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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: Initial return Initial return of a former public charity Final return
 Amended return Address change Name change

Name of foundation

FATHERREE FOUNDATION

A Employer identification number

54-6087147

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

Room/suite

C/O ANNE W. KENNY 206 GUN CLUB ROAD

City or town, state, and ZIP code

RICHMOND, VA 23221

B Telephone number

(804) 359-5863

H Check type of organization: Section 501(c)(3) exempt private foundationC 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 ► I Fair market value of all assets at end of year (from Part II, col. (c), line 16) J Accounting method: Cash Accrual
(Other (specify) _____)E If private foundation status was terminated under section 507(b)(1)(A), check here ► F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► Part I Analysis of Revenue and Expenses
(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

(a) Revenue and expenses per books (b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

Revenue	1 Contributions, gifts, grants, etc., received			
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B Interest on savings and temporary cash investments	31.	31.	STATEMENT 1
	4 Dividends and interest from securities	37,676.	37,676.	STATEMENT 2
	5a Gross rents			
	b Net rental income or (loss)			
	6a Net gain or (loss) from sale of assets not on line 10 b Gross sales price for all assets on line 6a	<60,479.> 304,030.		
	7 Capital gain net income (from Part IV, line 2)		0.	
	8 Net short-term capital gain			
	9 Income modifications Gross sales less returns and allowances			
	10a			
	b Less Cost of goods sold			
	c Gross profit or (loss)			
	11 Other income	<459.>	<459.>	0. STATEMENT 3
	12 Total Add lines 1 through 11	<23,231.>	37,248.	0.
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.	0.
	14 Other employee salaries and wages 15 Pension plans, employee benefits 16a Legal fees			
	b Accounting fees	2,850.	0.	2,850.
	c Other professional fees	17,870.	17,870.	0.
	17 Interest			
	18 Taxes			
	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	20,720.	17,870.	0. 2,850.
	25 Contributions, gifts, grants paid	103,025.		103,025.
	26 Total expenses and disbursements. Add lines 24 and 25	123,745.	17,870.	0. 105,875.
	27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements b Net investment income (if negative, enter -0-) c Adjusted net income (if negative, enter -0-)	<146,976.>	19,378.	0.

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				
	2 Savings and temporary cash investments		547,461.	65,671.	65,671.
	3 Accounts receivable ►				
	Less: allowance for doubtful accounts ►				
	4 Pledges receivable ►				
	Less: allowance for doubtful accounts ►				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons				
	7 Other notes and loans receivable ►				
	Less: allowance for doubtful accounts ►				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments - U.S. and state government obligations				
	b Investments - corporate stock	STMT 6	1,530,704.	1,865,518.	2,557,182.
	c Investments - corporate bonds				
	11 Investments - land, buildings, and equipment basis ►				
	Less accumulated depreciation ►				
	12 Investments - mortgage loans				
	13 Investments - other				
	14 Land, buildings, and equipment: basis ►				
	Less accumulated depreciation ►				
	15 Other assets (describe ►	STATEMENT 7)	250.	250.	0.
	16 Total assets (to be completed by all filers)		2,078,415.	1,931,439.	2,622,853.
	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		2,083,674.	2,083,674.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds		<5,259.	<152,235.	
	30 Total net assets or fund balances		2,078,415.	1,931,439.	
	31 Total liabilities and net assets/fund balances		2,078,415.	1,931,439.	

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	2,078,415.
2 Enter amount from Part I, line 27a	2	<146,976. >
3 Other increases not included in line 2 (itemize) ►	3	0.
4 Add lines 1, 2, and 3	4	1,931,439.
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	1,931,439.

