Form **990-PF**
Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning , 2010, and ending , 20

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

Name of foundation
HERMES FAMILY FOUNDATION

A Employer identification number
51-0172567

Number and street (or P O box number if mail is not delivered to street address) Room/suite
C/O VAUGHN PERKINSON EHLINGER & MOXLEY
4622 COUNTRY CLUB ROAD, STE 270

B Telephone number (see page 10 of the instructions)
(336) 794-6020

City or town, state, and ZIP code
WINSTON-SALEM, NC 27104

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, col (c), line 16)* ▶ $ 1,005,941.

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 page 11 of the instructions))*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	0			
	2 Check ▶ [X] if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	14,925.	14,925.		ATCH 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	70,682.			
	b Gross sales price for all assets on line 6a 508,391.				
	7 Capital gain net income (from Part IV, line 2)		70,682.		
	8 Net short-term capital gain			6,000.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	85,607.	85,607.	6,000.	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) ATCH 2	7,933.	0.	0.	7,933.
	b Accounting fees (attach schedule) ATCH 3	7,300.	3,650.	0.	3,650.
	c Other professional fees (attach schedule) *	7,346.	7,346.		
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) ATCH 5	320.	233.		
	24 **Total operating and administrative expenses.** Add lines 13 through 23	22,899.	11,229.	0.	11,583.
	25 Contributions, gifts, grants paid	102,500.			102,500.
	26 Total expenses and disbursements Add lines 24 and 25	125,399.	11,229.	0.	114,083.
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	-39,792.			
	b **Net investment income** (if negative, enter -0-)		74,378.		
	c **Adjusted net income** (if negative, enter -0-)			6,000.	

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For Paperwork Reduction Act Notice, see page 30 of the instructions. *ATCH 4 JSA

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets				
1	Cash - non-interest-bearing	2,141.	9,088.	9,088.
2	Savings and temporary cash investments	2,465.	3,687.	3,687.
3	Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
4	Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
7	Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10 a	Investments - U S and state government obligations (attach schedule)			
b	Investments - corporate stock (attach schedule) ATCH 6	779,804.	731,843.	993,166.
c	Investments - corporate bonds (attach schedule)			
11	Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
12	Investments - mortgage loans			
13	Investments - other (attach schedule)			
14	Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	784,410.	744,618.	1,005,941.
Liabilities				
17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)		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 and complete lines 27 through 31. ▶ X			
27	Capital stock, trust principal, or current funds	784,410.	744,618.	
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	0.	0.	
30	**Total net assets or fund balances** (see page 17 of the instructions)	784,410.	744,618.	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	784,410.	744,618.	

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	784,410.
2	Enter amount from Part I, line 27a	2	-39,792.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	744,618.
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	744,618.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	SEE PART IV SCHEDULE			
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) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } — 2 — 70,682.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)
If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions)
If (loss), enter -0- in Part I, line 8 — 3

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	99,625.	1,004,390.	0.099190
2008	112,822.	925,448.	0.121911
2007	113,574.	1,466,541.	0.077443
2006	92,785.	1,504,782.	0.061660
2005	93,612.	1,597,677.	0.058593

2	**Total** of line 1, column (d)	2	0.418797
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	0.083759
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	970,707.
5	Multiply line 4 by line 3	5	81,305.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	744.
7	Add lines 5 and 6	7	82,049.
8	Enter qualifying distributions from Part XII, line 4	8	114,083.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ____________ (attach copy of ruling letter if necessary - see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b			1	744.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	
3	Add lines 1 and 2			3	744.
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	744.
6	Credits/Payments				
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	2,238.		
b	Exempt foreign organizations-tax withheld at source	6b	0.		
c	Tax paid with application for extension of time to file (Form 8868)	6c	0.		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	2,238.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	1,494.
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ 1,494. **Refunded** ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		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 ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		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		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ VA,			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

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

		Line	Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		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 ▶ NONE

14 The books are in care of ▶ JOHN R. PERKINSON JR Telephone no ▶ 336-794-6000

Located at ▶ 4505 COUNTRY CLUB RD STE 210 WINSTON-SALEM, NC ZIP + 4 ▶ 27104

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

		Line	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 page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

			Line	Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.				
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?		1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))				
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see page 22 of the instructions)		2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ____, ____, ____, ____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2010 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)*		3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		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 [X] 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 [X] No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	[ ] Yes [X] No		
(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	[ ] Yes [X] 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 [X] No		
b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?		**5b**	
Organizations relying on a current notice regarding disaster assistance check here ▶ [X]			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	[ ] Yes [ ] No		
If "Yes," attach the statement required by Regulations section 53 4945-5(d)			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	[ ] Yes [X] 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 [X] No		
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?		**7b**	

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATTACHMENT 7		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions). If none, enter "NONE."

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NOT APPLICABLE		
Total number of others receiving over $50,000 for professional services ▶		NONE

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 NOT APPLICABLE	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NOT APPLICABLE	
2	
All other program-related investments See page 24 of the instructions 3 NONE	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	944,884.
b	Average of monthly cash balances	1b	40,605.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0.
d	**Total** (add lines 1a, b, and c)	1d	985,489.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	985,489.
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	14,782.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	970,707.
6	**Minimum investment return.** Enter 5% of line 5	6	48,535.

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

1	Minimum investment return from Part X, line 6			1	48,535.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	744.		
b	Income tax for 2010 (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	744.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	47,791.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	47,791.
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	47,791.

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1a	114,083.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	114,083.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	744.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	113,339.

