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

2010

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

For calendar year 2010, or tax year beginning

, and ending

G Check all that apply:

<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity	<input type="checkbox"/> Final return
<input type="checkbox"/> Amended return	<input type="checkbox"/> Address change	<input type="checkbox"/> Name change

Name of foundation

MERRILL FOUNDATION, INC.
C/O WILBERT H. SIROTA

A Employer identification number

52-1490571

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

111 SOUTH CALVERT STREET

Room/suite

2000

City or town, state, and ZIP code

BALTIMORE, MD 21202

B Telephone number

410-949-2913

H Check type of organization: Section 501(c)(3) exempt private foundation

Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year

J Accounting method: Cash Accrual

(from Part II, col. (c), line 16)

► \$ 19,342,303.

(Part I, column (d) must be on cash basis.)

C If exemption application is pending, check here ►

D 1. Foreign organizations, check here ►

2. Foreign organizations meeting the 85% test, check here and attach computation ►

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

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

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received	700,000.		N/A	
2	Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	4,066.	4,066.		STATEMENT 1
4	Dividends and interest from securities	195,227.	195,227.		STATEMENT 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	1,129,021.			
b	Gross sales price for all assets on line 6a	5,490,451.			
7	Capital gain net income (from Part IV, line 2)		1,129,021.		
8	Net short-term capital gain				
9	Income modifications				
	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
d	Other income				
12	Total. Add lines 1 through 11	2,028,314.	1,328,314.		
13	Compensation of officers, directors, trustees, etc	0.	0.		0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees	3,673.	0.		0.
b	Accounting fees	6,100.	4,575.		1,525.
c	Other professional fees	99,887.	99,684.		0.
17	Interest				
18	Taxes	26,507.	19,538.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses				
24	Total operating and administrative expenses. Add lines 13 through 23	136,167.	123,797.		1,525.
25	Contributions, gifts, grants paid	1,152,008.			1,152,008.
26	Total expenses and disbursements. Add lines 24 and 25	1,288,175.	123,797.		1,153,533.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	740,139.			
b	Net investment income (if negative, enter -0-)		1,204,517.		
c	Adjusted net income (if negative, enter -0-)			N/A	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year		
			(a) Book Value	(b) Book Value	(c) Fair Market Value	
	1	Cash - non-interest-bearing	695,892.	340,809.	340,809.	
	2	Savings and temporary cash investments				
	3	Accounts receivable ► 5,000.	5,000.	5,000.	5,000.	
		Less: allowance for doubtful accounts ►				
	4	Pledges receivable ►				
		Less: allowance for doubtful accounts ►				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons				
	7	Other notes and loans receivable ►				
		Less: allowance for doubtful accounts ►				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments - U.S. and state government obligations	STMT 8	2,398,156.	2,373,727.	2,374,478.
	b	Investments - corporate stock	STMT 9	7,916,014.	9,080,663.	12,659,103.
	c	Investments - corporate bonds				
	11	Investments - land, buildings, and equipment, basis ►				
		Less accumulated depreciation ►				
	12	Investments - mortgage loans				
	13	Investments - other	STMT 10	2,026,810.	1,981,812.	3,962,913.
	14	Land, buildings, and equipment, basis ►				
		Less accumulated depreciation ►				
	15	Other assets (describe ►)				
	16	Total assets (to be completed by all filers)		13,041,872.	13,782,011.	19,342,303.
	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				
	22	Other liabilities (describe ►)				
	23	Total liabilities (add lines 17 through 22)		0.	0.	
		Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
		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 ► <input checked="" type="checkbox"/>				
		and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds		0.	0.	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds		13,041,872.	13,782,011.	
	30	Total net assets or fund balances		13,041,872.	13,782,011.	
	31	Total liabilities and net assets/fund balances		13,041,872.	13,782,011.	

