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CHANGE OF ACCOUNTING PERIOD

Return of Private Foundation

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

OMB No 1545-0052

2010

Form 990-PF

Department of the Treasury Internal Revenue Service

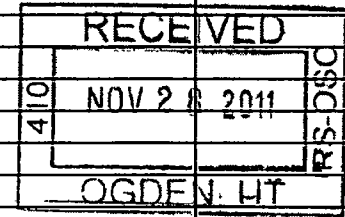
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2010, or tax year beginning MAY 1, 2010, and ending DEC 31, 2010

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 MORGAN FOUNDATION, INC. | | A Employer identification number 56-1790979 |
| Number and street (or P O box number if mail is not delivered to street address) P.O. BOX 1167 | Room/suite | B Telephone number 910-462-2016 |
| City or town, state, and ZIP code LAUREL HILL, NC 28351 | | C If exemption application is pending, check here <input type="checkbox"/> |
| H Check type of organization: <input type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input checked="" type="checkbox"/> Other taxable private foundation | | D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> |
| I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 4,458,531. | J Accounting method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input checked="" type="checkbox"/> Other (specify) MODIFIED CASH | E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> |
| | | F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |

| Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a)) | | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|--|------------------------------------|---------------------------|-------------------------|---|
| 1 Contributions, gifts, grants, etc., received | | | | N/A | |
| 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B | | | | | |
| 3 Interest on savings and temporary cash investments | | 40,780. | 40,780. | | STATEMENT 1 |
| 4 Dividends and interest from securities | | 59,034. | 59,034. | | STATEMENT 2 |
| 5a Gross rents | | | | | |
| b Net rental income or (loss) | | | | | |
| 6a Net gain or (loss) from sale of assets not on line 10 | | 113,494. | | | |
| b Gross sales price for all assets on line 6a 1,894,290. | | | | | |
| 7 Capital gain net income (from Part IV, line 2) | | | 113,494. | | |
| 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) | | | | | |
| 11 Other income | | <24.> | <24.> | | STATEMENT 3 |
| 12 Total. Add lines 1 through 11 | | 213,284. | 213,284. | | |
| 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 STMT 4 | | 3,464. | 0. | | 0. |
| c Other professional fees STMT 5 | | 26,337. | 26,337. | | 0. |
| 17 Interest | | | | | |
| 18 Taxes STMT 6 | | 1,062. | 1,062. | | 0. |
| 19 Depreciation and depletion | | | | | |
| 20 Occupancy | | | | | |
| 21 Travel, conferences, and meetings | | 1,801. | 0. | | 0. |
| 22 Printing and publications | | | | | |
| 23 Other expenses STMT 7 | | 843. | 180. | | 0. |
| 24 Total operating and administrative expenses. Add lines 13 through 23 | | 33,507. | 27,579. | | 0. |
| 25 Contributions, gifts, grants paid | | 872,311. | | | 872,311. |
| 26 Total expenses and disbursements. Add lines 24 and 25 | | 905,818. | 27,579. | | 872,311. |
| 27 Subtract line 26 from line 12: | | | | | |
| a Excess of revenue over expenses and disbursements | | <692,534.> | | | |
| b Net investment income (if negative, enter -0-) | | | 185,705. | | |
| c Adjusted net income (if negative, enter -0-) | | | | N/A | |



SCANNED NOV 30 2011

GK 15

| 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 | | |
| Assets | 1 | Cash - non-interest-bearing | | 2,582. | | |
| | 2 | Savings and temporary cash investments | | | 93,020. | 93,020. |
| | 3 | Accounts receivable ▶ | 5,993. | | | |
| | | Less: allowance for doubtful accounts ▶ | | 5,461. | 5,993. | 5,993. |
| | 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 | | 308. | 560. | 560. |
| | 10a | Investments - U.S. and state government obligations STMT 8 | | 623,544. | 481,301. | 515,764. |
| | b | Investments - corporate stock STMT 9 | | 3,333,130. | 2,541,810. | 3,035,460. |
| | c | Investments - corporate bonds STMT 10 | | 375,639. | 524,703. | 557,734. |
| 11 | Investments - land, buildings, and equipment basis ▶ | | | | | |
| | Less: accumulated depreciation ▶ | | | | | |
| 12 | Investments - mortgage loans | | | | | |
| 13 | Investments - other STMT 11 | | 250,000. | 250,000. | 250,000. | |
| 14 | Land, buildings, and equipment basis ▶ | | | | | |
| | Less: accumulated depreciation ▶ | | | | | |
| 15 | Other assets (describe ▶) | | | | | |
| 16 | Total assets (to be completed by all filers) | | 4,590,664. | 3,897,387. | 4,458,531. | |
| 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 | | | | |
| | 22 | Other liabilities (describe ▶) | | | | |
| 23 | Total liabilities (add lines 17 through 22) | | 0. | 0. | | |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here ▶ <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 | | 6,813,958. | 6,813,958. | | |
| 28 | Paid-in or capital surplus, or land, bldg., and equipment fund | | 0. | 0. | | |
| 29 | Retained earnings, accumulated income, endowment, or other funds | | <2,223,294.> | <2,916,571.> | | |
| 30 | Total net assets or fund balances | | 4,590,664. | 3,897,387. | | |
| 31 | Total liabilities and net assets/fund balances | | 4,590,664. | 3,897,387. | | |

Part III Analysis of Changes in Net Assets or Fund Balances

| | | | |
|---|--|---|------------|
| 1 | Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) | 1 | 4,590,664. |
| 2 | Enter amount from Part I, line 27a | 2 | <692,534.> |
| 3 | Other increases not included in line 2 (itemize) ▶ | 3 | 0. |
| 4 | Add lines 1, 2, and 3 | 4 | 3,898,130. |
| 5 | Decreases not included in line 2 (itemize) ▶ PRIOR PERIOD ADJUSTMENT | 5 | 743. |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 | 6 | 3,897,387. |

Part IV Capital Gains and Losses for Tax on Investment Income

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.) | (b) How acquired P - Purchase D - Donation | (c) Date acquired (mo., day, yr.) | (d) Date sold (mo., day, yr.) |
|--|--|--------------------------------------|----------------------------------|
| 1a | | | |
| b | SEE ATTACHED STATEMENTS | | |
| 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 | 1,894,290. | 1,780,796. | 113,494. |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) |
|---|-----------------------------------|--|---|
| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | |
| a | | | |
| b | | | |
| c | | | |
| d | | | |
| e | | | 113,494. |

| | | | |
|---|---|---|----------|
| 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 | 113,494. |
| 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 | 789,043. | 4,959,534. | .159096 |
| 2008 | 810,959. | 5,726,380. | .141618 |
| 2007 | 875,955. | 3,189,675. | .274622 |
| 2006 | 739,149. | 4,817,415. | .153433 |
| 2005 | 741,403. | 8,359,208. | .088693 |

| | | |
|---|---|------------|
| 2 Total of line 1, column (d) | 2 | .817462 |
| 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 | .163492 |
| 4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 | 4 | 4,471,844. |
| 5 Multiply line 4 by line 3 | 5 | 731,111. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 1,857. |
| 7 Add lines 5 and 6 | 7 | 732,968. |
| 8 Enter qualifying distributions from Part XII, line 4 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. | 8 | 872,311. |

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

| | | | |
|----|---|----|--------|
| 1a | Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions) | | |
| b | Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b | 1 | 1,857. |
| 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 | 0. |
| 3 | Add lines 1 and 2 | 3 | 1,857. |
| 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 | 1,857. |
| 6 | Credits/Payments: | | |
| a | 2010 estimated tax payments and 2009 overpayment credited to 2010 | 6a | 560. |
| b | Exempt foreign organizations - tax withheld at source | 6b | |
| c | Tax paid with application for extension of time to file (Form 8868) | 6c | 1,500. |
| d | Backup withholding erroneously withheld | 6d | |
| 7 | Total credits and payments. Add lines 6a through 6d | 7 | 2,060. |
| 8 | Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached | 8 | 9. |
| 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 | 194. |
| 11 | Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> 194. Refunded <input checked="" type="checkbox"/> | 11 | 0. |

Part VII-A Statements Regarding Activities

| | Yes | No |
|----|-----|----|
| 1a | | X |
| 1b | | X |
| c | | X |
| d | | |
| e | | |
| 2 | | X |
| 3 | | X |
| 4a | | X |
| 4b | | |
| 5 | | X |
| 6 | X | |
| 7 | X | |
| 8a | | |
| 8b | X | |
| 9 | | X |
| 10 | | X |

N/A

Part VII-A Statements Regarding Activities (continued)

| | | | | |
|----|--|---|-----|----|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) | | | X |
| 12 | Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? | | | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A | X | | |
| 14 | The books are in care of ▶ JAMES L. MORGAN, JR. Telephone no. ▶ 910-462-2016 Located at ▶ PO BOX 1167, LAUREL HILL, NC ZIP+4 ▶ 28351 | | | |
| 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 ▶ | | N/A | |
| 16 | At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? 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 ▶ | | Yes | No |
| | | | | X |

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? <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 | 1b | |
| 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? <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 | 2b | |
| c | If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ | | |
| 3a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <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 | 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

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d). N/A

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

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 |
|---|---|---|---|---------------------------------------|
| JAMES L. MORGAN, JR. PO BOX 1167 LAUREL HILL, NC 28351 | CHAIRMAN, PRESIDENT & DIRECTOR | 0.00 | 0. | 0. |
| ELIZABETH E. MORGAN PO BOX 1167 LAUREL HILL, NC 28351 | VICE PRESIDENT & DIRECTOR | 0.00 | 0. | 0. |
| TAMMY C. IVEY PO BOX 1167 LAUREL HILL, NC 28351 | SECRETARY & TREASURER | 0.00 | 0. | 0. |
| SUSAN M. FARRELL 1620 S. MAIN STREET, SUITE 64 LAURINBURG, NC 28352 | DIRECTOR | 0.00 | 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

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 EDUCATION - 4 INSTITUTIONS 83.72% | |
| 2 COMMUNITY - 9 ORGANIZATIONS 15.14% | 730,311. |
| 3 RELIGION - 1 ORGANIZATIONS 1.14% | 132,000. |
| 4 | 10,000. |