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

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

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				47,791.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only				
b Total for prior years 20 08 ,20 07 ,20 06				
3 Excess distributions carryover, if any, to 2010				
a From 2005 . . . . . . 21,010.				
b From 2006 . . . . . . 74,178.				
c From 2007 . . . . . . 113,633.				
d From 2008 . . . . . . 66,720.				
e From 2009 . . . . . . 87,752.				
f **Total** of lines 3a through e	363,293.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 114,083.				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2010 distributable amount				47,791.
e Remaining amount distributed out of corpus	66,292.			
5 Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*				
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	429,585.			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	21,010.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	408,575.			
10 Analysis of line 9				
a Excess from 2006 . . . 74,178.				
b Excess from 2007 . . . 113,633.				
c Excess from 2008 . . . 66,720.				
d Excess from 2009 . . . 87,752.				
e Excess from 2010 . . . 66,292.				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

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

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

	Tax year	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 foundation had $5,000 or more in assets at any time during the year - see page 28 of the instructions.)

1 **Information Regarding Foundation Managers:**

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

N/A

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

N/A

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

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

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

ATTACHMENT 8

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

ATTACHMENT 9

c Any submission deadlines

NONE

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

ONLY SEC. 501(C)(3) AND SEC. 170(C) ENTITIES ARE CONSIDERED

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*				
ATTACHMENT 10				
Total ▶ 3a				102,500.
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 page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	14,925.	
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	70,682.	
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)				85,607.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 85,607.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)
NA	NOT APPLICABLE

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

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

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

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

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

Doris H. Crumpler | 8-12-11 | President

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JOHN R. PERKINSON, JR.	John R. Perkinson Jr.	8/3/11		P00967463

Firm's name ▶ VAUGHN PERKINSON EHLINGER MOXLEY — Firm's EIN ▶ 56-2228270

Firm's address ▶ PO BOX 25715 WINSTON-SALEM, NC 27114 — Phone no 336-794-6000

JSA
0E1493 1 000
24441Z 530B V 10-7.1

ATTACHMENT 5

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
BANK FEES	233.	233.
PENALTIES AND INTEREST	87.	
TOTALS	320.	233.

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
TOTAL GAIN(LOSS)							70,682.	

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
DIVIDENDS		14,925.	14,925.
	TOTAL	14,925.	14,925.

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
VAUGHN, PERKINSON, EHLINGER AND MOXLEY	7,933.			7,933.
TOTALS	7,933.	0.	0.	7,933.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
VAUGHN, PERKINSON, EHLINGER AND MOXLEY	7,300.	3,650.		3,650.
TOTALS	7,300.	3,650.	0.	3,650.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
MANAGEMENT FEES		7,346.	7,346.
	TOTALS	7,346.	7,346.

ATTACHMENT 6

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
UBS FINANCIAL-SEE STATEMENT 6	731,843.	993,166.
TOTALS	731,843.	993,166.

Your assets

Some prices, income and current values shown may be approximate As a result, gains and losses may not be accurately reflected See *Important information about your statement* at the end of this document for more information

Cash

Cash and money balances

Holding	Opening balance on Dec 1 ($)	Closing balance on Dec 31 ($)	Price per share on Dec 31 ($)	Average rate	Dividend/interest period	Days in period
RMA GOVERNMENT PORTFOLIO	78,119 65	3,687 15	1 00	0.01%	Nov 23 to Dec 26	34

Equities

Common stock

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
AKAMAI TECHNOLOGIES INC								
Symbol AKAM Exchange OTC	May 12, 09	300 000	21 064	6,319 41	47 050	14,115 00	7,795 59	LT
	Feb 25, 10	300 000	25 689	7,706 88	47 050	14,115 00	6,408 12	ST
Security total		600 000		14,026 29		28,230 00	14,203.71	
ANADARKO PETROLEUM CORP								
Symbol APC Exchange NYSE								
EAI $216 Current yield 0 47%	Nov 12, 09	500 000	62 436	31,218 05	76 160	38,080.00	6,861 95	LT
	May 4, 10	100 000	63 666	6,366 64	76 160	7,616 00	1,249 36	ST
Security total		600 000		37,584 69		45,696 00	8,111 31	
APPLE INC								
Symbol AAPL Exchange OTC	Nov 24, 09	200 000	205 046	41,009 38	322.560	64,512.00	23,502 62	LT
BROADCOM CORP CL A								
Symbol BRCM Exchange OTC								
EAI $160 Current yield 0 73%	Jun 22, 10	500 000	35 736	17,868 17	43.550	21,775 00	3,906 83	ST
CELGENE CORP								
Symbol CELG Exchange OTC	Nov 18, 10	300 000	61 368	18,410 63	59 140	17,742 00	-668 63	ST
	Dec 3, 10	200.000	60 447	12,089 44	59 140	11,828 00	-261 44	ST
Security total		500 000		30,500 07		29,570 00	-930 07	

continued next page

UBS

Account name: HERMES FAMILY FOUNDATION
Account number: Y1 08023 4C

Your assets › **Equities** › **Common stock** (continued)