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	13,041,872.
2	Enter amount from Part I, line 27a	2	740,139.
3	Other increases not included in line 2 (itemize) ►	3	0.
4	Add lines 1, 2, and 3	4	13,782,011.
5	Decreases not included in line 2 (itemize) ►	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	13,782,011.

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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					
b	SEE ATTACHED STATEMENT				
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	5,490,451.	4,352,129.	1,129,021.		
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
(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			
a					
b					
c					
d					
e			1,129,021.		
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	1,129,021.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8			3	N/A	

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

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

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

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

 Yes No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	1,189,869.	13,664,872.	.087075
2008	1,136,350.	15,001,257.	.075750
2007	8,063,686.	22,260,691.	.362239
2006	1,594,116.	19,369,367.	.082301
2005	1,238,715.	14,969,388.	.082750

2 Total of line 1, column (d)

2 .690115

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 .138023

4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5

4 17,010,437.

5 Multiply line 4 by line 3

5 2,347,832.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 12,045.

7 Add lines 5 and 6

7 2,359,877.

8 Enter qualifying distributions from Part XII, line 4

8 1,153,533.

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.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1.	Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)	1	24,090.		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> 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, col. (b).					
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)					
3	Add lines 1 and 2					
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)					
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-					
6	Credits/Payments:					
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,300.			
b	Exempt foreign organizations - tax withheld at source	6b				
c	Tax paid with application for extension of time to file (Form 8868)	6c	23,700.			
d	Backup withholding erroneously withheld	6d				
7	Total credits and payments. Add lines 6a through 6d	7	25,000.			
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	92.			
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	818.			
11	Enter the amount of line 10 to be: Credited to 2011 estimated tax ► 818. Refunded ► 11 0.					

Part VII-A Statements Regarding Activities

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?	Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	Yes	No
	<i>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.</i>		
c	Did the foundation file Form 1120-POL for this year?	Yes	No
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?	Yes	No
	<i>If "Yes," attach a detailed description of the activities.</i>		
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? <i>If "Yes," attach a conformed copy of the changes</i>	Yes	No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	Yes	No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	Yes	No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	Yes	No
	<i>If "Yes," attach the statement required by General Instruction T.</i>		
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:	Yes	No
	• 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?		
7	Did the foundation have at least \$5,000 in assets at any time during the year?	Yes	No
	<i>If "Yes," complete Part II, col. (c), and Part XV.</i>		
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►		
	MD		
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	SEE STATEMENT 11	
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	Yes	No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	Yes	No

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Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) 11 X

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12 X

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► **N/A** 13 X

14 The books are in care of ► **WILBERT H. SIROTA, ESQ.** Telephone no. ► **410-949-2913**

Located at ► **111 SOUTH CALVERT ST., BALTIMORE, MD** ZIP+4 ► **21202**

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** **N/A**

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 Yes No 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

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)?

Organizations relying on a current notice regarding disaster assistance check here ► **N/A**

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)): 2b N/A

a At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? Yes No

If "Yes," list the years ► _____, _____, _____, _____, _____

b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) 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. ► _____, _____, _____, _____

3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? 3b 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.) 4a N/A

4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? 4b 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

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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))?
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?
- (3) Provide a grant to an individual for travel, study, or other similar purposes?
- (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)?
- (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 Yes No Yes No Yes No Yes No

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

N/A

5b



Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

 Yes No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

 Yes No

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

If "Yes" to 6b, file Form 8870

6b

X

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

 Yes No

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

N/A

7b

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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 12		0.	0.	0.

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

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

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

0

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

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

Total number of others receiving over \$50,000 for professional services

0
Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NONE	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

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

0.
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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	17,001,509.
b Average of monthly cash balances	1b	267,970.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	17,269,479.
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	17,269,479.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	259,042.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	17,010,437.
6 Minimum investment return. Enter 5% of line 5	6	850,522.