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 | |
| 3 All other program-related investments. See instructions. | |
| Total. Add lines 1 through 3 ▶ | 0. |

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

| | | | |
|---|---|----|------------|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes: | | |
| a | Average monthly fair market value of securities | 1a | 4,510,803. |
| b | Average of monthly cash balances | 1b | 20,019. |
| c | Fair market value of all other assets | 1c | 9,121. |
| d | Total (add lines 1a, b, and c) | 1d | 4,539,943. |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1e | 0. |
| 2 | Acquisition indebtedness applicable to line 1 assets | 2 | 0. |
| 3 | Subtract line 2 from line 1d | 3 | 4,539,943. |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) | 4 | 68,099. |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 4,471,844. |
| 6 | Minimum investment return. Enter 5% of line 5 ADJUSTED FOR SHORT TAX PERIOD | 6 | 150,084. |

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

| | | | |
|----|--|----|----------|
| 1 | Minimum investment return from Part X, line 6 | 1 | 150,084. |
| 2a | Tax on investment income for 2010 from Part VI, line 5 | 2a | 1,857. |
| b | Income tax for 2010. (This does not include the tax from Part VI.) | 2b | |
| c | Add lines 2a and 2b | 2c | 1,857. |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 148,227. |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | 0. |
| 5 | Add lines 3 and 4 | 5 | 148,227. |
| 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 | 148,227. |

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 | 872,311. |
| 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 | 872,311. |
| 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 | 1,857. |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 870,454. |

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 | | | | 148,227. |
| 2 Undistributed income, if any, as of the end of 2010 | | | | |
| a Enter amount for 2009 only | | | 0. | |
| b Total for prior years: | | 0. | | |
| 3 Excess distributions carryover, if any, to 2010: | | | | |
| a From 2005 | 326,890. | | | |
| b From 2006 | 502,284. | | | |
| c From 2007 | 720,513. | | | |
| d From 2008 | 527,404. | | | |
| e From 2009 | 543,250. | | | |
| f Total of lines 3a through e | 2,620,341. | | | |
| 4 Qualifying distributions for 2010 from Part XII, line 4: ▶ \$ 872,311. | | | | |
| a Applied to 2009, but not more than line 2a | | | 0. | |
| 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 | | | | 148,227. |
| e Remaining amount distributed out of corpus | 724,084. | | | |
| 5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a)) | 0. | | | 0. |
| 6 Enter the net total of each column as indicated below: | 3,344,425. | | | |
| 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 | | | | 0. |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) | 0. | | | |
| 8 Excess distributions carryover from 2005 not applied on line 5 or line 7 | 326,890. | | | |
| 9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a | 3,017,535. | | | |
| 10 Analysis of line 9: | | | | |
| a Excess from 2006 | 502,284. | | | |
| b Excess from 2007 | 720,513. | | | |
| c Excess from 2008 | 527,404. | | | |
| d Excess from 2009 | 543,250. | | | |
| e Excess from 2010 | 724,084. | | | |

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 |
| Name and address (home or business) | | | | |
| a Paid during the year | | | | |
| SEE STATEMENT ATTACHED | | CHARITY | SEE STATEMENT ATTACHED | 872,311. |
| Total | | | ▶ 3a | 872,311. |
| b Approved for future payment | | | | |
| SEE STATEMENT ATTACHED | | | | 1,175,000. |
| Total | | | ▶ 3b | 1,175,000. |

THE MORGAN FOUNDATION, INC.

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 FRANKLIN STREET TRUST | P | VARIOUS | VARIOUS |
| b FRANKLIN STREET TRUST | P | VARIOUS | VARIOUS |
| c MERRILL LYNCH #788-02063 | P | VARIOUS | VARIOUS |
| d MERRILL LYNCH #788-02063 | P | VARIOUS | VARIOUS |
| e MERRILL LYNCH #788-02056 | P | VARIOUS | VARIOUS |
| f MERRILL LYNCH #788-02056 | P | VARIOUS | VARIOUS |
| g MERRILL LYNCH #788-02058 | P | 07/01/09 | 10/11/10 |
| h MERRILL LYNCH #788-02060 | P | VARIOUS | VARIOUS |
| i MERRILL LYNCH #788-02060 | P | 06/09/09 | VARIOUS |
| j WELLS FARGO | P | VARIOUS | VARIOUS |
| k FIDUCIARY TRUST COMPANY INTL | P | 05/11/10 | 11/26/10 |
| l FIDUCIARY TRUST COMPANY INTL | P | VARIOUS | VARIOUS |
| m CASH IN LIEU | P | VARIOUS | VARIOUS |
| n 1000 SHARES COPANO ENERGY LLC | P | 07/01/09 | 08/03/10 |
| o 800 SHARES PLAINS ALL AMERICAN PIPELINE LP | P | 07/01/09 | 08/03/10 |

| (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 180,111. | | 191,917. | <11,806.> |
| b 276,981. | | 249,549. | 27,432. |
| c 474. | | 421. | 53. |
| d 10,401. | | 10,440. | <39.> |
| e 61,942. | | 59,487. | 2,455. |
| f 64,737. | | 60,980. | 3,757. |
| g 21,037. | | 25,836. | <4,799.> |
| h 264,946. | | 223,824. | 41,122. |
| i 2,978. | | 556. | 2,422. |
| j 92,616. | | 94,961. | <2,345.> |
| k 25,000. | | 24,625. | 375. |
| l 773,939. | | 778,880. | <4,941.> |
| m 25. | | | 25. |
| n 28,009. | | 9,622. | 18,387. |
| o 49,287. | | 30,189. | 19,098. |

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-") |
|---------------------------|--------------------------------------|---|---|
| a | | | <11,806.> |
| b | | | 27,432. |
| c | | | 53. |
| d | | | <39.> |
| e | | | 2,455. |
| f | | | 3,757. |
| g | | | <4,799.> |
| h | | | 41,122. |
| i | | | 2,422. |
| j | | | <2,345.> |
| k | | | 375. |
| l | | | <4,941.> |
| m | | | 25. |
| n | | | 18,387. |
| o | | | 19,098. |

| | |
|---|---|
| 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 |
| 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 |

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 1200 SHARES MARKWEST ENERGY PARTNERS LP | P | 07/01/09 | 08/03/10 |
| b | | | |
| c | | | |
| d | | | |
| e | | | |
| f | | | |
| g | | | |
| h | | | |
| i | | | |
| j | | | |
| k | | | |
| l | | | |
| m | | | |
| n | | | |
| o | | | |

| (e) Gross sales price | (f) Depreciation allowed (or allowable) | (g) Cost or other basis plus expense of sale | (h) Gain or (loss) (e) plus (f) minus (g) |
|-----------------------|--|---|--|
| a 41,807. | | 19,509. | 22,298. |
| b | | | |
| c | | | |
| d | | | |
| e | | | |
| f | | | |
| g | | | |
| h | | | |
| i | | | |
| j | | | |
| k | | | |
| l | | | |
| m | | | |
| n | | | |
| o | | | |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-") |
|---|--------------------------------------|---|---|
| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | |
| a | | | 22,298. |
| b | | | |
| c | | | |
| d | | | |
| e | | | |
| f | | | |
| g | | | |
| h | | | |
| i | | | |
| j | | | |
| k | | | |
| l | | | |
| m | | | |
| n | | | |
| o | | | |

| | | |
|---|---|----------|
| 2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 } | 2 | 113,494. |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6); If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 | 3 | N/A |

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

| SOURCE | AMOUNT |
|--|---------|
| FIDUCIARY TRUST COMPANY INTL | 36,272. |
| FRANKLIN STREET TRUST | 4,476. |
| MERRILL LYNCH | 29. |
| WELLS FARGO TRUST | 3. |
| TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A | 40,780. |

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

| SOURCE | GROSS AMOUNT | CAPITAL GAINS DIVIDENDS | COLUMN (A) AMOUNT |
|----------------------------------|--------------|----------------------------|----------------------|
| FIDELITY EQUITY INC | 1,441. | 0. | 1,441. |
| FIDUCIARY FINANCIAL SVCS | 31,649. | 0. | 31,649. |
| FRANKLIN STREET TRUST | 8,211. | 0. | 8,211. |
| MERRILL LYNCH | 4,441. | 0. | 4,441. |
| MERRILL LYNCH INSTITUTE | 19. | 0. | 19. |
| WELLS FARGO | 106. | 0. | 106. |
| WELLS FARGO TRUST | 13,167. | 0. | 13,167. |
| TOTAL TO FM 990-PF, PART I, LN 4 | 59,034. | 0. | 59,034. |

FORM 990-PF OTHER INCOME STATEMENT 3

| DESCRIPTION | (A) REVENUE PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME |
|---------------------------------------|-----------------------------|-----------------------------------|-------------------------------|
| CLASS ACTION PROCEEDS | 720. | 720. | |
| MISCELLANEOUS MERRILL LYNCH | <744.> | <744.> | |
| TOTAL TO FORM 990-PF, PART I, LINE 11 | <24.> | <24.> | |

| FORM 990-PF | ACCOUNTING FEES | | | STATEMENT 4 |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
| ACCOUNTING FEES | 3,464. | 0. | | 0. |
| TO FORM 990-PF, PG 1, LN 16B | 3,464. | 0. | | 0. |

| FORM 990-PF | OTHER PROFESSIONAL FEES | | | STATEMENT 5 |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
| CUSTODIAN/MANAGEMENT FEES | 26,337. | 26,337. | | 0. |
| TO FORM 990-PF, PG 1, LN 16C | 26,337. | 26,337. | | 0. |

| FORM 990-PF | TAXES | | | STATEMENT 6 |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
| FOREIGN TAXES | 1,062. | 1,062. | | 0. |
| TO FORM 990-PF, PG 1, LN 18 | 1,062. | 1,062. | | 0. |

| FORM 990-PF | OTHER EXPENSES | | | STATEMENT 7 |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
| BANK CHARGES | 180. | 180. | | 0. |
| MEALS & ENTERTAINMENT | 663. | 0. | | 0. |
| TO FORM 990-PF, PG 1, LN 23 | 843. | 180. | | 0. |

| | | | |
|-------------|--|-----------|---|
| FORM 990-PF | U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS | STATEMENT | 8 |
|-------------|--|-----------|---|

| DESCRIPTION | U.S. GOV'T | OTHER GOV'T | BOOK VALUE | FAIR MARKET VALUE |
|--|---------------|----------------|------------|----------------------|
| U.S. GOVERNMENT, AGENCIES, MORTGAGES | X | | 481,301. | 515,764. |
| TOTAL U.S. GOVERNMENT OBLIGATIONS | | | 481,301. | 515,764. |
| TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS | | | | |
| TOTAL TO FORM 990-PF, PART II, LINE 10A | | | 481,301. | 515,764. |

| | | | |
|-------------|-----------------|-----------|---|
| FORM 990-PF | CORPORATE STOCK | STATEMENT | 9 |
|-------------|-----------------|-----------|---|