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
CHUBB CORP Symbol CB Exchange NYSE EAI $888 Current yield 2 48%	Dec 12, 05	400.000	47 418	18,967.30[1]	59 640	23,856 00	4,888.70	LT
	Jan 12, 06	200 000	49 125	9,825 00[1]	59 640	11,928 00	2,103.00	LT
Security total		600 000		28,792.30		35,784.00	6,991 70	
COCA COLA CO COM Symbol. KO Exchange NYSE EAI $1,056 Current yield 2 68%	Oct 21, 10	400.000	61.579	24,632 00	65 770	26,308 00	1,676 00	ST
	Nov 18, 10	200 000	63 599	12,719 99	65 770	13,154 00	434 01	ST
Security total		600 000		37,351 99		39,462 00	2,110 01	
DANAHER CORP Symbol DHR Exchange NYSE EAI $64 Current yield 0.17%	Aug 3, 04	600.000	25 387	15,232 68[1]	47 170	28,302 00	13,069 32	LT
	Nov 21, 06	200.000	36 597	7,319.52[1]	47 170	9,434 00	2,114 48	LT
Security total		800 000		22,552 20		37,736 00	15,183 80	
DARDEN RESTAURANTS INC Symbol DRI Exchange NYSE EAI $768 Current yield 2 76%	May 19, 10	600 000	43 700	26,220 48	46 440	27,864 00	1,643 52	ST
GENL MILLS INC Symbol GIS Exchange NYSE EAI $672 Current yield 3 15%	Jun 3, 10	600 000	37 491	22,494.96	35.590	21,354 00	-1,140 96	ST
GOLDMAN SACHS GROUP INC Symbol GS Exchange NYSE EAI $140 Current yield 0 83%	Jan 14, 10	100.000	168 061	16,806.14	168 160	16,816 00	9 86	ST
GOODRICH CORP Symbol GR Exchange NYSE EAI $464 Current yield 1 32%	Nov 12, 09	300.000	59 241	17,772.57	88 070	26,421 00	8,648 43	LT
	Feb 5, 10	100 000	62 060	6,206.09	88 070	8,807.00	2,600 91	ST
Security total		400 000		23,978.66		35,228 00	11,249 34	
GOOGLE INC CL A Symbol GOOG Exchange OTC	Jun 3, 10	50 000	505 378	25,268 92	593 970	29,698.50	4,429 58	ST
HASBRO INC Symbol HAS Exchange. OTC EAI $400 Current yield 2 12%	Apr 15, 10	400 000	40 122	16,048 80	47 180	18,872.00	2,823 20	ST

continued next page

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Your assets › **Equities** › **Common stock** (continued)

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
HEWLETT PACKARD CO								
Symbol HPQ Exchange NYSE								
EAI $224 Current yield 0 76%	Oct 3, 06	100 000	35.626	3,562 67¹	42.100	4,210 00	647 33	LT
	Oct 30, 06	300 000	39 191	11,757 48¹	42.100	12,630.00	872 52	LT
	Jan 29, 07	300.000	42.566	12,769 98¹	42 100	12,630 00	-139 98	LT
Security total		700.000		28,090 13		29,470 00	1,379 87	
INTERCONTINENTALEXCHANGE INC								
Symbol ICE Exchange NYSE	Mar 18, 10	100 000	109 289	10,929 00	119 150	11,915 00	986 00	ST
INTL BUSINESS MACH								
Symbol IBM Exchange NYSE								
EAI $520 Current yield 1 77%	Nov 21, 06	200 000	93 202	18,640 44¹	146.760	29,352 00	10,711 56	LT
JOHNSON & JOHNSON COM								
Symbol JNJ Exchange NYSE								
EAI $648 Current yield 3 49%	Feb 21, 06	300 000	58 893	17,668 17¹	61.850	18,555 00	886 83	LT
JOY GLOBAL INC								
Symbol JOYG Exchange OTC								
EAI $560 Current yield 0 81%	May 12, 09	600 000	29 098	17,458.91	86.750	52,050 00	34,591 09	LT
	May 29, 09	200.000	34.837	6,967 41	86 750	17,350 00	10,382 59	LT
Security total		800 000		24,426 32		69,400 00	44,973 68	
JPMORGAN CHASE & CO								
Symbol JPM Exchange NYSE								
EAI $180 Current yield 0 47%	Apr 30, 09	700 000	34.570	24,199 07	42 420	29,694 00	5,494 93	LT
	Oct 1, 09	200.000	42.624	8,524.97	42 420	8,484 00	-40 97	LT
Security total		900.000		32,724 04		38,178 00	5,453.96	
MCKESSON CORP								
Symbol MCK Exchange NYSE								
EAI $216 Current yield 1 02%	Apr 15, 10	300.000	64 774	19,432 32	70 380	21,114 00	1,681 68	ST
MEDTRONIC INC								
Symbol MDT Exchange NYSE								
EAI $450 Current yield 2 43%	Jul 22, 10	500 000	37 009	18,504 96	37 090	18,545 00	40 04	ST
NEXTERA ENERGY INC COM								
Symbol NEE Exchange NYSE								
EAI $800 Current yield 3 85%	May 26, 10	200.000	48 838	9,767 69	51.990	10,398 00	630 31	ST
	Oct 21, 10	200 000	55 523	11,104 72	51 990	10,398 00	-706 72	ST

continued next page

UBS

Account name: HERMES FAMILY FOUNDATION
Account number: Y1 08023 4C

Your assets › Equities › Common stock (continued)

