.657	120.09	6,004.50	1,071.61 ST		
24			10/14/10	2,392.65	99.693	120.09	2,882.16	489.51 ST		
27			10/21/10	2,611 40	96.718	120.09	3,242.43	631 03 ST		
19			12/02/10	2,037.30	107 226	120.09	2,281.71	244.41 ST		
14			12/07/10	1,578.33	112.738	120 09	1,681.26	102.93 ST		
134				**13,552.57**	**101.139**		**16,092 06**	**2,539.49**	**1.665**	**268.00**
31	GOLDMAN SACHS GROUP INC	GS	07/29/10	4,731.31	152.622	168.16	5,212.96	481.65 ST		
15			08/02/10	2,297.43	153.161	168.16	2,522.40	224.97 ST		
17			09/09/10	2,544.12	149.654	168.16	2,858 72	314.60 ST		
14			10/20/10	2,220.32	158.594	168.16	2,354.24	133 92 ST		
15			12/07/10	2,452.29	163.485	168.16	2,522.40	70.11 ST		
16			12/09/10	2,677.00	167.312	168.16	2,690 56	13.56 ST		
11			12/21/10	1,849.13	168.103	168.16	1,849.76	.63 ST		
119				**18,771.60**	**157.745**		**20,011.04**	**1,239.44**	**.832**	**166.60**
1	GOOGLE INC CLASS A	GOOG	10/14/08	370.90	370.898	593.97	593.97	223.07 LT		
5			01/23/09	1,636.38	327.275	593.97	2,969.85	1,333.47 LT		
13			02/09/09	4,911.18	377.783	593.97	7,721.61	2,810.43 LT		
9			06/04/10	4,497.93	499.769	593.97	5,345.73	847.80 ST		
6			07/13/10	2,906.32	484.387	593.97	3,563 82	657.50 ST		
4			07/23/10	1,957.73	489.432	593 97	2,375.88	418.15 ST		
4			09/20/10	2,028.00	507.001	593.97	2,375.88	347.88 ST		
42				**18,308.44**	**435 915**		**24,946.74**	**6,638.30**		
125	HALLIBURTON CO HOLDINGS CO	HAL	12/22/10	**5,041.75**	40.334	40.83	**5,103.75**	**62.00** ST	**.881**	**45.00**
43	HEWLETT PACKARD CO	HPQ	10/14/08	1,730.79	40.251	42.10	1,810.30	79.51 LT		
117			12/01/08	4,028.64	34.432	42.10	4,925.70	897.06 LT		
29			12/21/09	1,505.42	51.911	42.10	1,220.90	(284.52) LT		
30			01/22/10	1,515.56	50.518	42.10	1,263.00	(252.56) ST		
219				**8,780 41**	**40.093**		**9,219.90**	**439.49**	**.76**	**70 08**
9	INTL BUSINESS MACHINES CORP	IBM	07/11/08	1,087.64	120.848	146 76	1,320.84	233.20 LT		
5			10/13/08	455.43	91.085	146.76	733.80	278.37 LT		
21			10/14/08	1,981.19	94.342	146 76	3,081 96	1,100.77 LT		
45			12/29/08	3,613.39	80.297	146 76	6,604 20	2,990.81 LT		

Ref: 00002749 00094487

MorganStanley SmithBarney

Reserved Client Statement

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JOHN & CAROLYN PETERSON — **Account number 000-0455C-00 000**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
13	INTL BUSINESS MACHINES CORP	IBM	03/16/09	$ 1,202.60	$ 92.507	$ 146.76	$ 1,907.88	$ 705.28 LT		
25			06/21/10	3,266.85	130.674	146.76	3,669.00	402.15 ST		
17			06/23/10	2,220.80	130.635	146.76	2,494.92	274.12 ST		
135				**13,827.90**	**102.429**		**19,812.60**	**5,984.70**	**1.771**	**351.00**
15	JPMORGAN CHASE & CO	JPM	03/18/09	379.79	25.319	42.42	636.30	256.51 LT		
73			04/14/10	3,447.26	47.222	42.42	3,096 66	(350.60) ST		
46			04/14/10	2,172.25	47.222	42.42	1,951.32	(220.93) ST		
132			04/15/10	6,309.49	47.799	42.42	5,599.44	(710.05) ST		
266				**12,308.79**	**46.274**		**11,283.72**	**(1,025.07)**	**.471**	**53.20**
148	LAS VEGAS SANDS CORP	LVS	09/22/10	4,817.52	32.55	45.95	6,800 60	1,983.08 ST		
62			10/29/10	2,817.50	45.443	45.95	2,848.90	31.40 ST		
210				**7,635.02**	**36.357**		**9,649.50**	**2,014.48**		
64	MCDONALDS CORP	MCD	08/13/10	4,625.02	72.266	76.76	4,912.64	287 62 ST		
29			09/07/10	2,197.35	75.77	76.76	2,226 04	28.69 ST		
31			12/07/10	2,501.58	80.696	76.76	2,379.56	(122.02) ST		
124				**9,323.95**	**75.193**		**9,518.24**	**194.29**	**3.178**	**302 56**
132	MERCK & CO INC NEW	MRK	06/15/10	4,714.38	35.715	36.04	4,757 28	42.90 ST		
63			07/14/10	2,286.62	36.295	36.04	2,270 52	(16.10) ST		
130			07/15/10	4,724.03	36.338	36.04	4,685 20	(38.83) ST		
325				**11,725.03**	**36.077**		**11,713.00**	**(12 03)**	**4.217**	**494.00**
112	METLIFE INC	MET	08/03/10	4,771.72	42.604	44.44	4,977.28	205.56 ST		
120			09/01/10	4,720.16	39.334	44.44	5,332.80	612.64 ST		
232				**9,491.88**	**40.913**		**10,310 08**	**818.20**	**1.665**	**171.68**
88	NETAPP INC	NTAP	11/10/10	5,019.55	57.04	54.96	4,836.48	(183.07) ST		
51			12/02/10	2,734.86	53.624	54.96	2,802.96	68.10 ST		
139				**7,754.41**	**55.787**		**7,639.44**	**(114.97)**		
70	OCCIDENTAL PETROLEUM CORP-DEL	OXY	03/30/09	3,915.13	55.93	98 10	6,867 00	2,951.87 LT		
14			04/02/09	860.30	61.45	98.10	1,373.40	513.10 LT		
34			05/06/09	2,198.31	64.656	98.10	3,335.40	1,137 09 LT		
10			11/04/09	806.85	80.684	98.10	981.00	174 15 LT		
10			11/05/09	812.85	81.285	98.10	981 00	168.15 LT		
19			01/22/10	1,462.43	76.969	98.10	1,863.90	401.47 ST		
157				**10,055 87**	**64.05**		**15,401.70**	**5,345 83**	**1.549**	**238.64**
190	ORACLE CORP	ORCL	09/09/09	4,277.26	22.511	31.30	5,947.00	1,669.74 LT		
105			11/16/09	2,398.23	22.84	31.30	3,286 50	888.27 LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
107	ORACLE CORP	ORCL	11/25/09	$ 2,407.92	$ 22.503	$ 31.30	$ 3,349.10	$ 941.18 LT		
141			02/10/10	3,267.11	23.171	31.30	4,413.30	1,146.19 ST		
96			07/23/10	2,349.94	24.478	31.30	3,004.80	654 86 ST		
639				**14,700.46**	**23.005**		**20,000.70**	**5,300.24**	**.638**	**127.80**
111	PEABODY ENERGY CORP	BTU	06/24/10	4,705.32	42.39	63.98	7,101.78	2,396.46 ST		
85			08/02/10	4,122.32	48.497	63.98	5,438.30	1,315.98 ST		
60			09/01/10	2,690.07	44.834	63.98	3,838.80	1,148.73 ST		
21			12/02/10	1,319.08	62.813	63.98	1,343.58	24.50 ST		
277				**12,836.79**	**46.342**		**17,722 46**	**4,885 67**	**531**	**94.18**
90	PHILIP MORRIS INTL INC	PM	08/10/10	4,754 82	52 831	58.53	5,267 70	512.88 ST		
37			09/20/10	2,074.82	56.076	58.53	2,165.61	90.79 ST		
43			10/14/10	2,479 86	57.671	58 53	2,516 79	36 93 ST		
170				**9,309.50**	**54.762**		**9,950.10**	**640.60**	**4.373**	**435 20**
20	PRECISION CASTPARTS CORP	PCP	12/07/09	2,222.04	111.102	139 21	2,784.20	562.16 LT		
25			12/21/09	2,834.22	113.368	139 21	3,480.25	646.03 LT		
14			01/22/10	1,498.86	107.061	139.21	1,948 94	450.08 ST		
59				**6,555.12**	**111.104**		**8,213.39**	**1,658 27**	**.086**	**7.08**
117	RED HAT INC	RHT	10/29/10	4,940.65	42.227	45 65	5,341.05	400 40 ST		
53			12/03/10	2,499.98	47.169	45 65	2,419.45	(80.53) ST		
38			12/08/10	1,820.14	47.898	45.65	1,734.70	(85 44) ST		
208				**9,260.77**	**44.523**		**9,495.20**	**234.43**		
48	SALESFORCE.COM INC	CRM	12/30/09	**3,523.08**	73.397	132.00	**6,336 00**	**2,812 92** LT		
70	SCHLUMBERGER LTD	SLB	04/30/10	5,026.88	71.812	83.50	5,845 00	818 12 ST		
49			06/10/10	2,853.91	58.243	83.50	4,091.50	1,237.59 ST		
38			06/21/10	2,298.87	60.496	83.50	3,173.00	874.13 ST		
157				**10,179 66**	**64.839**		**13,109.50**	**2,929.84**	**1.005**	**131.88**
92	STARWOOD HOTELS & RESORTS WORLDWIDE INC -NEW	HOT	05/13/10	**4,854.26**	52.763	60.78	**5,591.76**	**737.50** ST	**691**	**38 64**
85	TARGET CORP	TGT	12/21/10	**5,042.76**	59.326	60.13	**5,111 05**	**68.29** ST	**1 663**	**85.00**
51	TEVA PHARMACEUTICAL INDS LTD ADR	TEVA	09/08/10	2,765.86	54.232	52.13	2,658.63	(107.23) ST		
47			09/22/10	2,591.61	55.14	52.13	2,450.11	(141.50) ST		
98				**5,357.47**	**54.668**		**5,108.74**	**(248.73)**	**1.279**	**65.37**
33	3M COMPANY	MMM	03/09/10	2,703 01	81.909	86.30	2,847.90	144.89 ST		
55			07/27/10	4,766.04	86.655	86 30	4,746.50	(19.54) ST		
88				**7,469.05**	**84.876**		**7,594.40**	**125.35**	**2 433**	**184.80**