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	850,522.
2a Tax on investment income for 2010 from Part VI, line 5	2a	24,090.
b Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	24,090.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	826,432.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	826,432.
6 Deduction from distributable amount (see instructions)	6	0.
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	826,432.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	1a	1,153,533.
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1b	0.
b Program-related investments - total from Part IX-B	2	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	3a	
3 Amounts set aside for specific charitable projects that satisfy the:	3b	
a Suitability test (prior IRS approval required)	4	1,153,533.
b Cash distribution test (attach the required schedule)	5	0.
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	6	1,153,533.
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		
6 Adjusted qualifying distributions. Subtract line 5 from line 4		

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.

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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				826,432.
2 Undistributed income, if any, as of the end of 2010			0.	
a Enter amount for 2009 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005	509,516.			
b From 2006	642,260.			
c From 2007	6,990,849.			
d From 2008	393,466.			
e From 2009	511,766.			
f Total of lines 3a through e	9,047,857.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 1,153,533.			0.	
a Applied to 2009, but not more than line 2a				
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			826,432.	
e Remaining amount distributed out of corpus	327,101.			
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:	9,374,958.			
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 instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	509,516.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	8,865,442.			
10 Analysis of line 9:				
a Excess from 2006	642,260.			
b Excess from 2007	6,990,849.			
c Excess from 2008	393,466.			
d Excess from 2009	511,766.			
e Excess from 2010	327,101.			

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i> SEE ATTACHED SCHEDULE				1152008.
Total			► 3a	1152008.
<i>b Approved for future payment</i>				
NONE				
Total			► 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		(e) Related or exempt function income	
		(a) Business code	(b) 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 4,066.	
5 Net rental income or (loss) from real estate:				14 195,227.	
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 1,129,021.	
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)			0.	1,328,314.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13 1,328,314.	
(See worksheet in line 13 instructions to verify calculations.)					

Relationship of Activities to the Accomplishment of Exempt Purposes

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 TREASURY BILLS		P		
b 19000 SHS PMI GROUP		P	11/09/07	03/31/10
c 11000 SHS MGIC INVESTMENT CORP		P	11/09/07	04/12/10
d 11000 SHS PMI GROUP		P	11/09/07	04/13/10
e 4700 SHS LOWES COMPANIES		P	08/25/06	04/26/10
f 10361 SHS DISCOVERY COMM INC		P	08/10/05	09/22/10
g 5805 SHS DIRECTV COM		P	10/21/05	09/22/10
h 10922 SHS LIBERTY GLOBAL INC		P	09/09/04	09/22/10
i 22600 SHS SKF FRUEHER		P	12/04/07	12/07/10
j 6100 SHS WABCO HOLDINGS INC		P	03/17/09	12/21/10
k K-1-SECOND FIRST SAVE ASSOCIATES				
l K-1-SECOND FIRST SAVE ASSOCIATES				
m SECURITY SETTLEMENT		P		
n 13000 DISCOVERY COMM INC		P	05/11/06	11/10/10
o				

(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 2,499,856.		2,499,856.	0.
b 95,828.		259,275.	<163,447. >
c 135,371.		207,603.	<72,232. >
d 76,989.		150,106.	<73,117. >
e 133,587.		126,021.	7,566.
f 441,346.		147,101.	294,245.
g 242,624.		73,299.	169,325.
h 327,629.		192,045.	135,584.
i 641,031.		452,959.	188,072.
j 361,840.		63,905.	297,935.
k			<9. >
l			<9,292. >
m 3,875.			3,875.
n 530,475.		179,959.	350,516.
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(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	
a			0.
b			<163,447. >
c			<72,232. >
d			<73,117. >
e			7,566.
f			294,245.
g			169,325.
h			135,584.
i			188,072.
j			297,935.
k			<9. >
l			<9,292. >
m			3,875.
n			350,516.
o			

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	1,129,021.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8		3	N/A

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
FIRST MANHATTAN	128.
FIRST MANHATTAN-TREASURY BILLS	3,854.
J.P. MORGAN	33.
K-1-SECOND FIRST SAVE ASSOC. LP	51.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	4,066.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FIRST MANHATTAN	193,791.	0.	193,791.
K-1 SECOND FIRST SAVE ASSOC. LP	1,436.	0.	1,436.
TOTAL TO FM 990-PF, PART I, LN 4	195,227.	0.	195,227.

