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

2010

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

For calendar year 2010, or tax year beginning , 2010, and ending , 20

G Check all that apply: Initial return Initial return of a former public charity Final return
 Amended return Address change Name change

Name of foundation
FORBES FOUNDATION, INC.
C/O JOSEPH W. FORBES, JR.

Number and street (or P O box number if mail is not delivered to street address)
1820 OATLANDS COURT

Room/suite

City or town, state, and ZIP code
WAKE FOREST, NC 27587

A Employer identification number
58-2587780

B Telephone number (see page 10 of the instructions)
(919) 562-8326

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) ▶ \$ **0.**

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)	0.			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	797.	797.		ATCH 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	21,253.			
	b Gross sales price for all assets on line 6a	165,183.			
	7 Capital gain net income (from Part IV, line 2)		21,253.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	22,050.	22,050.			
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) ATCH 2	6,125.	1,845.	0.	0.
	c Other professional fees (attach schedule) *	2,000.	2,000.		
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	115.			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) ATCH 5	1,294.	275.		
	24 Total operating and administrative expenses. Add lines 13 through 23	9,534.	4,120.	0.	0.
	25 Contributions, gifts, grants paid	84,500.			84,500.
26 Total expenses and disbursements Add lines 24 and 25	94,034.	4,120.	0.	84,500.	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	-71,984.				
b Net investment income (if negative, enter -0-)		17,930.			
c Adjusted net income (if negative, enter -0-)					

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing	2,662.	0.	0.
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule)	85,386.	0.	0.
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule)			
	14	Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)				
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	88,048.	0.	0.	
Liabilities	17	Accounts payable and accrued expenses	100.	0.	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons	9,457.	0.	
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
23	Total liabilities (add lines 17 through 22)	9,557.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	78,491.			
30	Total net assets or fund balances (see page 17 of the instructions)	78,491.	0.		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	88,048.	0.		

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 78,491.
2	Enter amount from Part I, line 27a	2 -71,984.
3	Other increases not included in line 2 (itemize) ▶	3
4	Add lines 1, 2, and 3	4 6,507.
5	Decreases not included in line 2 (itemize) ▶ ATTACHMENT 6	5 6,507.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)			(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr)	(d) Date sold (mo., day, yr)
1a SEE PART IV SCHEDULE					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
a					
b					
c					
d					
e					
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	21,253.	
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	4,179.	73,117.	0.057155
2008	5,443.	88,028.	0.061833
2007	4,614.	109,013.	0.042325
2006	4,500.	106,074.	0.042423
2005	2,600.	101,834.	0.025532
2 Total of line 1, column (d)			2 0.229268
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 0.045854
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 63,304.
5 Multiply line 4 by line 3			5 2,903.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 179.
7 Add lines 5 and 6			7 3,082.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18.			8 84,500.

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 <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of ruling letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	179.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	
3	Add lines 1 and 2	3	179.
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	179.
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	94.
b	Exempt foreign organizations-tax withheld at source	6b	0.
c	Tax paid with application for extension of time to file (Form 8868)	6c	0.
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	94.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	85.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> 0. Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

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

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?		X	
Website address ▶ N/A				
14	The books are in care of ▶ JOSEPH W FORBES, JR Telephone no ▶ 919-562-8326			
Located at ▶ 1820 OATLANDS CT WAKE FOREST, NC ZIP + 4 ▶ 27587				
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				
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?		Yes	No
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶				

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? <input type="checkbox"/>	1b	X
Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If "Yes," list the years ▶			
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see page 22 of the instructions)	2b	X
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)	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)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 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? Yes No
 If "Yes" to 6b, file Form 8870

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ATTACHMENT 9		0.	0.	0.

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

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

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

Total number of others receiving over \$50,000 for professional services ▶		NONE

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc

	Expenses
1 N/A	
2	
3	
4	

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

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

	Amount
1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3 NONE	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	59,657.
b	Average of monthly cash balances	1b	4,611.
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	64,268.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	64,268.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	964.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	63,304.
6	Minimum investment return. Enter 5% of line 5	6	3,165.

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	3,165.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	179.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	179.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,986.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	2,986.
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	2,986.

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	84,500.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0.
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	84,500.
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	179.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	84,321.

