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: THE HERSON-STIRMAN FAMILY FOUNDATION, INC.

A Employer identification number: 52-2279879

Number and street (or P O box number if mail is not delivered to street address): 1704 VANDER RIDGE LANE — Room/suite:

B Telephone number (see page 10 of the instructions): (865) 588-2282

City or town, state, and ZIP code: KNOXVILLE, TN 37919

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: ☒ 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)* ▶ $ 1,949,641.

J Accounting method: ☒ 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).)*

	Line		(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 ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	23,761.	14,184.		ATCH 1
	4	Dividends and interest from securities	28,080.	27,463.		ATCH 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	26,866.			
	b	Gross sales price for all assets on line 6a 438,977.				
	7	Capital gain net income (from Part IV, line 2)		26,866.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)	767.			ATCH 3
	12	**Total.** Add lines 1 through 11	79,474.	68,513.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) ATCH 4	2,825.	0.	0.	0.
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)**	178.	178.		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule) ATCH 6	8,823.	8,823.		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	11,826.	9,001.	0.	0.
	25	Contributions, gifts, grants paid	91,000.			91,000.
	26	**Total expenses and disbursements** Add lines 24 and 25	102,826.	9,001.	0.	91,000.
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	-23,352.			
	b	**Net investment income** (if negative, enter -0-)		59,512.		
	c	**Adjusted net income** (if negative, enter -0-)				

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Part II Balance Sheets — Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets			
1 Cash - non-interest-bearing	13,094.	4,514.	4,514.
2 Savings and temporary cash investments	74,603.	61,971.	61,971.
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) **	241,485.	227,685.	235,535.
b Investments - corporate stock (attach schedule) ATCH 8	990,181.	1,058,341.	1,410,050.
c Investments - corporate bonds (attach schedule) ATCH 9	262,875.	206,375.	237,571.
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)	1,582,238.	1,558,886.	1,949,641.
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. ▶ ☒			
27 Capital stock, trust principal, or current funds			
28 Paid-in or capital surplus, or land, bldg , and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds	1,582,238.	1,558,886.	
30 **Total net assets or fund balances** (see page 17 of the instructions)	1,582,238.	1,558,886.	
31 **Total liabilities and net assets/fund balances** (see page 17 of the instructions)	1,582,238.	1,558,886.	

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	1,582,238.
2 Enter amount from Part I, line 27a	2	-23,352.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	1,558,886.
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	1,558,886.

**ATCH 7

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** 26,866.

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	80,000.	1,607,400.	0.049770
2008	100,000.	1,867,731.	0.053541
2007	122,443.	2,242,738.	0.054595
2006	105,438.	2,085,963.	0.050546
2005	105,430.	2,066,698.	0.051014

2	**Total** of line 1, column (d)	2	0.259466
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	0.051893
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,846,893.
5	Multiply line 4 by line 3	5	95,841.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	595.
7	Add lines 5 and 6	7	96,436.
8	Enter qualifying distributions from Part XII, line 4	8	91,000.

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	1,190.
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	1,190.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	1,190.
6	Credits/Payments.		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a		
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	0.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8	29.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	1,219.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	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		X
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) ▶ ________			
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)*

			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 ▶ N/A

14 The books are in care of ▶ THE HERSON-STIRMAN FAMILY FDN Telephone no ▶ 865-588-2282

Located at ▶ 1704 VANDER RIDGE LANE KNOXVILLE, TN ZIP + 4 ▶ 37919

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

			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		
	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.		Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
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		X
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 [ ] No [X]	
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	Yes [ ] No [X]	
(3) Provide a grant to an individual for travel, study, or other similar purposes?	Yes [ ] No [X]	
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)	Yes [ ] No [X]	
(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 [X]	
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 ▶ [ ]		
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 [X]	
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 [X]	
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**	X
If "Yes" to 6b, file Form 8870		
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	Yes [ ] No [X]	
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**	X

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 10		-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
NONE		
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 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
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	1,865,217.
b	Average of monthly cash balances	1b	9,801.
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	1,875,018.
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	1,875,018.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	28,125.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,846,893.
6	**Minimum investment return.** Enter 5% of line 5	6	92,345.

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	92,345.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,190.		
b	Income tax for 2010. (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,190.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	91,155.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	91,155.
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	91,155.