Holding	Trade date	Number of shares	Purchase pnce per share ($)	Cost basis ($)	Pnce per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
Securty total		400 000		20,872 41		20,796 00	-76 41	
NIKE INC CL B								
Symbol NKE Exchange NYSE								
EAI $496 Current yield 1.45%	Sep 16, 05	300 000	39.738	11,921 49[1]	85 420	25,626.00	13,704 51	LT
	May 19, 08	100 000	68.272	6,827 25[1]	85 420	8,542 00	1,714 75	LT
Securty total		400.000		18,748 74		34,168 00	15,419 26	
OCCIDENTAL PETROLEUM CRP								
Symbol OXY Exchange NYSE								
EAI $760 Current yield 1 55%	Jun 2, 05	500 000	36 580	18,290 00[1]	98 100	49,050.00	30,760 00	LT
PEPSICO INC								
Symbol PEP Exchange NYSE								
EAI $1,152 Current yield 2.94%	Sep 3, 02	200.000	38 773	7,754 74[1]	65 330	13,066 00	5,311 26	LT
	Apr 22, 03	300.000	41 521	12,456 54[1]	65 330	19,599 00	7,142 46	LT
	Jul 17, 06	100 000	61 900	6,190.00[1]	65 330	6,533 00	343 00	LT
Securty total		600 000		26,401 28		39,198 00	12,796 72	
PUBLIC SERVICE ENTERPRSE GROUP INC								
Symbol PEG Exchange NYSE								
EAI $685 Current yield 4 31%	Jul 13, 10	500 000	33 533	16,766 67	31 810	15,905 00	-861 67	ST
SCHLUMBERGER LTD NETHERLANDS ANTILLES								
Symbol SLB Exchange NYSE								
EAI $504 Current yield 1 01%	Nov 27, 96	400 000	23 530	9,412.30[1]	83 500	33,400 00	23,987 70	LT
	Apr 30, 09	200 000	50 376	10,075 25	83 500	16,700 00	6,624.75	LT
Security total		600 000		19,487 55		50,100 00	30,612.45	
STARBUCKS CORP								
Symbol SBUX Exchange OTC								
EAI $364 Current yield 1 62%	Aug 25, 10	700 000	23.457	16,420 28	32 130	22,491 00	6,070 72	ST
THERMO FISHER SCIENTIFIC INC								
Symbol TMO Exchange NYSE	Nov 26, 08	500 000	34 586	17,293 29	55 360	27,680 00	10,386 71	LT
	Feb 12, 09	100 000	38 457	3,845.72	55 360	5,536 00	1,690.28	LT
Securty total		600 000		21,139 01		33,216 00	12,076.99	
US BANCORP DEL (NEW)								
Symbol USB Exchange NYSE								
EAI $160 Current yield 0 74%	Aug 12, 10	800 000	22.411	17,929 57	26 970	21,576 00	3,646 43	ST

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Your assets › Equities › Common stock (continued)

Holding	Trade date	Number of shares	Purchase price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
VISA INC CL A Symbol V Exchange NYSE EAI $180 Current yield 0.85%	Apr 29, 10	300 000	93.162	27,948.72	70 380	21,114 00	-6,834 72	ST
Total				**$734,922.66**		**$996,740.50**	**$261,817.84**	

Total estimated annual income: $12,727

[1] Indicates cost basis information provided by you or another third party UBS FS has not verified this information and does not guarantee its accuracy

Short options

Holding	Trade date	Number of contracts	Sale price per contract ($)	Sale proceeds ($)	Price per contract on Dec 31 ($)	Contract premium ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
CALL APPLE INC DUE 01/22/11 310 000 Expires Jan 11 Symbol AAPL	Nov 15, 10	-2 000	15.399	-3,079.90	1,787.500	17 875	-3,575 00	-495.10	ST

Your total assets

		Value on Dec 31 ($)	Percentage of your account	Cost basis ($)	Estimated annual income ($)	Unrealized gain or loss ($)
Cash	**Cash and money balances**	**3,687.15**	**0.37%**	**3,687.15**		
Equities	Common stock	996,740 50		734,922.66	12,727 00	261,817 84
	Short options	-3,575 00		-3,079 90		-495.10
	Total equities	**993,165.50**	**99.63%**	**731,842.76**	**12,727.00**	**261,322.74**
Total		**$996,852.65**	**100.00%**	**$735,529.91**	**$12,727.00**	**$261,322.74**

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 7

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
ADRIENNE HERMES C/O PERKINSON LAW PLLC 4622 COUNTRY CLUB ROAD STE 270 WINSTON-SALEM, NC 27104	SECRETARY 1.00	0.	0.	0.
GWENDOLYN SMITH C/O PERKINSON LAW PLLC 4622 COUNTRY CLUB ROAD STE 270 WINSTON-SALEM, NC 27104	DIRECTOR 1.00	0.	0.	0.
IRMA SMART C/O PERKINSON LAW PLLC 4622 COUNTRY CLUB ROAD STE 270 WINSTON-SALEM, NC 27104	VICE PRESIDENT 1.00	0.	0.	0.
DORIS CRUMPLER C/O PERKINSON LAW PLLC 4622 COUNTRY CLUB ROAD STE 270 WINSTON-SALEM, NC 27104	DIRECTOR/PRESIDENT 1.00	0.	0.	0.
	GRAND TOTALS	0.	0.	0.

FORM 990PF, PART XV - NAME, ADDRESS AND PHONE FOR APPLICATIONS

MS. DONNIE JONES, PERKINSON LAW
4622 COUNTRY CLUB ROAD, STE 270
WINSTON-SALEM, NC 27104
336-794-6006

990PF, PART XV - FORM AND CONTENTS OF SUBMITTED APPLICATIONS

LETTER SPECIFYING REASONS FOR APPLICATION (I.E., HOW FUNDS ARE TO BE USED)

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 10

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
SEE STATEMENT 10	NONE 501(C)(3)	CHARITABLE	102,500.
		TOTAL CONTRIBUTIONS PAID	102,500.

FORM 990-PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RECIPIENT	RELATIONSHIP	GRANT PURPOSE	NFP STATUS OF RECIPIENT	AMOUNT
American Cancer Society P O Box 3907 Martinsville, VA 24115	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 300 00
American Diabetes Association 1081 Spruce Street Martinsville, VA 24112	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 1,500 00
American Red Cross-Martinsville-Henry County 1081 Spruce Street Martinsville, VA 24112	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 2,200 00
Ashville Lions Club 1301 Fanning Bridge Road Fletcher, NC 28732	None	Charitable	501 (c) (3)	$ 1,000 00
Blowing Rock Charity Horse Show PO Box 650 Blowing Rock, NC 28605	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 1,000 00
Boys and Girls Club of Martinsville-Henry County 6 East Main Street, Suite A Martinsville, VA 24112	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 3,500 00
Carlisle School-Annual Giving P O Box 5388 Martinsville, VA 24115	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 12,000.00
Christmas Cheer, Inc 4712 NW 74th Street Oklahoma City, OK 73132	None	Charitable	Section 509(a)(2)	$ 500 00
Danville Science Center P O Box 167 Danville, VA 24543	None	Charitable	509 (a) (3) Type III	$ 1,000 00
Deacon Club Wake Forest Athletic Development 499 Deacon Boulevard Winston-Salem, NC 27105	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 500 00
Duke Endowment Fund Development Office Duke University Durham, NC 27706	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 3,000 00
Duke University Iron Dukes 116 Cameron Indoor Stadium Box 90542 Durham, NC 27708	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 8,500 00
Edwards Adult Day Care Center of Martinsville & Henry County 431 Commonwealth Boulevard Martinsville VA, 24112	None	Charitable	501 (c) (3)	$ 200 00