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				2,986.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			3,447.	
b Total for prior years 20 08, 20 07, 20 06				
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				0.
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 84,500.				
a Applied to 2009, but not more than line 2a			3,447.	
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				2,986.
e Remaining amount distributed out of corpus	78,067.			
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	78,067.			
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.				
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)				
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	78,067.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				0.
e Excess from 2010	78,067.			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

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

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

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

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

1 Information Regarding Foundation Managers:

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

NONE

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.

NONE

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> ATTACHMENT 10				
Total ▶ 3a				84,500.
b <i>Approved for future payment</i>				
Total ▶ 3b				

**FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
2,000.		2,021.				P	08/21/2009	01/04/2010
		GOLDMAN SACHS SHORT DURAT GOVT MUTUAL FU PROPERTY TYPE: SECURITIES					-21.	
2,000.		2,000.				P	08/21/2009	01/04/2010
		GOLDMAN SACHS ULTRA-SHORT DURATION GOVT PROPERTY TYPE: SECURITIES						
161,183.		139,909.				P	VARIOUS	VARIOUS
		CREDIT SUISSE ACCT 2220 - SEE ATTACHED PROPERTY TYPE: SECURITIES					21,274.	
TOTAL GAIN (LOSS)							<u>21,253.</u>	

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

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
GOLDMAN SACHS	634.	634.
CREDIT SUISSE	163.	163.
TOTAL	<u>797.</u>	<u>797.</u>

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
ACCOUNTING FEES	6,125.	1,845.		
TOTALS	<u>6,125.</u>	<u>1,845.</u>	<u>0.</u>	<u>0.</u>

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
OTHER PROFESSIONAL FEES	2,000.	2,000.
TOTALS	<u>2,000.</u>	<u>2,000.</u>

FORM 990PF, PART I - TAXES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>
EXCISE TAX ON PY	115.
TOTALS	<u>115.</u>

FORM 990PF, PART I - OTHER EXPENSES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
BANK CHARGES	79.	79.
INTERNET	1,019.	
INVESTMENT FEES	196.	196.
TOTALS	<u>1,294.</u>	<u>275.</u>

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
OTHER DECREASE	6,507.
TOTAL	<u>6,507.</u>

FORM 990PF, PART VII-A, LINE 3 - CONFORMED COPY OF THE CHANGES

FORBES FOUNDATION, INC. TERMINATED UNDER SECTION 507(B)(1)(A) AND
FILED ARTICLES OF DISSOLUTION WITH THE NORTH CAROLINA SECRETARY OF
STATE ON DECEMBER 30, 2010.

FORM 990PF, PART VII-A - LIQUIDATION, TERMINATION, ETC. STATEMENT

FORBES FOUNDATION, INC. DISSOLVED DECEMBER 30, 2010 WITH THE
NORTH CAROLINA SECRETARY OF STATE. ALL ASSETS WERE DISTRIBUTED
TO TAX EXEMPT CHARITABLE ORGANIZATIONS BEFORE DECEMBER 31, 2010.
THE FOUNDATION CEASES TO BE IN EXISTENCE AND WILL NO LONGER FILE
FORM 990-PF AFTER CALENDAR YEAR 2010.

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

ATTACHMENT 9

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
JOSEPH W FORBES, JR 1820 OATLANDS COURT WAKE FOREST, NC 27587	PRESIDENT	0.	0.	0.
JOSEPH W FORBES, SR 203 SMYRAN CHURCH RD ROBBINS, NC 27325	VICE-PRESIDENT	0.	0.	0.
SUZANNE FORBES 1820 OATLANDS COURT WAKE FOREST, NC 27587	VICE-PRESIDENT	0.	0.	0.
<u>GRAND TOTALS</u>		<u>0.</u>	<u>0.</u>	<u>0.</u>