Reserved
Client Statement
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JOHN & CAROLYN PETERSON *Account number [redacted]-0455C-[redacted] [redacted]*

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
7	UNION PACIFIC CORP	UNP	12/11/08	$ 341.72	$ 48.816	$ 92.66	$ 648.62	$ 306.90 LT		
58			03/11/09	2,126.70	36.667	92.66	5,374.28	3,247.58 LT		
75			03/24/09	3,198.47	42.646	92.66	6,949.50	3,751.03 LT		
24			08/03/09	1,449.04	60.376	92.66	2,223.84	774.80 LT		
164				**7,115.93**	**43.39**		**15,196.24**	**8,080.31**	**1.64**	**249.28**
72	UNITED PARCEL SERVICE CL B	UPS	04/29/10	4,995.29	69.379	72.58	5,225.76	230.47 ST		-
70			09/22/10	4,738.51	67.693	72.58	5,080.60	342.09 ST		
34			10/05/10	2,318.52	68.191	72.58	2,467.72	149.20 ST		
38			10/14/10	2,617.19	68.873	72.58	2,758.04	140.85 ST		
214				**14,669.51**	**68.549**		**15,532.12**	**862.61**	**2.59**	**402 32**
23	UNITED TECHNOLOGIES CORP	UTX	08/06/08	1,511.32	65.709	78.72	1,810.56	299.24 LT		
10			11/05/08	559.55	55.954	78.72	787 20	227.65 LT		
89			11/06/08	4,484 97	50.392	78.72	7,006 08	2,521.11 LT		
20			11/10/08	1,047.82	52.391	78.72	1,574.40	526.58 LT		
31			10/14/10	2,285.57	73.728	78.72	2,440.32	154.75 ST		
173				**9,889.23**	**57.163**		**13,618.56**	**3,729.33**	**2.159**	**294.10**
3	VALE S A SPON ADR	VALE	04/16/10	99.99	33.328	34.57	103.71	3.72 ST		
92			04/28/10	2,812.19	30.567	34 57	3,180.44	368.25 ST		
96			06/21/10	2,657 33	27.68	34.57	3,318.72	661.39 ST		
191				**5,569.51**	**29.16**		**6,602 87**	**1,033.36**	**.65**	**42 98**
166	WELLS FARGO & CO NEW	WFC	12/10/10	5,050.48	30.424	30.99	5,144.34	93.86 ST		
76			12/22/10	2,399.26	31.569	30.99	2,355 24	(44.02) ST		
242				**7,449.74**	**30.784**		**7,499.58**	**49.84**	**.645**	**48.40**
Total common stocks and options				**$ 403,599.19**			**$ 504,796.44**	**$ 32,596.69 ST**	**1.17**	
								$ 68,600.56 LT		**$ 5,933.07**

JOHN & CAROLYN PETERSON **Account number [redacted]-0455C-[redacted]**

Exchange traded & closed end funds

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

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

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

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
198	ISHARES IBOXX $ INVESTOP	LQD	05/13/09	$ 19,254.05	$ 97.242	$ 108.44	$ 21,471.12	$ 2,217.07 LT		
64	INVESTMENT GRADE CORP FD FD		06/30/09	6,410.95	100.171	108.44	6,940.16	529.21 LT		
416	Taxable bond portfolio		08/05/09	42,654.98	102.536	108.44	45,111.04	2,456.06 LT		
44	**Rating:** CG RESEARCH : AL		12/30/09	4,590.29	104.324	108 44	4,771.36	181 07 LT		
108			01/22/10	11,403.14	105.584	108.44	11,711.52	308 38 ST		
246			07/12/10	26,598.75	108.125	108 44	26,676.24	77.49 ST		
1,076				**110,912 16**	**103.078**		**116,681.44**	**5,769.28**	**4.869**	**5,682.36**
Total closed end fund taxable bond allocation							**$ 116,681.44**			
Total exchange traded funds and closed end funds				**$ 110,912.16**			**$ 116,681.44**	**$ 385.87 ST**	**4.86**	
								$ 5,383.41 LT		**$ 5,682.36**

Bonds

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

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

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

Government & government sponsored entity (GSE) bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted	Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
4,000	FEDERAL HOME LN MTG CRP GLOBAL	09/11/07	$ 4,113.75	$ 102.843	106.909	$ 4,276.36	$ 162.61 LT		$ 0.00
	REFERENCE NOTES BK/ENTRY	3134A4QD9	$ 4,038.88	$ 100.972			$ 237.48 LT		$ 237.48
5,000	DTD 7/16/02	09/24/07	5,085.81	101.716	106.909	5,345.45	259.64 LT		0.00
	INT: 05.125% MATY: 07/15/2012		5,029.60	100.592			315.85 LT		315.85
48,000		03/26/09	52,905.00	110.218	106.909	51,316.32	(1,588.68) LT		0.00
			50,333.28	104.861			983.04 LT		983.04
17,000		05/18/09	18,767.32	110.396	106.909	18,174.53	(592.79) LT		0.00
			17,874.31	105.143			300.22 LT		300.22
38,000		01/22/10	41,728.94	109.813	106.909	40,625.42	(1,103.52) ST		0.00
			40,340.42	106.159			285.00 ST		285.00
7,000		03/30/10	7,607.32	108.676	106.909	7,483.63	(123.69) ST		0.00
			7,410.06	105.858			73.57 ST		73.57
119,000			130,208.14	109.40		**127,221.71**	(2,986.43)	**4.793**	**0.00**
			125,026.55	105.10	**2,812.20**		**2,195.16**	**6,098.75**	**2,195.16**
52,000	FEDERAL NATL MTG ASSN	08/27/10	52,414.96	100.798	100.653	52,339.56	(75.40) ST	**1.241**	0 00
	MED TERMS NTS BK/ENTRY	31398AX31	**52,368.68**	100.709	**236.53**		**(29 12)** ST	**650.00**	**(29.12)**
	DTD 07/09/2010								
	INT· 01.250% MATY· 08/20/2013								
Total government & government sponsored entity (GSE) bonds			$ 182,623.10		$ 3,048.73	$ 179,561.27	$ 329.45 ST	3.75	$ 0.00
171,000			**$ 177,395.23**				**$ 1,836.59 LT**	**$ 6,748.75**	**$ 2,166.04**
Total portfolio value			**$ 730,566.11**			**$ 839,698.68**	**$ 33,312.01 ST**	**2.18**	**$ 0.00**
							$ 75,820.56 LT	**$ 18,387.37**	**$ 2,166.04**