STATEMENT 10

FORM 990-PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RECIPIENT	RELATIONSHIP	GRANT PURPOSE	NFP STATUS OF RECIPIENT	AMOUNT
Family YMCA (Martinsville/Henry County) 3 Starling Avenue Martisnville, VA 24112	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 200 00
Ferrum College Sholarship Fund Ferrum, VA 24088-9001	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 2,000 00
Fork Mountain Fire Department 2889 Fork Mountain Road Bassett, VA 24055	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 750 00
Fork Mountain Rescue Squad 2805 Virgil H Goode Highway Rocky Mount, VA 24151	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 750 00
Franklin County YMCA P O Box 720 Rocky Mount, VA 24151	None	Charitable	509(a)(2)	$ 500.00
Franklin County High School 700 Tanyard Road Rocky Mount, VA 24151	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 6,000 00
Gateway Streetscape Foundation, Inc. P O Box 7 Collinsville, VA 24078	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 200 00
Grace Network of Martinsville & Henry County, Inc P O Box 3902 Martinsville, VA 24115	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 1,000 00
Guiding Eyes for the Blind P O Box 709 Yorktown Heights, NY 10598-0709	None	Charitable	509 (a) (2)	$ 250 00
Holy Trinity Lutheran Church 1527 Church Street Extension P O Box 5184 Martinsville, VA 24115	None	Charitable	Section 170 (b) (1) (A) (i)	$ 1,000 00
Horsepower, Inc 8001 Leabourne Road Colfax, NC 27235	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 1,000 00
Kentucky State Fair World's Championship Horse Show c/o Kentucky Exposition Center, 937 Phillips Lane Louisville, KY 40209	None	Charitable	Governmental Unit	$ 2,500 00
MARC Workshop, Inc P.O Box 3749 Martinsville, VA 24115	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 1,000 00
Martinsville Area Community Foundation P O Box 1124 Martinsville, VA 24114-1124	None	Charitable	501 (c) (3)	$ 6,000 00

FORM 990-PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RECIPIENT	RELATIONSHIP	GRANT PURPOSE	NFP STATUS OF RECIPIENT	AMOUNT
Martinsville Cemetary Association P O Box 246 Martinsville, VA 24114	None	Charitable	501 (c) (13)	$ 500 00
Nash Community College Foundation, Inc P O Box 7488 Rocky Mount, NC 27804	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 1,000 00
National Cancer Institute Neuro-Oncology Branch 9030 Old Georgetown Road Bloch Building #82, Room 235 Bethesda, MD 20892	None	Charitable	Section 170 (b) (1) (A) (v)	$ 250 00
New College Foundation 29 Jones Street Martinsville, VA 24112	None	Charitable	Section 170 (b) (1) (A) (iv)	$ 2,000 00
Noble Academy 3310 Horse Pen Creek Road Greensboro, NC 27410	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 2,000 00
North Carolina Veterinary Medical Foundation, Inc 4700 Hillsborough Street Raleigh, NC 27606-1499	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 1,000 00
Patrick Henry Community College Foundation P O Box 5311 Martinsville, VA 24115	None	Charitable	Section 170 (b) (1) (A) (iv)	$ 2,500 00
Piedmont Arts Association 215 Starling Avenue Martinsville, VA 24115	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 1,500.00
Red Dog Farm 1219 NC Highway 150 W Summerfield, NC 27358	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 1,000 00
Riverwood Therapeutic Riding Center, Inc 6825 Rollingview Drive Tobaccoville, NC 27050	None	Charitable	509 (a) (2)	$ 1,000 00
Salvation Army Boys & Girls Clubs of Greensboro 1311 South Eugene Street Greensboro, NC 27406	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 1,000 00
SPCA 132 Joseph Martin Highway Martinsville, VA 24078	None	Charitable	509(a)(2)	$ 5,400 00
SPCA of the Triad P O Box 4461 Greensboro, NC 27404	None	Charitable	509(a)(2)	$ 1,000 00
St Jude's Children's Hospital 262 Danny Thomas Place Memphis, TN 38105	None	Charitable	Section 170 (b) (1) (A) (iii)	$ 2,000 00

STATEMENT 10

HERMES FAMILY FOUNDATION 51-01272567

FORM 990-PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

RECIPIENT	RELATIONSHIP	GRANT PURPOSE	NFP STATUS OF RECIPIENT	AMOUNT
The Special Children's School 4505 Shattalon Drive Winston-Salem, NC 27106	None	Charitable	509 (a) (2)	$ 2,000 00
The Summit School 2100 Reynolda Road Winston-Salem, NC 27106	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 3,500 00
University of North Carolina at Greensboro Development Office P O Box 26170 Greensboro, NC 27402-6170	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 500 00
Virginia Museum of Natural History 21 Starling Avenue Martinsville, VA 24112	None	Chartiable	Section 170 (b) (1) (A) (vi)	$ 2,000 00
Virginia Tech Atheletic Fund-Hoakie Club P O Box 10307 Blacksburg, VA 24062-0307	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 2,000 00
Wake Forest University Office of University Advancement P O Box 7227, Reynolda Station Winston-Salem, NC 27109	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 1,000 00
Wake Forest University Baptist Medical Center Office of Development & Alumni Affairs Medical Center Boulevard Winston-Salem, NC 27157	None	Charitable	509 (a) (3)-Type I	$ 8,000.00
Wake Forest University School of Law President's Club P O Box 7206, Reynolda Station Winston-Salem, NC 27109	None	Charitable	Section 170 (b) (1) (A) (ii)	$ 1,000 00
Walnut Cove Public Library P O Box 706 Walnut Cove, NC 27052	None	Charitable	Section 170 (b) (1) (A) (v)	$ 1,000 00
Walnut Cove VFD & Rescue Squad P O Box 532 Walnut Cove, NC 27052	None	Charitable	Section 170 (b) (1) (A) (vi)	$ 1,000 00
TOTAL				$ 102,500 00

