Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning , 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
SALL FAMILY FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)
C/O JPMORGAN SERVICES, INC., PO BOX

Room/suite
6089

City or town, state, and ZIP code
NEWARK DE 19714-6089

A Employer identification number
58-2016050

B Telephone number (see page 10 of the instructions)
302-634-2931

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐

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

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

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

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 4,906,259

J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify)
(Part I, column (d) must be on cash basis)

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)	6,500,000			
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	144,337	144,337		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	-11,710			
	b	Gross sales price for all assets on line 6a 506,988				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns & allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	6,632,627	144,337	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) STMT 1	2,452	252		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att sch) STMT 2	2,658	2,658		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	5,110	2,910	0	0
	25	Contributions, gifts, grants paid	6,434,411			6,434,411
	26	**Total expenses and disbursements.** Add lines 24 and 25	6,439,521	2,910	0	6,434,411
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	193,106			
	b	**Net investment income** (if negative, enter -0-)		141,427		
	c	**Adjusted net income** (if negative, enter -0-)			0	

For Paperwork Reduction Act Notice, see page 30 of the instructions.

DAA

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Part II Balance Sheets

		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	371,383	1,081,217	1,081,217
	3	Accounts receivable ▶ 1,973			
		Less allowance for doubtful accounts ▶		1,973	1,973
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (att schedule) ▶			
		Less allowance for doubtful accounts ▶ 0			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule) STMT 3		81,035	78,176
	b	Investments—corporate stock (attach schedule) SEE STMT 4	1,655,154	1,655,154	1,928,228
	c	Investments—corporate bonds (attach schedule) SEE STMT 5	2,338,341	1,738,603	1,816,665
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	4,364,878	4,557,982	4,906,259
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	4,364,878		
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds		4,557,982	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	4,364,878	4,557,982	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	4,364,878	4,557,982	

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	4,364,878
2	Enter amount from Part I, line 27a	2	193,106
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	4,557,984
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 6	5	2
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	4,557,982

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		
b	UNITED HEALTHCARE CLASS ACTION	P		
c	AOL TIME WARNER CLASS ACTION	P		
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	506,440		518,698	-12,258
b	111			111
c	437			437
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				-12,258
b				111
c				437
d				
e				

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 } 2 -11,710

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	6,208,631	4,093,306	1.516777
2008	6,309,841	4,465,278	1.413090
2007	5,867,358	5,381,405	1.090302
2006	3,334,984	7,737,352	0.431024
2005	2,475,985	8,009,930	0.309114

2	**Total** of line 1, column (d)	2	4.760307
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.952061
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	4,543,772
5	Multiply line 4 by line 3	5	4,325,948
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,414
7	Add lines 5 and 6	7	4,327,362
8	Enter qualifying distributions from Part XII, line 4	8	6,434,411

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter (attach copy of letter if necessary—see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b			1	1,414
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	1,414
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	1,414
6	Credits/Payments				
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,300		
b	Exempt foreign organizations—tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c	500		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	1,800
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	386
11	Enter the amount of line 10 to be **Credited to 2011 estimated tax** ▶ 386 Refunded ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? N/A	1b		
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c	X	
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ ______ (2) On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ NC			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses STMT 7	10	X	

Part VII-A Statements Regarding Activities (continued)

				Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)		11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?		12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?		13	X	

Website address ▶ N/A

14 The books are in care of ▶ JOHN PHILIP SALL Telephone no ▶ 919-677-8000

201 VINEYARD LANE

Located at ▶ CARY NC ZIP+4 ▶ 27513

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

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

				Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?		16		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶				

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

				Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.				
1a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? **(Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	N/A	1c		
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? If "Yes," list the years ▶ 20 , 20 , 20 , 20	☐ Yes ☒ No			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 22 of the instructions)	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 ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2010 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)	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)? (see page 22 of the instructions) ☐ 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 page 22 of the instructions)? N/A **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53 4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: X

If "Yes" to 6b, file Form 8870

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

b If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A **7b**

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8				

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

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

Total number of other employees paid over $50,000 ▶ 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 (see page 23 of the instructions). If none, enter "NONE."

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

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	3,985,172
b	Average of monthly cash balances	1b	627,795
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	4,612,967
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	4,612,967
4	Cash deemed held for charitable activities Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	69,195
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	4,543,772
6	**Minimum investment return.** Enter 5% of line 5	6	227,189

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

1	Minimum investment return from Part X, line 6			1	227,189
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,414		
b	Income tax for 2010 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,414
3	Distributable amount before adjustments Subtract line 2c from line 1			3	225,775
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	225,775
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	225,775

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	6,434,411
b	Program-related investments—total from Part IX-B	1b	
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	6,434,411
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	1,414
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	6,432,997

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

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

			(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1	Distributable amount for 2010 from Part XI, line 7					225,775
2	Undistributed income, if any, as of the end of 2010					
a	Enter amount for 2009 only					
b	Total for prior years 20____ , 20____ , 20____					
3	Excess distributions carryover, if any, to 2010					
a	From 2005	2,083,216				
b	From 2006	2,958,254				
c	From 2007	5,605,034				
d	From 2008	6,089,593				
e	From 2009	6,006,534				
f	**Total** of lines 3a through e		22,742,631			
4	Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 6,434,411					
a	Applied to 2009, but not more than line 2a					
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)					
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions)					
d	Applied to 2010 distributable amount					225,775
e	Remaining amount distributed out of corpus		6,208,636			
5	Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))					
6	**Enter the net total of each column as indicated below:**					
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5		28,951,267			
b	Prior years' undistributed income Subtract line 4b from line 2b					
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d	Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions					
e	Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions					
f	Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011					0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)					
8	Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)		2,083,216			
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		26,868,051			
10	Analysis of line 9					
a	Excess from 2006	2,958,254				
b	Excess from 2007	5,605,034				
c	Excess from 2008	6,089,593				
d	Excess from 2009	6,006,534				
e	Excess from 2010	6,208,636				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

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

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

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

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

1 Information Regarding Foundation Managers:

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

N/A

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

N/A

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

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

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

N/A

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

N/A

c Any submission deadlines.

N/A

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

N/A

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
DUKE UNIVERSITY 700 WEST MAIN STREET DURHAM NC 27701	NONE	PC	SANFORD SCHOOL	125,082
THE NATURE CONSERVANCY 4245 NORTH FAIRFAX DRIVE ARLINGTON VA 22206	NONE	PC	GENERAL CHARITABLE PURPOSE FUND	1,480,000
WORLD WILDLIFE FUND 1250 TWENTY-FOURTH STREET WASHINGTON DC 20090-1780	NONE	PC	GENERAL CHARITABLE PURPOSE FUND	1,229,000
CARE P.O. BOX 1871 MERRIFIELD VA 22116-9753	NONE	PC	GENERAL CHARITABLE PURPOSE FUND	3,600,329
Total			▶ 3a	6,434,411
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	144,337	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	-11,710	
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		132,627	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 132,627

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See page 29 of the instructions)
N/A	

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

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

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

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

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

John P Sall | 11 July 2011 | President

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
Lara Jones-Perrins	Lara Jones-Perrins	07/07/11	

Firm's name ▶ J. P. MORGAN SERVICES INC.

PTIN P00028333

Firm's address ▶ P. O. BOX 6089
NEWARK, DE 19714-6089

Firm's EIN ▶ 22-2189421

Phone no 302-634-3858

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, or 990-PF.**

OMB No 1545-0047

2010

Name of the organization

SALL FAMILY FOUNDATION

Employer identification number

58-2016050

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor Complete Parts I and II

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use exclusively for religious, charitable, etc , purposes, but these contributions did not aggregate to more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year ▶ $

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2010) Page 1 of 1 of Part I

Name of organization	Employer identification number
SALL FAMILY FOUNDATION	58-2016050

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	JOHN & VIRGINIA SALL 201 VINEYARD LANE CARY NC 27513	$ 6,500,000	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

(a) No	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose.
FOREIGN TAXES PAID	$ 252	$ 252	$	$
2009 EXCISE TAX EXTENSION PAYMEN	1,000			
2010 ESTIMATED TAX PAYMENTS	1,200			
TOTAL	$ 2,452	$ 252	$ 0	$ 0

Statement 2 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$	$	$	$
EXPENSES				
ADR FEES	21	21		
INTEREST INVESTMENT EXPENSE	2,637	2,637		
TOTAL	$ 2,658	$ 2,658	$ 0	$ 0

Statement 3 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE ATTACHED STATEMENT	$	$ 81,035	COST	$ 78,176
TOTAL	$ 0	$ 81,035		$ 78,176

Statement 4 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE ATTACHED STATEMENT	$ 1,655,154	$ 1,655,154	COST	$ 1,928,228
TOTAL	$ 1,655,154	$ 1,655,154		$ 1,928,228

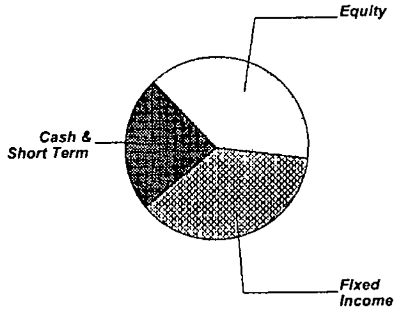
Statement 5 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE ATTACHED STATEMENT	$ 2,338,341	$ 1,738,603	COST	$ 1,816,665
TOTAL	$ 2,338,341	$ 1,738,603		$ 1,816,665