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

ATTACHMENT 10

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
NC METHODIST HOME FOR CHILDREN 1041 WASHINGTON STREET RALEIGH, NC 27605	TAX EXEMPT ORG	SUPPORT FOR CHARITABLE PURPOSES	74,000.
NORTH RALEIGH UNITED METHODIST CHURCH 8501 HONEYCUTT ROAD RALEIGH, NC 27615	TAX EXEMPT ORG	SUPPORT FOR CHARITABLE PURPOSES	2,000.
SALVATION ARMY 215 SOUTH PERSON STREET RALEIGH, NC 27601	TAX EXEMPT ORG	SUPPORT FOR CHARITABLE PURPOSES	500.
WHITE OAK CONSERVATION CENTER 581705 WHITE OAK ROAD YULEE, FL 32097	TAX EXEMPT ORG	SUPPORT FOR CHARITABLE PURPOSES	5,000.
ST. JAMES UNITED METHODIST CHURCH 3808 ST. JAMES CHURCH RD. RALEIGH, NC 27604	TAX EXEMPT ORG	SUPPORT FOR CHARITABLE PURPOSES	1,000.
OCCONECHEE COUNCIL 3231 ATLANTIC AVENUE RALEIGH, NC 27604	TAX EXEMPT ORG	SUPPORT FOR CHARITABLE PURPOSES	500.

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

ATTACHMENT 10 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
THE FRANCISCAN SCHOOL 10000 ST. FRANCIS DRIVE RALEIGH, NC 27613	TAX EXEMPT ORG	SUPPORT FOR CHARITABLE PURPOSES	500.
FUMC 117 SOUTH ACADEMY STREET CARY, NC 27511	TAX EXEMPT ORG	SUPPORT FOR CHARITABLE PURPOSES	500.
TOYS FOR TOTS FOUNDATION 18251 QUANTICO GATEWAY DRIVE TRIANGLE, VA 22172	TAX EXEMPT ORG	SUPPORT FOR CHARITABLE PURPOSES	500.
TOTAL CONTRIBUTIONS PAID			<u>84,500.</u>

**SCHEDULE D
(Form 1041)**

Capital Gains and Losses

OMB No 1545-0092

2010

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).**

Name of estate or trust **FORBES FOUNDATION, INC.**
C/O JOSEPH W. FORBES, JR.

Employer identification number
58-2587780

Note: Form 5227 filers need to complete only Parts I and II

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					
b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b					1b 21,253.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824					2
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts					3
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet					4 ()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back ▶					5 21,253.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					
b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b					6b
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824					7
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts					8
9 Capital gain distributions					9
10 Gain from Form 4797, Part I					10
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet					11 ()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back ▶					12

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2010

Part III Summary of Parts I and II		(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
Caution: Read the instructions before completing this part.				
13	Net short-term gain or (loss)	13		21,253.
14	Net long-term gain or (loss):			
a	Total for year	14a		
b	Unrecaptured section 1250 gain (see line 18 of the wrksh)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ▶	15		21,253.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the Capital Loss Carryover Worksheet, as necessary.

Part IV Capital Loss Limitation		16
16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of a The loss on line 15, column (3) or b \$3,000	()

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the Capital Loss Carryover Worksheet on page 7 of the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero

Caution: Skip this part and complete the worksheet on page 8 of the instructions if

- Either line 14b, col (2) or line 14c, col (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

Form 990-T trusts. Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col (2) is more than zero

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17	
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18	
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19	
20	Add lines 18 and 19	20	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- ▶	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	
23	Subtract line 22 from line 17. If zero or less, enter -0-	23	
24	Enter the smaller of the amount on line 17 or \$2,300	24	
25	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 and 26, go to line 27 and check the "No" box. <input type="checkbox"/> No. Enter the amount from line 23	25	
26	Subtract line 25 from line 24	26	
27	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 thru 30, go to line 31 <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	
29	Subtract line 28 from line 27	29	
30	Multiply line 29 by 15% (15)	30	
31	Figure the tax on the amount on line 23. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31	
32	Add lines 30 and 31	32	
33	Figure the tax on the amount on line 17. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33	
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34	

Recipient's Name and Address:

FORBES FOUNDATION INC
1820 OATLANDS CT

Account Number: 217-002220

Recipient's Identification
Number 58-2587780

2010 TAX and
YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

(Continued)

SECURITIES PURCHASED

(Continued)

Description	CUSIP	Trade/Process Date	Quantity	Net Cost	Accrued Interest Purchased Amount	Security Type
SPDR SER TR S&P BIOTECH ETF	78464A870	10/20/2010	38	3,696.40		
SPRINT NEXTEL CORP FON SHS	852061100	08/20/2010	252	2,254.32		
TIME WARNER INC NEW COM NEW	887317303	08/20/2010	35	1,068.18		
VANGUARD WORLD FDS VANGUARD HEALTH CARE ETF	92204A504	08/20/2010	49	1,065.23		
WESTERN UN CO COM	959802109	10/01/2010	64	2,481.36		
WISDOMTREE TR INTL LARGE CAP DIVID FD	97717W794	08/20/2010	70	1,132.51		
WISDOMTREE TR JAPAN HEDGED EQUITY FD	97717W851	08/20/2010	60	2,836.34		
Total				2,132.30	82,911.05	0.00