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	91,000.
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	91,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	N/A
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	91,000.

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

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

		(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1	Distributable amount for 2010 from Part XI, line 7				91,155.
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		0.		
3	Excess distributions carryover, if any, to 2010:				
a	From 2005 ...... 4,635.				
b	From 2006 ...... 2,264.				
c	From 2007 ...... 10,420.				
d	From 2008 ...... 6,613.				
e	From 2009				
f	**Total** of lines 3a through e	23,932.			
4	Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 91,000.				
a	Applied to 2009, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c	Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d	Applied to 2010 distributable amount				91,000.
e	Remaining amount distributed out of corpus	0.			
5	Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	155.			155.
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	23,777.			
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				
d	Subtract line 6c from line 6b. Taxable amount - see page 27 of the instructions		0.		
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)	4,480.			
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	19,297.			
10	Analysis of line 9:				
a	Excess from 2006 ... 2,264.				
b	Excess from 2007 ... 10,420.				
c	Excess from 2008 ... 6,613.				
d	Excess from 2009 ...				
e	Excess from 2010 ...				

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

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

1 Information Regarding Foundation Managers:

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

ATTACHMENT 11

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 ▶ [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see 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:

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
ATTACHMENT 12				
Total . . . . ▶ 3a				91,000.
b *Approved for future payment*				
Total . . . . ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See page 28 of the instructions)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	23,761.	
4 Dividends and interest from securities			14	28,080.	
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	26,866.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b MISC INCOME			41	767.	
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				79,474.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . . 13 79,474.

(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)

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

Carole Herron Martin 05/13/2011 Treasurer

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
Lee Isaacson	Lee Isaacson-CPA	3/8/11		P00449628
Firm's name ▶ REZNICK GROUP, P.C.			Firm's EIN ▶ 52-1088612	
Firm's address ▶ 7700 OLD GEORGETOWN ROAD, SUITE 400 BETHESDA, MD 20814-6224			Phone no 301-652-9100	

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 CAPITAL GAIN DISTRIBUTIONS					300.	
		M&T TRUST - ATTACHED					VAR	VAR
438,977.		412,411.					26,566.	
TOTAL GAIN (LOSS)							26,866.	

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
M&T INVESTMENT	8,784.	8,784.
FOREIGN INTEREST INCOME	5,400.	5,400.
TAX EXEMPT INTEREST	9,577.	
TOTAL	23,761.	14,184.

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

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
M&T INVESTMENT - ORDINARY DIVIDE	27,463.	27,463.
NONTAXABLE DIVIEND	617.	
TOTAL	28,080.	27,463.

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS
MISC INCOME		767.
	TOTALS	767.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
REZNICK GROUP TAX RETURN PREPARATION	2,825.			
TOTALS	2,825.	0.	0.	0.

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FOREIGN TAX PAID	178.	178.
TOTALS	178.	178.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
TRUSTEE FEES -	935.	935.
MANAGEMENT FEES-	7,888.	7,888.
TOTALS	8,823.	8,823.

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS

ATTACHMENT 7

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
US OBLIGATIONS TOTAL		
MUNICIPAL OBLIGATIONS	227,685.	235,535.
STATE OBLIGATIONS TOTAL	227,685.	235,535.

ATTACHMENT 8

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION		ENDING BOOK VALUE	ENDING FMV
EQUITIES		1,058,341.	1,410,050.
	TOTALS	1,058,341.	1,410,050.

ATTACHMENT 9

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
CORPORATE & FOREIGN BONDS	206,375.	237,571.
TOTALS	206,375.	237,571.

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

ATTACHMENT 10

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION
JOSEPH L HERSON C/O THE FOUNDATION	PRES/TREAS
SONIA S HERSON C/O THE FOUNDATION	VP/SEC/DIR
CAROLE H MARTIN C/O THE FOUNDATION	DIRECTOR
GAIL HERSON C/O THE FOUNDATION	DIRECTOR
LYNN H GRAD C/O THE FOUNDATION	DIRECTOR
	GRAND TOTALS

FORM 990PF, PART XV - INFORMATION REGARDING FOUNDATION MANAGERS

JOSEPH L HERSON
SONIA S HERSON

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

ATTACHMENT 12

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
VARIOUS CHARITIES-SEE ATTACHED			91,000
		TOTAL CONTRIBUTIONS PAID	91,000