MorganStanley SmithBarney

Ref: 00002749 00094502

Reserved Client Statement
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JOHN & CAROLYN PETERSON *Account number [redacted]-0457C-[redacted] [redacted]*

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
31	ALLIANZ SE ADR	AZSEY	02/25/05	$ 390.03	$ 12.581	$ 11.87	$ 367.97	($ 22 06)*LT		
15			04/27/05	179.66	11.977	11.87	178.05	(1.61)*LT		
32			04/28/05	380 60	11.893	11.87	379.84	(.76)*LT		
16			05/24/05	188.58	11.786	11.87	189.92	1.34* LT		
50			05/25/05	590.20	11.804	11.87	593.50	3.30* LT		
48			12/04/06	934.56	19.47	11.87	569.76	(364.80)*LT		
55			05/24/07	1,207.13	21.947	11.87	652.85	(554.28)*LT		
285			09/06/07	6,050.55	21.23	11.87	3,382.95	(2,667.60) LT		
110			01/22/10	1,254.00	11.40	11.87	1,305.70	51.70 ST		
177			09/15/10	1,982.61	11.201	11.87	2,100.99	118.38 ST		
819				**13,157.92**	**16.066**		**9,721.53**	**(3,436.39)**	**3.218**	**312.86**
20	ASAHI KASEI CORP ADR	AHKSY	03/01/05	212.29	10.614	13.05	261.00	48.71* LT		
105			03/02/05	1,128.74	10.749	13.05	1,370.25	241.51* LT		
35			03/03/05	377.01	10.771	13.05	456.75	79.74* LT		
55			04/06/05	554.41	10.08	13.05	717.75	163.34* LT		
90			12/04/06	1,164.60	12.94	13.05	1,174.50	9.90* LT		
115			05/25/07	1,479.32	12.863	13.05	1,500.75	21.43* LT		
115			06/11/07	1,525.33	13.263	13.05	1,500.75	(24.58)*LT		
100			09/06/07	1,517.00	15.17	13.05	1,305.00	(212.00) LT		
175			01/22/10	1,862 00	10.64	13.05	2,283.75	421.75 ST		
810				**9,820.70**	**12.124**		**10,570.50**	**749 80**	**1.547**	**163.62**
145	ASTRAZENECA PLC SPON ADR	AZN	11/12/09	**6,595.67**	45.487	46.19	**6,697.55**	**101.88** LT	**5 217**	**349 45**
140	AXA S.A.SPONS ADR	AXAHY	09/06/07	5,486.18	39.187	16.65	2,331.00	(3,155.18) LT		
135			01/22/10	2,954.72	21.886	16.65	2,247.75	(706.97) ST		
205			10/07/10	3,785 98	18.468	16.65	3,413.25	(372.73) ST		
480				**12,226.88**	**25.473**		**7,992.00**	**(4,234 88)**	**3.513**	**280 80**
240	BAE SYSTEMS PLC SPON ADR	BAESY	05/08/09	5,170.51	21.543	20 85	5,004.00	(166.51) LT		
75			11/05/09	1,569.23	20.923	20.85	1,563.75	(5 48) LT		
50			01/22/10	1,158.00	23.16	20 85	1,042.50	(115.50) ST		
365				**7,897.74**	**21.638**		**7,610.25**	**(287.49)**	**4 575**	**348.21**
150	BASF SE COMMON STOCK	BASFY	01/22/10	**8,506 05**	56.707	79.96	**11,994.00**	**3,487.95** ST	**2.022**	**242.55**
70	BG GROUP PLC SPON ADR	BRGYY	06/18/10	5,808.99	82.985	102 00	7,140.00	1,331 01 ST		
19			08/10/10	1,553.28	81.751	102.00	1,938.00	384 72 ST		
89				**7,362.27**	**82.722**		**9,078.00**	**1,715.73**	**.953**	**86.60**

Reserved Client Statement

December 1 - December 31, 2010

JOHN & CAROLYN PETERSON *Account number* [redacted]-0457C-[redacted]

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
11	BNP PARIBAS SPON ADR	BNPQY	03/19/07	$ 571.23	$ 51.93	$ 31.95	$ 351 45	($ 219.78)*LT		
125			09/06/07	6,368.75	50.95	31.95	3,993.75	(2,375.00) LT		
20			01/22/10	726.87	36.343	31.95	639.00	(87.87) ST		
156				**7,666.85**	**49.146**		**4,984.20**	**(2,682 65)**	**2.159**	**107.64**
578	BANCO BILBAO VIZCAYA-SP ADR	BBVA	09/17/10	**7,570.76**	13.098	10.17	**5,878 26**	**(1,692.50)** ST	**4.444**	**261.26**
37	BANCO SANTANDER S.A.	STD	03/19/07	656.85	17.752	10.65	394.05	(262.80)*LT		
305			09/06/07	5,452.12	17.875	10.65	3,248.25	(2,203.87) LT		
190			11/21/08	1,294.01	6.81	10.65	2,023.50	729.49 LT		
245			01/22/10	3,655.99	14.922	10.65	2,609.25	(1,046.74) ST		
50			04/07/10	685.21	13.704	10.65	532 50	(152.71) ST		
10			10/14/10	116.60	11.66	10.65	106.50	(10.10) ST *p*		
837				**11,860.78**	**14.171**		**8,914.05**	**(2,946.73)**	**6.046**	**539.03**
270	BANK OF CHINA-CNY	BACHY	10/25/10	**3,959.74**	14.665	13.08	**3,531.60**	**(428.14)** ST	**3.379**	**119.34**
75	BHP BILLITON LTD SPONS ADR	BHP	03/17/09	3,080.76	41.076	92.92	6,969.00	3,888.24 LT		
28			10/11/10	2,263.40	80.835	92.92	2,601.76	338.36 ST		
103				**5,344.16**	**51.885**		**9,570.76**	**4,226.60**	**1.872**	**179.22**
468	CENTRAL JAPAN RY CO-JPY UNSPONS ADR	CJPRY	02/19/09	**2,878.20**	6.15	8.25	**3,861.00**	**982.80** LT	**1.03**	**39.78**
202	COMPANHIA PARANAENSE DE ENERGIA COPEL SPONS ADR	ELP	05/12/09	**2,633.74**	13.038	25.17	**5,084.34**	**2,450.60** LT	**.119**	**6.06**
145	CREDIT SUISSE GROUP ADR	CS	05/27/10	5,724.72	39.48	40.41	5,859.45	134.73 ST		
35			06/04/10	1,300.94	37.169	40.41	1,414.35	113.41 ST		
180				**7,025.66**	**39 031**		**7,273.80**	**248.14**	**2 868**	**208.62**
90	DBS GROUP HLDG LTD SP ADR	DBSDY	09/06/07	**4,837.50**	53.75	44.94	**4,044.60**	**(792 90)** LT	**3.615**	**146.25**
130	DESARROLLADORA HOMEX S.A DE C.V ADR-USD	HXM	05/14/10	**3,563.35**	27.41	33.81	**4,395.30**	**831.95** ST		
330	DEUTSCHE LUFTHANSA AG SPONS ADR	DLAKY	03/25/08	8,606.50	26.08	21 76	7,180.80	(1,425 70) LT		
135			01/26/10	2,195 67	16.264	21.76	2,937.60	741.93 ST		
465				**10,802.17**	**23.23**		**10,118.40**	**(683.77)**	**9.857**	**997.43**
19	ENI SPA SPONSORED ADR	E	05/17/04	751.91	39.574	43.74	831.06	79.15* LT		
27			12/04/06	1,767.15	65 45	43.74	1,180.98	(586 17)*LT		
80			09/06/07	5,531.20	69.14	43.74	3,499.20	(2,032.00) LT		
10			04/01/09	389 30	38.929	43.74	437.40	48.10 LT		
30			01/22/10	1,476.40	49.213	43.74	1,312.20	(164.20) ST		
166				**9,915.96**	**59.735**		**7,260.84**	**(2,655.12)**	**4.266**	**309.76**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
63	FOMENTO ECONOMICO MEXICANO	FMX	03/17/10	$ 2,916.25	$ 46.289	$ 55.92	$ 3,522.96	$ 606.71 ST		
85	S.A.B DE CV SPONS ADR		03/18/10	3,987.82	46.915	55 92	4,753 20	765 38 ST		
148				**6,904.07**	**46.649**		**8,276.16**	**1,372.09**	**1.112**	**92.06**
15	FUJITSU LTD ADR-5 COM-NEW	FJTSY	04/08/10	494.70	32.98	35.02	525.30	30.60 ST		
170			04/09/10	5,625 98	33.094	35.02	5,953.40	327.42 ST		
55			11/26/10	1,793 02	32 60	35 02	1,926.10	133.08 ST		
240				**7,913.70**	**32.974**		**8,404 80**	**491 10**	**1.384**	**116 40**
12	GLAXOSMITHKLINE PLC SP ADR	GSK	05/17/04	502 75	41.896	39.22	470 64	(32.11)*LT		
8			07/20/04	320.66	40.082	39.22	313.76	(6.90)*LT		
11			03/01/06	565.39	51 399	39.22	431.42	(133.97)*LT		
9			04/24/06	474.96	52.773	39.22	352.98	(121.98)*LT		
6			04/25/06	319.50	53.25	39.22	235.32	(84.18)*LT		
11			09/18/06	608.85	55.35	39.22	431.42	(177.43)*LT		
12			11/20/06	623.44	51.953	39.22	470.64	(152.80)*LT		
40			12/04/06	2,132.80	53.32	39.22	1,568.80	(564.00)*LT		
19			01/22/07	1,060.02	55.79	39.22	745.18	(314.84)*LT		
35			01/22/10	1,440.64	41.161	39.22	1,372.70	(67.94) ST		
163				**8,049.01**	**49.38**		**6,392.86**	**(1,656.15)**	**5.096**	**325 84**
14	HANNOVER REINS CORP-EUR	HVRRY	12/04/06	301.70	21.55	26.70	373.80	72.10* LT		
200	ADR		09/06/07	4,580.00	22.90	26.70	5,340.00	760.00 LT		
120			12/06/07	2,921.71	24.347	26 70	3,204.00	282.29 LT		
334				**7,803.41**	**23.364**		**8,917.80**	**1,114.39**	**3.591**	**320 31**
15	HUTCHISON WHAMPOA LTD-ADR	HUWHY	10/31/06	667.11	44.474	51.41	771.15	104.04* LT		
25			11/06/06	1,123.34	44 933	51.41	1,285.25	161.91* LT		
17			12/04/06	796.45	46.85	51.41	873.97	77.52* LT		
110			09/06/07	5,500.00	50.00	51.41	5,655.10	155.10 LT		
30			01/22/10	1,051.30	35.043	51.41	1,542.30	491.00 ST		
197				**9,138.20**	**46.387**		**10,127.77**	**989 57**	**2 083**	**210.99**
120	KDDI CORP-JPY	KDDIY	12/11/09	**6,630.49**	55.254	57.41	**6,889.20**	**258.71** LT	**2.341**	**161.28**
485	KONINKLIJKE AHOLD NV ADR	AHONY	10/09/09	5,968.90	12.307	13.19	6,397.15	428.25 LT		
90	(NEW)		01/22/10	1,176.60	13.073	13.19	1,187.10	10.50 ST		
575				**7,145.50**	**12.427**		**7,584 25**	**438.75**	**1.865**	**141.45**
105	LAFARGE SPONS ADR NEW	LFRGY	09/06/07	3,973.42	37.842	15.76	1,654.80	(2,318.62) LT		
80	LAFARGE COPPEE		05/05/09	1,222.12	15.276	15.76	1,260 80	38.68 LT		
100			05/13/09	1,463.87	14 638	15.76	1,576.00	112.13 LT		