Securities Purchased. Securities purchased through your account during 2010 are displayed in this section. We provide this information to you because you will need it to calculate a gain or loss upon disposition of the securities. The net cost displayed includes commissions and fees. If the security purchased is a debt instrument, the net cost does not include accrued interest purchased. Accrued interest purchased is reported separately in this section of your Tax Information Statement. The cost of securities purchased during 2010 should be reported on your tax return in the year in which the securities are sold or redeemed on IRS Form 1040, Schedule D.

SCHEDULE OF REALIZED GAINS and LOSSES

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
08/19/10	08/16/10	SELL	2AMERICAN TOWER CORP CL A	AMT	67,000	0.00	3,180.49	3,180.49
08/19/10	08/21/09	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	3,163,842	27,999.99	27,873.45	(126.54)
08/19/10	08/31/09	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	1,452	12.85	12.79	(0.06)
08/19/10	09/30/09	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	5,775	51.05	50.88	(0.17)
08/19/10	10/30/09	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	4,688	41.49	41.30	(0.19)

Recipient's Name and Address:
 FORBES FOUNDATION INC
 1820 OATLANDS CT

Account Number: 2J7-002220
 Recipient's Identification
 Number 58-2587780

2010 TAX and
 YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

SCHEDULE OF REALIZED GAINS and LOSSES

(Continued)

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
08/19/10	11/30/09	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	2.260	20.00	19.91	(0.09)
08/19/10	12/31/09	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	1.540	13.63	13.57	(0.06)
08/19/10	01/29/10	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	1.266	11.22	11.15	(0.07)
08/19/10	02/26/10	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	1.188	10.53	10.47	(0.06)
08/19/10	03/31/10	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	1.586	14.05	13.97	(0.08)
08/19/10	04/30/10	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	1.375	12.17	12.11	(0.06)
08/19/10	05/28/10	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	1.461	12.90	12.87	(0.03)
08/19/10	06/30/10	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	1.565	13.82	13.79	(0.03)
08/19/10	07/30/10	SELL	GOLDMAN SACHS ULTRA SHORT	GSAMX	1.473	12.99	12.98	(0.01)
08/19/10	08/21/09	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	2,682.520	27,978.68	28,032.34	53.66
08/19/10	08/31/09	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	0.936	9.79	9.78	(0.01)
08/19/10	09/30/09	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	4.866	50.95	50.85	(0.10)
08/19/10	10/30/09	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	4.252	44.69	44.43	(0.26)
08/19/10	11/30/09	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	2.960	31.26	30.93	(0.33)
08/19/10	12/15/09	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	18.369	190.12	191.96	1.84
08/19/10	12/15/09	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	30.094	311.47	314.48	3.01
08/19/10	12/31/09	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	2.827	29.15	29.54	0.39

Recipient's Name and Address:
 FORBES FOUNDATION INC
 1820 OATLANDS CT

Account Number: 2J7-002220
 Recipient's Identification
 Number: 58-2587780

2010 TAX and
 YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

SCHEDULE of REALIZED GAINS and LOSSES

(Continued)