PENALTY COMPUTATION DETAIL - FORM 2220

DATE PD	UNDERPAYMENT	BEG.DATE	END DATE	DAYS	%	PENALTY
QUARTER 1, RATE PERIOD 1 (05/17/2010 - 12/31/2010)						
	298.	05/17/2010	12/31/2010	228	4	7.
TOTAL TO FORM 2220, LINE 22, COLUMN A						7.
QUARTER 1, RATE PERIOD 2 (12/31/2010 - 03/31/2011)						
	298.	12/31/2010	03/31/2011	90	3	2.
TOTAL TO FORM 2220, LINE 24, COLUMN A						2.
QUARTER 1, RATE PERIOD 3 (03/31/2011 - 05/15/2011)						
	298.	03/31/2011	05/15/2011	45	4	1.
TOTAL TO FORM 2220, LINE 26, COLUMN A						1.
QUARTER 2, RATE PERIOD 1 (06/15/2010 - 12/31/2010)						
	298.	06/15/2010	12/31/2010	199	4	6.
TOTAL TO FORM 2220, LINE 22, COLUMN B						6.
QUARTER 2, RATE PERIOD 2 (12/31/2010 - 03/31/2011)						
	298.	12/31/2010	03/31/2011	90	3	2.
TOTAL TO FORM 2220, LINE 24, COLUMN B						2.
QUARTER 2, RATE PERIOD 3 (03/31/2011 - 05/15/2011)						
	298.	03/31/2011	05/15/2011	45	4	1.
TOTAL TO FORM 2220, LINE 26, COLUMN B						1.
QUARTER 3, RATE PERIOD 1 (09/15/2010 -12/31/2010)						
	298.	09/15/2010	12/31/2010	107	4	3.
TOTAL TO FORM 2220, LINE 22, COLUMN C						3.
QUARTER 3, RATE PERIOD 2 (12/31/2010 - 03/31/2011)						
	298.	12/31/2010	03/31/2011	90	3	2.
TOTAL TO FORM 2220, LINE 24, COLUMN C						2.
QUARTER 3, RATE PERIOD 3 (03/31/2011 - 05/15/2011)						
	298.	03/31/2011	05/15/2011	45	4	1.
TOTAL TO FORM 2220, LINE 26, COLUMN C						1.
QUARTER 4, RATE PERIOD 1 (12/15/2010 - 12/31/2010)						
	296.	12/15/2010	12/31/2010	16	4	1.
TOTAL TO FORM 2220, LINE 22, COLUMN D						

PENALTY COMPUTATION DETAIL - FORM 2220

DATE PD	UNDERPAYMENT	BEG.DATE	END DATE	DAYS	%	PENALTY
						1.
QUARTER 4, RATE PERIOD 2 (12/31/2010 - 03/31/2011)						
	296.	12/31/2010	03/31/2011	90	3	2.
TOTAL TO FORM 2220, LINE 24, COLUMN D						2.
QUARTER 4, RATE PERIOD 3 (03/31/2011 - 05/15/2011)						
	296.	03/31/2011	05/15/2011	45	4	1.
TOTAL TO FORM 2220, LINE 26, COLUMN D						1.

TOTAL UNDERPAYMENT PENALTY 29.

2010 Tax Information Statement

Account Number: 77312
Recipient's Tax ID Number: XX-XXX9879
Payer's Federal ID Number: 16-0538020
Questions? (716)842-5682

☐ Corrected ☐ 2nd TIN notice

Payer's Name and Address:
MANUFACTURERS AND TRADERS TRUST COMPANY
PO BOX 1596
BALTIMORE, MD 21203

Recipient's Name and Address:
HERSON-STIRMAN FAMILY FOUNDATION
C/O CAROLE H MARTIN
1704 VANDER RIDGE LANE
KNOXVILLE, TN 37919

2010 Form 1099-B: Proceeds from Broker and Barter Exchange Transactions

OMB No. 1545-0715

Reported to the IRS are Gross Proceeds less commissions and option premiums.