STATEMENT 10

SCHEDULE D (Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

2010

Name of estate or trust: HERMES FAMILY FOUNDATION

Employer identification number: 51-0172567

Note: *Form 5227 filers need to complete **only** Parts I and II*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	2,836.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet	4	( )
5 **Net short-term gain or (loss).** Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back ▶	5	2,836.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	67,846.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet	11	( )
12 **Net long-term gain or (loss).** Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back ▶	12	67,846.

Part III Summary of Parts I and II
Caution: *Read the instructions before completing this part*

			(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
13	**Net short-term gain or (loss)**	13			2,836.
14	**Net long-term gain or (loss):**				
a	Total for year	14a			67,846.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht)	14b			
c	28% rate gain	14c			
15	**Total net gain or (loss).** Combine lines 13 and 14a ▶	15			70,682.

Note: *If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 14a and 15, column (2), are net gains, go to Part V, and* ***do not*** *complete Part IV If line 15, column (3), is a net loss, complete Part IV and the* ***Capital Loss Carryover Worksheet,*** *as necessary*

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the **smaller** of
a The loss on line 15, column (3) **or** **b** $3,000 . . . 16 ( )

Note: *If the loss on line 15, column (3), is more than $3,000,* ***or*** *if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the* ***Capital Loss Carryover Worksheet*** *on page 7 of the instructions to figure your capital loss carryover*

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22, is more than zero

Caution: *Skip this part and complete the worksheet on page 8 of the instructions if*
- *Either line 14b, col (2) or line 14c, col (2) is more than zero, or*
- *Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero*

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, **and** Form 990-T, line 34, is more than zero Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)			17			
18	Enter the **smaller** of line 14a or 15 in column (2) but not less than zero	18					
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19					
20	Add lines 18 and 19	20					
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- ▶	21					
22	Subtract line 21 from line 20 If zero or less, enter -0-			22			
23	Subtract line 22 from line 17 If zero or less, enter -0-			23			
24	Enter the **smaller** of the amount on line 17 or $2,300			24			
25	Is the amount on line 23 equal to or more than the amount on line 24? ☐ **Yes.** Skip lines 25 and 26, go to line 27 and check the "No" box ☐ **No.** Enter the amount from line 23			25			
26	Subtract line 25 from line 24			26			
27	Are the amounts on lines 22 and 26 the same? ☐ **Yes.** Skip lines 27 thru 30, go to line 31 ☐ **No.** Enter the **smaller** of line 17 or line 22			27			
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)			28			
29	Subtract line 28 from line 27			29			
30	Multiply line 29 by 15% (15)					30	
31	Figure the tax on the amount on line 23 Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)					31	
32	Add lines 30 and 31					32	
33	Figure the tax on the amount on line 17 Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)					33	
34	**Tax on all taxable income.** Enter the **smaller** of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)					34	

SCHEDULE D-1 (Form 1041)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule D (Form 1041)

▶ See instructions for Schedule D (Form 1041).
▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

OMB No 1545-0092

2010

Name of estate or trust: HERMES FAMILY FOUNDATION

Employer identification number: 51-0172567

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price (see page 4 of the instructions)	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1a UBS-SEE ATTACHED	VARIOUS	VARIOUS	107,106.	104,270.	2,836.

1b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 1b . . . . 2,836.

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side	Employer identification number

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price (see page 4 of the instructions)	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a UBS-SEE ATTACHED	VARIOUS	VARIOUS	401,285.	333,439.	67,846.
6b **Total.** Combine the amounts in column (f) Enter here and on Schedule D, line 6b					67,846.

2010 Informational Tax Statement

C36L001175-X

2010 Realized Gain/Loss Summary (Includes sale proceeds not reported on Form 1099-B)

This Realized Gain/Loss Summary is not a tax reporting document and has not been submitted to the IRS If your sale amount matches the amount on Form 1099-B, which is reported to the IRS, it is marked as such. Please rely on the confirmations previously provided to you as your official activity record.

Estimated 2010 Gain/Loss for transactions with trade dates through 12/31/10 has been incorporated into this statement. Realized gain/loss is based on the sales amount less the cost basis. Please note that gain or loss recognized on the sale or redemption of certain Structured Products may be ordinary, and not capital, gain or loss Please check with your tax advisor and/or read the tax-related disclosure materials associated with those products Note that the Original Cost Basis column is only populated for transactions of securities that have had their basis reduced due to premium amortization or increased due to OID accretion

The cost basis of the oldest security lot (first-in, first-out or FIFO method of accounting) is assigned to a sale to calculate Gain/Loss unless you identified a specific lot (a "versus purchase" or "VSP" order) when you placed your sell order. An asterisk (*) indicates a UBS Financial Services adjustment to cost basis The number "1" indicates cost basis information has been provided by a source other than UBS Financial Services Gain/Loss may not have been adjusted for all capital changes Gain/Loss values that may be subject to Wash Sale provisions are not indicated here "Earnings" in the Purchase Date column indicates the position sold was acquired on various dates through dividend reinvestment and that the Gain/Loss has been aggregated.