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|---|------------|----------------------|
| CORPORATE STOCKS | 2,541,810. | 3,035,460. |
| TOTAL TO FORM 990-PF, PART II, LINE 10B | 2,541,810. | 3,035,460. |

| | | | |
|-------------|-----------------|-----------|----|
| FORM 990-PF | CORPORATE BONDS | STATEMENT | 10 |
|-------------|-----------------|-----------|----|

| DESCRIPTION | BOOK VALUE | FAIR MARKET VALUE |
|---|------------|----------------------|
| CORPORATE & OTHERS | 524,703. | 557,734. |
| TOTAL TO FORM 990-PF, PART II, LINE 10C | 524,703. | 557,734. |

| | | | |
|-------------|-------------------|-----------|----|
| FORM 990-PF | OTHER INVESTMENTS | STATEMENT | 11 |
|-------------|-------------------|-----------|----|

| DESCRIPTION | VALUATION METHOD | BOOK VALUE | FAIR MARKET VALUE |
|--|---------------------|------------|----------------------|
| SPORTS MENAGERIE STADIUM, LLC | COST | 250,000. | 250,000. |
| TOTAL TO FORM 990-PF, PART II, LINE 13 | | 250,000. | 250,000. |

The Morgan Foundation, Inc.
Other Investments - Securities
8 Months Ending December 31, 2010

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| | # of Shares | COST | | Market Value |
|---|----------------|------------------------|------------------------|------------------------|
| | | Beginning | Ending | |
| Stocks - Common: | | | | |
| The Morgan Company of Laurel Hill, Inc. | 129 | 11,522.00 | 11,522.00 | 138,448.00 |
| Short Term Investments: | | | | |
| Fidelity Equity Income Fund | 2,446 | 106,457.14 | 106,457.14 | 108,251.33 |
| <u>FIDUCIARY TRUST COMPANY INTERNATIONAL</u> | | | | |
| <u>Equities:</u> | | | | |
| | | <i>Settlement Date</i> | <i>Settlement Date</i> | <i>Settlement Date</i> |
| AT&T INC 6 375% PFD A | 2,000 | 50,229 16 | 50,229 16 | 53,220 00 |
| FPL Group Cap Inc 6 60% PFD Call Ser A | 2,000 | 50,594 00 | 0 00 | 0 00 |
| Public Storage PFD 7 00% Call Ser N | 2,000 | 38,049 25 | 0 00 | 0 00 |
| Wells Fargo & Co PFD 8 00% | 1,800 | 31,831 74 | 0 00 | 0 00 |
| Abbott Laboratories | 800 | 44,544 00 | 44,544 00 | 38,328 00 |
| Adobe Systems Inc | 1,000 | 43,590 40 | 0 00 | 0 00 |
| Altria Group Inc | 750 | 13,466 83 | 13,466 83 | 18,465 00 |
| Becton Dickinson & Co | 300 | 50,603 34 | 24,638 28 | 25,356 00 |
| Bill Barrett Corp Conv Sr NT Call PUT DTD 3/12/2008 5% 3/15/20128 | 25,000 | 23,000 00 | 0 00 | 0 00 |
| Celgene Corp | 550 | 25,840 16 | 0 00 | 0 00 |
| Chubb Corp | 600 | 22,640 58 | 22,640 58 | 35,784 00 |
| Cisco Systems Inc | 1,600 | 5,275 52 | 5,275 52 | 32,368 00 |
| Comcast Corp 6 625% PFD | 2,100 | 0 00 | 50,885 50 | 53,445 00 |
| ConocoPhillips | 750 | 27,515 58 | 27,515 58 | 51,075 00 |
| Corning Inc | 2,300 | 26,687 04 | 0 00 | 0 00 |
| CVS Caremark Corp | 900 | 32,407 65 | 0 00 | 0 00 |
| Danaher Corp | 500 | 24,817 60 | 0 00 | 0 00 |
| Exelon Corp | 800 | 24,148 00 | 24,148 00 | 33,312 00 |
| Exxon Mobil Corp | 600 | 9,281.13 | 9,281 13 | 43,872 00 |
| Intel Corp | 3,550 | 75,650 50 | 75,650 50 | 74,656 50 |
| Kohls Corp | 800 | 41,124 80 | 0 00 | 0 00 |
| Morgan Stanley | 1,200 | 31,166 40 | 0 00 | 0 00 |
| Nextera Energy Cap | 2,000 | 0 00 | 50,594 00 | 51,220 00 |
| Nokia Corp ADR 1 ADR REPS 1 A SH | 1,800 | 35,190 54 | 0 00 | 0 00 |
| Novartis AG Sponsored ADR | 600 | 35,175 90 | 0 00 | 0 00 |
| Nuance Communications Inc | 1,400 | 21,899 78 | 0 00 | 0 00 |
| Pepsico Inc | 600 | 26,476 00 | 26,476 00 | 39,198 00 |
| Philip Morris International Inc | 750 | 30,686 70 | 30,686.70 | 43,897 50 |
| Praxair Inc | 300 | 19,151 49 | 19,151.49 | 28,641 00 |
| Precision Castparts Corp | 200 | 21,369 28 | 21,369.28 | 27,842 00 |
| Public Service Enterprise Group Inc | 900 | 19,099 71 | 19,099.71 | 28,629 00 |
| Public Storage PFD 7 00% Call Ser N | 2,000 | 0 00 | 38,049.25 | 51,000 00 |
| Qualcomm Inc | 800 | 27,250 73 | 27,250 73 | 39,592 00 |
| Roche Holding LTD ADR | 800 | 25,340 00 | 25,340 00 | 29,320 00 |
| Schlumberger Ltd | 400 | 7,606 03 | 7,606 03 | 33,400 00 |
| Taiwan Semiconductor Mfg Co Spon ADR | 4,418 | 44,389 16 | 44,389 16 | 55,401 72 |
| Teva Pharmaceutical Inds Ltd Adr | 500 | 12,898 85 | 12,898 85 | 26,065 00 |
| TransCanada Corp | 1,100 | 37,576 77 | 37,576 77 | 41,844 00 |
| Transocean Inc | 175 | 13,338 41 | 0 00 | 0 00 |
| Trimble Navigation Ltd | 1,500 | 0 00 | 0 00 | 0 00 |
| United Technologies Corp | 600 | 18,340 00 | 18,340 00 | 47,232 00 |
| US Bancorp Del Com New | 1,350 | 19,600 52 | 0 00 | 0 00 |
| V F Corp | 275 | 18,535 39 | 18,535 39 | 23,699 50 |
| Verizon Communications | 900 | 32,324 04 | 30,319 59 | 32,202 00 |
| Visa Inc CL A | 400 | 26,147 24 | 26,147 24 | 28,152 00 |
| Wells Fargo & Co PFD 8 00% | 1,800 | 0 00 | 31,831 74 | 48,942 00 |
| Windstream Corp | 1,292 | 12,929 78 | 12,929 78 | 18,010 48 |
| Total Fiduciary Equity Holdings: | | 1,197,790 00 | 846,866 79 | 1,154,169 70 |
| <u>Cash and Cash Equivalents:</u> | | | | |
| STIP 3 US Treasury & Agency DTD 8/31/03 (MM Fund) | 68,500 | 0 00 | 10,500 00 | 10,500 00 |
| Cash | | 26,882 51 | 100,490 42 | 100,490 42 |
| | | 26,882 51 | 110,990 42 | 110,990 42 |

The Morgan Foundation, Inc.
Other Investments - Securities
8 Months Ending December 31, 2010

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| | # of | COST | | Market Value |
|---|---------|---------------------|---------------------|---------------------|
| <u>Corporate and Others:</u> | | | | |
| Apache Corp Conv Pfd 6 0% | 350 | 0 00 | 17,500 00 | 23,289 00 |
| Bill Barrett Corp Conv Sr Nt 5% 3/15/2028 | 25,000 | 0 00 | 23,000 00 | 25,812 50 |
| Ishares Iboxx & High Yield Corp Bond | 450 | 0 00 | 39,335 99 | 40,630 50 |
| Unilever Cap Corp NT 11/1/2010 - 7 125% | 75,000 | 74,328 00 | 0 00 | 0 00 |
| Cisco Sys Inc DTD 2/22/06 5 25% 2/22/2011 | 25,000 | 24,952 25 | 24,952 25 | 25,157 50 |
| Target Corp NT DTD 3/11/2002 5 875% 3/1/2012 | 45,000 | 47,259 90 | 0 00 | 0 00 |
| Household FIN Corp Nts DTD 5/22/2002 7% 5/15/2012 | 65,000 | 74,605 05 | 0 00 | 0 00 |
| General Electric Cap Corp Sr Nts DTD 1/8/2010 2 8% 1/8/2013 | 75,000 | 74,944 50 | 74,944 50 | 76,710 00 |
| United Technologies Corp NT 5/1/2015 - 4 875% | 80,000 | 79,549 60 | 79,549 60 | 88,648 00 |
| Total Fiduciary Corporate/Other Holdings: | | 375,639 30 | 259,282 34 | 280,247 50 |
| <u>U.S Government, Agencies, Mortgages:</u> | | | | |
| US Treasury BDS 2/15/2031 - 5 375% | 70,000 | 135,693 75 | 79,154 69 | 81,725 00 |
| US Treasury NTS 11/15/2014 - 4 250% | 13,000 | 12,874 06 | 12,874 06 | 14,374 14 |
| US Treasury NTS 8/15/2013 - 4 25% | 175,000 | 170,785 16 | 170,785 16 | 190,558 55 |
| Fed Natl Mtg Assn NTS 11/15/10 - 6 625% | 125,000 | 124,488 75 | 0 00 | 0 00 |
| Fed Natl Mtg Assn Mtg PL #624845 6 00% 2/1/2032 | 2,035 | 2,076 97 | 2,005 27 | 2,241 89 |
| Fed Natl Mtg Assn Mtg PL #744894 6 00% 11/1/2033 | 45,743 | 72,524 55 | 47,351 15 | 50,397 80 |
| Fed Natl Mtg Assn Mtg PL #754767 6 50% 12/1/2033 | 28,522 | 30,308 13 | 29,907 75 | 32,074 74 |
| Fed Natl Mtg Assn Mtg PL #769481 5 50% 2/1/2034 | 47,524 | 55,729 32 | 48,274 29 | 51,159 39 |
| Fed Natl Mtg Assn Mtg PL #773373 5 00% 4/1/2034 | 6,023 | 7,502 18 | 6,037 93 | 6,363 51 |
| Govt NATL MTG ASSN MTG PL# 781607 6 00% 3/15/2033 | 9,572 | 11,561 34 | 10,023 33 | 10,569 65 |
| Total Fiduciary Govt/Agency Holdings: | | 623,544 21 | 406,413 63 | 439,464 67 |
| TOTAL FIDUCIARY SECURITIES PORTFOLIO: | | 2,223,856.02 | 1,623,553.18 | 1,984,872.29 |