Account Summary

Asset Allocation	Beginning Market Value	Ending Market Value	Change In Value	Estimated Annual Income	Current Allocation
Equity	1,827,819 68	1,928,227 85	100,408 17	27,771 50	39%
Cash & Short Term	989,883 68	1,159,005 69	169,122 01	3,792 99	24%
Fixed Income	1,941,772 04	1,816,665 18	(125,106 86)	90,063 73	37%
Market Value	**$4,759,475.40**	**$4,903,898.72**	**$144,423.32**	**$121,628.22**	**100%**
Accruals	22,447 11	23,744 59	1,297 48		
Market Value with Accruals	**$4,781,922.51**	**$4,927,643.31**	**$145,720.80**		

Asset Allocation



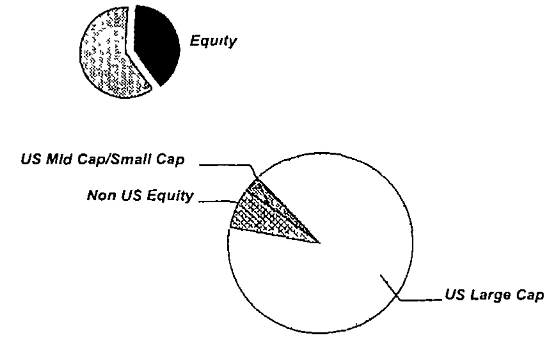
Portfolio Activity	Current Period Value	Year-to-Date Value
Beginning Market Value	**4,759,475 40**	**4,528,766.28**
Contributions	6,500,000 00	6,504,004 98
Withdrawals & Fees	(6,434,423 47)	(6,436,883 45)
Securities Transferred In		52,140 00
Securities Transferred Out		(50,452 26)
Net Contributions/Withdrawals	**$65,576 53**	**$68,809.27**
Income & Distributions	9,012 25	138,312 57
Change In Investment Value	69,834 54	168,010 60
Ending Market Value	**$4,903,898.72**	**$4,903,898.72**
Accruals	23,744 59	23,744 59
Market Value with Accruals	**$4,927,643.31**	**$4,927,643.31**

Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap	1,695,807 63	1,788,623 65	92,816 02	35%
US Mid Cap/Small Cap	11,398 20	13,878 80	2,480 60	1%
Non US Equity	120,613 85	125,725 40	5,111 55	3%
Total Value	**$1,827,819.68**	**$1,928,227.85**	**$100,408.17**	**39%**

Market Value/Cost	Current Period Value
Market Value	1,928,227 85
Tax Cost	1,655,153.57
Unrealized Gain/Loss	273,074.28
Estimated Annual Income	27,771 50
Accrued Dividends	2,289 05
Yield	1 44 %

Asset Categories



Equity Detail

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
AKAMAI TECHNOLOGIES INC 00971T-10-1 AKAM	700 000	47 05	32,935 00	12,069 75	20,865 25		
ALCOA INC 013817-10-1 AA	530 000	15 39	8,156 70	17,323 12	(9,166 42)	63 60	0 78 %
ALLSTATE CORP 020002-10-1 ALL	605 000	31 88	19,287 40	14,612 04	4,675 36	484 00 121 00	2 51 %
AMAZON COM INC 023135-10-6 AMZN	405 000	180 00	72,900 00	13,154 19	59,745 81		
AMERICAN EXPRESS CO 025816-10-9 AXP	385 000	42 92	16,524 20	4,169 24	12,354 96	277 20	1 68 %
AMGEN INC 031162-10-0 AMGN	1,000 000	54 90	54,900 00	48,101 97	6,798 03		
BANK OF AMERICA CORP 060505-10-4 BAC	1,790 000	13 34	23,878 60	30,261 12	(6,382 52)	71 60	0 30 %
BED BATH & BEYOND INC 075896-10-0 BBBY	675 000	49 15	33,176 25	27,236 72	5,939 53		
BERKSHIRE HATHAWAY INC DEL CL B 084670-70-2 BRK B	750 000	80 11	60,082 50	36,389.35	23,693.15		
BIOGEN IDEC INC 09062X-10-3 BIIB	500 000	67 05	33,525 00	19,137 25	14,387 75		

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
BLACKROCK INC 09247X-10-1 BLK	85 000	190 58	16,199 30	10,429 53	5,769 77	340 00	2 10 %
BOEING CO 097023-10-5 BA	530 000	65 26	34,587 80	29,706 01	4,881 79	890 40	2 57 %
BRISTOL MYERS SQUIBB CO 110122-10-8 BMY	875 000	26 48	23,170 00	18,684 87	4,485 13	1,155 00	4 98 %
CATERPILLAR INC 149123-10-1 CAT	265 000	93 66	24,819 90	11,828 14	12,991 76	466 40	1 88 %
CELGENE CORPORATION 151020-10-4 CELG	350 000	59 14	20,699 00	17,261 26	3,437 74		
CHESAPEAKE ENERGY CORP 165167-10-7 CHK	305 000	25 91	7,902 55	8,472 14	(569 59)	91 50 22 88	1 16 %
CHUBB CORP 171232-10-1 CB	320 000	59 64	19,084 80	17,280 86	1,803 94	473 60 118 40	2 48 %
CISCO SYSTEMS INC 17275R-10-2 CSCO	1,465 000	20 23	29,636 95	26,370 00	3,266 95		
COACH INC 189754-10-4 COH	265 000	55 31	14,657 15	4,503 01	10,154 14	159 00 39 75	1 08 %
COCA-COLA CO 191216-10-0 KO	720 000	65 77	47,354 40	30,356 80	16,997 60	1,267 20	2 68 %
CONOCOPHILLIPS 20825C-10-4 COP	610 000	68 10	41,541 00	38,569 44	2,971 56	1,342 00	3 23 %

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
CVS/CAREMARK CORPORATION 126650-10-0 CVS	855 000	34 77	29,728 35	25,018 25	4,710 10	299 25	1 01 %
DELL INC 24702R-10-1 DELL	2,075 000	13 55	28,116 25	36,141 44	(8,025 19)		
DOW CHEMICAL CO 260543-10-3 DOW	340 000	34 14	11,607 60	12,915 61	(1,308 01)	204 00 51 00	1 76 %
EBAY INC 278642-10-3 EBAY	750 000	27 83	20,872 50	21,184 87	(312 37)		
ELECTRONIC ARTS 285512-10-9 ERTS	1,410 000	16 38	23,095 80	51,940 87	(28,845 07)		
EXPEDIA INC 30212P-10-5 EXPE	1,000 000	25 09	25,090 00	18,153 24	6,936 76	280 00	1 12 %
EXXON MOBIL CORP 30231G-10-2 XOM	555 000	73 12	40,581 60	40,024 99	556 61	976 80	2 41 %
FIRST SOLAR INC 336433-10-7 FSLR	100 000	130 14	13,014 00	11,644 88	1,369 12		
FOREST LABORATORIES INC 345838-10-6 FRX	615 000	31 98	19,667 70	15,872 62	3,795 08		
GENERAL ELECTRIC CO 369604-10-3 GE	2,700 000	18 29	49,383 00	76,249 16	(26,866 16)	1,512 00 378 00	3 06 %
GOLDMAN SACHS GROUP INC 38141G-10-4 GS	100 000	168 16	16,816 00	9,707 16	7,108 84	140 00	0 83 %

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
GOOGLE INC CL A 38259P-50-8 GOOG	45 000	593 97	26,728 65	17,513 92	9,214 73		
HEWLETT-PACKARD CO 428236-10-3 HPQ	375 000	42 10	15,787 50	16,356 30	(568 80)	120 00	0 76%
HOME DEPOT INC 437076-10-2 HD	1,100 000	35 06	38,566 00	37,110 33	1,455 67	1,039 50	2 70%
INTEL CORP 458140-10-0 INTC	3,060 000	21 03	64,351 80	63,255 05	1,096 75	1,927 80	3 00%
JOHNSON & JOHNSON 478160-10-4 JNJ	800 000	61 85	49,480 00	42,227 30	7,252 70	1,728 00	3 49%
JP MORGAN CHASE & CO 46625H-10-0 JPM	945 000	42 42	40,086 90	29,790 32	10,296 58	189 00	0 47%
JUNIPER NETWORKS INC 48203R-10-4 JNPR	1,300 000	36 92	47,996 00	21,088 49	26,907 51		
KOHLS CORP 500255-10-4 KSS	195 000	54 34	10,596 30	6,849 59	3,746 71		
MC DONALDS CORP 580135-10-1 MCD	250 000	76 76	19,190 00	14,667 00	4,523 00	610 00	3 18%
MERCK AND CO INC 58933Y-10-5 MRK	615 000	36 04	22,164 60	22,005 90	158 70	934 80 233 70	4 22%
MICROSOFT CORP 594918-10-4 MSFT	1,300 000	27 91	36,283 00	34,687 00	1,596 00	832 00	2 29%