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 ATTACHED SCHEDULE		P	VARIOUS	VARIOUS
b LUCENT LITIGATION SETTLEMENT		P	VARIOUS	VARIOUS
c CENDANT LITIGATION		P	VARIOUS	10/15/10
d PASS THROUGH FROM BLACKSTONE GROUP LP		P	VARIOUS	VARIOUS
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 303,726.		364,509.	<60,783.>	
b 16.			16.	
c 250.			250.	
d 38.			38.	
e 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			<60,783.>	
b			16.	
c			250.	
d			38.	
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	<60,479.>
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	18,191.	2,124,370.	.008563
2008	127,065.	2,425,423.	.052389
2007	151,612.	2,775,279.	.054629
2006	150,585.	2,603,910.	.057830
2005	151,058.	2,562,516.	.058949

2 Total of line 1, column (d)

2 .232360

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 .046472

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

4 2,308,752.

5 Multiply line 4 by line 3

5 107,292.

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

6 194.

7 Add lines 5 and 6

7 107,486.

8 Enter qualifying distributions from Part XII, line 4

8 105,875.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1.	}	1	388.
	Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> and enter 1% of Part I, line 27b		2	0.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	388.
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3	Add lines 1 and 2		5	388.
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	613.	
b	Exempt foreign organizations - tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7	613.	
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	225.	
11	Enter the amount of line 10 to be: Credited to 2011 estimated tax ►	11	0.	

Part VII-A Statements Regarding Activities

		Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	X	
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <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>	X	
1c	Did the foundation file Form 1120-POL for this year?	X	
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ► \$ 0. (2) On foundation managers. ► \$ 0.		
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ 0.		
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	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? <i>If "Yes," attach a conformed copy of the changes</i>	X	
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	X	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	X	
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: <ul style="list-style-type: none">• By language in the governing instrument, or• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XIV</i>	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ►		
	VA		
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation</i>	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)? <i>If "Yes," complete Part XIV</i>	X	
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>	X	

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Part VII-A Statements Regarding Activities (continued)

11		X
12		X
13	X	
Website address ► N/A		
14	The books are in care of ► ANNE W. KENNY	Telephone no. ► 804-359-5863
Located at ► 206 GUN CLUB RD., RICHMOND, VA		
ZIP+4 ► 23221		
15	► 15	► N/A
16	Yes	No
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

	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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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	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?	1b	
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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.)	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. ► _____, _____, _____, _____	2b	
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	3b	
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?	4a	X
	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))?
- (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

6b

X

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

If "Yes" to 6b, file Form 8870

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

Yes No

N/A

7b

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter 0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ANNE W. KENNY 206 GUN CLUB ROAD RICHMOND, VA 23221	PRESIDENT & DIRECTOR 1.00	0.	0.	0.
ANNE B. KENNY-URBAN 29 LIBBIE AVENUE RICHMOND, VA 23226	DIRECTOR 1.00	0.	0.	0.
KATHRYN KENNY CODD 301 BROOKLINE STREET CAMBRIDGE, MA 02139	DIRECTOR 1.00	0.	0.	0.

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

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

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

►

0

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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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Amount

1 N/A	
2	

All other program-related investments. See instructions.

3	

Total. Add lines 1 through 3**0.**

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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	2,052,797.
b Average of monthly cash balances	1b	291,114.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	2,343,911.
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	2,343,911.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	35,159.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,308,752.
6 Minimum investment return. Enter 5% of line 5	6	115,438.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (i)(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	115,438.
2a Tax on investment income for 2010 from Part VI, line 5	2a	388.
b Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	388.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	115,050.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	115,050.
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	115,050.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	105,875.
b Program-related investments - total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	105,875.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	105,875.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				115,050.
2 Undistributed income, if any, as of the end of 2010			103,025.	
a Enter amount for 2009 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 105,875.			103,025.	
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				2,850.
e Remaining amount distributed out of corpus	0.			0.
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:	0.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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				112,200.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

Part XV Supplementary Information (continued)

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

Recipient	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>				
VIRGINIA MUSUEM OF FINE ARTS FOUNDATION 200 N. BOULEVARD RICHMOND, VA 23220		PUBLIC	UNRESTRICTED.	63,000.
CYSTIC FIBROSIS FOUNDATION		PUBLIC	UNRESTRICTED.	40,000.
ST. CATHERINES SCHOOL FOUNDATION 6001 GROVE AVENUE RICHMOND, VA 23226		PUBLIC	UNRESTRICTED.	25.
Total			► 3a	103,025.
<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		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	31.	
4 Dividends and interest from securities			14	37,676.	
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			14	<459.>	
8 Gain or (loss) from sales of assets other than inventory			18	<60,479.>	
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.		<23,231.>	0.
13 Total. Add line 12, columns (b), (d), and (e)			13	<23,231.>	