Franklin Street Advisors, Inc. Portfolio**Account #689205103677****Equities:**

| | | | | |
|------------------------------------|-------|-----------|-----------|-----------|
| 3M Company | 75 | 0 00 | 6,316 11 | 6,472 50 |
| Aarons Inc | 300 | 5,541 48 | 0 00 | 0 00 |
| ABB Ltd Sponsored Adr | 400 | 6,491 31 | 0 00 | 0 00 |
| Adobe Sys Inc | 300 | 12,754 77 | 10,490 33 | 9,234 00 |
| Akamai Technologies Inc | 250 | 5,729.90 | 3,494 72 | 11,762 50 |
| Allergan Inc | 25 | 0.00 | 1,542 96 | 1,716 75 |
| Alpha Natural Resources | 100 | 0 00 | 4,877 64 | 6,003 00 |
| American Express | 200 | 0.00 | 8,786 72 | 8,584 00 |
| American Superconductor Corp | 0 | 0.00 | 0 00 | 0 00 |
| Amgen Inc Com | 150 | 8,586 52 | 8,586 52 | 8,235 00 |
| Apache Corp | 100 | 0 00 | 10,370 99 | 11,923 00 |
| Apple Computer Inc | 60 | 6,368 00 | 3,820 80 | 19,353 60 |
| Bank of America Corp | 400 | 11,918 94 | 4,942 04 | 5,336 00 |
| Best Buy Company Inc | 100 | 3,949 36 | 0 00 | 0 00 |
| Blackrock Inc | 65 | 0 00 | 10,683 95 | 12,387 70 |
| Brocade Comm Sys New | 1,950 | 14,903 86 | 0 00 | 0 00 |
| Cerner Corp | 75 | 5,734 83 | 0 00 | 0 00 |
| Cisco Systems Inc | 500 | 12,080 75 | 11,869 46 | 10,115 00 |
| Coach Inc | 240 | 9,781 02 | 5,119 70 | 13,274 40 |
| Comerica Inc | 50 | 0 00 | 2,049 88 | 2,112 00 |
| Continental Resources, Inc. | 100 | 3,658 68 | 1,824 28 | 5,885 00 |
| Con-way Inc. | 150 | 5,670 00 | 0 00 | 0 00 |
| Covidien Ltd | 175 | 9,058 52 | 6,916 89 | 7,990 50 |
| Cree Research | 50 | 0 00 | 2,943 00 | 3,294 50 |
| Ctrip com Intl Adr | 150 | 0 00 | 7,279 75 | 6,067 50 |
| CVS Caremark Corporation | 150 | 5,856 80 | 0 00 | 0 00 |
| Disney (Walt) Co | 300 | 8,757 99 | 6,568 50 | 11,253 00 |
| Emerson Electric | 250 | 22,246 86 | 11,944 05 | 14,292 50 |
| Enzon Pharmaceuticals Inc | 650 | 7,188 02 | 4,805 66 | 7,904 00 |
| EOG Resources Inc | 75 | 10,154 55 | 4,977 17 | 6,855 75 |
| Fedex Corp | 100 | 0 00 | 8,332 81 | 9,301 00 |
| Flowerserve Corp | 100 | 10,007.89 | 0 00 | 0 00 |
| Freeport McMoran Copper & Gold Inc | 50 | 1,274 79 | 0 00 | 0 00 |
| General Electric | 400 | 18,857 42 | 2,753 72 | 7,316 00 |
| Gilead Sciences | 100 | 9,401.81 | 3,613 72 | 3,624 00 |
| Google Inc CL A | 35 | 19,634 73 | 19,634 73 | 20,788 95 |

The Morgan Foundation, Inc.
Other Investments - Securities
8 Months Ending December 31, 2010

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| | # of | COST | | Market Value |
|---|--------|-------------------|-------------------|-------------------|
| Halliburton Co | 250 | 0 00 | 7,768 71 | 10,207 50 |
| Helmerich & Payne Inc | 300 | 0 00 | 11,633 67 | 14,544 00 |
| Honeywell International Inc | 150 | 6,118 60 | 6,118 60 | 7,974 00 |
| Hudsoncity Bancorp Inc | 700 | 7,154 65 | 9,519 52 | 8,918 00 |
| Iberiabank Corp | 50 | 0 00 | 2,733 92 | 2,956 50 |
| Johnson Controls Inc | 450 | 11,480 88 | 12,963 27 | 17,190 00 |
| JP Morgan Chase & Co | 300 | 8,466 88 | 0 00 | 0 00 |
| Kansas City Southern Inds | 175 | 0 00 | 6,706 86 | 8,375 50 |
| Lender Processing Services Inc | 250 | 8,030 50 | 0 00 | 0 00 |
| Medco Health Solutions Inc | 150 | 4,639 73 | 6,974 42 | 9,190 50 |
| Mednax Inc | 150 | 5,660 18 | 8,093 14 | 10,093 50 |
| Monster Worldwide Inc | 450 | 12,285 19 | 6,790 76 | 10,633 50 |
| Monsanto Co | 50 | 0 00 | 3,329 78 | 3,482 00 |
| Morgan St Dean Witter Disc & Co | 350 | 10,851 55 | 0 00 | 0 00 |
| Mosaic Co | 75 | 0 00 | 4,982 43 | 5,727 00 |
| Netflix Com Inc | 20 | 2,071 92 | 828 77 | 3,514 00 |
| Nike Inc CL B | 150 | 8,812 34 | 8,812 34 | 12,813 00 |
| Nordstrom Inc | 250 | 0 00 | 9,743 60 | 10,595 00 |
| Northern Trust Corp | 100 | 0 00 | 4,973 26 | 5,541 00 |
| PNC Bk Corp Com | 100 | 0 00 | 6,144 16 | 6,072 00 |
| Pepsico Inc | 125 | 7,348 29 | 7,348 29 | 8,166 25 |
| Petrobras Petroleo Brasileiro | 300 | 12,108 72 | 0 00 | 0 00 |
| Polycom Inc | 350 | 5,606 90 | 8,960 46 | 13,643 00 |
| Qualcomm Inc | 250 | 9,768 57 | 9,768 57 | 12,372 50 |
| Rackspace Hosting Inc | 100 | 0 00 | 1,669 72 | 3,141 00 |
| Research In Motion | 275 | 2,058 40 | 15,008 09 | 15,985 75 |
| Rosetta Resources Inc | 200 | 0 00 | 4,473 90 | 7,528 00 |
| Scotts Miracle-Gro Co | 300 | 10,878 37 | 0 00 | 0 00 |
| Shaw Group Inc | 150 | 2,424 54 | 0 00 | 0 00 |
| Sherwin Williams Co | 50 | 0 00 | 3,831 17 | 4,187 50 |
| Sonic Solutions | 550 | 0 00 | 4,452 66 | 8,250 00 |
| Teva Pharmaceutical Industries LTD-ADR | 300 | 8,182 17 | 0 00 | 0 00 |
| Toreador Resources Corp | 250 | 0 00 | 3,605 13 | 3,880 00 |
| Transocean LTD | 50 | 4,366.69 | 0 00 | 0 00 |
| Unum Provident Corp | 200 | 4,651.52 | 0 00 | 0 00 |
| US Bancorp | 500 | 12,948.84 | 0 00 | 0 00 |
| United Healthcare Corp | 150 | 0 00 | 5,069 08 | 5,416 50 |
| Verifone Holdings | 150 | 0 00 | 2,808 95 | 5,784 00 |
| Vivus Inc | 600 | 5,870 74 | 5,870 74 | 5,622 00 |
| Wesco Intl Inc | 100 | 0.00 | 3,579 96 | 5,280 00 |
| Wyndham Worldwide Corp Com | 100 | 0 00 | 2,591 27 | 2,996 00 |
| Total Franklin St. Equity Holdings: | | 407,394 97 | 371,701 30 | 481,161 65 |
| Mutual Funds: | | | | |
| Dodge & Cox Intl Stock Fund | 192 | 8,000 00 | 6,125 72 | 6,853 07 |
| Harding Loevner Emerging Markets Ports | 346 | 6,000 00 | 16,030 00 | 17,941 29 |
| Matthews Pacific Tiger Fund | 319 | 6,000 00 | 0 00 | 0 00 |
| John Hancock Intl Core FD CL A | 331 | 12,000 00 | 9,101 08 | 9,643 64 |
| William Blair Funds Intl Fds | 310 | 8,000 00 | 5,725 00 | 6,783 68 |
| | | 40,000 00 | 36,981 80 | 41,221 68 |
| Natural Resource Funds: | | | | |
| PIMCO Commodity Real Return Strategy Fund CL A | 4,681 | 42,000 00 | 38,663 70 | 42,876 45 |
| Fixed Income: | | | | |
| Calamos Convertible Fund Class I | 649 | 11,075 22 | 10,317 44 | 11,949 48 |
| Fidelity Strategic Income Fund | 1,027 | 11,161 76 | 10,023 09 | 11,388 94 |
| Hotchkis and Wiley High Yield Fund A | 1,238 | 17,000 00 | 14,916 81 | 15,610 03 |
| | | 39,236 98 | 35,257 34 | 38,948 45 |
| Total Franklin St. Mutual Fund Holdings: | | 121,236 98 | 110,902 84 | 123,046 58 |
| Corporate Bonds: | | | | |
| General Elec Cap Corp Med Term NTS | 25,000 | 24,934 50 | 25,750 00 | 25,842 98 |
| Shell Intl FIN | 25,000 | 26,226 75 | 26,226 75 | 26,602 43 |
| Toyota Motor Credit Corp Mtn | 25,000 | 0 00 | 25,667 25 | 26,128 90 |
| Accrued Interest | | 0 00 | 0 00 | 443 92 |
| | | 51,161 25 | 77,644 00 | 79,018 23 |