US Large Cap

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
MORGAN STANLEY 617446-44-8 MS	280 000	27 21	7,618 80	8,308 78	(689 98)	56 00	0 74 %
NASDAQ OMX GROUP INC 631103-10-8 NDAQ	920 000	23 73	21,831 60	27,589 60	(5,758 00)		
NEWMONT MINING CORP 651639-10-6 NEM	190 000	61 43	11,671 70	8,745 05	2,926 65	114 00	0 98 %
NVIDIA CORP 67066G-10-4 NVDA	2,000 000	15 40	30,800 00	30,704 48	95 52		
PEPSICO INC 713448-10-8 PEP	450 000	65 33	29,398 50	16,228 12	13,170 38	864 00 216 00	2 94 %
PFIZER INC 717081-10-3 PFE	1,525 000	17 51	26,702 75	31,940 27	(5,237 52)	1,220 00	4 57 %
PROCTER & GAMBLE CO 742718-10-9 PG	500 000	64 33	32,165 00	14,261 54	17,903 46	963 50	3 00 %
QUALCOMM INC 747525-10-3 QCOM	600 000	49 49	29,694 00	24,336 85	5,357 15	456 00	1 54 %
R R DONNELLEY & SONS CO 257867-10-1 RRD	635 000	17 47	11,093 45	10,077 68	1,015 77	660 40	5 95 %
SAFEWAY INC 786514-20-8 SWY	585 000	22 49	13,156 65	15,333 07	(2,176 42)	280 80 70 20	2 13 %
SCHWAB CHARLES CORP 808513-10-5 SCHW	1,100 000	17 11	18,821 00	14,815 33	4,005 67	264 00	1 40 %

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
SEARS HOLDINGS CORP 812350-10-6 SHLD	155 000	73 75	11,431 25	12,922 28	(1,491 03)		
SOUTHWEST AIRLINES CO 844741-10-8 LUV	1,315 000	12 98	17,068 70	10,863 79	6,204 91	23 67 5 92	0 14 %
STATE STREET CORP 857477-10-3 STT	410 000	46 34	18,999 40	17,558 03	1,441 37	16 40 4 10	0 09 %
TEXAS INSTRUMENTS INC 882508-10-4 TXN	1,300 000	32 50	42,250 00	31,850 00	10,400 00	676 00	1 60 %
THERMO FISHER SCIENTIFIC INC 883556-10-2 TMO	215 000	55 36	11,902 40	7,662 13	4,240 27		
URS CORP 903236-10-7 URS	200 000	41 61	8,322 00	8,993 01	(671 01)		
VALERO ENERGY CORP 91913Y-10-0 VLO	990 000	23 12	22,888 80	20,818 09	2,070 71	198 00	0 87 %
WALMART STORES INC 931142-10-3 WMT	830 000	53 93	44,761 90	41,992.47	2,769.43	1,004 30 251 08	2 24 %
WALT DISNEY CO 254687-10-6 DIS	1,200 000	37 51	45,012 00	22,533.89	22,478.11	480 00 480 00	1 07 %
WELLS FARGO & CO 949746-10-1 WFC	570 000	30 99	17,664 30	16,091.58	1,572.72	114 00	0 65 %
WILLIAMS COMPANIES INC 969457-10-0 WMB	520 000	24 72	12,854 40	10,143.90	2,710.50	260 00	2 02 %

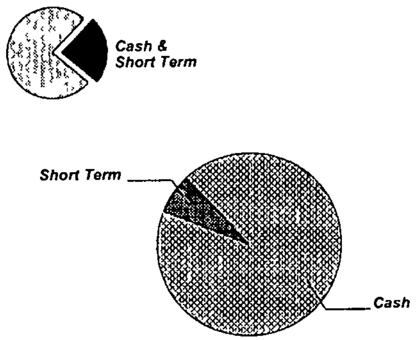
	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
US Large Cap							
YAHOO INC 984332-10-6 YHOO	1,100 000	16 63	18,293 00	14,838.25	3,454.75		
Total US Large Cap	**51,205.000**		**$1,788,623 65**	$ 1,504,966.59	$297,535.86	**$25,525 72** **$1,992.03**	**1.43%**
US Mid Cap/Small Cap							
DEAN FOODS CO 242370-10-4 DF	1,570 000	8 84	13,878 80	26,037 30	(12,158 50)		
Non US Equity							
AXIS CAPITAL HOLDINGS LTD G0692U-10-9 AXS	590 000	35 88	21,169.20	20,495 32	673 88	542 80 135 70	2 56%
NABORS INDUSTRIES LTD G6359F-10-3 NBR	805 000	23 46	18,885 30	23,944 12	(5,058 82)		
NOKIA CORP CL A SPONS ADR 654902-20-4 NOK	975 000	10 32	10,062 00	17,411 96	(7,349 96)	342 22	3 40%
ROCHE HOLDINGS LTD SPONS ADR 771195-10-4 RHHB Y	450 000	36 75	16,535 25	17,339 76	(804 51)	522 00	3 16%

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Dividends	Yield
Non US Equity							
TOYOTA MOTOR CORP SPONS ADR 892331-30-7 TM	340 000	78 63	26,734 20	34,991 34	(8,257 14)	323 68	1 21%
TRANSOCEAN INC H8817H-10-0 RIG	315 000	69 51	21,895 65	27,139 73	(5,244 08)		
VODAFONE GROUP PLC SPONS ADR 92857W-20-9 VOD	395 000	26 44	10,443 80	8,864 75	1,579 05	515 08 161 32	4 93%
Total Non US Equity	**3,870 000**		**$125,725.40**	**$150,186.98**	**($24,461.58)**	**$2,245 78** **$297.02**	**1.79%**

Cash & Short Term Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
Cash	989,883 68	1,080,830 19	90,946 51	22%
Short Term	0 00	78,175 50	78,175 50	2%
Total Value	**$989,883.68**	**$1,159,005.69**	**$169,122.01**	**24%**

Asset Categories



Market Value/Cost	Current Period Value
Market Value	1,159,005 69
Tax Cost	1,161,865 37
Unrealized Gain/Loss	(2,859 68)
Estimated Annual Income	3,792 99
Accrued Interest	114 26
Yield	0 05%

SUMMARY BY MATURITY

Short Term	Market Value
6-12 months	78,175 50

SUMMARY BY TYPE

Short Term	Market Value	% of Bond Portfolio
Government and Agency Bonds	78,175 50	100%

Note [1] This is the Annual Percentage Yield (APY) which is the rate earned if balances remain on deposit for a full year with compounding, there is no change in the interest rate and all interest is left in the account

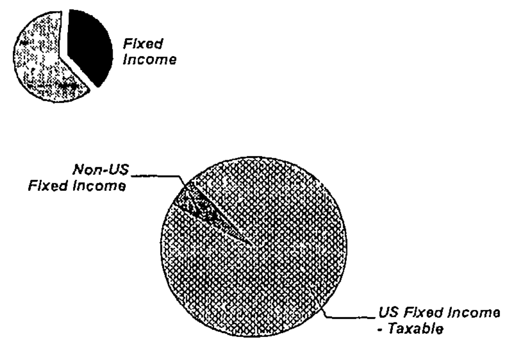
Cash & Short Term Detail

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
Cash							
US DOLLAR	1,080,830 19	1 00	1,080,830 19	1,080,830 19		324 24 95 21	0 03 % [1]
Short Term							
U S A NOTES 4 5/8% DEC 31 2011 DTD 1/02/2007 912828-GC-8 AAA /AAA	75,000 00	104 23	78,175 50	81,035 18	(2,859 68)	3,468 75 19 05	0 38 %

Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Fixed Income - Taxable	1,852,455 04	1,728,479 18	(123,975 86)	35%
Non-US Fixed Income	89,317 00	88,186 00	(1,131 00)	2%
Total Value	**$1,941,772.04**	**$1,816,665 18**	**($125,106.86)**	**37%**

Asset Categories



Market Value/Cost	Current Period Value
Market Value	1,816,665 18
Tax Cost	1,738,603.02
Unrealized Gain/Loss	78,062.16
Estimated Annual Income	90,063 73
Accrued Interest	21,341 28
Yield	3 17%

SUMMARY BY MATURITY

Fixed Income	Market Value	% of Bond Portfolio
Less than 5 years[1]	594,037 55	33%
5-10 years[1]	517,767 34	29%
10+ years[1]	704,860 29	38%
Total Value	**$1,816,665.18**	**100%**

SUMMARY BY TYPE

Fixed Income	Market Value	% of Bond Portfolio
Corporate Bonds	710,725 00	39%
Government and Agency Bonds	488,672 35	27%
International Bonds	88,186 00	5%
Mortgage and Asset Backed Bonds	529,081 83	29%
Total Value	**$1,816,665.18**	**100%**

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[1] The years indicate the *number of years until* the bond is scheduled to mature based on the statement end date Some bonds may be called, or paid in full, before their stated maturity

Fixed Income Detail

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
US Fixed Income - Taxable							
MERRILL LYNCH & CO MEDIUM TERM NOTES 5 45% FEB 05 2013 DTD 02/05/2008 59018Y-M4-0 A /A2	55,000 000	105 48	58,013 45	55,688 65	2,324 80	2,997 50 1,215 61	2 74 %
U S A NOTES 4 1/4% AUG 15 2013 DTD 8/15/2003 912828-BH-2 AAA /AAA	50,000 000	108 88	54,437 50	54,968 75	(531 25)	2,125 00 802 60	0 83 %
AMER EXPRESS CREDIT CO NOTES 7 3% AUG 20 2013 DTD 08/20/2008 0258M0-CY-3 BBB /A2	75,000 000	112 69	84,514 50	80,372 25	4,142 25	5,475 00 1,992 22	2 31 %
U S A NOTES 2 3/4% OCT 31 2013 DTD 10/31/2008 912828-JQ-4 AAA /AAA	55,000 000	105 12	57,814 35	57,131 25	683 10	1,512 50 258 99	0 91 %
PACIFIC GAS & ELECTRIC 6 1/4% DEC 01 2013 DTD 11/18/2008 694308-GP-6 BBB /A3	25,000 000	112 10	28,025 50	27,583 75	441 75	1,562 50 130 20	1 96 %
COMCAST CORP NOTES 5 30% JAN 15 2014 DTD 5/15/2003 20030N-AE-1 BBB /BAA	25,000 000	108 94	27,234 00	24,522 75	2,711 25	1,325 00 610 95	2 24 %