JOHN & CAROLYN PETERSON *Account number* [redacted]-0457C-[redacted]

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
60	LAFARGE SPONS ADR NEW LAFARGE COPPEE	LFRGY	01/22/10	$ 1,205.85	$ 20.097	$ 15.76	$ 945.60	($ 260.25) ST		
12			08/10/10	157.98	13.165	15.76	189.12	31.14 ST		
49			08/11/10	644.35	13.149	15 76	772.24	127.89 ST		
406				**8,667 59**	**21.349**		**6,398.56**	**(2,269 03)**	**2.868**	**183.51**
110	MALAYAN BKG BERHAD SPONSORED ADR	MLYBY	06/12/07	622.08	5.655	6.00	660.00	37.92* LT		
140			06/13/07	786 13	5.615	6.00	840.00	53.87* LT		
236.25			06/26/07	1,352.03	5.722	6.00	1,417.50	65.47* LT		
112.5			07/09/07	649.62	5.774	6.00	675.00	25.38* LT		
36.25			07/10/07	210.07	5.795	6.00	217.50	7.43* LT		
635				**3,619.93**	**5.701**		**3,810.00**	**190.07**	**3.883**	**147.96**
340	MEDIASET S P A SPONSORED ADR-USD	MDIUY	04/30/08	**9,134.10**	26.865	18.17	**6,177.80**	**(2,956.30)** LT	**3.131**	**193.46**
29	MITSUBISHI CORP SPONS ADR	MSBHY	11/16/06	1,035.91	35.721	53.55	1,552.95	517.04* LT		
25			12/04/06	956.25	38.25	53.55	1,338.75	382.50* LT		
33			01/22/07	1,236.88	37.481	53.55	1,767.15	530.27* LT		
29			05/01/07	1,247.99	43.034	53.55	1,552.95	304.96* LT		
100			09/06/07	5,495.00	54.95	53.55	5,355.00	(140.00) LT		
216				**9,972.03**	**46.167**		**11,566 80**	**1,594 77**	**1.796**	**207.79**
329	MTN GROUP LTD SPONSORED ADR	MTNOY	08/26/10	**5,361.75**	16.297	20.66	**6,797.14**	**1,435.39** ST	**2.10**	**142.79**
385	NATIONAL AUSTRALIA BK LTD SPONSORED ADR -USD-	NABZY	01/30/09	**4,675.90**	12.145	24.16	**9,301.60**	**4,625.70** LT	**5.769**	**536.69**
130	NETEASE.COM INC ADR	NTES	12/03/09	5,075.19	39.039	36.15	4,699.50	(375.69) LT		
35			01/22/10	1,234.14	35.261	36.15	1,265.25	31.11 ST		
45			04/14/10	1,650.66	36.681	36.15	1,626.75	(23.91) ST		
210				**7,959.99**	**37.905**		**7,591.50**	**(368 49)**		
125	NOVARTIS AG ADR	NVS	04/30/09	**4,773.90**	38.191	58.95	**7,368.75**	**2,594.85** LT	**2.804**	**206.63**
365	PRUDENTIAL PLC ADR	PUK	09/06/07	10,377.02	28.43	20.86	7,613.90	(2,763.12) LT		
75			01/22/10	1,453.72	19.382	20.86	1,564.50	110.78 ST		
440				**11,830.74**	**26.888**		**9,178.40**	**(2,652.34)**	**2 90**	**266.20**
216	REED ELSEVIER NV	ENL	09/06/07	8,982.11	41.664	24.88	5,374.08	(3,608.03) LT		
65			01/22/10	1,616.37	24.867	24.88	1,617.20	.83 ST		
281				**10,598.48**	**37.717**		**6,991.28**	**(3,607.20)**	**3.444**	**240.82**
7	REXAM PLC SPONS ADR -NEW-	REXMY	06/12/07	347.79	49.685	25 81	180.67	(167.12)*LT		
100			09/06/07	5,333.92	53.339	25.81	2,581.00	(2,752.92) LT		
120			08/28/09	2,654.28	22.119	25.81	3,097.20	442.92 LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
45	REXAM PLC SPONS ADR	REXMY	01/22/10	$ 1,091.59	$ 24.257	$ 25.81	$ 1,161 45	$ 69.86 ST		
272	-NEW-			**9,427.58**	**34.66**		**7,020.32**	**(2,407.26)**	**3.487**	**244 80**
165	ROCHE HLDG LTD SPON ADR	RHHBY	06/12/09	5,640.01	34.181	36.65	6,047.25	407.24 LT		
15			01/22/10	662.03	44.135	36.65	549.75	(112.28) ST		
90			09/24/10	3,070.14	34 112	36.65	3,298.50	228.36 ST		
270				**9,372.18**	**34.712**		**9,895.50**	**523.32**	**3.165**	**313.20**
185	ROLLS ROYCE GROUP PLC SPONSORED ADR	RYCEY	07/24/08	**6,749.10**	36.961	48.68	**9,005 80**	**2,256.70** LT	**.979**	**88.25**
65	ROYAL DUTCH SHELL PLC ADR CL B	RDSB	05/14/10	3,404 88	52.382	66.67	4,333.55	928.67 ST		
65			05/19/10	3,369.72	51.841	66.67	4,333.55	963.83 ST		
55			05/20/10	2,816.52	51.209	66 67	3,666.85	850.33 ST		
185				**9,591.12**	**51.844**		**12,333.95**	**2,742.83**	**5.039**	**621.60**
240	SECOM LTD ADR	SOMLY	10/02/09	3,036 48	12.652	11.85	2,844 00	(192.48) LT		
240			11/06/09	2,801.21	11.671	11.85	2,844.00	42.79 LT		
80			01/22/10	930.10	11.626	11.85	948.00	17 90 ST		
560				**6,767.79**	**12.085**		**6,636.00**	**(131.79)**	**1.839**	**122.08**
49	SMITH & NEPHEW PLC SP ADR	SNN	12/03/10	2,299.00	46.918	52.55	2,574.95	275.95 ST		
24			12/03/10	1,126 04	46.918	52.55	1,261.20	135.16 ST		
15			12/06/10	701 56	46.77	52.55	788.25	86.69 ST		
42			12/07/10	2,010.44	47.867	52.55	2,207.10	196.66 ST		
55			12/08/10	2,823.89	51.343	52.55	2,890 25	66.36 ST		
185				**8,960.93**	**48.437**		**9,721.75**	**760.82**	**1.362**	**132.46**
668	SOCIETE GENERALE SPON ADR	SCGLY	10/22/10	**8,129.56**	12.17	10.87	**7,261.16**	**(868.40)** ST	**469**	**34 07**
189	STATOILHYDRO ASA SPONS ADR	STO	10/16/07	6,399.55	33.86	23.77	4,492.53	(1,907.02) LT		
60			04/29/08	2,144.69	35.744	23.77	1,426.20	(718.49) LT		
50			01/22/10	1,173.15	23.462	23.77	1,188.50	15.35 ST		
299				**9,717.39**	**32.50**		**7,107.23**	**(2,610.16)**	**3.277**	**232.92**
251	TNT N V SPONSORED ADR-USD	TNTTY	09/06/07	10,542.00	42.02	26.36	6,616 36	(3,925.64) LT		
15			01/22/10	431.25	28.75	26.36	395.40	(35.85) ST		
266				**10,973.25**	**41.253**		**7,011.76**	**(3,961.49)**	**2.484**	**174.23**
480	TALISMAN ENERGY INC	TLM	09/06/07	**8,534.40**	17.78	22.19	**10,651.20**	**2,116.80** LT	**1 099**	**117.12**
60	TELEFONICA S.A. SPON ADR	TEF	07/02/08	4,904.24	81.737	68.42	4,105.20	(799.04) LT		
10			01/22/10	760 93	76 093	68.42	684.20	(76.73) ST		
70				**5,665.17**	**80.931**		**4,789.40**	**(875.77)**	**6.103**	**292 32**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
35	TELENOR ASA	TELNY	09/06/07	$ 2,028.98	$ 57.97	$ 48.90	$ 1,711.50	($ 317.48) LT		