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	3,673.	0.		0.
TO FM 990-PF, PG 1, LN 16A	3,673.	0.		0.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	6,100.	4,575.		1,525.
TO FORM 990-PF, PG 1, LN 16B	6,100.	4,575.		1,525.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT ADVISORY FEES	99,388.	99,388.		0.
MISCELLANEOUS FEES	203.	0.		0.
PASSTHRU FROM FIRST SECOND SAVE, LP	296.	296.		0.
TO FORM 990-PF, PG 1, LN 16C	99,887.	99,684.		0.

FORM 990-PF	TAXES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	19,538.	19,538.		0.
EXCISE TAX ON INVESTMENT INCOME	6,969.	0.		0.
TO FORM 990-PF, PG 1, LN 18	26,507.	19,538.		0.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	8
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US TREASURY BILLS	X		2,373,727.	2,374,478.
TOTAL U.S. GOVERNMENT OBLIGATIONS			2,373,727.	2,374,478.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			2,373,727.	2,374,478.

FORM 990-PF	CORPORATE STOCK	STATEMENT	9
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
FIRST MANHATTAN - SEE SCHEDULE	9,080,663.	12,659,103.
TOTAL TO FORM 990-PF, PART II, LINE 10B	9,080,663.	12,659,103.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	10
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
FIRST HEALTH LTD	COST	1,000,000.	1,908,155.
FIRST BIOMED	COST	1,000,000.	1,997,348.
SECOND FIRST SAVE ASSOC LP	COST	<18,188. >	57,410.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,981,812.	3,962,913.

FORM 990-PF	EXPLANATION CONCERNING PART VII-A, LINE 8B	STATEMENT	11
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EXPLANATION

THE MARYLAND STATE ATTORNEY GENERAL DOES NOT REQUIRE A COPY OF FORM 990-PF FROM A FOUNDATION THAT DOES NOT SOLICIT CONTRIBUTIONS WITHIN THE STATE.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN	EXPENSE CONTRIB	ACCOUNT
ELEANOR MERRILL 312 RUGBY COVE RD. ARNOLD, MD 21012	CHAIRMAN 0.00	0.	0.	0.	0.
NANCY MERRILL 620 SW PARK AVENUE, #61 PORTLAND, OR 97205	PRESIDENT AND DIRECTOR 0.00	0.	0.	0.	0.
WIL SIROTA 111 SOUTH CALVERT STREET BALTIMORE, MD 21202	SECRETARY AND TREASURER 0.00	0.	0.	0.	0.
CATHERINE MERRILL WILLIAMS 2323 WYOMING STREET, NW WASHINGTON, DC 20008	DIRECTOR 0.00	0.	0.	0.	0.
DOUGLAS MERRILL 16 SPINNAKER LANE SHELBURNE, VT 05482	DIRECTOR 0.00	0.	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.	0.

Merrill Foundation, Inc.**EIN 52-1490571****Tax Year: December 31, 2010****Form 990PF, Attachment to Statement 9****Cost and Fair Market Value****Corporate Stocks at First Manhattan**