Number of shares	CUSIP (Box 1b)	Description (Box 7)	Date Acquired	Date of Sale (Box 1a)	Stocks Bonds, etc. (Box 2)	Cost or other Basis	Net Gain or Loss	Federal Income Tax Withheld (Box 4)
Long Term 15% Sales Reported on 1099-B								
10000.0000	45505LSY5	INDIANA ST HFA 5.000% 1/01/34	10/20/2008	01/01/2010	10,000.00	9,200.00	800.00	0.00
3000.0000	338494107	FLANDERS CORPORATION	VARIOUS	01/13/2010	11,006.56	26,251.95	-15,245.39	0.00
50000.0000	40429XBA3	HSBC FINANCE CORP 3.080% 2/10/10	02/07/2005	02/10/2010	50,000.00	50,000.00	0.00	0.00
100.0000	760975102	RESEARCH IN MOTION LIMITED	09/22/2006	03/01/2010	7,091.05	2,879.50	4,211.55	0.00
50000.0000	35671DAT2	FREEPORT-MCMORAN 3.88125% 4/01/15	03/04/2009	04/01/2010	50,500.00	35,375.00	15,125.00	0.00
1100.0000	G47791101	INGERSOLL-RAND PUBLIC LTD CO	06/13/2006	05/18/2010	41,610.31	41,585.50	24.81	0.00
1000.0000	98385X106	XTO ENERGY INC COM	07/22/2008	06/11/2010	43,369.26	53,369.60	-10,000.34	0.00
600.0000	98956P102	ZIMMER HOLDINGS INCORPORATED	VARIOUS	06/11/2010	32,136.65	28,458.89	3,677.76	0.00
100.0000	037833100	APPLE COMPUTER INCORPORATED	04/04/2006	06/17/2010	27,110.74	6,141.59	20,969.15	0.00
900.0000	760975102	RESEARCH IN MOTION LIMITED	09/22/2006	06/28/2010	46,840.43	25,915.50	20,924.93	0.00
10000.0000	130570CG7	CALIFORNIA REFA COP 5.170% 7/01/13	09/05/2003	07/01/2010	10,000.00	10,000.00	0.00	0.00
5000.0000	45505LSY5	INDIANA ST HFA 5.000% 1/01/34	10/20/2008	07/01/2010	5,000.00	4,600.00	400.00	0.00
2000.0000	86768K106	SUNRISE SENIOR LIVING INC	06/04/2008	08/10/2010	5,968.90	52,725.20	-46,756.30	0.00
15000.0000	56040PAP3	MAINE ELA 4.950% 12/01/14	05/21/2009	09/03/2010	15,000.00	15,000.00	0.00	0.00
50.0000	037833100	APPLE COMPUTER INCORPORATED	04/04/2006	09/27/2010	14,627.15	3,070.80	11,556.35	0.00
5000.0000	56040PAP3	MAINE ELA 4.950% 12/01/14	05/21/2009	11/08/2010	5,000.00	5,000.00	0.00	0.00

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

TEP134594_53_1133 13 of 28

2010 Tax Information Statement

Account Number: 77312
Recipient's Tax ID Number: XX-XXX9879
Payer's Federal ID Number: 16-0538020
Questions? (716)842-5682

☐ Corrected ☐ 2nd TIN notice

Recipient's Name and Address:
HERSON-STIRMAN FAMILY FOUNDATION
C/O CAROLE H MARTIN
1704 VANDER RIDGE LANE
KNOXVILLE, TN 37919

Payer's Name and Address:
MANUFACTURERS AND TRADERS TRUST COMPANY
PO BOX 1596
BALTIMORE, MD 21203

Number of shares	CUSIP (Box 1b)	Description (Box 7)	Date Acquired	Date of Sale (Box 1a)	Stocks Bonds, etc. (Box 2)	Cost or other Basis	Net Gain or Loss	Federal Income Tax Withheld (Box 4)
50.0000	037833100	APPLE COMPUTER INCORPORATED	04/04/2006	12/15/2010	16,129.72	3,070.79	13,058.93	0.00
100.0000	156782104	CERNER CORPORATION	05/09/2008	12/15/2010	9,358.61	4,612.25	4,746.36	0.00
100.0000	166764100	CHEVRONTEXACO CORPORATION	05/31/2005	12/15/2010	8,854.05	5,469.00	3,385.05	0.00
200.0000	50540R409	LABORATORY CORPORATION OF AMER HLDGS	10/10/2002	12/15/2010	17,306.50	4,114.44	13,192.06	0.00
135.0000	742718109	PROCTOR & GAMBLE CORPORATION	04/25/2001	12/15/2010	8,575.32	3,684.46	4,890.86	0.00
1000.0000	Y2693R101	GENERAL MARITIME CORP	12/22/2004	12/15/2010	3,491.94	21,886.56	-18,394.62	0.00
Total Long Term 15% Sales Reported on 1099-B					438,977.19	412,411.03	26,566.16	0.00