The Morgan Foundation, Inc.
Other Investments - Securities
8 Months Ending December 31, 2010

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| | # of | COST | | Market Value |
|--|--------|-------------------|-------------------|-------------------|
| Government Agencies - FHLB: | | | | |
| FHLB 6 000% Due 06/14/17 | 25,000 | 26,404 13 | 0 00 | 0 00 |
| FHLB 4.350% Due 06/25/12 | 25,000 | 25,000 00 | 0 00 | 0 00 |
| FHLB 2 050% Due 08/10/12 | 25,000 | 25,000 00 | 25,000 00 | 25,234 72 |
| Accrued Interest | | 0 00 | 0 00 | 200 73 |
| | | <u>76,404 13</u> | <u>25,000 00</u> | <u>25,435 45</u> |
| Government Agencies - FCCB: | | | | |
| FCCB 3 230% Due 07/14/14 | 25,000 | 25,000 00 | 0 00 | 0 00 |
| FCCB 2 620% Due 06/15/15 | 25,000 | 0 00 | 25,000 00 | 25,246 93 |
| Accrued Interest | | 0 00 | 0 00 | 29 11 |
| | | <u>25,000 00</u> | <u>25,000 00</u> | <u>25,276 04</u> |
| Government Bonds: | | | | |
| US Treasury Notes 1 500% 07/15/12 | 25,000 | 24,887 70 | 24,887 70 | 25,415 05 |
| Accrued Interest | | 0 00 | 0 00 | 173 23 |
| | | <u>24,887 70</u> | <u>24,887 70</u> | <u>25,588 28</u> |
| Total Franklin St. Fixed Income: | | <u>177,453 08</u> | <u>152,531 70</u> | <u>155,317 99</u> |
| Cash: | | | | |
| SEI Daily Treasury Fund | | <u>36,852 94</u> | <u>39,181 72</u> | <u>39,181 72</u> |
| TOTAL FRANKLIN STREET PARTNERS HOLDINGS | | 742,937.97 | 674,317.56 | 798,707.94 |
| Wells Fargo Bank, N.A. Investment Manager | | | | |
| Under Agreement Dated April 24, 2006 | | | | |
| Account No: 1025871752 | | | | |
| Equities: | | | | |
| Davis New York Venture FD CL Y | 1,350 | 54,407 92 | 46,932 23 | 46,837 71 |
| ING Real Estated Fund CL I | 4,552 | 49,241 86 | 48,483 29 | 65,142 07 |
| Ishares Russell Midcap Index FD | 467 | 63,899 55 | 51,010 41 | 47,517 25 |
| Stratton FDS Inc Small Cap Yield | 648 | 38,082 78 | 30,472 12 | 32,170 78 |
| Vanguard Institutional Index FD | 500 | 63,982 00 | 63,982 00 | 57,560 78 |
| Artio International Equity II-I | 1,697 | 21,988 83 | 0 00 | 0 00 |
| Harbor International Fund Ins CL | 863 | 46,646 55 | 46,646 55 | 52,227 22 |
| Morgan Stanley Institutional Fund Inc- International Real Estate CL I (FD#1) | 685 | 17,622 16 | 17,622 16 | 12,915 15 |
| SSGA FDS Emerging Markets Fund-S | 966 | 19,686 99 | 19,686 99 | 21,881 20 |
| Total Wells Fargo Equities: | | <u>375,558 64</u> | <u>324,835 75</u> | <u>336,252 16</u> |
| Fixed Income: | | | | |
| Artio Total Return Bond FD-I | 3,939 | 65,087 07 | 50,896 61 | 52,826 90 |
| Dodge & Cox Income Fund | 3,152 | 66,960.18 | 39,212 36 | 41,702 53 |
| Pimco Total Return FD II Instl CL | 3,197 | 33,500 00 | 33,500 00 | 33,116 41 |
| Vanguard Inflation-Protected Securities FD IV CL | 2,316 | 29,533 85 | 29,533 85 | 30,112 94 |
| Evergreen International Bond FD CL I(FD#460) | 2,184 | 23,103 30 | 0 00 | 0 00 |
| Wells Fargo Advantage Intl Bond FD CL #4705 | 1,895 | 0 00 | 20,044 43 | 21,768 47 |
| Pimco Emerging Markets Bond FD Ins CL | 1,706 | 14,589 78 | 14,589 61 | 18,941 12 |
| Total Wells Fargo Fixed Income: | | <u>232,774 18</u> | <u>187,776 86</u> | <u>198,468 37</u> |
| Short - Term Reserves & Cash | | | | |
| Secured Market Deposit Account | | <u>8,048 39</u> | <u>10,103 15</u> | <u>10,103 15</u> |
| Total Wells Fargo ST Reserves & Cash: | | <u>8,048 39</u> | <u>10,103 15</u> | <u>10,103 15</u> |
| TOTAL WELLS FARGO BANK NA INVESTMENT MANAGER PORTFOLIO | | 616,381.21 | 522,715.76 | 544,823.68 |

The Morgan Foundation, Inc.
Other Investments - Securities
8 Months Ending December 31, 2010

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| | # of | COST | | Market Value |
|--|------|-----------------------------------|-------------------|------------------|
| <u>MERRILL LYNCH INVESTMENT GROUP</u> | | | | |
| Account Number: 8PW-04014 | | | | |
| <u>Cash/Money Accounts:</u> | | | | |
| Cash | | 250 90 | 356 65 | 356 65 |
| FFI Institutional Fund | | 12,403 14 | 12,422 41 | 12,422 41 |
| | | <u>12,654 04</u> | <u>12,779 06</u> | <u>12,779 06</u> |
| | | Total Cash/Money Accounts: | | |
| | | <u>12,654 04</u> | <u>12,779 06</u> | <u>12,779 06</u> |
| <u>Equities:</u> | | | | |
| Wells Fargo & Co New Del (previously Wachovia Corp New | 705 | 127,063 62 | 127,063 62 | 21,847 95 |
| | | <u>127,063 62</u> | <u>127,063 62</u> | <u>21,847 95</u> |
| | | Total ML Act# 8PW-04014: | | |
| | | <u>139,717.66</u> | <u>139,842.68</u> | <u>34,627.01</u> |

MERRILL LYNCH ENDOWMENT MANAGEMENT**ACCOUNT (EMA)**

Account Number: 788-02056

Cash/Money Accounts:

| | | | | |
|-------------------------|--|---------------------------------------|-------------|-------------|
| Cash | | 5 72 | 0 00 | 0 00 |
| ML Bank Deposit Program | | 964 00 | 0 00 | 0 00 |
| | | <u>969 72</u> | <u>0 00</u> | <u>0 00</u> |
| | | Sub-Total Cash/Money Accounts: | | |
| | | <u>969 72</u> | <u>0 00</u> | <u>0 00</u> |

Equities:

| | | | | |
|-----------------------------|-----|----------|------|------|
| Abbott Labs | 0 | 0 00 | 0 00 | 0 00 |
| AES Corp | 112 | 1,549 51 | 0 00 | 0 00 |
| Aetna Inc New | 82 | 2,461 74 | 0 00 | 0 00 |
| Amerisourcebergen Corp | 103 | 2,075 76 | 0 00 | 0 00 |
| Amgen Inc Com PV \$0 0001 | 45 | 2,495 06 | 0 00 | 0 00 |
| Apple Inc | 7 | 635 61 | 0 00 | 0 00 |
| Archer Daniels Midld | 0 | 0 00 | 0 00 | 0 00 |
| AT & T Inc | 43 | 1,462 93 | 0 00 | 0 00 |
| Autozone Inc Nevada COM | 0 | 0 00 | 0 00 | 0 00 |
| Bard C R Inc | 0 | 0 00 | 0 00 | 0 00 |
| Berkshire Hathaway Inc | 15 | 1,238 72 | 0 00 | 0 00 |
| Big Lots Inc Com | 33 | 959 04 | 0 00 | 0 00 |
| Biogen Idec Inc | 0 | 0 00 | 0 00 | 0 00 |
| Block H & R Inc | 0 | 0 00 | 0 00 | 0 00 |
| BMC Software Inc | 0 | 0 00 | 0 00 | 0 00 |
| CA Inc | 58 | 1,322 16 | 0 00 | 0 00 |
| Capital One Finl | 32 | 1,374 36 | 0 00 | 0 00 |
| Cardinal Health Inc Ohio | 77 | 2,527 11 | 0 00 | 0 00 |
| Chevron Corp | 40 | 2,812 85 | 0 00 | 0 00 |
| Chubb Corp | 0 | 0 00 | 0 00 | 0 00 |
| Cisco Systems Inc COM | 62 | 1,258 61 | 0 00 | 0 00 |
| CMS Energy Corp | 81 | 949 96 | 0 00 | 0 00 |
| Coca Cola Com | 20 | 897 49 | 0 00 | 0 00 |
| Computer Science Crp | 46 | 2,744 19 | 0 00 | 0 00 |
| Conocophillips | 42 | 3,697 81 | 0 00 | 0 00 |
| Constellation Energy GP | 38 | 1,410 57 | 0 00 | 0 00 |
| Eastman Chemical Co COM | 40 | 2,346 33 | 0 00 | 0 00 |
| Eaton Corp | 24 | 1,519 06 | 0 00 | 0 00 |
| Enesco Intl Inc Com | 0 | 0 00 | 0 00 | 0 00 |
| Express Scripts Inc COM | 0 | 0 00 | 0 00 | 0 00 |
| Exxon Mobil Corp Com | 45 | 3,194 36 | 0 00 | 0 00 |
| Flowserve Corp | 14 | 1,316 31 | 0 00 | 0 00 |
| FMC Techs Inc | 40 | 2,340 11 | 0 00 | 0 00 |
| Forest Labs Inc | 45 | 1,010 38 | 0 00 | 0 00 |
| Freeprt-McMran CPR & GLD | 17 | 1,442 66 | 0 00 | 0 00 |
| Gap Inc Delaware | 56 | 1,160 13 | 0 00 | 0 00 |
| General Electric | 69 | 2,359 81 | 0 00 | 0 00 |
| Goldman Sachs Group Inc | 14 | 2,140 87 | 0 00 | 0 00 |
| Google Inc CL A | 3 | 1,133 09 | 0 00 | 0 00 |
| Hasbro Inc | 0 | 0 00 | 0 00 | 0 00 |
| Hewlett Packard Co DEL | 27 | 877 78 | 0 00 | 0 00 |
| Honeywell Intl Inc DEL | 0 | 0 00 | 0 00 | 0 00 |
| Intel Corp | 68 | 851 37 | 0 00 | 0 00 |
| Intl Busiess Machines (IBM) | 28 | 2,800 77 | 0 00 | 0 00 |
| International Paper Co | 86 | 1,934.73 | 0 00 | 0 00 |
| Johnson and Johnson Com | 40 | 2,544 54 | 0 00 | 0 00 |