Shares	Name	Cost	Fair Market Value
14,100	Erste Bank Der Oesterreichisch	\$ 839,141.00	\$ 664,618.00
14,300	Reckitt Benckiser Group, PLC	224,825.00	789,074.00
8,600	Tyco Intl Ltd	307,346.00	356,384.00
24,300	Sanvik AB	311,946.00	473,996.00
22,600	SKF Frueher AB Svenska	383,663.00	644,258.00
27,000	Brookfield Asset Management Inc	536,762.00	898,830.00
11,800	Canadian Natural Res Ltd	298,238.00	524,156.00
7,100	Chubb Corporation	281,184.00	423,444.00
13,000	Discovery Communications Inc	467,851.00	476,970.00
5,000	Directv	63,134.00	199,650.00
16,900	Gilead Sciences Inc	626,249.00	612,456.00
6,600	Greif Bros Corp	363,757.00	408,540.00
20,000	Liberty Global Inc Com Ser A	420,283.00	707,600.00
4,791	Lowe's Companies Inc	127,793.00	120,162.00
10,656	MGIC Investment Corp	199,782.00	108,588.00
26,750	Nestle SA-Sponsored ADR	659,234.00	1,573,435.00
5,700	Novartis AG-Sponsored ADR	320,341.00	336,015.00
58,185	Old Republic International	994,961.00	793,066.00
10,935	PMI Group Inc	77,260.00	36,086.00
10,800	Range Res Corp	456,454.00	485,784.00
4,100	Teva Pharmaceutical Inds	195,718.00	213,733.00
12,700	Wabco Holdings Inc	133,048.00	773,811.00
15,300	Weight Watchers Intl Inc	421,254.00	573,597.00
15,000	Wells Fargo & Co	368,169.00	464,850.00
Unlocated Difference		2,270.00	
		\$ 9,080,663.00	\$ 12,659,103.00

Merrill Foundation**EIN 52-1490571****Tax Year: December 31, 2010****Part XV-Line 3 - Other Contributions, Gifts and Grants**

<u>Recipient Name and Address</u>	<u>Recipient Status</u>	<u>Purpose of Grant</u>	<u>Recipient Relationship</u>	<u>Amount</u>
Johns Hopkins University SAIS 1740 Massachusetts Ave, NW Washington, DC 20036	Charitable	Medical	None	425,000.00
Chesapeake Bay Foundation 6 Herndon Avenue Annapolis, MD 21403	Charitable	Environmental	None	250,000.00
Merrill Family Sailing Center Cornell University Ithaca, NY 14853	Charitable	Educational	None	52,758.00
Dickinson College Carlisle, PA 17013	Charitable	Educational	None	50,000.00
Cornell University 300 Daly Hall Ithaca, NY 14853	Charitable	Educational	None	42,000.00
University of Maryland Plus Merrill Presidential Scholars 1101 Main Administration Bldg College Park, MD 20742	Charitable	Educational	None	35,600.00
The Aspen Institute 1 Dupont Circle NW, #700 Washington, DC 20036	Charitable	Environmental	None	35,000.00
American Enterprise Institute 1150 Seventeenth Street, N.W. Washington, DC 20036	Charitable	Educational	None	30,000.00
The Conservation Fund 1800 N Kent St, #1120 Arlington, VA 22209	Charitable	Environmental	None	25,000.00
American Council of Trustees & Alumni 1726 M Street NW, #800 Washington, DC 20036	Charitable	Educational	None	25,000.00
Starlight Children's Foundation 2020 K Street, NW Washington, DC 20006	Charitable	Medical	None	20,000.00
The SEED Foundation 1776 Massachusetts Ave, NW, Ste 600 Washington, DC 20036	Charitable	Educational	None	20,000.00