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
08/19/10	01/29/10	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	2.147	22.29	22.44	0.15
08/19/10	02/26/10	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	1.882	19.55	19.67	0.12
08/19/10	03/31/10	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	2.261	23.45	23.63	0.18
08/19/10	04/30/10	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	1.498	15.56	15.65	0.09
08/19/10	05/28/10	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	1.410	14.68	14.73	0.05
08/19/10	06/30/10	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	1.442	15.05	15.07	0.02
08/19/10	07/30/10	SELL	GOLDMAN SACHS SHORT DURATION GOVT FUND	GSSDX	1.375	14.36	14.37	0.01
08/19/10	08/16/10	SELL	2USB CAP XII	USB PR	360.000	0.00	9,016.13	9,016.13
08/31/10	08/20/10	SELL	6.3% GTD TR PFD SHS	KXI	13.000	727.61	727.36	(0.25)
08/31/10	08/20/10	SELL	ISHARES TR S&P GLOBAL CONSUMER SPDR INDEX SHS FDS	IPK	32.000	740.48	712.03	(28.45)
09/03/10	08/20/10	SELL	SPDR S&P INTL FIRST HORIZON NATL CORP COM	FHN	106.000	1,071.53	1,121.15	49.62
09/22/10	08/20/10	SELL	PACKAGING CORP AMER COM	PKG	47.000	1,074.89	1,062.54	(12.35)
10/01/10	08/20/10	SELL	ISHARES INC MSCI EMU INDEX FD	EZU	9.000	278.69	313.35	34.66
10/05/10	08/20/10	SELL	QUANTA SVCS INC COM	PWR	57.000	1,072.65	1,078.05	5.40
10/06/10	08/20/10	SELL	ISHARES INC MSCI EMU INDEX FD	EZU	45.000	1,393.47	1,606.50	213.03
10/20/10	08/20/10	SELL	ISHARES TR S&P GLOBAL CONSUMER	KXI	19.000	1,063.43	1,166.79	103.36
10/20/10	08/20/10	SELL	VANGUARD WORLD FDS VANGUARD HEALTH CARE	VHT	21.000	1,063.44	1,166.64	103.20

Recipient's Name and Address:

FORBES FOUNDATION INC
1820 OATLANDS CT

Account Number: 2J7-002220

Recipient's Identification
Number: 58-2587780

2010 TAX and
YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

SCHEDULE OF REALIZED GAINS and LOSSES

(Continued)

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
11/01/10	08/20/10	SELL	SPDR SER TR S&P DIVID ETF	SDY	23,000	1,070.19	1,173.85	103.66
11/02/10	08/20/10	SELL	O REILLY AUTOMOTIVE INC COM *IV/C*	686091109	23,000	1,085.14	1,319.43	234.29
11/03/10	08/20/10	SELL	SPDR SER TR S&P DIVID ETF	SDY	8,000	372.24	411.38	39.14
11/03/10	09/28/10	SELL	SPDR SER TR S&P DIVID ETF	SDY	22,000	1,101.94	1,131.30	29.36
11/05/10	10/05/10	SELL	INGERSOLL RAND PLC SHS	IR	31,000	1,148.85	1,267.28	118.43
11/05/10	08/20/10	SELL	BANK AMER CORP COM	BAC	83,000	1,064.89	1,048.29	(16.60)
11/05/10	11/03/10	SELL	BARCLAYS BK PLC ETN LKD TO DOW JONES	JJM	36,000	1,559.82	1,596.60	36.78
11/05/10	08/20/10	SELL	BARCLAYS BK PLC IPATH DOW JONES UBS	JIC	32,000	1,406.47	1,684.80	278.33
11/05/10	08/20/10	SELL	BLACKROCK INC COM	BLK	7,000	1,027.25	1,209.95	182.70
11/05/10	08/20/10	SELL	CURRENCYSHARES AUSTRALIAN DLR TR	FXA	8,000	712.16	812.80	100.64
11/05/10	08/20/10	SELL	CURRENCYSHARES CDN DLR TR CDN DOLLAR	FXC	7,000	664.09	695.94	31.85
11/05/10	08/20/10	SELL	CYTEC INDS INC COM	CYT	22,000	1,072.06	1,150.60	78.54
11/05/10	08/20/10	SELL	DONALDSON INC COM	DCI	25,000	1,070.75	1,273.50	202.75
11/05/10	11/02/10	SELL	GUESS INC COM	GES	30,000	1,192.84	1,233.00	40.16
11/05/10	08/20/10	SELL	HEALTH MANAGEMENT ASSOCIATES INC CL A	HMA	164,000	1,064.16	1,400.76	336.60
11/05/10	08/20/10	SELL	INTEL CORP COM	INTC	56,000	1,059.97	1,188.32	128.35
11/05/10	08/20/10	SELL	ISHARES INC MSCI BRAZIL FREE INDEX FD	EWZ	21,000	1,451.10	1,689.95	248.85

Recipient's Name and Address:

FORBES FOUNDATION INC
1820 OATLANDS CT

Account Number: 217-002220

Recipient's Identification
Number: 58-2587780

2010 TAX and
YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

(Continued)