US Fixed Income - Taxable

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
TIME WARNER CABLE INC 7 1/2% APR 01 2014 DTD 03/26/2009 88732J-AR-9 BBB /BAA	100,000 000	114 68	114,681 00	105,578 00	9,103 00	7,500 00 1,875 00	2 75 %
U S A NOTES 4% FEB 15 2015 DTD 2/15/2005 912828-DM-9 AAA /AAA	25,000 000	109 56	27,388 75	24,285 15	3,103 60	1,000 00 377 70	1 60 %
FREDDIE MAC 4 3/8% JUL 17 2015 DTD 7/14/2005 3134A4-VC-5 AAA /AAA	50,000 000	110 30	55,151 00	48,224 90	6,926 10	2,187 50 996 50	1 99 %
PNC FUNDING CORP 4 1/4% SEP 21 2015 DTD 09/21/2009 693476-BG-7 A /A3	25,000 000	104 97	26,241 50	25,867 25	374 25	1,062 50 295 12	3 11 %
U S A NOTES 3 1/4% JUL 31 2016 DTD 07/31/2009 912828-LD-0 AAA /AAA	100,000 000	105 26	105,258 00	100,546 90	4,711 10	3,250 00 1,360 00	2 24 %
FANNIE MAE NOTES 5 1/4% SEP 15 2016 DTD 8/17/2006 31359M-W4-1 AAA /AAA	50,000 000	114 48	57,240 50	56,329.50	911 00	2,625 00 772 90	2 51 %
XTO ENERGY INC 6 1/4% AUG 1 2017 DTD 07/19/2007 98385X-AL-0 AAA /AAA	25,000 000	117 89	29,473 25	26,266 75	3,206 50	1,562 50 651 02	3 21 %

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
US Fixed Income - Taxable							
GLAXOSMITHKLINE CAP INC 5 65% MAY 15 2018 DTD 05/13/2008 377372-AD-9 A+ /A1	50,000 000	114 34	57,171 50	49,664 00	7,507 50	2,825 00 360 95	3 43 %
U S A NOTES 4% AUG 15 2018 DTD 08/15/2008 912828-JH-4 AAA /AAA	50,000 000	108 37	54,183 50	54,937 50	(754 00)	2,000 00 755 40	2 77 %
FANNIE MAE 5 5% NOV 01 2018 DTD 11/01/2003 POOL NO 755273 31403R-CJ-5	21,653 650	107 89	23,362 34	22,052 86	1,309 48	1,190 95 19 83	2 37 %
PROCTER & GAMBLE CO NOTES 4 7% FEB 15 2019 DTD 02/06/2009 742718-DN-6 AA- /AA3	50,000 000	108 25	54,124 00	50,634 00	3,490 00	2,350 00 887 75	3 52 %
JPMORGAN CHASE & CO NOTES 6 3% APR 23 2019 DTD 04/23/2009 46625H-HL-7 A+ /AA3	50,000 000	113 83	56,913 00	54,256 00	2,657 00	3,150 00 595 00	4 30 %
CONOCOPHILLIPS 6% JAN 15 2020 DTD 05/21/2009 20825C-AU-8 A /A1	45,000 000	116 43	52,391 25	49,997 70	2,393 55	2,700 00 1,244 97	3 83 %

US Fixed Income - Taxable

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
FNMA 5 5% FEB 01 2022 DTD 11/01/2007 POOL NO 888922 31410G-SK-0	21,365 035	107 83	23,037 49	21,892 50	1,144 99	1,175 07 19 57	2 92 %
FNMA 5% JUN 01 2024 DTD 07/01/2009 POOL NO 995957 31416C-ME-3	30,331 984	106 14	32,194 67	31,772 75	421 92	1,516 59 25 26	3 12 %
FANNIE MAE 6 5% AUG 01 2031 DTD 08/01/2001 POOL NO 599361 31388A-Z2-3	2,101 810	112 44	2,363 32	2,095 57	267 75	136 61 2 27	3 31 %
FANNIE MAE 6 5% SEP 01 2031 DTD 08/01/2001 POOL NO 253949 31371K-BS-9	13,326 975	112 44	14,985 12	13,558 89	1,426 23	866 25 14 43	3 31 %
GENERAL ELECTRIC CAPITAL CORP MEDIUM TERM NOTES 6 3/4% A MAR 15 2032 DTD 3/20/2002 36962G-XZ-2 AA+ /AA2	15,000 000	113 21	16,981 80	17,012 10	(30 30)	1,012 50 298 12	5 67 %

US Fixed Income - Taxable

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
FANNIE MAE 5% MAR 01 2036 DTD 02/01/2006 POOL NO 745336 31403D-BD-0	71,648 037	105 58	72,436.94	72,396 63	3,247 93	3,582 40 298 48	3 59 %
FANNIE MAE 5 5% APR 1 2036 DTD 3/1/2006 POOL NO 745418 31403D-DX-4	41,749 899	107 54	44,897 84	42,160 89	2,736 95	2,296 24 191 33	3 61 %
FEDERAL HOME LOAN BANK 5 1/2% JUL 15 2036 DTD 07/17/2006 3133XG-AY-0 AAA /AAA	50,000 000	110 15	55,076 50	55,840 00	(763 50)	2,750 00 1,268 05	4 81 %
ANADARKO PETROLEUM CORP 6 45% SEP 15 2036 DTD 9/19/2006 032511-AY-3 BBB /BA1	25,000 000	99 74	24,934 75	25,604 50	(669 75)	1,612 50 474 77	6 47 %
AT&T INC 6 1/2% SEP 01 2037 DTD 08/31/2007 00206R-AD-4 A- /A2	50,000 000	107 85	53,922 50	51,034 25	2,888 25	3,250 00 1,083 30	5 91 %
FREDDIE MAC GOLD PARTIC CTF 5 5% OCT 01 2037 DTD 11/01/2007 POOL NO G03609 3128M5-KW-9	26,297 385	106 69	28,057 21	26,535 31	1,521 90	1,446 35 120 52	3 06 %

US Fixed Income - Taxable

	Quantity	Price	Market Value	Tax Cost Adjusted Original	Unrealized Gain/Loss	Estimated Annual Income Accrued Interest	Yield
GNMA 5 5% NOV 15 2037 DTD 11/01/2007 POOL NO 782222 36241K-PF-9	32,722 504	108 27	35,429 64	33,742 84	1,686 80	1,799 73 79 97	3 77 %
U S A NOTES 4 1/2% MAY 15 2038 DTD 08/15/2008 912810-PX-0 AAA /AAA	75,000 000	103 03	77,273 25	86,613 30	(9,340 05)	3,375 00 438 15	4 31 %
FREDDIE MAC GOLD PARTIC CTF 5% JUN 01 2038 DTD 07/01/2008 POOL NO G04522 3128M6-LB-2	56,555 122	104 95	59,355 73	57,650 87	1,704 86	2,827 75 125 66	3 35 %
FNMA 5 5% JUN 01 2038 DTD 06/01/2008 POOL NO 929628 31412M-YZ-5	14,141 522	107 06	15,139 21	14,859 65	279 56	777 78 12 95	3 76 %
GNMA 6% OCT 15 2038 DTD 10/01/2008 POOL NO 688023 36296D-LC-0	49,390 380	110 10	54,377 82	50,239 29	4,138 53	2,963 42 131 67	3 91 %

	Quantity	Price	Market Value	Tax Cost Adjusted / Original	Unrealized Gain/Loss	Estimated Annual Income / Accrued Interest	Yield
US Fixed Income - Taxable							
MICROSOFT CORP 5 2% JUN 01 2039 DTD 05/18/2009 594918-AD-6 AAA /AAA	25,000 000	104 41	26,103 00	23,804 50	2,298 50	1,300 00 108 32	4 91 %
FNMA 5% JUL 01 2039 DTD 07/01/2009 POOL NO AC0392 31417J-NJ-5	61,866 947	105 20	65,085 88	63,635 96	1,449 92	3,093 34 51 53	3 72 %
Total US Fixed Income - Taxable	**1,588,151.250**		1,562,231.02	**$1,659,357 71**	**$69,121.47**	**$84,182 48** **$19,947 06**	3 19 %
Non-US Fixed Income							
RIO TINTO FINANCE PLC 8 95% MAY 01 2014 DTD 04/17/2009 US767201AF38 767201-AF-3 BBB /A3	50,000 000	121 07	60,536 00	54,317 50	6,218 50	4,475 00 745 80	2 34 %
UNITED MEXICAN STATES NOTES 5 5/8% JAN 15 2017 DTD 03/10/2006 91086Q-AU-2 BBB /BAA	25,000 000	110 60	27,650 00	24,887 50	2,762 50	1,406 25 648 42	3 65 %
Total Non-US Fixed Income	**75,000.000**		**$88,186.00**	**$79,205.00**	**$8,981.00**	**$5,881 25** **$1,394.22**	2 75 %

Statement 6 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
ROUNDING	$ 2
TOTAL	$ 2