35	ADR REPSTG		01/22/10	1,375.15	39.29	48.90	1,711.50	336.35 ST		
70				**3,404.13**	**48.63**		**3,423.00**	**18.87**	**1.967**	**67.34**
110	USIMINAS SA PFD A SPONS	USNZY	08/18/09	1,396.42	12.694	12.05	1,325.50	(70.92) LT		
40	ADR		01/22/10	524.28	13.107	12.05	482.00	(42.28) ST		
150				**1,920.70**	**12.805**		**1,807.50**	**(113.20)**	**1.369**	**24.75**
995	XSTRATA PLC ADR	XSRAY	04/15/10	3,998.81	4.018	4.64	4,616 80	617.99 ST		
590	/		04/26/10	2,188.05	3.708	4.64	2,737.60	549.55 ST		
490			05/13/10	1,603.77	3.273	4.64	2,273.60	669.83 ST		
2,075				**7,790.63**	**3.755**		**9,628.00**	**1,837.37**	**.301**	**29.05**
330	ZURICH FINCL SVCS SPON ADR	ZFSVY	09/06/07	9,487 50	28.75	25.89	8,543.70	(943.80) LT		
25			01/22/10	538.36	21.534	25.89	647.25	108.89 ST		
355				**10,025 86**	**28.242**		**9,190.95**	**(834.91)**	**4.747**	**436 30**
Total common stocks and options				**$ 390,834.68**			**$ 385,839.17**	**$ 11,910.35 ST**	**2.88**	
								($ 16,905.86) LT		**$ 11,123.15**
Total portfolio value				**$ 410,103.60**			**$ 405,108.09**	**$ 11,910.35 ST**	**2.74**	**$ 11,134.71**
								($ 16,905.86) LT		

JOHN & CAROLYN PETERSON CH. FD **Account number [redacted]-0458C-[redacted] [redacted]**

PORTFOLIO DETAILS

Your holdings are valued using the most current prices available to Citigroup Global Markets Inc. (CGMI). In most cases, these values are as of 12/31/10, but in some cases CGMI's sources are unable to provide timely information. To see the date of the most recent price update, please view your account online at www.smithbarney.com.

Securities purchased or sold are included or excluded in this section as of the trade-date. This section may include securities that have not settled as of this statement closing date. Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold.
Please Note: *unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.*

Money fund

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

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
65,551.49	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 65,551.49		.06%	$ 39.33
Total money fund		$ 65,551.49	$ 0.00	.05%	$ 39.33

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
24,000	ILLINOIS TOOL WORKS INC	ITW	07/23/03	$ 802,440.00	$ 33.435	$ 53 40	$ 1,281,600.00	$ 479,160.00* LT	2.546%	$ 32,640.00

Ref: 00002749 00094516

MorganStanley SmithBarney

Reserved Client Statement

December 1 - December 31, 2010

JOHN & CAROLYN PETERSON CH. FD   Account number [redacted]-0458C-[redacted]

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
-80	CALL ITW MAR 11 @ 52.50 ILLINOIS TOOL WORKS INC 100 SHS EXP· 03/19/2011 SHORT CALL Covered		12/07/10	$ -12,871 00 Short sale proceeds	$ 1.65	$ 2.80	$ -22,400.00 Cost to close	($ 9,529.00) ST		
Total common stocks and options				**$ 789,569.00**			**$ 1,259,200.00**	**($ 9,529.00) ST** **$ 479,160.00 LT**	**2.59**	**$ 32,640.00**
Total portfolio value				**$ 855,120.49**			**$ 1,324,751.49**	**($ 9,529.00) ST** **$ 479,160.00 LT**	**2.46**	**$ 32,679.33**

MorganStanley SmithBarney

Ref: 00002749 00094521

Reserved Client Financial Management Account
December 1 - December 31, 2010

JOHN & CAROLYN PETERSON *Account number [redacted]-0459C-[redacted]*

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1 00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
32,348.39	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 32,348.39		.06%	$ 19.40
Total money fund		$ 32,348.39	$ 0 00	.05%	$ 19 40

Common stocks & options

Citi Investment Research & Analysis (CIRA), Morgan Stanley & Co. Incorporated (Morgan Stanley) and Standard & Poor's research ratings may be shown for certain securities. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. Where a particular company is covered by both CIRA and Morgan Stanley, you can and should view both research reports. CIRA and Morgan Stanley research reports may contain different or conflicting information about the subject companies of such research reports because they are prepared separately from each other. CIRA stock recommendations include an investment rating and a risk rating. The Investment Rating Code (1, 2 or 3) is a function of CIRA's expectation of total return (forecast price appreciation and dividend yield within the next twelve months) and a Risk Rating. The Risk Rating (L, M, H or S) represents the stock's expected risk, taking into account price volatility and fundamental criteria. In addition, CIRA may place covered stocks "Under Review" in response to exceptional circumstances (e g. lack of information critical to the analyst's thesis) affecting the company and/or trading in the company's securities (e.g. trading suspension). Stocks placed "Under Review" by CIRA will be monitored daily by CIRA management. As soon as practically possible, CIRA will publish a note re-establishing a rating and investment thesis Please refer to the end of this statement for a guide describing CIRA ratings Morgan Stanley and Standard & Poor's research ratings have been normalized by these providers to a 1 (Buy), 2 (Hold), and 3 (Sell). Morgan Stanley Smith Barney is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared by Standard & Poor's.