SCHEDULE OF REALIZED GAINS and LOSSES

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
11/05/10	08/20/10	SELL	ISHARES INC MSCI EMU INDEX FD	EZU	130,000	4,025.58	4,865.97	840.39
11/05/10	08/20/10	SELL	ISHARES INC MSCI THAILAND INVESTABLE	THD	20,000	1,071.00	1,358.00	287.00
11/05/10	08/20/10	SELL	ISHARES INC MSCI UNITED KINGDOM INDEX	EWU	189,000	2,849.74	3,368.00	518.26
11/05/10	08/20/10	SELL	ISHARES INC MSCI SOUTH KOREA INDEX FD	EWY	36,000	1,769.04	2,068.56	299.52
11/05/10	08/20/10	SELL	ISHARES INC MSCI GERMANY INDEX FD	EWG	145,000	2,857.65	3,562.66	705.01
11/05/10	08/20/10	SELL	ISHARES TR IBOXX USD INVT GRADE CORP BD	LQD	38,000	4,260.46	4,279.94	19.48
11/05/10	08/20/10	SELL	ISHARES TR MSCI ALL COUNTRY ASIA EX	AAU	51,000	2,827.90	3,343.56	515.66
11/05/10	10/06/10	SELL	ISHARES TR MSCI ALL COUNTRY ASIA EX	AAU	23,000	1,440.95	1,507.88	66.93
11/05/10	08/20/10	SELL	ISHARES TR MSCI EUROPE FINL SECTOR	EUFN	103,000	2,143.22	2,421.32	278.10
11/05/10	08/31/10	SELL	ISHARES TR MSCI EUROPE FINL SECTOR	EUFN	33,000	682.06	775.76	93.70
11/05/10	08/31/10	SELL	ISHARES TR MSCI EUROPE FINL SECTOR	EUFN	34,000	701.76	799.28	97.52
11/05/10	08/20/10	SELL	KROGER CO	KR	51,000	1,073.47	1,179.12	105.65
11/05/10	08/20/10	SELL	MARKET VECTORS RUSSIA ETF TR SHS	RSX	47,000	1,439.02	1,706.10	267.08
11/05/10	08/20/10	SELL	MORGAN STANLEY COM NEW	MS	41,000	1,059.38	1,113.15	53.77
11/05/10	08/20/10	SELL	PETROHAWK ENERGY CORP COM	HK	68,000	1,063.52	1,141.04	77.52
11/05/10	08/20/10	SELL	POLO RALPH LAUREN CORP CL A	RL	13,000	1,062.49	1,299.74	237.25
11/05/10	08/20/10	SELL	POWERSHARES EXCHANGE-TRADED FD	PIV	124,000	1,429.71	1,619.45	189.74

Recipient's Name and Address:

FORBES FOUNDATION INC
1820 OATLANDS CT

Account Number: 2J7-002220

Recipient's Identification
Number: 58-2587780

2010 TAX and
YEAR-END STATEMENT

TRANSACTIONS WE DO NOT REPORT TO THE IRS

(Continued)

SCHEDULE OF REALIZED GAINS and LOSSES

(Continued)