Cost basis for coupon tax-exempt municipal securities (including securities subject to AMT) has been adjusted for mandatory amortization of bond premium The OID amount reported on your Form 1099-OID is not adjusted for Market Discount, Acquisition Premium, or Bond Premium Therefore, the amortization and accretion adjustments used here may not be consistent with the Form 1099-OID amount because the reporting requirements are different.

Gain/Loss from short sale closings are reported as short-term regardless of the holding period of property used to close the short position. Clients should consult their tax advisors as to whether exceptions may apply in their particular case to change this classification The potential application of the "Constructive Sale" provisions (Sec.1259) for short-against-the box transactions is not considered. Clients should discuss the possible application of these provisions with their tax advisor

	Purchase	Sale	Gains	Losses	Net Gain/Loss
Short-term Gain/Loss:	$ 104,270.26	$ 107,105.76	$ 11,080.37	$ (8,244.87)	$ 2,835.50
Long-term Gain/Loss:	333,439.01	401,285.26	80,794.18	(12,947.93)	67,846.25
Sub Total:	**$ 437,709.27**	**$ 508,391.02**	**$ 91,874.55**	**$ (21,192.80)**	**$ 70,681.75**
Total:	**$ 437,709.27**	**$ 508,391.02**	**$ 91,874.55**	**$ (21,192.80)**	**$ 70,681.75**

Short-Term Gain/Loss

This section includes securities held for less than one year, and option contracts that are not reported on Form 1099-B

Security Description	Activity Type	Quantity/ Face value	Original Cost Basis	Purchase date Date Acquired	Date Sold	Sale Amount	Cost or Other Basis	Gain/Loss	Remarks	Matches 1099-B
AEROPOSTALE INC	*Trade*	600.000		05/29/09	05/19/10	16,643.59	13,759.16	2,884.43		Y

Continued on page 10

2010 Informational Tax Statement

C36L001176-X

Short-Term Gain/Loss - continued

This section includes securities held for less than one year, and option contracts that are not reported on Form 1099-B

Security Description	Activity Type	Quantity/ Face value	Original Cost Basis	Purchase date Date Acquired	Date Sold	Sale Amount	Cost or Other Basis	Gain/Loss	Remarks	Matches 1099-B
AEROPOSTALE INC	*Trade*	450.000		08/11/09	05/19/10	12,482.70	10,830.00	1,652.70		Y
	Sub-Total:	**1,050.000**				**29,126.29**	**24,589.16**	**4,537.13**		
AKAMAI TECHNOLOGIES INC	*Trade*	100.000		05/12/09	03/10/10	3,123.99	2,106.47	1,017.52		Y
AVON PRODUCTS INC	*Trade*	200.000		11/11/09	07/13/10	5,829.96	6,848.06	(1,018.10)		Y
CALL APPLE INC DUE 10/16/10 280.000 030911	*Shortcover*	(2.000)		10/11/10	09/15/10	789.98	3,362.08	(2,572.10)		
CALL APPLE INC DUE 11/20/10 290.000 030911	*Shortcover*	(2.000)		11/15/10	10/11/10	3,282.02	3,759.96	(477.94)		
CALL INTERCONTINENTALEXC DUE 10/16/10 110.000 2181L8	*Shortcover*	(1.000)		09/23/10	09/15/10	224.99	50.00	174.99		
CALL INTERCONTINENTALEXC DUE 11/20/10 125.000 2181L8	*Shortcover*	(1.000)		10/26/10	10/21/10	119.99	35.00	84.99		
CALL JOY GLOBAL INC DUE 06/19/10 55.000 2364T8	*Shortcover*	(8.000)		06/17/10	06/10/10	959.98	1,094.80	(134.82)		
CALL JOY GLOBAL INC DUE 07/17/10 55 000 2364T8	*Shortcover*	(8.000)		06/25/10	06/17/10	2,852.35	1,840.00	1,012.35		
CALL JOY GLOBAL INC DUE 10/16/10 70.000 2364T8	*Shortcover*	(8.000)		10/12/10	09/15/10	1,198.23	2,198.98	(1,000.75)		
CALL JOY GLOBAL INC DUE 11/20/10 70.000 2364T8	*Shortcover*	(8.000)		10/22/10	10/12/10	3,898.48	1,776.67	2,121.81		

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UBS Financial Services Inc.

2010 Informational Tax Statement

C36L001177-X

Short-Term Gain/Loss - continued

This section includes securities held for less than one year, and option contracts that are not reported on Form 1099-B

Security Description	Activity Type	Quantity/ Face value	Original Cost Basis	Purchase date Date Acquired	Date Sold	Sale Amount	Cost or Other Basis	Gain/Loss	Remarks	Matches 1099-B
CALL POTASH CORP SASK IN DUE 03/20/10 130.000 366242	*Expired*	(2.000)		03/22/10	03/12/10	219.99		219.99		
DREAMWORKS ANIMATION SKG CL A	*Trade*	100.000		10/16/09	03/18/10	4,130.04	3,324.01	806.03		Y
	Trade	500.000		10/16/09	08/25/10	14,842.83	16,620.05	(1,777.22)		Y
	Sub-Total:	**600.000**				**18,972.87**	**19,944.06**	**(971.19)**		
EBAY INC	*Trade*	800.000		10/16/09	04/29/10	19,276.39	19,597.28	(320.89)		Y
	Trade	300.000		03/18/10	04/29/10	7,228.65	8,171.70	(943.05)		Y
	Sub-Total:	**1,100.000**				**26,505.04**	**27,768.98**	**(1,263.94)**		
HASBRO INC	*Trade*	100.000		04/15/10	12/16/10	4,922.99	4,012.20	910.79		Y
NEXTERA ENERGY INC COM	*Trade*	100.000		05/26/10	12/16/10	5,078.61	4,883.84	194.77		Y
Total Short-Term Gain/Loss						**107,105.76**	**104,270.26**	**2,835.50**		

Long-Term Gain/Loss

This section includes securities held for more than one year, and option contracts that are not reported on Form 1099-B.