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

The Herson-Stirman Family Foundation, Inc
EIN#: 52-2279879
Grants and Contributions paid in 2010

CHARITY	Check#	2010 DONATION	ADDRESS	PHONE	WEBSITE
Afghan Dental Relief Project, Inc	1255	$ 5,000	P.O.Box 734, Santa Barbara, CA 93102-0734	805-963-2329	www adrpinc org
Haitian Medical Clinic	1256	5,000	c/o Mercy Health Partners Foundation	865-549-2658	www chadasha org
American Jewish World Service	1001	5,000	45 West 36th St, New York, NY 10018	212-736-2597	www ajws org
California Association of Food Banks	1002	5,000	1624 Franklin Street, Suite 722, Oakland, CA 94612	510-272-4435	www.cafoodbanks org
Capital Area Foodbank	1003	5,000	645 Taylor St, NE, Washington, DC 20017	202-526-5344	www.capitalareafoodbank org
Communities in Schools-Dallas	1005	3,000	8700 N. Stemmons Fwy, Suite 125, Dallas, TX 75247	214-827-0955	www cisdallas.org
Dallas SPCA	1006	1,000	2400 Lone Star Drive, Dallas, TX 75212	214-742-7722	www spca.org
Fisher House Foundation	1007	2,000	111 Rockville Pike, Suite 420, Rockville, MD 20850	301-294-8560	www fisherhouse org
FirstBook	1008	1,000	1319 F Street, NW, Suite 1000, Washington, DC 20004	202-393-1222	www.firstbook org
Friends of the Israeli Defense Forces	1009	10,000	350 Fifth Avenue, Suite 2011, New York, NY 10118	212-244-3118	www israelsoldiers org
Friends of United Hatzalah/Batya	1010	10,000	208 East 51st Street, Suite 303, NY, NY 10022	646-833-7108	www.israelrescue org
Great Starts	1011	1,000	Child & Family TN,3006 Lake Brook,Knoxville,TN 37909	865-246-1100	www child-family org
Heska Amuna Synagogue	1012	1,000	3811 Kingston Pike, Knoxville, TN 37919	865-522-0701	www.heskaamuna org
Home of the Sparrow	1013	2,000	969 E. Swedesford Rd, Exton, PA 19341	610-647-4940	www.homeofthesparrow org
International Rescue Committee	1014	7,500	PO Box 98152, Washington, DC 20090-8152	212-551-2905	www theIRC org
Israeli Guide Dogs for the Blind	1015	5,000	732 S Settlers Circle, Warrenton, PA 18976	267-927-0205	http.//israelguidedog.org
Knoxville Museum of Art	1016	2,500	1050 World's Fair Park Dr, Knoxville, TN 37916	865-525-6101	www knoxart.org
Montgomery College Foundation	1017	5,000	900 Hungerford Dr, Suite 200, Rockville, MD 20850	301-279-5310	www montgomerycollege edu
Natural Resources Defense Council	1018	10,000	40 W 20th Ave, New York, NY 10011	212-727-2700	www nrdc org
Philadbundance	1019	5,000	3616 South Galloway St, Philadelphia, PA 19148	215-339-0900	www philabundance.org
Total		$ 91,000			

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: THE HERSON-STIRMAN FAMILY FOUNDATION, INC.

Employer identification number: 52-2279879

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 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	

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	26,566.
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	300.
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	26,866.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041. **Schedule D (Form 1041) 2010**

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			
14	**Net long-term gain or (loss):**				
a	Total for year	14a			26,866.
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			26,866.

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	

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

THE HERSON-STIRMAN FAMILY

Employer identification number

52-2279879

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	M&T TRUST - ATTACHED			438,977.	412,411.	26,566.
6b	**Total.** Combine the amounts in column (f). Enter here and on Schedule D, line 6b					26,566.