<u>Recipient Name and Address</u>	<u>Recipient Status</u>	<u>Purpose of Grant</u>	<u>Recipient Relationship</u>	<u>Amount</u>
Anne Arundel Medical Center 2001 Medical Parkway Annapolis, MD 21401	Charitable	Medical	None	20,000.00
Ford's Theatre 511 10th Street, NW Washington, DC 20004	Charitable	Support for the Arts	None	15,000.00
The Shakespeare Theatre 450 7th Street NW Washington, DC 20004	Charitable	Support for the Arts	None	15,000.00
Teach for America DC Region 1411 K Street NW 9th and 12th Floor Washington, DC 20005	Charitable	Educational	None	10,000.00
Anne Arundel Community College 101 College Parkway Arnold, MD 21012	Charitable	Educational	None	5,000.00
Northern Virginia Community College 7630 Little River Turnpike Suite 817 Annandale, VA 22003	Charitable	Educational	None	5,000.00
Foundation for the National Archives 700 Pennsylvania Ave NW, Rm G-12 Washington, DC 20408	Charitable	Historical	None	5,000.00
The River School 4880 MacArthur Blvd, NW Washington, DC 20007	Charitable	Educational	None	5,000.00
Newseum 555 Pennsylvania Ave NW Washington, DC 20001	Charitable	Educational	None	5,000.00
Hospice of the Chesapeake 445 Defense Highway Annapolis, MD 21401	Charitable	Medical	None	5,000.00
Yellow Ribbon Fund 7200 Wisconsin Avenue, Suite 310 Bethesda, Maryland 20814	Charitable	Educational	None	5,000.00
Sibley Memorial Hospital 5255 Loughboro Road, NW Washington, D.C. 20016	Charitable	Medical	None	5,000.00
Severn School 201 Water Street Severna Park, MD 21146	Charitable	Educational	None	5,000.00

<u>Recipient Name and Address</u>	<u>Recipient Status</u>	<u>Purpose of Grant</u>	<u>Recipient Relationship</u>	<u>Amount</u>
National Gallery of Art 4th and Constitution Ave NW Washington, DC 20565	Charitable	Support for the Arts	None	5,000.00
Signature Theatre 4200 Campbell Avenue Arlington, VA 22206	Charitable	Support for the Arts	None	5,000.00
Barker Foundation 7979 Old Georgetown Rd, 1st Floor Bethesda, MD 20814	Charitable	Medical	None	5,000.00
George Washington University 2121 I Street NW Washington, DC 20052	Charitable	Educational	None	3,100.00
National Rehabilitation Hospital 102 Irving Street, NW Washington, DC 20010	Charitable	Medical	None	3,000.00
St. John's College 60 College Avenue Annapolis, MD 21401	Charitable	Educational	None	3,000.00
Woodrow Wilson Center 1300 Pennsylvania Ave NW Washington, DC 20004	Charitable	Educational	None	2,500.00
Columbia Lighthouse 1120 20th Street, NW, Suite 750 South Washington, DC 20036	Charitable	Medical	None	2,500.00
Friends of the Rappahannock P.O. Box 7254 Fredericksburg, VA 22404	Charitable	Environmental	None	2,000.00
Salvation Army 351 Hilltop Lane Annapolis, MD 21403	Charitable	Social Welfare	None	1,500.00
Anne Arundel County Public Library Found 5 Harry S Truman Parkway Annapolis, MD 21401	Charitable	Educational	None	1,500.00
Friends of Cornell Sailing Big Red Sailing Campus Road, Teagle Hall Ithaca, NY 14853	Charitable	Educational	None	1,300.00

<u>Recipient Name and Address</u>	<u>Recipient Status</u>	<u>Purpose of Grant</u>	<u>Recipient Relationship</u>	<u>Amount</u>
Green Mountain Council Camp Sunnse Boat House Fund P.O. Box 557 Waterbury, VT 05676-0557	Charitable	Educational	None	1,000.00
Shelburne Farms 1611 Harbor Road Shelburne, VT 05482	Charitable	Environmental	None	1,000.00
YMCA Camp Letts 4003 Camp Letts Road Edgewaer, MD 21037	Charitable	Educational	None	500.00
Friends of Mitchell Park, DC 2401 Tracy Pl Nw Washington, DC 20008-1628	Charitable	Environmental	None	500.00
Philanthropy Roundtable 1150 17th Street NW Washington, DC	Charitable	Educational	None	250.00
Severn River Association 2128 Renard Street Annapolis, MD 21401	Charitable	Environmental	None	250.00
Chesapeake Bay Maritime Museum 213 N Talbot Street St. Michaels, MD 21663	Charitable	Environmental	None	250.00
Total 2010 Merrill Foundation Grants				\$ 1,154,508.00
Less Voided check to Columbia Lighthouse				(2,500.00)
				\$ 1,152,008.00