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

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

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
- (2) Other assets
- b Other transactions:**
 - (1) Sales of assets to a noncharitable exempt organization
 - (2) Purchases of assets from a noncharitable exempt organization
 - (3) Rental of facilities, equipment, or other assets
 - (4) Reimbursement arrangements
 - (5) Loans or loan guarantees
 - (6) Performance of services or membership or fundraising solicitations
 - c Sharing of facilities, equipment, mailing lists, other assets, or paid or

1. If the answer to any of the above is "Yes," complete the following schedule. See Part 2.

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.

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described

in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

**Sign
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

Date _____

Title

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	TRACI R. KUBE	<i>Traci R. Kube</i>	<i>4/11/2011</i>		
	Firm's name ► RSM MCGLADREY, INC. 7200 GLEN FOREST DR. STE. 200			Firm's EIN ►	
Firm's address ► RICHMOND, VA 23226			Phone no. 804-282-2121		

Fatherree Foundation**FEIN 54-6087147****Capital Gain Schedule - Form 990PF - Part IV****12/31/2010**

Description	# of shares	Date purchased	Date sold	Proceeds	Basis	Gain (loss)	
Abbott Laboratories	738	01/30/2009	11/22/2010	34,729.69	40,597.08	(5,867.39)	I
Apple	60	05/26/2009	06/29/2010	15,473.13	7,758.00	7,715.13	I
Blackstone Group LP	1,651	09/10/2009	01/25/2010	20,876.46	22,017.57	(1,141.11)	S
Blackstone Group LP	1,527	09/23/2009	01/25/2010	19,308.51	22,664.04	(3,355.53)	S
Boeing	218	06/26/2009	04/28/2010	15,704.56	9,288.85	6,415.71	S
Caterpillar Inc	85	12/17/08	04/28/2010	5,863.41	3,738.59	2,124.82	I
Colgate-Palmolive Co	200	4/15/04	09/30/2010	15,522.28	10,988.19	4,534.09	I
Covidien	1075	09/30/2009	06/29/2010	43,235.76	46,457.09	(3,221.33)	S
Intel Corp	1641	9/4/07	09/17/2010	30,686.18	43,338.81	(12,652.63)	I
Medco Health	456	05/06/2009	08/02/2010	21,692.47	20,781.33	911.14	I
Medco Health	10	05/11/2009	08/02/2010	475.71	455.17	20.54	I
Microsoft Corp	535	02/08/1999	08/12/2010	13,091.34	22,567.06	(9,475.72)	I
Penn National Gaming Inc	1,175	4/30/07	07/21/2010	28,411.22	57,064.82	(28,653.60)	I
Penn National Gaming Inc	500	7/9/08	07/21/2010	12,089.88	15,095.00	(3,005.12)	I
Transocean Ltd	366	10/13/2005	99/99/99	23,580.65	37,662.02	(14,081.37)	I
Transocean Ltd	48.000	09/16/2009	10/12/2010	2,984.59	4,034.95	(1,050.36)	I
				303,725.84	364,508.57	(60,782.73)	

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

SOURCE	AMOUNT
MONEY FUND DIVIDENDS	31.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	31.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS	37,673.	0.	37,673.
PASS THROUGH FROM PLAINS K-1	3.	0.	3.
TOTAL TO FM 990-PF, PART I, LN 4	37,676.	0.	37,676.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
BLACKSTONE GROUP LP PASS THROUGH PLAINS ALL AMERICAN PIPELINE LP	108. <567.>	108. <567.>	0. 0.
TOTAL TO FORM 990-PF, PART I, LINE 11	<459.>	<459.>	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 FEE	2,850.	0.	0.	2,850.
TO FORM 990-PF, PG 1, LN 16B	2,850.	0.	0.	2,850.