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
400	AT&T INC **Rating:** Citigroup : 2M Morgan Stanley : 1 S&P : 1	T	09/15/10	$ 11,412 80	$ 28.017	$ 29.38	$ 11,752.00	$ 339.20 ST	5.854%	$ 688 00
600	PFIZER INC **Rating:** Citigroup : 2H Morgan Stanley : 1 S&P : 1	PFE	09/15/10	10,517.58	17 219	17.51	10,506.00	(11.58) ST	4.568	480.00
300	VERIZON COMMUNICATIONS **Rating:** Citigroup : 1M Morgan Stanley : 2 S&P : 2	VZ	09/15/10	9,464 40	30 878	35.78	10,734.00	1,269.60 ST	5.449	585.00
Total common stocks and options				$ 31,394.78			$ 32,992.00	$ 1,597.22 ST $ 0.00 LT	5.31	$ 1,753.00

Exchange traded & closed end funds

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

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

Consulting Group Research (CGR) conducts on-going research on a wide variety of exchange-traded funds for certain investment advisory programs. Your individual exchange-traded fund holdings in your brokerage account may or may not be covered by CGR. Please contact your Financial Advisor for further information regarding whether your exchange-traded fund holdings are covered by CGR.

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,005	SPDR S&P 500ETF TRUST Equity portfolio	SPY	02/10/03	$ 83,264.25	$ 82.85	$ 125.75	$ 126,378 75	$ 43,114.50* LT	1.802%	$ 2,278.34
Total closed end fund equity allocation							$ 126,378.75			
Total exchange traded funds and closed end funds				$ 83,264.25			$ 126,378.75	$ 0.00 ST	1.80	
								$ 43,114.50 LT		$ 2,278.34

Preferred stocks

Citi Investment Research & Analysis (CIRA) ratings may be shown for certain securities. In addition, Standard & Poor's research ratings may be shown for certain securities. CIRA is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared by Standard & Poor's. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. CIRA stock recommendations include an investment rating and risk rating. The Investment Rating Code (1, 2 or 3) is a function of CIRA's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and a Risk Rating. The Risk Rating (L, M, H or S) represents the stock's expected risk, taking into account price volatility and fundamental criteria. Please refer to the end of this statement for a guide describing CIRA ratings

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,000	GENERAL ELEC CAP CORP PINES 6.1% Rated AA+ Next call on 01/20/11	GEC	05/11/04	$ 23,995.76	$ 23.995	$ 25.23	$ 25,230.00	$ 1,234.24* LT	6.044%	$ 1,525.00
1,000	GOLDMAN SACHS GROUP INC 6.20% Rated BBB Next call on 01/05/11	GSPRB	12/12/08	18,885.00	18.88	24.15	24,150.00	5,265 00 LT	6.418	1,550.00

JOHN & CAROLYN PETERSON — Account number [redacted]-0459C-[redacted]

Preferred stocks *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,000	JP MORGAN CHASE CAPITAL 6 20% Rated BBB+ Next call on 01/05/11	JPMPRY	10/15/09	$ 23,890.00	$ 23.89	$ 25 04	$ 25,040 00	$ 1,150 00 LT	6 19%	$ 1,550.00
Total preferred stocks				**$ 66,770.76**			**$ 74,420.00**	**$ 0.00 ST**	**6.21**	
								$ 7,649.24 LT		**$ 4,625.00**

Unit investment trusts

This section shows the cost basis and unrealized gains/losses for eligible unit investment trusts Please note that unrealized gains/losses are provided for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Number of units	Description	Date acquired	Cost/ Adjusted cost	Share cost	Current price	Current value	Unrealized gain/(loss)/ Adjusted Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2,431	UNITS FTP HIGH DIVIDEND EQUITY PORTFOLIO, SERIES 3	10/18/10	$ 24,998 46	$ 10.283	$ 10.43	$ 25,356.79	$ 358.33 ST		
2,377	MNTHLY REINVEST	12/08/10	24,992.49	10.514	10.43	24,793.54	(198.95) ST		
2,348		12/13/10	24,996.10	10.645	10 43	24,491 05	(505 05) ST		
22.8859	Reinvestments to date		233.98	10.223	10.43	238 71	4 73 ST		
7,178 8859			75,221.03			74,880.09	(340.94)	4 985	3,733.02
Total unit investment trusts			**$ 75,221.03**			**$ 74,880.09**	**($ 340.94) ST**	**4.98**	
							$ 0.00 LT		**$ 3,733.02**

JOHN & CAROLYN PETERSON ***Account number [redacted]-0459C-[redacted]***

Other investments

If structured products are included in this section please note: they are complex products and may be subject to special risks, which may include, but are not limited to, loss of initial investment; issuer credit risk; limited or no appreciation; risks associated with the underlying reference asset(s); no periodic payments, call prior to maturity, early redemption fees or other fees may apply; price volatility resulting from issuer's and/or guarantor's credit quality; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; concentration risk of owning the related security; limited or no secondary market; restrictions on transferability; conflicts of interest, and limits on participation in appreciation of underlying asset(s). To review a complete list of risks, please refer to the offering documents for the structured product. For more information about the risks specific to your structured products, you should contact your Financial Advisor.

Quantity	Description	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
50,000	JPMORGAN CHASE BANK MLD LINKED TO THE DJUBS COMMODITY INDEX FDIC DTD 11/27/09 R/MD 11/24/1	11/23/09	**$ 50,000.00**	$ 100.00	$ 106.69	**$ 53,345.00**	**$ 3,345 00** LT		·
Total other investments			**$ 50,000.00**			**$ 53,345.00**	**$ 0.00 ST**		
							$ 3,345.00 LT		

Bonds

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

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

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

Corporate bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted	Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	BOEING CAPITAL CORP DTD 3/8/01 INT: 06.100% MATY: 03/01/2011 Rating: A2/A	06/16/03 097014AD6	$ 56,482.73 **$ 50,157 00**	$ 112.965 $ 100.314	100.883 **$ 1,016.67**	**$ 50,441.50**	($ 6,041.23)* LT **$ 284 50*** LT	**6.046** **$ 3,050.00**	**$ 0.00** **$ 284.50**
50,000	HOUSEHOLD FIN CORP INTERNOTES BK/ENTRY INT: 06.300% MATY: 03/15/2011 Rating: A3/A	06/12/03 44181EAC2	55,783.82 **50,173.00**	111.567 100.346	100.791 **927.50**	**50,395.50**	(5,388.32)* LT **222.50*** LT	**6.25** **3,150.00**	**0.00** **222.50**
50,000	BANKERS TRUST N Y CORP SUB NOTES-BK/ENTRY-DTD 10/22/1996 INT: 07.250% MATY: 10/15/2011 Rating: A2/A-	06/12/03 066365DC8	61,633.36 **51,265.50**	123.266 102.531	104.877 **765.28**	**52,438.50**	(9,194.86)* LT **1,173.00*** LT	**6.912** **3,625 00**	**0.00** **1,173.00**