Security Description	Activity Type	Quantity/ Face value	Original Cost Basis	Purchase date Date Acquired	Date Sold	Sale Amount	Cost or Other Basis	Gain/Loss	Remarks	Matches 1099-B
ABBOTT LABS	*Trade*	400.000		02/25/08	04/15/10	20,885.17	22,145.04	(1,259.87) 1		Y
	Trade	300.000		04/08/08	04/15/10	15,663.87	16,386.90	(723 03) 1		Y
	Sub-Total:	**700.000**				**36,549.04**	**38,531.94**	**(1,982.90)**		
AKAMAI TECHNOLOGIES INC	*Trade*	300.000		05/12/09	10/15/10	14,054.75	6,319.41	7,735.34		
	Trade	100.000		05/12/09	12/16/10	5,016.51	2,106.47	2,910.04		Y
	Sub-Total:	**400.000**				**19,071.26**	**8,425.88**	**10,645.38**		
AVON PRODUCTS INC	*Trade*	700.000		11/11/09	11/18/10	20,578.23	23,968 21	(3,389.98)		Y
CHUBB CORP	*Trade*	200.000		12/12/05	01/14/10	9,940.95	9,483.65	457.30 1		Y
COLGATE PALMOLIVE CO	*Trade*	100.000		05/10/06	01/14/10	8,047.56	6,020.90	2,026.66 1		Y
	Trade	100.000		05/10/06	04/15/10	8,405.99	6,020.90	2,385.09 1		Y
	Trade	400.000		05/10/06	10/21/10	30,660 30	24,083 60	6,576 70 1		Y
	Sub-Total:	**600.000**				**47,113.85**	**36,125.40**	**10,988.45**		

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UBS Financial Services Inc.

2010 Informational Tax Statement

C36L001178-X

Long-Term Gain/Loss - continued

This section includes securities held for more than one year, and option contracts that are not reported on Form 1099-B

Security Description	Activity Type	Quantity/ Face value	Original Cost Basis	Purchase date Date Acquired	Date Sold	Sale Amount	Cost or Other Basis	Gain/Loss	Remarks	Matches 1099-B
DANAHER CORP	Trade	400.000		08/03/04	07/22/10	14,856.53	10,155.12	4,701.41 1		Y
EXXON MOBIL CORP	Trade	400.000		06/22/00	08/12/10	24,003.51	16,896.96	7,106.55 1		Y
HEWLETT PACKARD CO	Trade	400.000		10/03/06	06/22/10	18,736.18	14,250.68	4,485.50 1		Y
INTL BUSINESS MACH	Trade	100.000		11/21/06	06/03/10	12,741.33	9,320.22	3,421.11 1		Y
	Trade	100.000		11/21/06	12/16/10	14,442.87	9,320.22	5,122.65 1		Y
	Sub-Total:	**200.000**				**27,184.20**	**18,640.44**	**8,543.76**		
JOHNSON & JOHNSON COM	Trade	200.000		04/20/05	11/18/10	12,770.44	13,963.02	(1,192.58) 1		Y
	Trade	100.000		02/21/06	12/16/10	6,243.97	5,889.39	354.58 1		Y
	Sub-Total:	**300.000**				**19,014.41**	**19,852.41**	**(838.00)**		
NIKE INC CL B	Trade	300.000		04/01/05	05/26/10	21,805.55	12,426.21	9,379.34 1		Y
	Trade	100.000		09/16/05	05/26/10	7,268.52	3,973.83	3,294.69 1		Y
	Sub-Total:	**400.000**				**29,074.07**	**16,400.04**	**12,674.03**		
PEPSICO INC	Trade	100.000		09/03/02	01/14/10	6,250.15	3,877.37	2,372.78 1		Y
POTASH CORP SASK INC CANADA CAD	Trade	50.000		07/01/09	08/17/10	7,122.79	4,565.05	2,557.74		Y
	Trade	150.000		07/01/09	09/01/10	22,128.78	13,695.14	8,433.64		Y
	Sub-Total:	**200.000**				**29,251.57**	**18,260.19**	**10,991.38**		
QUALCOMM INC	Trade	400.000		09/25/07	05/26/10	14,091.56	16,122.04	(2,030.48) 1		Y
	Trade	200.000		09/25/07	06/03/10	7,313.95	8,061.02	(747.07) 1		Y
	Trade	400.000		10/16/07	06/03/10	14,627.90	16,696.92	(2,069.02) 1		Y
	Sub-Total:	**1,000.000**				**36,033.41**	**40,879.98**	**(4,846.57)**		
STRYKER CORP	Trade	400.000		02/12/09	07/22/10	18,641.07	16,885.56	1,755.51		Y
UNION PACIFIC CORP	Trade	400.000		12/23/08	01/29/10	24,319.29	18,601.74	5,717.55		Y
WAL MART STORES INC	Trade	400.000		12/23/08	06/03/10	20,667.54	22,203.44	(1,535.90)		Y
Total Long-Term Gain/Loss						**401,285.26**	**333,439.01**	**67,846.25**		

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	Employer identification number
File by the due date for filing your return See instructions	HERMES FAMILY FOUNDATION	51-0172567
	Number, street, and room or suite no. If a P.O box, see instructions. C/O VAUGHN PERKINSON EHLINGER & MOXLEY 4505 COUNTRY CLUB ROAD SUITE 210	
	City, town or post office, state, and ZIP code For a foreign address, see instructions WINSTON-SALEM, NC 27104	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . [0][4]

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 (sec 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 ▶ JOHN R. PERKINSON JR

Telephone No ▶ 336 794-6000 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 08/15 , 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	$ 744.
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	$ 2,238.
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	$ NONE

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