Federal Statements

Statement 7 - Form 990-PF, Part VII-A, Line 10 - Substantial Contributors

Name	Address	City, State, Zip
JOHN PHILLIP SALL	201 VINEYARD LANE	CARY NC 27513

Statement 8 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
JPMORGAN CHASE BANK, NA 3475 PIEDMONT ROAD NE, SUITE 1800 ATLANTA GA 30305	AGENT	5.00	0	0	0
JOHN PHILLIP SALL 201 VINEYARD LANE CARY NC 27513	PRESIDENT	5.00	0	0	0
VIRGINIA B. SALL 201 VINEYARD LANE CARY NC 27513	SEC/TREAS	5.00	0	0	0
ELIZABETH A SALL 233 CHATTANOOGA STREET SAN FRANCISCO CA 94114	BOARD MEMBER	5.00	0	0	0
LESLIE C. SALL 201 VINEYARD LANE CARY NC 27513	BOARD MEMBER	5.00	0	0	0
WILLIAM B. MESSER 401 WESLEY DRIVE CHAPEL HILL NC 27516	BOARD MEMBER	5.00	0	0	0
JOHN MCMILLAN 3605 GLENWOOD AVENUE RALEIGH NC 27612	BOARD MEMBER	5.00	0	0	0

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TAX PREPARER         LJ1
TRUST ADMINISTRATOR  MDF                               LEGEND   F - FEDERAL      S - STATE      I - INHERITED
INVESTMENT OFFICER   MSI                                        E - EXEMPT FROM STATE  U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION           SHARES          DATE            SALES PRICE           COST BASIS           GAIN/LOSS     TERM
--------------------           ------          ----            -----------           ----------           ---------     ----

     1007 6100  FREDDIE MAC - 3128M5KW9
              SOLD                          01/15/2010           1007 61
              ACQ          1007 6100        02/07/2008           1007 61              1016 73               -9 12       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      807 8700  FREDDIE MAC - 3128M5KW9
              SOLD                          02/16/2010            807 87
              ACQ           807.8700        02/07/2008            807 87               815 18               -7 31       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     3112 2000  FREDDIE MAC - 3128M5KW9
              SOLD                          03/15/2010           3112 20
              ACQ          3112 2000        02/07/2008           3112 20              3140.36              -28 16       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1046 8000  FREDDIE MAC - 3128M5KW9
              SOLD                          04/15/2010           1046 80
              ACQ          1046 8000        02/07/2008           1046 80              1056 27               -9 47       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      914 6800  FREDDIE MAC - 3128M5KW9
              SOLD                          05/17/2010            914 68
              ACQ           914 6800        02/07/2008            914 68               922 96               -8 28       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      746 3500  FREDDIE MAC - 3128M5KW9
              SOLD                          06/15/2010            746 35
              ACQ           746 3500        02/07/2008            746 35               753 10               -6.75       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      776 1500  FREDDIE MAC - 3128M5KW9
              SOLD                          07/15/2010            776 15
              ACQ           776 1500        02/07/2008            776 15               783.17               -7 02       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      806 7100  FREDDIE MAC - 3128M5KW9
              SOLD                          08/16/2010            806 71
              ACQ           806 7100        02/07/2008            806 71               814.00               -7 29       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      961 5600  FREDDIE MAC - 3128M5KW9
              SOLD                          09/15/2010            961 56
              ACQ           961 5600        02/07/2008            961 56               970 26               -8 70       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      962 1000  FREDDIE MAC - 3128M5KW9
              SOLD                          10/15/2010            962 10
              ACQ           962.1000        02/07/2008            962 10               970 80               -8 70       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      910 3600  FREDDIE MAC - 3128M5KW9
              SOLD                          11/15/2010            910 36
              ACQ           910 3600        02/07/2008            910.36               918.60               -8 24       LT15
  **CHANGED** 01/11/11 AW4
      964 0000  FREDDIE MAC - 3128M5KW9
              SOLD                          12/15/2010            964 00
              ACQ           964 0000        02/07/2008            964 00               972 72               -8 72       LT15
  **CHANGED** 01/11/11 AW4
     1708 2800  FREDDIE MAC - 3128M6LB2
              SOLD                          01/15/2010           1708 28
              ACQ          1708 2800        02/24/2009           1708 28              1741 38              -33 10       ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1290 3900  FREDDIE MAC - 3128M6LB2
              SOLD                          02/16/2010           1290 39
              ACQ          1290.3900        02/24/2009           1290 39              1315 39              -25 00       ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     3184 0600  FREDDIE MAC - 3128M6LB2
              SOLD                          03/15/2010           3184 06
              ACQ          3184 0600        02/24/2009           3184 06              3245 75              -61 69       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1342 6600  FREDDIE MAC - 3128M6LB2
              SOLD                          04/15/2010           1342 66
              ACQ          1342 6600        02/24/2009           1342 66              1368 67              -26 01       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1147 4800  FREDDIE MAC - 3128M6LB2
              SOLD                          05/17/2010           1147 48
              ACQ          1147 4800        02/24/2009           1147.48              1169 71              -22.23       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      942 4600  FREDDIE MAC - 3128M6LB2
              SOLD                          06/15/2010            942 46
              ACQ           942 4600        02/24/2009            942 46               960 72              -18.26       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1340 4000  FREDDIE MAC - 3128M6LB2
              SOLD                          07/15/2010           1340 40
              ACQ          1340 4000        02/24/2009           1340 40              1366 37              -25 97       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1921 6700  FREDDIE MAC - 3128M6LB2
              SOLD                          08/16/2010           1921 67
              ACQ          1921.6700        02/24/2009           1921 67              1958 90              -37 23       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     2624 2700  FREDDIE MAC - 3128M6LB2
              SOLD                          09/15/2010           2624 27
              ACQ          2624 2700        02/24/2009           2624 27              2675 11              -50 84       LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
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TAX PREPARER          LJ1
TRUST ADMINISTRATOR   MDF                                LEGEND- F - FEDERAL     S - STATE     I - INHERITED
INVESTMENT OFFICER    MSI                                        E - EXEMPT FROM STATE  U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION          SHARES        DATE            SALES PRICE         COST BASIS           GAIN/LOSS    TERM
--------------------          ------        ----            -----------         ----------           ---------    ----

     3052 4300  FREDDIE MAC - 3128M6LB2
                SOLD                      10/15/2010          3052 43
                ACQ         3052 4300     02/24/2009          3052 43             3111 57              -59 14     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     2755 3000  FREDDIE MAC - 3128M6LB2
                SOLD                      11/15/2010          2755 30
                ACQ         2755 3000     02/24/2009          2755 30             2808.68              -53 38     LT15
  **CHANGED** 01/11/11 AW4
     2885 1100  FREDDIE MAC - 3128M6LB2
                SOLD                      12/15/2010          2885 11
                ACQ         2885 1100     02/24/2009          2885 11             2941.01              -55 90     LT15
  **CHANGED** 01/11/11 AW4
    25000.0000  FEDERAL HOME LOAN BANK - 3133XVBD2
                SOLD                      10/14/2010         25000 00
                ACQ        25000.0000     10/14/2009         25000.00            25000 00                0 00     ST
  ***FOUND UPDATE***
    50000 0000  FED HOME LOAN MTGE CORP DD 09/22/00  6 875% DUE 09/15/10 - 3134A35H5 - MINOR = 02361
                SOLD                      09/15/2010         50000.00
                ACQ        50000 0000     02/08/2001         50000.00            53322 50            -3322 50     LT15
  ***FOUND UPDATE***
      388 4800  FANNIE MAE - 31371KBS9
                SOLD                      01/25/2010           388.48
                ACQ          388 4800     08/23/2001           388 48              395 24               -6.76     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      223.5100  FANNIE MAE - 31371KBS9
                SOLD                      02/25/2010           223.51
                ACQ          223 5100     08/23/2001           223 51              227.40               -3 89     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      277 7700  FANNIE MAE - 31371KBS9
                SOLD                      03/25/2010           277.77
                ACQ          277 7700     08/23/2001           277 77              282.61               -4 84     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      749.7600  FANNIE MAE - 31371KBS9
                SOLD                      04/26/2010           749 76
                ACQ          749 7600     08/23/2001           749 76              762 81              -13.05     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      263 7600  FANNIE MAE - 31371KBS9
                SOLD                      05/25/2010           263 76
                ACQ          263 7600     08/23/2001           263 76              268.35               -4.59     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      274 2500  FANNIE MAE - 31371KBS9
                SOLD                      06/25/2010           274 25
                ACQ          274 2500     08/23/2001           274.25              279.02               -4 77     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      351 2900  FANNIE MAE - 31371KBS9
                SOLD                      07/26/2010           351 29
                ACQ          351 2900     08/23/2001           351 29              357 40               -6 11     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      213 6500  FANNIE MAE - 31371KBS9
                SOLD                      08/25/2010           213 65
                ACQ          213 6500     08/23/2001           213.65              217 37               -3 72     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      193 6300  FANNIE MAE - 31371KBS9
                SOLD                      09/27/2010           193 63
                ACQ          193 6300     08/23/2001           193 63              197 00               -3 37     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      192 8900  FANNIE MAE - 31371KBS9
                SOLD                      10/25/2010           192 89
                ACQ          192 8900     08/23/2001           192 89              196 25               -3 36     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      213 7000  FANNIE MAE - 31371KBS9
                SOLD                      11/26/2010           213 70
                ACQ          213 7000     08/23/2001           213 70              217 42               -3 72     LT15
  **CHANGED** 01/11/11 AW4
      144 5700  FANNIE MAE - 31371KBS9
                SOLD                      12/27/2010           144 57
                ACQ          144 5700     08/23/2001           144 57              147 09               -2 52     LT15
  **CHANGED** 01/11/11 AW4
       13 3300  FANNIE MAE - 31388AZ23
                SOLD                      01/25/2010            13 33
                ACQ           13 3300     08/01/2001            13 33               13 29                0 04     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
       10 0700  FANNIE MAE - 31388AZ23
                SOLD                      02/25/2010            10 07
                ACQ           10 0700     08/01/2001            10 07               10 04                0 03     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
       14 6200  FANNIE MAE - 31388AZ23
                SOLD                      03/25/2010            14 62
                ACQ           14 6200     08/01/2001            14 62               14 58                0 04     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
        8 0900  FANNIE MAE - 31388AZ23
                SOLD                      04/26/2010             8 09
                ACQ            8 0900     08/01/2001             8 09                8 07                0 02     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
```