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	17,870.	17,870.	0.	0.
TO FORM 990-PF, PG 1, LN 16C	17,870.	17,870.	0.	0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	6
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
SEE ATTACHED SCHEDULE 2	1,865,518.	2,557,182.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,865,518.	2,557,182.

FORM 990-PF	OTHER ASSETS	STATEMENT	7
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DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
ORGANIZATIONAL COSTS	250.	250.	0.
TO FORM 990-PF, PART II, LINE 15	250.	250.	0.

Fatherree Foundation

Portfolio Summary

12/31/2010

FEIN: 54-6087147

Schedule 2

Quantity	Stocks	Total Cost	Market Value
229	Apple	22500.42	54,512.64
3320	Bank of America	44,947.16	44,288.80
1050	Berkshire Hathaway	37,494.11	84,115.50
695	Boeing	30,996.27	45,355.70
1174	Carmax	8,391.99	37,427.12
908	Caterpillar Inc	39,769.27	85,043.28
675	Chevron Corp	38,613.11	61,593.75
625	Colgate-Palmolive Co	39,290.82	50,231.25
575	ConocoPhilips	34,328.25	39,157.50
780	Costco	47,537.18	56,323.80
1578	Danaher Corp	43,941.42	74,434.26
950	Dominion Res Inc	27,613.74	40,584.00
650	DOW Chemical Company	22,669.35	22,191.00
2,238.00	Enterprise Partnership	71,649.56	93,123.18
917	Exxon Mobil Corp	38,371.37	67,051.04
726.00	Fiserv Inc	37364.97	42,514.56
240.00	Frontier Communication	1833.6	2,335.20
2,914.00	GE	51519.52	53,297.06
107	Google	43,159.15	63,554.79
1862	Intel Corp	39,745.26	39,157.86
750	Johnson & Johnson	21,203.81	46,387.50
1115	JP Morgan	37,511.68	47,298.30
626	Laboratory Corp.	42,569.50	55,037.92
2250	Lowes Companies Inc	58,678.40	56,430.00
197	Markel Corp	40,312.49	74,491.61
1016	Medco Health	56,212.92	62,250.32
450	Medtronic Inc	21,746.73	16,690.50
1606	Microsoft Corp	44,547.46	44,823.46
1341	National Oilwell Varco	50,865.34	90,182.25
1935	Omnicom	72,176.36	88,623.00
2569	Oracle	56,518.00	80,409.70
625	PepsiCo Inc	35,659.97	40,831.25
1191	Plains All American LP	75,588.42	74,782.89
950	Praxair Inc	28,597.37	90,696.50
798	Qualcomm Inc	35,903.76	39,493.02
600	Schlumberger	16,119.19	50,100.00
927	Target	46,471.69	55,740.51
3650	Tortoise Power and Energy	74,100.83	89,388.50
1150	T Rowe Group	46,351.33	74,221.00
137	Transocean Ltd	11,516.43	9,522.87
1200	United Parcel Service	80,841.28	87,096.00
748	United Technologies Corp	34,098.88	58,882.56
1000	Venzon Communications	30,831.33	35,780.00
1,758	Wells Fargo	49532.53	54,480.42
1,488	Ford Capital Trust II PFD	75,826.25	77,249.52
		1,865,518.47	2,557,181.89

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 8

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

ANNE W. KENNY
206 GUN CLUB ROAD
RICHMOND, VA 23221

TELEPHONE NUMBER

804-359-5863

FORM AND CONTENT OF APPLICATIONS

APPLICATIONS MUST BE IN WRITING AND INCLUDE SPECIFIC DETAILS REGARDING THE PURPOSE FOR THE REQUEST. AFTER CONSIDERATION OF THE INITIAL REQUEST, FURTHER INFORMATION MAY BE REQUESTED.

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

APPLICANTS MUST BE ORGANIZATIONS EXEMPT UNDER INTERNAL REVENUE CODE SECTION 501(C)(3).