The Morgan Foundation, Inc.
Other Investments - Securities
8 Months Ending December 31, 2010

| | # of | COST | | Market Value |
|--|------|-------------------|-------------|--------------|
| JP Morgan Chase & Co | 34 | 1,435 33 | 0 00 | 0 00 |
| King Pharmaceuticals Inc | 0 | 0 00 | 0 00 | 0 00 |
| Kroger Co | 0 | 0 00 | 0 00 | 0 00 |
| L-3 Commcnctns Hldgs | 16 | 1,667 71 | 0 00 | 0 00 |
| Lexmark Intl Inc CL A | 0 | 0 00 | 0 00 | 0 00 |
| Lockheed Martin Corp | 17 | 1,815 46 | 0 00 | 0 00 |
| Lorillard Inc | 21 | 1,573 93 | 0 00 | 0 00 |
| Marathon Oil Corp | 78 | 2,630 06 | 0 00 | 0 00 |
| McKesson Corp Com | 0 | 0 00 | 0 00 | 0 00 |
| Meadwestvaco Corp | 87 | 2,117 50 | 0 00 | 0 00 |
| Medco Health Solutions | 35 | 1,259 67 | 0 00 | 0 00 |
| Merck and Co Inc SHS | 33 | 1,214 72 | 0 00 | 0 00 |
| Microsoft Corp | 90 | 2,244 53 | 0 00 | 0 00 |
| Nabors Industnes LTD | 57 | 1,174 22 | 0 00 | 0 00 |
| Novellus Sys Inc | 0 | 0 00 | 0 00 | 0 00 |
| Occidental Pete Corp Cal | 0 | 0 00 | 0 00 | 0 00 |
| Oracle Corp | 114 | 2,005 44 | 0 00 | 0 00 |
| Pepsico Inc | 18 | 1,206 83 | 0 00 | 0 00 |
| Pfizer Inc Del | 67 | 1,178 90 | 0 00 | 0 00 |
| Philip Morris Intl Inc | 47 | 2,134 31 | 0 00 | 0 00 |
| Procter & Gamble Co | 20 | 1,101 61 | 0 00 | 0 00 |
| Qlogic Corp | 0 | 0 00 | 0 00 | 0 00 |
| Quest Diagnostics Inc | 23 | 1,238 53 | 0 00 | 0 00 |
| Qwest Comm Intl Inc Com | 335 | 1,706 64 | 0 00 | 0 00 |
| R R Donnelley Sons | 93 | 1,939 96 | 0 00 | 0 00 |
| Radioshack Corp | 57 | 1,599 34 | 0 00 | 0 00 |
| Raytheon Co Delaware New | 30 | 1,363 55 | 0 00 | 0 00 |
| Reynolds American Inc | 25 | 1,133 25 | 0 00 | 0 00 |
| Ross Stores Inc Com | 53 | 2,361 50 | 0 00 | 0 00 |
| Rowan Companies Inc | 81 | 1,687 96 | 0 00 | 0 00 |
| Ryder System Inc | 34 | 1,432 30 | 0 00 | 0 00 |
| Sunoco Inc PV\$1PA | 0 | 0 00 | 0 00 | 0 00 |
| Target Corp | 51 | 2,351 55 | 0 00 | 0 00 |
| Teradata Corp Del | 41 | 1,101 05 | 0 00 | 0 00 |
| TJX Cos Inc New | 55 | 2,088 29 | 0 00 | 0 00 |
| Travelers COS Inc | 0 | 0 00 | 0 00 | 0 00 |
| UnitedHealth Group Inc | 87 | 1,525 12 | 0 00 | 0 00 |
| Unum Group | 54 | 543 05 | 0 00 | 0 00 |
| Valero Energy Corp New | 0 | 0 00 | 0 00 | 0 00 |
| Verizon Communicatns Com | 62 | 1,906 96 | 0 00 | 0 00 |
| Wal-Mart Stores Inc | 26 | 1,477 82 | 0 00 | 0 00 |
| Wellpoint Inc | 47 | 2,654 58 | 0 00 | 0 00 |
| Wells Fargo & Co New Del | 37 | 969.65 | 0 00 | 0 00 |
| Xerox Corp | 0 | 0 00 | 0 00 | 0 00 |
| Xilinx Inc | 0 | 0 00 | 0 00 | 0 00 |
| Sub-Total ML Equities: | | 114,687 10 | 0 00 | 0 00 |
| TOTAL MERRILL LYNCH EMA-ACCT. 788-02056 | | 115,656.82 | 0.00 | 0.00 |

MERRILL LYNCH ENDOWMENT MANAGEMENT

ACCOUNT (EMA)

Account Number: 788-02058

Cash/Money Accounts

| | | | |
|---------------------------------------|---------------|-----------------|-----------------|
| Cash | 675 27 | 0 47 | 0 47 |
| ML Bank Deposit Program | 56 00 | 5,175 00 | 5,175 00 |
| Sub-Total Cash/Money Accounts: | 731 27 | 5,175 47 | 5,175 47 |

Equities

| | | | | |
|----------------------------------|--------|-------------------|-------------------|-------------------|
| BAC Mkt Link Step Up SPX S&P 500 | 7,000 | 70,000 00 | 70,000 00 | 73,220 00 |
| Copano Energy LLC | 1,000 | 16,401 00 | 0 00 | 0 00 |
| Markwest Energy Partners LP | 1,200 | 22,761 80 | 0 00 | 0 00 |
| Plains All Amern Pipl LP | 800 | 34,817 60 | 0 00 | 0 00 |
| BAC Steps X US Steel Corp | 10,000 | 0 00 | 100,000 00 | 102,900.00 |
| Teekay Tankers Ltd | 3,850 | 0 00 | 52,553 27 | 47,509 00 |
| Navios Maritime Partners LP | 35,000 | 0 00 | 65,015 65 | 68,075 00 |
| Sub-Total ML Equities: | | 143,980 40 | 287,568 92 | 291,704 00 |

The Morgan Foundation, Inc.
Other Investments - Securities
8 Months Ending December 31, 2010

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| | # of | COST | | Market Value |
|--|-------|------------------|------------------|------------------|
| Mutual Funds | | | | |
| Eaton Vance Risk Managed | 1,500 | 25,835 85 | 0 00 | 0 00 |
| ING Infrastructure Industrials and Matral Fund | 1,100 | 0 00 | 20,916 44 | 21,670 00 |
| Sub-Total Mutual Funds: | | <u>25,835 85</u> | <u>20,916 44</u> | <u>21,670 00</u> |

TOTAL MERRILL LYNCH EMA-ACCT. 788-02058

170,547.52**313,660.83****318,549.47****MERRILL LYNCH ENDOWMENT MANAGEMENT****ACCOUNT (EMA)**

Account Number: 788-02060

Cash/Money Accounts

| | | | |
|-----------------------------------|-----------------|-----------------|-----------------|
| Cash | 1 30 | 20 64 | 20 64 |
| ML Bank Deposit Program | 3,038 00 | 4,840 00 | 4,840 00 |
| Total Cash/Money Accounts: | <u>3,039 30</u> | <u>4,860 64</u> | <u>4,860 64</u> |