```
TAX PREPARER          LJ1
TRUST ADMINISTRATOR   MDF                          LEGEND   F - FEDERAL     S - STATE      I - INHERITED
INVESTMENT OFFICER·   MSI                                   E - EXEMPT FROM STATE  U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION         SHARES        DATE             SALES PRICE         COST BASIS          GAIN/LOSS    TERM
--------------------         ------        ----             -----------         ----------          ---------    ----

        8 1300  FANNIE MAE - 31388AZ23
                SOLD                     05/25/2010                8.13
                ACQ           8 1300     08/01/2001                8 13               8 11               0 02     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
       13 1200  FANNIE MAE - 31388AZ23
                SOLD                     06/25/2010               13 12
                ACQ          13 1200     08/01/2001               13 12              13 08               0.04     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
       13 7300  FANNIE MAE - 31388AZ23
                SOLD                     07/26/2010               13 73
                ACQ          13.7300     08/01/2001               13 73              13 69               0 04     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
       20 4900  FANNIE MAE - 31388AZ23
                SOLD                     08/25/2010               20 49
                ACQ          20 4900     08/01/2001               20.49              20 43               0 06     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
        8 4900  FANNIE MAE - 31388AZ23
                SOLD                     09/27/2010                8 49
                ACQ           8 4900     08/01/2001                8.49               8.46               0 03     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
        8.5400  FANNIE MAE - 31388AZ23
                SOLD                     10/25/2010                8 54
                ACQ           8 5400     08/01/2001                8 54               8 51               0.03     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
       13 5600  FANNIE MAE - 31388AZ23
                SOLD                     11/26/2010               13 56
                ACQ          13 5600     08/01/2001               13 56              13 52               0.04     LT15
  **CHANGED** 01/11/11 AW4
        8 6700  FANNIE MAE - 31388AZ23
                SOLD                     12/27/2010                8 67
                ACQ           8 6700     08/01/2001                8 67               8 64               0.03     LT15
  **CHANGED** 01/11/11 AW4
   125000 0000  FANNIE MAE - 31398AZQ8
                SOLD                     10/29/2010           125000 00
                ACQ      125000 0000     10/16/2009           125000 00          124693 75             306 25     LT15
     1897.9200  FANNIE MAE - 31403DBD0
                SOLD                     01/25/2010             1897 92
                ACQ         632 6400     01/09/2008              632 64             628 36               4 28     LT15
                           1265 2800     07/27/2009             1265 28            1289 99             -24.71     ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1450 2200  FANNIE MAE - 31403DBD0
                SOLD                     02/25/2010             1450 22
                ACQ         483 4070     01/09/2008              483 41             480 14               3 27     LT15
                            966 8130     07/27/2009              966 81             985.70             -18 89     ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1444 3300  FANNIE MAE - 31403DBD0
                SOLD                     03/25/2010             1444 33
                ACQ         481 4430     01/09/2008              481 44             478 19               3 25     LT15
                            962 8870     07/27/2009              962 89             981 69             -18 80     ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1777.3300  FANNIE MAE - 31403DBD0
                SOLD                     04/26/2010             1777 33
                ACQ         592 4430     01/09/2008              592 44             588 44               4 00     LT15
                           1184 8870     07/27/2009             1184 89            1208 03             -23 14     ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1624 2000  FANNIE MAE - 31403DBD0
                SOLD                     05/25/2010             1624 20
                ACQ         541 4000     01/09/2008              541 40             537 74               3 66     LT15
                           1082 8000     07/27/2009             1082 80            1103 95             -21.15     ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     4344 5500  FANNIE MAE - 31403DBD0
                SOLD                     06/25/2010             4344 55
                ACQ        1448 1830     01/09/2008             1448 18            1438 39               9 79     LT15
                           2896 3670     07/27/2009             2896 37            2952 94             -56 57     ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1557 0400  FANNIE MAE - 31403DBD0
                SOLD                     07/26/2010             1557 04
                ACQ         519 0130     01/09/2008              519 01             515 50               3 51     LT15
                           1038 0270     07/27/2009             1038 03            1058 30             -20 27     ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1838 3000  FANNIE MAE - 31403DBD0
                SOLD                     08/25/2010             1838 30
                ACQ         612 7670     01/09/2008              612 77             608 62               4 15     LT15
                           1225 5330     07/27/2009             1225 53            1249 47             -23 94     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1838 3000  FANNIE MAE - 31403DBD0
                SOLD                     09/27/2010             2426 64
                ACQ        1838 3000     07/27/2009             2426 64            2453 36             -26 72     LT15
  **CHANGED** 07/06/11 AW4   ***FOUND UPDATE***
     2648 6000  FANNIE MAE - 31403DBD0
                SOLD                     10/25/2010             2648 60
                ACQ         882 8670     01/09/2008              882 87             876 90               5 97     LT15
                           1765 7330     07/27/2009             1765 73            1800 22             -34 49     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
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PROPERTY DESCRIPTION          SHARES        DATE             SALES PRICE         COST BASIS          GAIN/LOSS     TERM
--------------------          ------        ----             -----------         ----------          ---------     ----