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted	Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	CREDIT SUISSE FB USA INC DTD 1/11/02 INT: 06.500% MATY: 01/15/2012 Rating: AA1/A+	06/23/03 22541LAC7	$ 59,028.64 $ 51,264.00	$ 118.057 $ 102.528	105 65 $ 1,498.61	$ 52,825.00	($ 6,203 64)* LT $ 1,561 00* LT	6 152 $ 3,250.00	$ 0.00 $ 1,561.00
25,000	BEAR STEARNS CO INC SR NOTES BOOK/ENTRY DD 1/25/2007 INT: 05.350% MATY: 02/01/2012 Rating: AA3/A+	09/11/07 073902PP7	24,700.00 24,700.00	98.78 98.78	104.642 557.29	26,160.50	1,460.50 LT 1,460 50 LT	5.112 1,337.50	221.50 1,239.00
40,000	ALLSTATE CORP DTD 02/20/2002 INT: 06.125% MATY: 02/15/2012 Rating: A3/A-	05/07/09 020002AN1	41,404.40 40,589.60	103 496 101 474	105.345 925.56	42,138.00	733.60 LT 1,548.40 LT	5.814 2,450.00	0.00 1,548.40
50,000	BANK AMER CORP SUB INTERNOTES BK/ENTRY DTD 7/25/02 INT: 05.600% MATY: 07/15/2012 Rating: A3/A-	06/02/03 06050XGT4	54,821.33 50,949.50	109.642 101.899	104.147 1,291.11	52,073.50	(2,747 83)* LT 1,124 00* LT	5.377 2,800.00	0.00 1,124.00
50,000	AMERICAN GEN FIN CORP INTERNOTES BK/ENTRY DTD 06/04/2004 INT: 05.250% MATY: 12/15/2012 Int paid monthly Rating: B3/B	06/01/04 02639EFB5	50,000.00 50,000.00	100.00 100.00	92 378 116.67	46,189 00	(3,811 00)* LT (3,811.00)* LT	5 683 2,625.00	0 00 (3,811.00)
50,000	EMERSON ELEC CO DTD 04/29/2003 INT: 04.500% MATY: 05/01/2013 Rating: A2/A	12/29/03 291011AT1	50,000.00 50,000 00	100.00 100.00	107.645 375.00	53,822.50	3,822.50* LT 3,822.50* LT	4.18 2,250 00	0.00 3,822.50
25,000	WISCONSIN ELECTRIC POWER DTD 5/6/03 INT: 04.500% MATY: 05/15/2013 Rating: A2/A-	01/28/04 976656BX5	25,170.08 25,049 25	100.68 100.197	107.186 143.75	26,796.50	1,626.42* LT 1,747.25* LT	4 198 1,125.00	0.00 1,747.25
50,000	GE CAPITAL INTERNOTES BK/ENTRY DTD 6/12/03 INT: 04.150% MATY: 06/15/2013 Rating: AA2/AA+	06/09/03 36966RFR2	50,000.00 50,000.00	100.00 100 00	103 041 92.22	51,520.50	1,520.50* LT 1,520 50* LT	4.027 2,075 00	0.00 1,520 50
50,000	INTERNATIONAL BUSINESS MACHS DEBS-DTD 6/15/1993 INT: 07.500% MATY: 06/15/2013 Rating: AA3/A+	06/17/03 459200AL5	65,315.00 54,309.50	130.63 108.619	114.965 166 67	57,482 50	(7,832 50)* LT 3,173.00* LT	6.523 3,750.00	0.00 3,173.00

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	BANK OF AMERICA CORP SUB NOTES	12/29/03	$ 50,100.00	$ 100.20	103.958	**$ 51,979.00**	$ 1,879.00*	LT	**4.569**	**$ 0.00**
	BOOK/ENTRY DD 7/22/03	060505BD5	**$ 50,030.00**	$ 100.06	**$ 897.22**		**$ 1,949.00***	LT	**$ 2,375.00**	**$ 1,949.00**
	INT: 04.750% MATY: 08/15/2013									
	Rating: A3/A-									
50,000	GENERAL ELEC CAP COR	06/24/08	51,006.00	102.002	109.066	**54,533.00**	3,527.00	LT	**4.951**	0.00
	DTD 09/20/2007	36962G3F9	**50,550.50**	101.101	**757.50**		**3,982.50**	LT	**2,700.00**	**3,982.50**
	INT: 05.400% MATY: 09/20/2013									
	Rating: AA2/AA+									
40,000	CAMPBELL SOUP CO	12/14/05	39,792.40	99.481	109.902	**43,960.80**	4,168.40*	LT	**4.435**	0.00
	DTD 09/18/2003	134429AS8	**39,792.40**	99.481	**487.50**		**4,168.40***	LT	**1,950.00**	**4,168.40**
	INT: 04.875% MATY: 10/01/2013									
	Rating: A2/A									
50,000	GOLDMAN SACHS GROUP INC	01/06/04	51,250.00	102.50	108 222	**54,111.00**	2,861.00*	LT	**4 851**	0.00
	DTD 10/14/03	38141GDQ4	**50,416.00**	100 832	**554.17**		**3,695 00***	LT	**2,625 00**	**3,695.00**
	INT: 05.250% MATY: 10/15/2013									
	Rating: A1/A									
50,000	GOLDMAN SACHS GROUP INC	03/05/10	53,747.00	107.482	107.706	**53,853.00**	106.00	ST	**4.781**	0.00
	GLOBAL BOOK/ENTRY	38143UAB7	**52,991.50**	105.983	**1,187 36**		**861 50**	ST	**2,575.00**	**861 50**
	DTD 1/13/04									
	INT: 05.150% MATY: 01/15/2014									
	Rating: A1/A									
60,000	HSBC FINANCE CORPORA	01/26/09	60,239.60	100.391	107.341	**64,404.60**	4,165.00	LT	**4.89**	0.00
	DTD 11/21/2006	40429CFW7	**60,150.00**	100.25	**1,452 50**		**4,254.60**	LT	**3,150 00**	**4,254.60**
	GLOBAL									
	INT: 05.250% MATY: 01/15/2014									
	Rating: A3/A									
25,000	J P MORGAN CHASE CO	09/11/07	24,819.75	99.259	106.407	**26,601.75**	1,782.00	LT	**4.816**	0.00
	DTD 09/15/2004	46625HBV1	**24,819.75**	99.259	**377.26**		**1,782.00**	LT	**1,281.25**	**1,782 00**
	INT: 05.125% MATY: 09/15/2014									
	Rating: A1/A									
50,000	BANK OF AMERICA CORP	12/10/03	50,250.00	100 50	104.851	**52,425.50**	2,175.50*	LT	**4.887**	0.00
	DTD 11/07/2002	060505AU8	**50,102.00**	100.204	**327.43**		**2,323.50***	LT	**2,562.50**	**2,323.50**
	INT: 05.125% MATY: 11/15/2014									
	Rating: A2/A									
75,000	GENERAL ELEC CAP CORP	03/31/10	78,756.00	105.00	102.37	**76,777 50**	(1,978.50)	ST	**4.517**	0.00
	INTERNOTES-BK/ENTRY	36966RUC8	**78,201.00**	104.268	**154.17**		**(1,423.50)**	ST	**3,468.75**	**(1,423.50)**
	DTD 12/09/2004									
	INT: 04.625% MATY: 12/15/2014									
	Int paid quarterly									
	Rating: AA2/AA+									

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	THE DOW CHEMICAL CO DTD 08/07/2009 INT: 05.900% MATY: 02/15/2015 Rating: BAA3/BBB-	11/02/09 260543CA9	$ 52,740.00 **$ 52,191.50**	$ 105.468 $ 104.383	110.719 **$ 1,114.44**	**$ 55,359.50**	$ 2,619.50 **$ 3,168.00**	LT LT	**5.328** **$ 2,950.00**	**$ 0.00** **$ 3,168.00**
50,000	GE CAPITAL FIX-TO-FLOAT BOND 2.25% TIL 9/15/11 THEN 3MO LIBOR +65BPS INT: 02.250% MATY: 09/30/2015 Int paid quarterly Rating. AA2/AA+	11/17/10 36962G4S0	50,131.00 **50,125 50**	100 25 100.251	99.226 **3.13**	**49,613.00**	(518.00) **(512.50)**	ST ST	**2.267** **1,125.00**	**0.00** **(512.50)**
50,000	J P MORGAN CHASE & CO NOTES BK/ENTRY DTD 10/04/2005 INT: 05.150% MATY: 10/01/2015 Rating: A1/A	10/04/07 46625HDF4	49,504.50 **49,504.50**	98 999 98.999	105.762 **643.75**	**52,881.00**	3,376 50 **3,376.50**	LT LT	**4 869** **2,575 00**	**0.00** **3,376.50**
25,000	ST PAUL TRAVELERS COS INC SR UNSECD NOTES-BK/ENTRY DTD 11/28/2005 INT: 05 500% MATY: 12/01/2015 Rating: A2/A-	09/14/07 792860AH1	25,461.25 **25,296.25**	101 825 101.185	112.245 **114 58**	**28,061 25**	2,600.00 **2,765 00**	LT LT	**4 899** **1,375.00**	**0.00** **2,765.00**
70,000	BERKSHIRE HATHAWAY FINANCE COR DTD 12/15/2010 INT: 02.450% MATY: 12/15/2015 Rating: AA2/AA+	12/13/10 084664BN0	70,398.70 **70,388 50**	100.561 100.555	99.386 **76.22**	**69,570 20**	(828.50) **(818.30)**	ST ST	**2.465** **1,715 00**	**0.00** **(818.30)**
25,000	GOLDMAN SACHS GROUP INC DTD 1/17/06 INT: 05.350% MATY: 01/15/2016 Rating: A1/A	09/14/07 38141GEE0	24,600.25 **24,600.25**	98.381 98.381	107.44 **616.74**	**26,860.00**	2,259.75 **2,259 75**	LT LT	**4.979** **1,337.50**	**0 00** **2,259.75**
25,000	HSBC FIN CORP NOTES-BK/ENTRY DTD 01/19/2006	09/11/07 40429CFN7	24,945.50 24,945.50	99.762 99.762	108.632	27,158.00	2,212.50 2,212.50	LT LT		0.00 2,212.50
50,000	INT: 05.500% MATY: 01/19/2016 Rating: A3/A	10/04/07	50,143.00 50,092 50	100.276 100.185	108 632	54,316.00	4,173.00 4,223.50	LT LT		0.00 4,223.50
75,000			75,088.50 **75,038.00**	100.10 100.10	**1,856.25**	**81,474 00**	6,385.50 **6,436.00**		**5.062** **4,125 00**	**0.00** **6,436 00**
25,000	WACHOVIA BK NATL ASSN MEDIUM TERM NOTES-BK/ENTRY DTD 03/09/2006 INT: 05.600% MATY: 03/15/2016 Rating: AA3/AA-	09/14/07 92976GAE1	25,170.25 **25,107.75**	100.661 100 431	108.81 **412.22**	**27,202.50**	2,032.25 **2,094.75**	LT LT	**5.146** **1,400 00**	**0.00** **2,094.75**