Equities

| | | | | |
|------------------------------|-----|----------|----------|----------|
| Agnum Inc | 40 | 2,441 20 | 0 00 | 0 00 |
| Alaska Air Group Inc Com | 75 | 2,420 25 | 0 00 | 0 00 |
| Alpha Natural Resources | 61 | 0 00 | 3,333 65 | 3,661 83 |
| Altra Holdings Inc | 209 | 2,357 50 | 0 00 | 0 00 |
| American Axle & Mfg Hldgs | 322 | 2,437 54 | 0 00 | 0 00 |
| AMN Greetings Corp A | 115 | 2,395 25 | 0 00 | 0 00 |
| AMN Supercondctr Corp | 70 | 2,401 01 | 0 00 | 0 00 |
| Anadigics Inc | 450 | 0 00 | 3,266 64 | 3,118 50 |
| Atmel Corp | 276 | 0 00 | 3,258 79 | 3,400 32 |
| Avis Budget Group Inc | 211 | 2,430 20 | 0 00 | 0 00 |
| Blackboard Inc | 55 | 1,649 46 | 0 00 | 0 00 |
| Borg Warner Inc | 49 | 0 00 | 3,245 76 | 3,545 64 |
| Bruker Corp | 217 | 2,389 17 | 0 00 | 0 00 |
| Brush Engineered Materials | 83 | 0 00 | 3,295 93 | 3,207 12 |
| Cablevision NY Grp CL A | 98 | 0 00 | 3,265 36 | 3,316 32 |
| CNH Global NV | 71 | 2,342 08 | 3,313 57 | 3,389 54 |
| Chipotle Mexican Grill | 14 | 0 00 | 1,924 58 | 2,977 24 |
| Coinstar Inc | 50 | 0 00 | 2,578 40 | 2,822 00 |
| Complete ProdtN Services Inc | 104 | 0 00 | 3,234 61 | 3,073 20 |
| Cooper Tire Rubber | 129 | 2,368 45 | 0 00 | 0 00 |
| Cott Corporation | 291 | 1,716 28 | 0 00 | 0 00 |
| Crocs Inc | 183 | 0 00 | 1,722 03 | 3,132 96 |
| Cymer Inc | 65 | 2,390 70 | 0 00 | 0 00 |
| Daktronics Inc SD Com | 209 | 0 00 | 3,240 59 | 3,327 28 |
| Deckers Outdoors Corp | 40 | 0 00 | 3,207 20 | 3,189 60 |
| Delta Air Lines Inc | 238 | 2,420 25 | 0 00 | 0 00 |
| Dineequity Inc | 58 | 0 00 | 1,692 15 | 2,864 04 |
| Directv Group Hldngs CLA | 73 | 2,380 53 | 0 00 | 0 00 |
| Discover Finl Svcs | 157 | 2,395 82 | 0 00 | 0 00 |
| DSW Inc | 99 | 2,413 63 | 0 00 | 0 00 |
| Elizabeth Arden Inc COM | 156 | 2,375 87 | 0 00 | 0 00 |
| EV3 Inc | 184 | 2,373 59 | 0 00 | 0 00 |
| Ferro Corp | 213 | 0 00 | 3,301 50 | 3,118 32 |
| Flextronics Intl Ltd | 332 | 2,363 81 | 0 00 | 0 00 |
| Finisar corp | 138 | 0 00 | 3,276 12 | 4,097 22 |
| Fossil Inc | 44 | 0 00 | 3,255 56 | 3,101 12 |
| Freeprt-McMran CPR & GLD | 29 | 0 00 | 3,209 43 | 3,482 61 |
| Fuel Systems Solutions | 49 | 2,390 23 | 0 00 | 0 00 |
| Gannett Co | 216 | 2,479 58 | 0 00 | 0 00 |
| Gencorp Inc | 287 | 2,376 33 | 0 00 | 0 00 |
| General Communication CL A | 272 | 0 00 | 3,282 82 | 3,443.52 |
| Gentex Corp | 135 | 2,394 89 | 0 00 | 0 00 |
| Genworth Finl Inc Com | 218 | 1,382 11 | 0 00 | 0 00 |
| Georgia Gulf Corp | 141 | 0 00 | 3,242 01 | 3,392.46 |
| Green Mountain Coffee Ros | 86 | 0 00 | 3,223 28 | 2,825 96 |
| Herbalife Ltd | 47 | 0 00 | 3,258 04 | 3,213 39 |
| Huntsman Corp | 195 | 0 00 | 3,224 25 | 3,043 95 |
| Jetblue Airways Corp Del | 421 | 2,403 92 | 0 00 | 0 00 |
| Jones Lang Lasalle Inc | 45 | 2,419 66 | 0 00 | 0 00 |
| Krispy Kreme Doughnuts | 455 | 0 00 | 3,296 11 | 3,175 90 |
| La-Z-Boy Inc Michigan | 244 | 2,384 42 | 0 00 | 0 00 |

The Morgan Foundation, Inc.
Other Investments - Securities
8 Months Ending December 31, 2010

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| | # of | COST | | Market Value |
|--|-------|-------------------|-------------------|-------------------|
| Las Vegas Sands Corp | 69 | 2,440 77 | 1,093 59 | 3,170 55 |
| Leggett & Platt Inc PVICT | 122 | 2,400 91 | 0 00 | 0 00 |
| Manpower Inc | 53 | 0 00 | 3,247 31 | 3,326 28 |
| Modine Mfg Co | 214 | 2,372 50 | 0 00 | 0 00 |
| Monster Worldwide Inc | 137 | 0 00 | 3,275 56 | 3,237 31 |
| Netflix Com Inc | 18 | 0 00 | 1,981 80 | 3,162 60 |
| Nu Skin Enterprs A | 87 | 2,368 98 | 0 00 | 0 00 |
| Nutri System Inc New Com | 87 | 2,416 00 | 0 00 | 0 00 |
| Omnivision Techs Inc | 105 | 0 00 | 3,247 23 | 3,109 05 |
| Oshkosh Corporation | 60 | 2,381 28 | 0 00 | 0 00 |
| Pan Amern Silver Corp | 83 | 0 00 | 3,255 26 | 3,420 43 |
| Pier 1 Imports Inc Del | 506 | 2,417 42 | 0 00 | 0 00 |
| Power-One Inc | 315 | 0 00 | 2,510 52 | 3,213 00 |
| Priceline Com Inc | 8 | 1,289 21 | 3,317 52 | 3,196 40 |
| Quantum Corp-Dssg | 891 | 2,413 81 | 0 00 | 0 00 |
| RPC Inc | 150 | 0 00 | 2,893 97 | 2,718 00 |
| RF Micro Devices Inc | 475 | 2,379 18 | 0 00 | 0 00 |
| Royal Caribbean Cruises | 75 | 0 00 | 3,252 75 | 3,525 00 |
| Sally Beauty Hldgs Inc | 232 | 0 00 | 3,245 68 | 3,370 96 |
| Sanmina-Sci Corp | 255 | 2,381 68 | 0 00 | 0 00 |
| Silicon Image Inc | 432 | 0 00 | 3,242 16 | 3,175 20 |
| Sketchers USA Inc CL A | 98 | 2,377 01 | 0 00 | 0 00 |
| Sohu Com Inc | 42 | 0 00 | 3,240 72 | 2,666 58 |
| Southern Copper Corp | 70 | 2,354 98 | 3,259 20 | 3,411 80 |
| Stein Mart Inc. Com | 238 | 2,368 08 | 0 00 | 0 00 |
| Tata Motors Ltd Adr | 110 | 0 00 | 3,273 60 | 3,227 40 |
| Tenneco Inc | 79 | 0 00 | 1,640 20 | 3,251 64 |
| Tempur Pedic Intl Inc | 106 | 2,375 18 | 0 00 | 0 00 |
| Timken Company | 69 | 0 00 | 3,269 22 | 3,293 37 |
| Triquint Semiconductor | 248 | 0 00 | 3,259 96 | 2,899 12 |
| TRW Automotive Hldgs Crp | 105 | 2,404 13 | 0 00 | 0 00 |
| TW Telecom Inc | 159 | 2,384 99 | 0 00 | 0 00 |
| UAL Corp Com New | 240 | 2,402 38 | 0 00 | 0 00 |
| Under Armour Inc | 55 | 0 00 | 3,254 90 | 3,016 20 |
| Unisys Corp | 72 | 2,396 89 | 0 00 | 0 00 |
| United Rentals Inc | 147 | 0 00 | 3,255 80 | 3,344 25 |
| Urban Outfitters Inc | 74 | 2,382 80 | 0 00 | 0 00 |
| Valassis Communcn Inc | 146 | 932 68 | 0 00 | 0 00 |
| Veeco Instruments Inc | 68 | 2,411 76 | 3,291 20 | 2,921 28 |
| Vishay Intertechnlgy | 217 | 2,329 43 | 1,462 47 | 3,185 56 |
| Vonage Holdings Corp | 1,829 | 2,414 29 | 0 00 | 0 00 |
| Westlake Chem Corp | 81 | 0 00 | 3,300 75 | 3,521 07 |
| Zoll Medical Corp | 93 | 2,367 78 | 0 00 | 0 00 |
| Zumiez Inc | 105 | 0 00 | 3,256 05 | 2,821 35 |
| Sub-Total ML Equities: | | 121,857 85 | 143,475 80 | 154,104 44 |
| TOTAL MERRILL LYNCH EMA-ACCT. 788-02060 | | 124,897.15 | 148,336.44 | 158,965.08 |

MERRILL LYNCH ENDOWMENT MANAGEMENT**ACCOUNT (EMA)**

Account Number: 788-02063

Cash/Money Accounts

| | | | |
|-----------------------------------|-----------------|-----------------|-----------------|
| Cash | 28 87 | 19 70 | 19 70 |
| ML Bank Deposit Program | 2,607 00 | 2,140 00 | 2,140 00 |
| Total Cash/Money Accounts: | 2,635 87 | 2,159 70 | 2,159 70 |

Equities

| | | | | |
|-----------------------------|----|----------|----------|----------|
| Alexandria Real Est Eqts | 20 | 696 72 | 1,275 84 | 1,465 20 |
| AMB Property Corp REIT | 61 | 2,590 46 | 2,333 63 | 1,934 31 |
| American Campus Cmnty Inc | 22 | 0 00 | 662 05 | 698 72 |
| Avalonbay Cmmun Inc REIT | 41 | 3,822 21 | 3,504 03 | 4,614 55 |
| Biomed Realty Tr Inc | 86 | 1,385 83 | 1,385 83 | 1,603 90 |
| Boston PPTY Inc REIT | 55 | 4,724 34 | 4,724 34 | 4,735 50 |
| Brookfield PPTY Crp Com | 56 | 0 00 | 963 92 | 981 68 |
| Camden PPTY TR Com SBI REIT | 49 | 2,458 18 | 1,901 40 | 2,645 02 |
| Campus Crest Cmnty Inc | 38 | 0 00 | 483 23 | 532 76 |
| Coresite Realty Corp | 32 | 0 00 | 520 16 | 436 48 |
| Corp Office PPTY Trust | 13 | 0 00 | 454 54 | 454 35 |

The Morgan Foundation, Inc.
Other Investments - Securities
8 Months Ending December 31, 2010