      2709 7000  FANNIE MAE - 31403DBD0
              SOLD                       11/26/2010              2709 70
              ACQ          2709 7000     07/27/2009              2709 70            2739 54             -29.84     LT15
  **CHANGED** 07/06/11 AW4
      2712 2800  FANNIE MAE - 31403DBD0
              SOLD                       12/27/2010              2712 28
              ACQ           937 0390     01/09/2008               937 04             930 70               6 34     LT15
                           1775 2410     07/27/2009              1775 24            1809 91             -34 67     LT15
  **CHANGED** 01/11/11 AW4
      1207 6800  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       02/04/2010              1207 68
              ACQ          1207 6800     01/09/2008              1207.68            1219.57             -11.89     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1046 4700  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       02/25/2010              1046 47
              ACQ          1046.4700     01/09/2008              1046 47            1056 77             -10.30     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1014 6400  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       03/25/2010              1014 64
              ACQ          1014 6400     01/09/2008              1014 64            1024 63              -9 99     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1383 2800  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       04/26/2010              1383 28
              ACQ          1383 2800     01/09/2008              1383 28            1396.90             -13 62     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1300 6700  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       05/25/2010              1300 67
              ACQ          1300 6700     01/09/2008              1300 67            1313 47             -12 80     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      4281 4200  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       06/25/2010              4281 42
              ACQ          4281 4200     01/09/2008              4281 42            4323 57             -42 15     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1096.6700  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       07/26/2010              1096 67
              ACQ          1096 6700     01/09/2008              1096 67            1107 47             -10 80     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1100 9600  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       08/25/2010              1100 96
              ACQ          1100 9600     01/09/2008              1100 96            1111 80             -10 84     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1257 8600  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       09/27/2010              1257 86
              ACQ          1257 8600     01/09/2008              1257 86            1270 24             -12 38     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1288 8200  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       10/25/2010              1288 82
              ACQ          1288.8200     01/09/2008              1288 82            1301 51             -12 69     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1262 2800  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       11/26/2010              1262 28
              ACQ          1262.2800     01/09/2008              1262 28            1274 71             -12 43     LT15
  **CHANGED** 01/11/11 AW4
      1320.2400  FANNIE MAE - 31403DDX4 - MINOR = 02221
              SOLD                       12/27/2010              1320 24
              ACQ          1320 2400     01/09/2008              1320 24            1333 24             -13 00     LT15
  **CHANGED** 01/11/11 AW4
      1711 2000  FANNIE MAE - 31403RCJ5
              SOLD                       01/25/2010              1711 20
              ACQ          1711 2000     06/02/2004              1711 20            1742 75             -31 55     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1711 1500  FANNIE MAE - 31403RCJ5
              SOLD                       02/25/2010              1711 15
              ACQ          1711 1500     06/02/2004              1711 15            1742 75             -31 60     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1045 7600  FANNIE MAE - 31403RCJ5
              SOLD                       03/25/2010              1045 76
              ACQ          1045 7600     06/02/2004              1045 76            1065.04             -19 28     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
       245 5600  FANNIE MAE - 31403RCJ5
              SOLD                       04/26/2010               245 56
              ACQ           245 5600     06/02/2004               245 56             250 09              -4 53     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
       756 4900  FANNIE MAE - 31403RCJ5
              SOLD                       05/25/2010               756.49
              ACQ           756 4900     06/02/2004               756 49             770 44             -13.95     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      1114 9000  FANNIE MAE - 31403RCJ5
              SOLD                       06/25/2010              1114 90
              ACQ          1114 9000     06/02/2004              1114 90            1135 45             -20.55     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
       224 5700  FANNIE MAE - 31403RCJ5
              SOLD                       07/26/2010               224 57
              ACQ           224 5700     06/02/2004               224 57             228 71              -4 14     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
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TAX PREPARER          LJ1
TRUST ADMINISTRATOR   MDP                                 LEGEND   F - FEDERAL      S - STATE      I - INHERITED
INVESTMENT OFFICER    MSI                                          E - EXEMPT FROM STATE  U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION         SHARES        DATE            SALES PRICE         COST BASIS          GAIN/LOSS     TERM
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      234 9200  FANNIE MAE - 31403RCJ5
             SOLD                       08/25/2010             234 92
             ACQ          234 9200      06/02/2004             234 92              239 25              -4 33     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      228 6400  FANNIE MAE - 31403RCJ5
             SOLD                       09/27/2010             228 64
             ACQ          228 6400      06/02/2004             228 64              232 86              -4 22     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      224 0400  FANNIE MAE - 31403RCJ5
             SOLD                       10/25/2010             224 04
             ACQ          224 0400      06/02/2004             224 04              228 17              -4 13     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      877.2900  FANNIE MAE - 31403RCJ5
             SOLD                       11/26/2010             877 29
             ACQ          877 2900      06/02/2004             877 29              893 46             -16 17     LT15
  **CHANGED** 01/11/11 AW4
      239 3100  FANNIE MAE - 31403RCJ5
             SOLD                       12/27/2010             239 31
             ACQ          239 3100      06/02/2004             239 31              243 72              -4 41     LT15
  **CHANGED** 01/11/11 AW4
     1106 5100  FNMA - 31410GSK0
             SOLD                       01/25/2010            1106 51
             ACQ         1106 5100      02/12/2008            1106 51             1133 83             -27 32     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      962 5800  FNMA - 31410GSK0
             SOLD                       02/25/2010             962 58
             ACQ          962 5800      02/12/2008             962 58              986 34             -23 76     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      791 9500  FNMA - 31410GSK0
             SOLD                       03/25/2010             791 95
             ACQ          791 9500      02/12/2008             791 95              811 50             -19 55     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      889 2600  FNMA - 31410GSK0
             SOLD                       04/26/2010             889 26
             ACQ          889 2600      02/12/2008             889 26              911 21             -21 95     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      946 9300  FNMA - 31410GSK0
             SOLD                       05/25/2010             946 93
             ACQ          946 9300      02/12/2008             946 93              970 31             -23 38     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1603 9500  FNMA - 31410GSK0
             SOLD                       06/25/2010            1603 95
             ACQ         1603 9500      02/12/2008            1603 95             1643 55             -39 60     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      559 3700  FNMA - 31410GSK0
             SOLD                       07/26/2010             559 37
             ACQ          559 3700      02/12/2008             559 37              573 18             -13 81     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1117 5600  FNMA - 31410GSK0
             SOLD                       08/25/2010            1117 56
             ACQ         1117 5600      02/12/2008            1117.56             1145 15             -27 59     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      784 0800  FNMA - 31410GSK0
             SOLD                       09/27/2010             784 08
             ACQ          784 0800      02/12/2008             784 08              803 44             -19 36     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      847 1300  FNMA - 31410GSK0
             SOLD                       10/25/2010             847 13
             ACQ          847 1300      02/12/2008             847 13              868 04             -20 91     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1008 2900  FNMA - 31410GSK0
             SOLD                       11/26/2010            1008 29
             ACQ         1008 2900      02/12/2008            1008 29             1033 18             -24 89     LT15
  **CHANGED** 01/11/11 AW4
      822 1800  FNMA - 31410GSK0
             SOLD                       12/27/2010             822 18
             ACQ          822 1800      02/12/2008             822 18              842 48             -20 30     LT15
  **CHANGED** 01/11/11 AW4
      518 3000  FNMA - 31412MYZ5
             SOLD                       01/25/2010             518 30
             ACQ          518 3000      10/05/2009             518 30              544 62             -26 32     ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      249 3700  FNMA - 31412MYZ5
             SOLD                       02/25/2010             249 37
             ACQ          249 3700      10/05/2009             249 37              262.03             -12 66     ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      199 2200  FNMA - 31412MYZ5
             SOLD                       03/25/2010             199 22
             ACQ          199 2200      10/05/2009             199 22              209.34             -10 12     ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      166 8000  FNMA - 31412MYZ5
             SOLD                       04/26/2010             166.80
             ACQ          166 8000      10/05/2009             166 80              175 27              -8 47     ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
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ACCT 5897  Q95682003                    JPMORGAN CHASE BANK, NA
FROM 01/01/2010                         STATEMENT OF CAPITAL GAINS AND LOSSES
TO   12/31/2010                         SALL FAMILY FOUNDATION                                RUN 07/06/2011
                                                                                                 01·20·51 PM
                                        TRUST YEAR ENDING  12/31/2010

TAX PREPARER:          LJ1
TRUST ADMINISTRATOR·  MDF                                    LEGEND   F - FEDERAL     S - STATE     I - INHERITED
INVESTMENT OFFICER    MSI                                             E - EXEMPT FROM STATE  U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION         SHARES         DATE            SALES PRICE         COST BASIS          GAIN/LOSS    TERM
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      284 5900  FNMA - 31412MYZ5
            SOLD                          05/25/2010              284 59
            ACQ            284 5900       10/05/2009              284 59             299 04             -14 45    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
      492 8400  FNMA - 31412MYZ5
            SOLD                          06/25/2010              492 84
            ACQ            492 8400       10/05/2009              492 84             517.87             -25 03    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
      408 0000  FNMA - 31412MYZ5
            SOLD                          07/26/2010              408 00
            ACQ            408 0000       10/05/2009              408.00             428 72             -20 72    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
      487 5400  FNMA - 31412MYZ5
            SOLD                          08/25/2010              487.54
            ACQ            487 5400       10/05/2009              487 54             512 30             -24 76    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
      609.4800  FNMA - 31412MYZ5
            SOLD                          09/27/2010              609.48
            ACQ            609 4800       10/05/2009              609 48             640.43             -30 95    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
      641 4700  FNMA - 31412MYZ5
            SOLD                          10/25/2010              641 47
            ACQ            641 4700       10/05/2009              641 47             674 05             -32.58    LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
      818 6000  FNMA - 31412MYZ5
            SOLD                          11/26/2010              818 60
            ACQ            818 6000       10/05/2009              818 60             860 17             -41 57    LT15
  **CHANGED** 01/11/11 AW4
      725 4100  FNMA - 31412MYZ5
            SOLD                          12/27/2010              725 41
            ACQ            725 4100       10/05/2009              725 41             762 25             -36 84    LT15
  **CHANGED** 01/11/11 AW4
     1391.4500  FNMA - 31416CME3
            SOLD                          01/25/2010             1391 45
            ACQ           1391 4500       09/18/2009             1391.45            1457 54             -66 09    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
      920 2300  FNMA - 31416CME3
            SOLD                          02/25/2010              920.23
            ACQ            920 2300       09/18/2009              920 23             963.94             -43 71    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
      972 2900  FNMA - 31416CME3
            SOLD                          03/25/2010              972.29
            ACQ            972 2900       09/18/2009              972 29            1018 47             -46 18    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1085.0500  FNMA - 31416CME3
            SOLD                          04/26/2010             1085 05
            ACQ           1085 0500       09/18/2009             1085 05            1136 59             -51 54    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
      991 7500  FNMA - 31416CME3
            SOLD                          05/25/2010              991.75
            ACQ            991.7500       09/18/2009              991 75            1038 86             -47.11    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1286 3700  FNMA - 31416CME3
            SOLD                          06/25/2010             1286 37
            ACQ           1286.3700       09/18/2009             1286 37            1347 47             -61 10    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1031 9800  FNMA - 31416CME3
            SOLD                          07/26/2010             1031.98
            ACQ           1031 9800       09/18/2009             1031 98            1080 99             -49 01    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1040 2200  FNMA - 31416CME3
            SOLD                          08/25/2010             1040 22
            ACQ           1040 2200       09/18/2009             1040 22            1089 63             -49 41    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1182 4300  FNMA - 31416CME3
            SOLD                          09/27/2010             1182 43
            ACQ           1182 4300       09/18/2009             1182 43            1238 60             -56 17    LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1276 1000  FNMA - 31416CME3
            SOLD                          10/25/2010             1276 10
            ACQ           1276 1000       09/18/2009             1276.10            1336 71             -60 61    LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1364 6000  FNMA - 31416CME3
            SOLD                          11/26/2010             1364 60
            ACQ           1364 6000       09/18/2009             1364 60            1429 42             -64.82    LT15
  **CHANGED** 01/11/11 AW4
     1400 6800  FNMA - 31416CME3
            SOLD                          12/27/2010             1400 68
            ACQ           1400 6800       09/18/2009             1400 68            1467 21             -66 53    LT15
  **CHANGED** 01/11/11 AW4
     1139 9300  FNMA - 31417JNJ5
            SOLD                          01/25/2010             1139 93
            ACQ           1139 9300       09/08/2009             1139 93            1172 53             -32 60    ST
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
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TAX PREPARER         LJ1
TRUST ADMINISTRATOR  MDF                                    LEGEND  F - FEDERAL     S - STATE      I - INHERITED
INVESTMENT OFFICER   MSI                                            E - EXEMPT FROM STATE  U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION        SHARES         DATE           SALES PRICE         COST BASIS          GAIN/LOSS    TERM
--------------------        ------         ----           -----------         ----------          ---------    ----