Disposition Date	Acquisition Date	Closing Transaction	Description	Security Identifier	Quantity	Cost Basis	Proceeds	Realized Gain/Loss
11/05/10	08/20/10	SELL	POWERSHARES GLOBAL EXCH TRD FD TR	PCY	89 000	2,484.87	2,538.28	53.41
11/05/10	08/20/10	SELL	PROCTER & GAMBLE CO COM	PG	18 000	1,077.12	1,168.92	91.80
11/05/10	08/20/10	SELL	RESEARCH IN MOTION LTD COM	RIMM	22 000	1,071.84	1,219.24	147.40
11/05/10	11/01/10	SELL	ROBERT HALF INTL INC	RHI	42 000	1,150.22	1,191.96	41.74
11/05/10	08/20/10	SELL	SPDR INDEX SHS FDS S&P CHINA ETF	GXC	30 000	2,129.10	2,532.90	403.80
11/05/10	08/20/10	SELL	SPDR INDEX SHS FDS S&P S&P INTL	IPK	93 000	2,152.01	2,418.00	265.99
11/05/10	08/20/10	SELL	SPDR SER TR BARCLAYS CAP INTL TREAS BD	BWX	25 000	1,430.00	1,549.00	119.00
11/05/10	09/28/10	SELL	SPDR SER TR S&P DIVID ETF	SDY	23 000	1,152.03	1,202.21	50.18
11/05/10	10/20/10	SELL	SPDR SER TR S&P BIOTECH ETF	XBI	38 000	2,254.32	2,254.54	0.22
11/05/10	08/20/10	SELL	SPRINT NEXTEL CORP FON SHS	S	252 000	1,068.18	1,003.21	(64.97)
11/05/10	08/20/10	SELL	TIME WARNER INC NEW COM NEW	TWX	35 000	1,055.23	1,108.80	53.57
11/05/10	08/20/10	SELL	VANGUARD WORLD FDS VANGUARD HEALTH CARE	VHT	28 000	1,417.92	1,569.68	151.76
11/05/10	10/01/10	SELL	WESTERN UN CO COM	WU	64 000	1,132.51	1,160.32	27.81
11/05/10	08/20/10	SELL	WISDOMTREE TR INTL LARGE CAP DIVID	DOL	70 000	2,836.34	3,321.50	485.16
11/05/10	08/20/10	SELL	WISDOMTREE TR JAPAN HEDGED EQUITY FD	DXJ	60 000	2,132.30	2,157.00	24.70
Total Short Term						139,908.79	161,182.98	21,274.19
Total Short Term and Long Term						139,908.79	161,182.98	21,274.19



NORTH CAROLINA

Department of The Secretary of State

To all whom these presents shall come, Greetings:

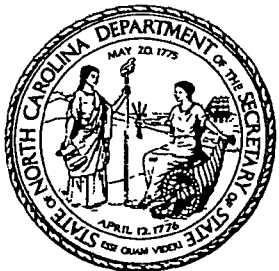
I, Elaine F. Marshall, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached to be a true copy of

ARTICLES OF DISSOLUTION

OF

FORBES FOUNDATION, INC.

the original of which was filed in this office on the 30th day of December, 2010.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Raleigh, this 3rd day of January, 2011.

Elaine F. Marshall

Secretary of State

State of North Carolina
Department of the Secretary of State

ARTICLES OF DISSOLUTION BY DIRECTORS, MEMBERS, AND THIRD PERSONS FOR
NONPROFIT CORPORATION

Pursuant to §55A-14-04 of the General Statutes of North Carolina, the undersigned corporation hereby submits the following Articles of Dissolution for the purpose of dissolving the corporation.

1. The name of the corporation is Forbes Foundation, Inc.
2. The names, titles, and addresses of the officers of the corporation are: President/Treasurer: Joseph W. Forbes, Jr., 1820 Oatlands Court, Wake Forest, NC 27587; Vice President/Secretary: Joseph W. Forbes, Sr., P.O. Box 3811, Pinehurst, NC 28374
Vice President: Suzanne M. Forbes, 1820 Oatlands Court, Wake Forest, NC 27587
3. The names and addresses of the directors of the corporation are: Joseph W. Forbes, Jr., 1820 Oatlands Court, Wake Forest, NC 27587;
Joseph W. Forbes, Sr., P.O. Box 3811, Pinehurst, NC 28374
Suzanne M. Forbes, 1820 Oatlands Court, Wake Forest, NC 27587
4. Attached is the plan of dissolution as required by N.C.G.S. §55A-14-03.
5. The dissolution of the corporation was authorized on the 23rd day of DECEMBER, 2010.
6. (Check a, b, and/or, c, as applicable.)
 - a. Approval of members was not required for the dissolution, and the plan of dissolution was approved by a sufficient vote of the board of directors.
 - b. Approval of the members was required for the dissolution, and the plan of dissolution was approved as required by Chapter 55A of the North Carolina General Statutes.
 - c. Approval of the dissolution by some person or persons other than the members or the board of directors was required pursuant to N.C.G.S. §55A-14-02(a)(3), and such approval was obtained.
7. These articles will be effective upon filing, unless a delayed date and/or time is specified 31st day of DECEMBER, 2010

This the 23rd day of DECEMBER, 2010

Forbes Foundation, Inc.

Name of Corporation


Signature

Joseph W. Forbes, Jr., President and Director

Type or Print Name and Title

Notes:

1. Filing fee is \$15. This document and one exact or conformed copy of these articles must be filed with the Secretary of State.