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| | # of | COST | | Market Value |
|--|------|---------------------|---------------------|---------------------|
| DCT Industrial Trust Inc | 179 | 2,365 82 | 1,004 46 | 950 49 |
| Developers Edvsfd Rlty Cp | 107 | 0 00 | 1,158 61 | 1,507 63 |
| Digital Rlty TR Inc | 18 | 1,062 08 | 693 67 | 927 72 |
| Dupont Fabros Technology | 80 | 784 20 | 904.14 | 1,701 60 |
| Entertainment PPTYS TR REIT | 40 | 741 55 | 1,165 67 | 1,850 00 |
| Eqty Lifestyls PPTYS Inc | 21 | 678 81 | 928 92 | 1,174 53 |
| Equity Residential REIT | 130 | 5,465 21 | 5,291 19 | 6,753 50 |
| Essex PPTY TR INC COM REIT | 8 | 852 61 | 562 00 | 913 76 |
| Extra Space Storage Inc | 137 | 2,033 93 | 1,526 94 | 2,383 80 |
| FDL R INV TR SBI New MD REIT | 37 | 2,662 37 | 2,471 51 | 2,883 41 |
| First Potomac Rlty TR REIT | 86 | 728 60 | 1,049 07 | 1,446 52 |
| HCP Inc | 112 | 2,875 35 | 3,397 41 | 4,120 48 |
| Health Care REIT Inc Com | 19 | 696 23 | 858.26 | 905 16 |
| Host Hotels & Resorts REIT | 214 | 3,282 87 | 2,978 61 | 3,824 18 |
| Hudson Pac PPTYS Inc | 20 | 0 00 | 354 20 | 301 00 |
| Kilroy Realty Corp | 66 | 2,864 45 | 2,864 45 | 2,407 02 |
| Kimco Realty Corp MD COM REIT | 82 | 1,233 88 | 0 00 | 0 00 |
| Kite Rlty Group TR | 155 | 564 91 | 564 91 | 838 55 |
| Liberty PPTY TR SBI REIT | 83 | 3,042 97 | 3,042 97 | 2,649 36 |
| Macerich Co REIT | 69 | 1,391 27 | 1,489 09 | 3,268 53 |
| Mck Cali Realty Corp | 20 | 514 25 | 0 00 | 0 00 |
| National Retail PPTYS Inc | 44 | 773 82 | 875 49 | 1,166 00 |
| Nationwide Hlth PPTYS REIT | 92 | 2,550 37 | 2,798 05 | 3,346 96 |
| Omega Healthcare Invs REIT | 86 | 1,391 96 | 1,331 41 | 1,929 84 |
| Pebblebrook Hotel Trust | 49 | 435 63 | 918 05 | 995 68 |
| Piedmont Office Realty | 45 | 733 69 | 733 69 | 906 30 |
| Plum Creek Timber Co Inc | 23 | 783 03 | 0 00 | 0 00 |
| Public Storage Inc \$0 10 REIT | 44 | 3,549 74 | 3,615 81 | 4,462 48 |
| Ramco-Gershenson Pptysbl | 60 | 0 00 | 675 73 | 747 00 |
| Regency Centers Corp REIT | 63 | 3,845 83 | 3,845 83 | 2,661 12 |
| Retail Opportunity | 61 | 627 65 | 627 65 | 604 51 |
| Simon Property Group Del REIT | 101 | 7,858 54 | 7,778 83 | 10,048 49 |
| Starwood Hotels and Resorts Worldwide NE | 28 | 1,127 65 | 1,309 02 | 1,701 84 |
| Vornado Realty Trust Com REIT | 52 | 4,757 94 | 4,483 20 | 4,333 16 |
| Sub-Total ML Equities: | | <u>77,954 95</u> | <u>79,507 81</u> | <u>93,813 09</u> |
| TOTAL MERRILL LYNCH EMA-ACCT. 788-02063 | | 80,590.82 | 81,667.51 | 95,972.79 |
| MERRILL LYNCH EMA CONSOLIDATED TOTALS: | | <u>491,692.31</u> | <u>543,664.78</u> | <u>573,487.34</u> |
| GRAND TOTALS: | | <u>4,332,564.31</u> | <u>3,622,073.10</u> | <u>4,183,217.59</u> |
| Rounding Adjustment | | | (0 02) | |
| | | | <u>3,622,073.08</u> | |

THE MORGAN FOUNDATION, INC.**Contributions****8 Months Ending 12/31/10**

| <u>Name and Address</u> | <u>Purpose of Grant</u> | <u>Amount</u> |
|---|--|---------------|
| SCOTLAND HIGH SCHOOL 1000 WEST CHURCH STREET LAURINBURG, NC 28352 | Scotland County Band Program Uniforms. Instruments | 50,000 |
| SCOTLAND HIGH SCHOOL 1000 WEST CHURCH STREET LAURINBURG, NC 28352 | Athletic Program Uniforms, gymnasium floors refinished | 50,000 |
| ST ANDREWS PRESBYTERIAN COLLEGE 1700 DOGWOOD MILE LAURINBURG, NC 28352 | "Share The Vision Campaign" | 600,000 |
| WAKE FOREST UNIVERSITY SCHOOL OF MEDICINE MEDICAL CENTER BOULEVARD WINSTON-SALEM, NC 27157-1003 | Regenerative Medicine Research | 30,000 |
| SCOTLAND COUNTY RECREATION FOUNDATION (SCRF) "FIELDS FOR THE FUTURE" 600 SOUTH MAIN STREET LAURINBURG, NC 28352 | Recreation Complex for Area Youth | 25,000 |
| SCOTLAND COUNTY RECREATION FOUNDATION, INC. " A WALK IN THE PARK " P.O. Box 1668 LAURINBURG, NC 28353 | Support to Complete Recreation Complex | 75,000 |
| PRESBYTERY OF COASTAL CAROLINA 807 WEST KING STREET ELIZABETHTOWN, NC 28337 | Youth Ministries Program | 10,000 |
| STORYTELLING ARTS CENTER OF THE SOUTHEAST, INC. P.O. BOX 2154 LAURINBURG, NC 28353 | Providing Reading Skills | 10,000 |
| ROBESON FAMILY COUNSELING CENTER F/B/O SCOTLAND COUNTY FAMILY COUNSELING CENTER 303 SOUTH MAIN STREET LAURINBURG, NC 28352 | Faith based Counseling Center | 5,000 |

THE MORGAN FOUNDATION, INC.

**Contributions
 8 Months Ending 12/31/10**

| <u>Name and Address</u> | <u>Purpose of Grant</u> | <u>Amount</u> |
|---|--|----------------|
| AUTISM SOCIETY OF NC, INC 1000 MAIN STREET LAURINBURG, NC 28353 | Summer Enhancement Program Summer 2010 | 1,000 |
| LAUREL HILL ELEMENTARY 11340 OLD WIRE ROAD LAUREL HILL, NC 28351 | Computer Software - Weather Data Collection | 311 |
| DOMESTIC VIOLENCE AND RAPE CRISIS CENTER P.O. BOX 2130 LAURINBURG, NC 28353 | General Contribution | 1,000 |
| SCOTLAND COUNTY LITERACY SOCIETY P.O. BOX 922 LAURINBURG, NC 28353 | General Contribution | 5,000 |
| SCOTS FOR YOUTH P O BOX 1831 LAURINBURG, NC 28353 | General Contribution | 1,000 |
| | Pledged Grants - Total Payments: | 863,311 |
| <u>Additional Contributions:</u> | | |
| American Cancer Society | Relay for Life | 1,000 |
| Scotland Memorial Foundation | "Puttin on the Ritz" Fundraiser | <u>8,000</u> |
| | Unpledged Payments: | 9,000 |
| | TOTAL CONTRIBUTIONS: | 872,311 |
| | | GL 50007 |

The Morgan Foundation Inc.
Outstanding Pledges
as of 12/31/2010

| Grantee: | Amount Due |
|--|--------------------------------------|
| <u>Montreat College f/b/o Keystone Scholarship</u> | <u>50,000</u> |
| Montreat Conference Center - Challenge Grant f/b/o Morgan Youth Endowment | 975,000 |
| Scotland County Recreation Foundation f/b/o "Walk in the Park" - Recreation Complex | <u>150,000</u> |
| Net Worth-Appropriated Pledges: | <u><u>1,175,000</u></u> G/L 30500 |

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

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

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

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

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

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

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

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

| | | |
|--|--|---|
| Type or print | Name of exempt organization THE MORGAN FOUNDATION, INC. | Employer identification number 56-1790979 |
| File by the due date for filing your return See instructions | Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 1167 | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. LAUREL HILL, NC 28351 | |

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

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

JAMES L. MORGAN, JR.

- The books are in the care of ▶ **PO BOX 1167 - LAUREL HILL, NC 28351**
 Telephone No. ▶ _____ FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **AUGUST 15, 2011**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **MAY 1, 2010**, and ending **DEC 31, 2010**

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

| | | | |
|--|-----------|----|--------|
| 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 3a | \$ | 2,060. |
| b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit. | 3b | \$ | 560. |
| c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions | 3c | \$ | 1,500. |

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

LHA For Paperwork Reduction Act Notice, see Instructions.

Form **8868** (Rev. 1-2011)

• If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

| | | |
|--|--|---|
| Type or print File by the extended due date for filing your return. See instructions. | Name of exempt organization THE MORGAN FOUNDATION, INC. | Employer identification number 56-1790979 |
| | Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 1167 | |
| | City, town or post office, state, and ZIP code. For a foreign address, see instructions. LAUREL HILL, NC 28351 | |

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

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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

JAMES L. MORGAN, JR.

• The books are in the care of **▶ PO BOX 1167 - LAUREL HILL, NC 28351**

Telephone No. **▶ 910-462-2016**

FAX No. **▶**

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) **_____**. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2011.**

5 For calendar year **_____**, or other tax year beginning **MAY 1, 2010**, and ending **DEC 31, 2010**.

6 If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return

Change in accounting period

7 State in detail why you need the extension

ADDITIONAL TIME IS NEEDED TO COMPILE SHORT-PERIOD INVESTMENT STATEMENTS AND OTHER FINANCIAL INFORMATION NECESSARY TO FILE A COMPLETE AND ACCRUE RETURN.

| | | | |
|---|----|----|--------|
| 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. | 8a | \$ | 2,060. |
| b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. | 8b | \$ | 2,060. |
| c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. | 8c | \$ | 0. |

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **▶**

Title **▶**

Date **▶**