      257 8400  FNMA - 31417JNJ5
            SOLD                          02/25/2010          257 84
            ACQ          257 8400         09/08/2009          257 84             265 21               -7 37     ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      584 5900  FNMA - 31417JNJ5
            SOLD                          03/25/2010          584 59
            ACQ          584 5900         09/08/2009          584 59             601 31              -16 72     ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      107 7800  FNMA - 31417JNJ5
            SOLD                          04/26/2010          107 78
            ACQ          107 7800         09/08/2009          107 78             110 86               -3 08     ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      563 5900  FNMA - 31417JNJ5
            SOLD                          05/25/2010          563 59
            ACQ          563 5900         09/08/2009          563 59             579 71              -16 12     ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      332 9400  FNMA - 31417JNJ5
            SOLD                          06/25/2010          332 94
            ACQ          332 9400         09/08/2009          332.94             342 46               -9 52     ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1098 9300  FNMA - 31417JNJ5
            SOLD                          07/26/2010         1098.93
            ACQ         1098 9300         09/08/2009         1098 93            1130 35              -31 42     ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      684 0300  FNMA - 31417JNJ5
            SOLD                          08/25/2010          684 03
            ACQ          684 0300         09/08/2009          684 03             703 59              -19 56     ST
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1385 7900  FNMA - 31417JNJ5
            SOLD                          09/27/2010         1385 79
            ACQ         1385 7900         09/08/2009         1385 79            1425.42              -39 63     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1587 4800  FNMA - 31417JNJ5
            SOLD                          10/25/2010         1587 48
            ACQ         1587 4800         09/08/2009         1587 48            1632.87              -45 39     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1936.9900  FNMA - 31417JNJ5
            SOLD                          11/26/2010         1936 99
            ACQ         1936 9900         09/08/2009         1936 99            1992 38              -55 39     LT15
  **CHANGED** 01/11/11 AW4
     1897 3800  FNMA - 31417JNJ5
            SOLD                          12/27/2010         1897.38
            ACQ         1897 3800         09/08/2009         1897 38            1951 63              -54.25     LT15
  **CHANGED** 01/11/11 AW4
     3373.1900  GNMA - 36241KPF9
            SOLD                          01/15/2010         3373 19
            ACQ         3373 1900         02/11/2008         3373 19            3478 37             -105 18     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1042 5800  GNMA - 36241KPF9
            SOLD                          02/16/2010         1042 58
            ACQ         1042 5800         02/11/2008         1042 58            1075 09              -32 51     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      897 6800  GNMA - 36241KPF9
            SOLD                          03/15/2010          897 68
            ACQ          897 6800         02/11/2008          897 68             925 67              -27 99     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      979 1600  GNMA - 36241KPF9
            SOLD                          04/15/2010          979 16
            ACQ          979 1600         02/11/2008          979 16            1009 69              -30 53     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      820 5200  GNMA - 36241KPF9
            SOLD                          05/17/2010          820 52
            ACQ          820 5200         02/11/2008          820 52             846 10              -25 58     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
      993 1800  GNMA - 36241KPF9
            SOLD                          06/15/2010          993 18
            ACQ          993 1800         02/11/2008          993 18            1024 15              -30 97     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1032 9400  GNMA - 36241KPF9
            SOLD                          07/15/2010         1032 94
            ACQ         1032 9400         02/11/2008         1032 94            1065 15              -32 21     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1488 8500  GNMA - 36241KPF9
            SOLD                          08/16/2010         1488 85
            ACQ         1488 8500         02/11/2008         1488 85            1535 27              -46 42     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1126 8100  GNMA - 36241KPF9
            SOLD                          09/15/2010         1126 81
            ACQ         1126 8100         02/11/2008         1126 81            1161 95              -35 14     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
     1044 6100  GNMA - 36241KPF9
            SOLD                          10/15/2010         1044 61
            ACQ         1044 6100         02/11/2008         1044 61            1077 18              -32 57     LT15
  **CHANGED** 01/11/11 AW4  ***FOUND UPDATE***
```

```
TAX PREPARER          LJ1
TRUST ADMINISTRATOR  MDF                                    LEGEND   F - FEDERAL      S - STATE      I - INHERITED
INVESTMENT OFFICER   MSI                                             E - EXEMPT FROM STATE  U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION          SHARES          DATE             SALES PRICE         COST BASIS          GAIN/LOSS    TERM
--------------------          ------          ----             -----------         ----------          ---------    ----

     1108 6800   GNMA - 36241KPF9
            SOLD                          11/15/2010              1108 68
            ACQ           1108 6800       02/11/2008              1108 68             1143 25              -34 57     LT15
  **CHANGED** 01/11/11 AW4
     1168 4600   GNMA - 36241KPF9
            SOLD                          12/15/2010              1168 46
            ACQ           1168 4600       02/11/2008              1168.46             1204 89              -36 43     LT15
  **CHANGED** 01/11/11 AW4
     5491 7700   GNMA - 36296DLC0
            SOLD                          01/15/2010              5491.77
            ACQ           5491 7700       11/18/2008              5491 77             5586.16              -94 39     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     2407 1100   GNMA - 36296DLC0
            SOLD                          02/16/2010              2407 11
            ACQ           2407.1100       11/18/2008              2407 11             2448 48              -41 37     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1863 8900   GNMA - 36296DLC0
            SOLD                          03/15/2010              1863 89
            ACQ           1863.8900       11/18/2008              1863.89             1895 92              -32 03     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     2891 3800   GNMA - 36296DLC0
            SOLD                          04/15/2010              2891.38
            ACQ           2891 3800       11/18/2008              2891 38             2941 08              -49 70     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
      825 2800   GNMA - 36296DLC0
            SOLD                          05/17/2010               825.28
            ACQ            825 2800       11/18/2008               825 28              839 46              -14 18     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     2220 1600   GNMA - 36296DLC0
            SOLD                          06/15/2010              2220.16
            ACQ           2220 1600       11/18/2008              2220 16             2258 32              -38 16     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1542 7600   GNMA - 36296DLC0
            SOLD                          07/15/2010              1542 76
            ACQ           1542 7600       11/18/2008              1542 76             1569 28              -26 52     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1831 1700   GNMA - 36296DLC0
            SOLD                          08/16/2010              1831 17
            ACQ           1831 1700       11/18/2008              1831 17             1862.64              -31 47     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     2161 0700   GNMA - 36296DLC0
            SOLD                          09/15/2010              2161 07
            ACQ           2161 0700       11/18/2008              2161.07             2198 21              -37.14     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     2992 8100   GNMA - 36296DLC0
            SOLD                          10/15/2010              2992 81
            ACQ           2992 8100       11/18/2008              2992 81             3044 25              -51.44     LT15
  **CHANGED** 01/11/11 AW4   ***FOUND UPDATE***
     1229 7100   GNMA - 36296DLC0
            SOLD                          11/15/2010              1229 71
            ACQ           1229 7100       11/18/2008              1229.71             1250 85              -21 14     LT15
  **CHANGED** 01/11/11 AW4
     2069.4400   GNMA - 36296DLC0
            SOLD                          12/15/2010              2069 44
            ACQ           2069 4400       11/18/2008              2069 44             2105 01              -35 57     LT15
  **CHANGED** 01/11/11 AW4
    50000 0000   TIME WARNER INC - 887317AB1
            SOLD                          09/30/2010             52829 98
            ACQ          50000.0000       12/17/2009             52829.98            53424 00             -594.02     ST
  ***FOUND UPDATE***
    75000 0000   U S A NOTES - 9128276J6 - MINOR = 02111
            SOLD                          08/16/2010             75000 00
            ACQ          25000 0000       01/28/2005             25000.00            27482 40            -2482 40     LT15
                         50000 0000       09/22/2009             50000 00            52398 45            -2398 45     ST
  ***FOUND UPDATE***
                                                           --------------     --------------
                                     TOTALS                     506439 95          518698.01
                                                           ==============     ==============


SUMMARY OF CAPITAL GAINS/LOSSES
------------------------------

FEDERAL                     SHORT TERM    LONG TERM 28%   LONG TERM 15%      ST WASH SALE    LT WASH SALE       1250 GAIN
                          ------------    ------------    ------------       ------------    ------------    ------------
SUBTOTAL FROM ABOVE           -3958 12            0 00        -8299 94               0 00            0 00           0 00*
COMMON TRUST FUND                 0 00            0 00            0 00                                              0 00
CAPITAL GAIN DIVIDENDS            0 00            0 00            0 00                                              0 00
                          ------------    ------------    ------------       ------------    ------------    ------------
                              -3958 12            0 00        -8299 94               0 00            0 00           0 00
                          ============    ============    ============       ============    ============    ============
```

TAX PREPARER LJ1
TRUST ADMINISTRATOR. MDF
INVESTMENT OFFICER MSI

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM
STATE						
SUBTOTAL FROM ABOVE	-3958 12	0 00	-8299 94	0 00	0 00	0 00*
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	0 00	0 00	0 00			0 00
	-3958 12	0 00	-8299 94	0 00	0 00	0 00

* - 1250 GAIN DETAILED ON TRANS PAGES, NOT ABOVE

CAPITAL LOSS CARRYOVER

FEDERAL	0 00	0.00
UNKNOWN	N/A	N/A

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