JOHN & CAROLYN PETERSON *Account number [redacted]-0459C-[redacted]*

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued interest	Current value	Unrealized Gain/(loss) Original/ Adjusted	Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	SUNOCO INC NOTES BOOK/ENTRY DD 12/14/2006 INT: 05.750% MATY: 01/15/2017 Rating: BAA3/BBB-	01/21/10 86764PAD1	$ 52,612.50 $ 52,306.00	$ 105.213 $ 104.612	104.421 $ 1,325.69	$ 52,210 50	($ 402.00) ST ($ 95.50) ST	5 506 $ 2,875.00	$ 0.00 ($ 95 50)
50,000	AMERICAN INTL GROUP INC MEDIUM TERM NTS BK/ENTRY DTD 12/12/07 INT: 05.850% MATY: 01/16/2018 Rating: A3/A-	01/24/08 02687QDG0	51,871.50 51,416.00	103.733 102.832	103.114 1,340.63	51,557.00	(314.50) LT 141.00 LT	5.673 2,925.00	0.00 141.00
95,000	BERKSHIRE HATHAWAY INC BK/ENTRY DTD 12/01/08 INT: 05.400% MATY: 05/15/2018 Rating: AA2/AA+	04/16/09 084664BE0	98,751.85 98,160.65	103 943 103.327	109.706 655.50	104,220.70	5,468 85 LT 6,060.05 LT	4.922 5,130.00	0.00 6,060.05
Total corporate bonds 1,555,000			$ 1,630,630.41 $ 1,579,645.40		$ 22,230.59	$ 1,639,939.30	($ 1,988.30) ST $ 62,282.20 LT	4.98 $ 81,707.50	$ 221.50 $ 60,072.40

Certificates of deposit

Certificates of deposit ("CDs") are insured by the FDIC up to $250,000 per account owner per depository institution (principal and accrued interest combined) when aggregated with other deposits held in the same insurable capacity at the same depository institution. The market value of any CD on this statement is estimated using a matrix based on interest rates If a CD cannot be priced using this method, the statement will not reflect a market value for the CD. The estimated market value may not reflect the actual price you would receive if you were able to sell your CD prior to maturity. FDIC insurance is based on the outstanding principal amount of the CD, or the accreted value in the case of a zero coupon CD, not the estimated market value.

Issuer names followed by a "C" indicate that issuer is an affiliate of Citigroup Global Markets Inc.

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued interest	Current value/ Maturity value	Unrealized Gain/(loss) Original/Adjusted	Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	KEY BK NATL ASSN OHIO DTD 8/14/02 INT: 05.000% MATY: 08/14/2012 Int paid semi-annually	06/09/03 49306SDQ6	$ 54,172.50 $ 50,846.00	$ 108.345 $ 101.692	104.993 $ 958 90	$ 52,496.50 $ 50,000.00	($ 1,676.00)* LT $ 1,650 50* LT	4 762 $ 2,500.00	$ 0.00 $ 1,650.50
50,000	WASHINGTON MUT BK FA STOCKTON CA C/D DD 9/28/2005 INT: 04.300% MATY: 09/28/2012 Int paid semi-annually	09/19/05 939369DN1	50,000.00 50,000.00	100.00 100.00	104.183 559.59	52,091.50 50,000 00	2,091.50* LT 2,091.50* LT	4.127 2,150.00	0.00 2,091.50

MorganStanley
SmithBarney

Ref: 00002749 00094529

Reserved Client
Financial Management Account
December 1 - December 31, 2010

JOHN & CAROLYN PETERSON *Account number [redacted]-0459C-[redacted] [redacted]*

Certificates of deposit-*continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued interest	Current value/ Maturity value	Unrealized Gain/(loss) Original/Adjusted	Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	GE CAPITAL FINANCIAL INC, - UT	08/13/08	$ 50,000.00	$ 100 00	106.723	$ 53,361.50	$ 3,361.50 LT	4.685	$ 0.00
	DTD 08/20/08 INT : SEMI-ANN	36160TCX2	$ 50,000.00	$ 100.00	$ 917 81	$ 50,000.00	$ 3,361.50 LT	$ 2,500.00	$ 3,361.50
	INT: 05.000% MATY: 08/20/2013								
Total certificates of deposit			$ 154,172.50		$ 2,436.30	$ 157,949.50	$ 0.00 ST	4.52	$ 0.00
150,000			$ 150,846.00				$ 7,103.50 LT	$ 7,150.00	$ 7,103.50
Total portfolio value			$ 2,069,490.61			$ 2,192,253.03	($ 732.02) ST	4.61	$ 221.50
							$ 123,494.44 LT	$ 101,266.26	$ 67,175.90

Form **8868** (Rev January 2011)

Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

► **File a separate application for each return.**

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ► [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit *www irs gov/efile* and click on *e-file for Charities & Nonprofits.*

Part I **Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only ► [ ]

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print

File by the due date for filing your return See instructions

Name of exempt organization: JOHN & CAROLYN PETERSON CHARITABLE FOUNDATION, INC.

Employer identification number: 43-1974269

Number, street, and room or suite number If a P O box, see instructions: 411 EAST WISCONSIN AVENUE #2040

City, town or post office, state, and ZIP code For a foreign address, see instructions: MILWAUKEE, WI 53202-4497

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► MICHAEL GUZNICZAK

Telephone No ► 262-821-5378 FAX No ►

- If the organization does not have an office or place of business in the United States, check this box ► [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______. If this is for the whole group, check this box ► [ ] If it is for part of the group, check this box ► [ ] and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15, 20 11, to file the exempt organization return for the organization named above The extension is for the organization's return for.

► [X] calendar year 20 10 or

► [ ] tax year beginning ________, 20 ___, and ending ________, 20 ___

2 If the tax year entered in line 1 is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	**3a**	$ 2,292.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	**3b**	$ 1,692.
c Balance due. Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	**3c**	$ 600.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

Form **8868** (Rev January 2011)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ► [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only ► [ ]

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns

Type or print	Name of exempt organization JOHN & CAROLYN PETERSON CHARITABLE FOUNDATION, INC.	**Employer identification number** 43-1974269
File by the due date for filing your return See instructions	Number, street, and room or suite number If a P O box, see instructions 411 EAST WISCONSIN AVENUE #2040	
	City, town or post office, state, and ZIP code For a foreign address, see instructions MILWAUKEE, WI 53202-4497	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► MICHAEL GUZNICZAK

Telephone No ► 262-821-5378 FAX No ►

- If the organization does not have an office or place of business in the United States, check this box ► [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______. If this is for the whole group, check this box ► [ ]. If it is for part of the group, check this box ► [ ] and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15, 20 11, to file the exempt organization return for the organization named above The extension is for the organization's return for

► [X] calendar year 20 10 or
► [ ] tax year beginning ________, 20 ___, and ending ________, 20 ___

2 If the tax year entered in line 1 is for less than 12 months, check reason. [ ] Initial return [ ] Final return [ ] Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	**3a**	$ 2,292.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	**3b**	$ 2,292.
c Balance due. Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	**3c**	$ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions