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

2010

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

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

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

Name of foundation ARNOLD FOUNDATION		A Employer identification number 59-6152134
Number and street (or P.O. box number if mail is not delivered to street address) 4616 NW RED BAY CIRCLE	Room/suite	B Telephone number 561-833-6118
City or town, state, and ZIP code JENSEN BEACH, FL 34957		C If exemption application is pending, 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		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 333638.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____ (Part I, column (d) must be on cash basis.)	E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received		4016.		N/A	
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		11343.	11343.		Statement 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-11441.			
b Gross sales price for all assets on line 6a	100960.				
7 Capital gain net income (from Part IV, line 2)			0.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		3918.	11343.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees Stmt 2		1938.	0.		0.
c Other professional fees Stmt 3		352.	0.		0.
17 Interest					
18 Taxes					
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses					
24 Total operating and administrative expenses. Add lines 13 through 23		2290.	0.		0.
25 Contributions, gifts, grants paid		25225.			25225.
26 Total expenses and disbursements. Add lines 24 and 25		27515.	0.		25225.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-23597.			
b Net investment income (if negative, enter -0-)			11343.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	1.	1.	1.
	2 Savings and temporary cash investments	7345.	14238.	14238.
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock Stmt 4	399190.	359850.	319399.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶ Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
Liabilities	14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	406536.	374089.	333638.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ 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	388053.	380628.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	18483.	-6539.	
	30 Total net assets or fund balances	406536.	374089.	
	31 Total liabilities and net assets/fund balances	406536.	374089.	

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	406536.
2 Enter amount from Part I, line 27a	2	-23597.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	382939.
5 Decreases not included in line 2 (itemize) ▶ CORRECTION TO CAPITAL	5	8850.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	374089.

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 3254 SHARES FRANKLIN MUT GLOBAL	P	11/16/07	03/31/10
b 230 SHARES UBS	P	11/10/10	12/17/10
c 90.906 SHARES AMERICAN CAPITAL	P	11/16/06	12/17/10
d 1490.86 SHARES FRANKLIN CUST FUND	P	11/16/06	12/17/10
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 90953.		100596.	-9643.
b 3607.		4016.	-409.
c 3200.		3852.	-652.
d 3200.		3937.	-737.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			-9643.
b			-409.
c			-652.
d			-737.
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	-11441.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	{ }	3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	36967.	293131.	.126111
2008	23955.	327014.	.073254
2007	37792.	388767.	.097210
2006	41234.	371235.	.111073
2005	35822.	419090.	.085476

2 Total of line 1, column (d)	2	.493124
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	.098625
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	324511.
5 Multiply line 4 by line 3	5	32005.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	113.
7 Add lines 5 and 6	7	32118.
8 Enter qualifying distributions from Part XII, line 4	8	25225.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1.			
b 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	227.
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	227.
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	227.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7		0.
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		227.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax ☐ Refunded ☐	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☐ \$ 0. (2) On foundation managers. ☐ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☐ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3	X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b	
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 instructions) ☐ FL		
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)? If "Yes," complete Part XIV	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	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 ► **C MERRILL BRANCH** Telephone no. ► **561-833-6118**
 Located at ► **417 25TH STREET, WEST PALM BEACH, FL** ZIP+4 ► **33407**

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** **N/A**

16 At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?

16		Yes	No
			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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ☐	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No If "Yes," list the years ►		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ 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

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

6b

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

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.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JAMES Y ARNOLD, JR. 3 SOUTH LAKE TRAIL PALM BEACH, FL 33480	TRUSTEE 10.00	0.	0.	0.
F BROOKS ARNOLD P O BOX 689 ATHENS, GA 30603	TRUSTEE 5.00	0.	0.	0.
PAIGE A BENJAMIN P O BOX 568 PALM BEACH, FL 33480	TRUSTEE 3.00	0.	0.	0.

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

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

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

0

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	318660.
b	Average of monthly cash balances	1b	10793.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	329453.
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	329453.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	4942.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	324511.
6	Minimum investment return. Enter 5% of line 5	6	16226.

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

1	Minimum investment return from Part X, line 6	1	16226.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	227.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	227.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	15999.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	15999.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	15999.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	25225.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	25225.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	25225.

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.

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				15999.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005	15197.			
b From 2006	22918.			
c From 2007	19284.			
d From 2008	7972.			
e From 2009	22536.			
f Total of lines 3a through e	87907.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$	25225.			
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				15999.
e Remaining amount distributed out of corpus	9226.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus: Add lines 3f, 4c, and 4e. Subtract line 5	97133.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	15197.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	81936.			
10 Analysis of line 9:				
a Excess from 2006	22918.			
b Excess from 2007	19284.			
c Excess from 2008	7972.			
d Excess from 2009	22536.			
e Excess from 2010	9226.			

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. | | |

[illegible]

- 2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No
- b** If "Yes," complete the following schedule.

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

**Sign
Here**

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

Signature of officer or trustee

Date _____

13/10/11

Title

Trusted

**Paid
Preparer
Use Only**

Print/Type preparer's name

Stephen Barry

Preparer's signature

Ken S. Jung

Date

02/10/11

Check ☐ self-employed

PTIN	
------	--

Firm's name ► **BARRY & COMPANY, PA, CPA**

Firm's EIN ▶

Firm's address ► 525 OKEECHOBEE BLVD., SUITE 990
WEST PALM BEACH, FL 33401

Phone no. 561-804-0083

Form **990-PF** (2010)

Form 990-PF	Dividends and Interest from Securities	Statement	1
Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
MERRILL LYNCH	11343.	0.	11343.
Total to Fm 990-PF, Part I, ln 4	11343.	0.	11343.

Form 990-PF	Accounting Fees			Statement 2
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
C MERRILL BRANCH-ACCOUNTANT	1013.	0.		0.
BARRY & COMPANY, CPA,PA	925.	0.		0.
To Form 990-PF, Pg 1, ln 16b	1938.	0.		0.

Form 990-PF	Other Professional Fees			Statement	3
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
OFFICE AND BANK CHARGES	52.	0.			0.
MERRILL LYNCH ANNUAL FEE	300.	0.			0.
To Form 990-PF, Pg 1, ln 16c	352.	0.			0.

Form 990-PF	Corporate Stock	Statement	4
Description	Book Value	Fair Market Value	
3298 SHARES AMERICAN CAPITAL WORLD	141663.	117758.	
47884 SHARES FRANKLIN CUS	127187.	104388.	
2480 BLACKROCK GLOBAL ALLOC	45500.	48174.	
1337 SHARES AMERICAN FUNDMENTAL	45500.	49079.	
Total to Form 990-PF, Part II, line 10b	359850.	319399.	

Form 990-PF	Grants and Contributions Paid During the Year	Statement 5
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Recipient Name and Address	Recipient Relationship and Purpose of Grant	Recipient Status	Amount
THE EAGLES WINGS FOUNDATION 375 POSSUM PASS WEST PALM BEACH, FL 33413	NONE SUPPORTING CHARITABLE ACTIVITIES	ALL PUBLIC	1000.
AMERICAN CANCER SOCIETY 621 CLEARWATER PARK RD WEST PALM BEACH, FL 33401	NONE SUPPORTING CHARITABLE ACTIVITIES	ALL PUBLIC	250.
ATHENS ACADEMY P O BOX 6548 ATHENS, GA 30604	NONE SUPPORTING CHARITABLE ACTIVITIES	ALL PUBLIC	2000.
BLUE RIDGE SCHOOL 273 MAYO DRIVE ST GEORGE, VA 22935	NONE SUPPORTING CHARITABLE ACTIVITIES	ALL PUBLIC	1000.
CHARLES MUDDOCK FOUNDATION 139 N COUNTY ROAD PALM BEACH, FL 33480	NONE SUPPORTING CHARITABLE ACTIVITIES	ALL PUBLIC	1000.
RACE FOIR THE CURE 1624 ST CLAIR CLEVELAND, OH 44114	NONE SUPPORTING CHARITABLE ACTIVITIES	ALL PUBLIC	250.
ST ALEXIS CATHOLIC CHURCH 400 WEST WOOD STREET BENSVILLE, IL 60106	NONE SUPPORTING RELIGIOUS ACTIVITIES	ALL PUBLIC	1000.
FAMILY CENTER INC 400 ARCH STREET GREENWICH, CT 06831	NONE SUPPORTING CHARITABLE ACTIVITIES	ALL PUBLIC	5000.

CLASSICAL 89.7 P O BOX 1628 FT LAUDERDALE, FL 33302	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	100.
FLORIDA ATLANTIC UNIVERSITY 777 GLADES ROAD BOCA RATON, FL 33431	NONE SUPPORTING EDUCATIONAL ACTIVITIES	ALL PUBLIC	1000.
DEAF SERVICE CENTER OF PALM BEACH CO INC 3111 SO DIXIE HIGHWAY WEST PALM BEACH, FL 33405	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	1250.
FLORIDA UNITED METHODIST CHILDRENS HOME 51 MAIN STREET ENTERPRISE, FL 32725	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	1000.
GEORGIA TECH ALUMNI ASSOCIATION 190 NORTH AVENUE ATLANTA, GA 30313	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	100.
BOY SCOUTS OF AMERICA 8335 NORTH MILITARY TRAIL PALM BEACH GARDENS, FL 33410	NONE SUPPORTING EDUCATION ACTIVITES	ALL PUBLIC	500.
INTL CAMPAIGN FOR TIBET 1825 JEFFERSON PLACE NW WASHINGTON, DC 20036	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	100.
ISLAND CATS OF PALM BEACH, INC P O BOX 332 PALM BEACH, FL 33480	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	400.
PALM BEACH FIRE FIGHTERS EDUCATION 355 SOUTH COUNTY ROAD PALM BEACH, FL 33480	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	100.
LOURDES NOREEN MCKEEN 401 NORTH FLAGLER DRIVE WEST PALM BEACH, FL 33401	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	300.

FEED THE CHILDREN P O BOX 36 OKLAHOMA CITY, OK 73101	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	250.
METROPOLITAN OPERA, 50 LINCOLN CENTER NEW YORK, NY 10023	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	125.
LYMPHOMA RESEARCH 262 SUNSET AVE PALM BEACH, FL 33480	NONE SUPPORTING EDUCATIONAL ACTIVITIES	ALL PUBLIC	300.
NORTON MUSEUM OF ART 1451 S OLIVE AVENUE WEST PALM BEACH, FL 33401	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	1000.
PALM BEACH CAT RESCUE & HUMANE SOC, 165 ROOT TRAIL PALM BEACH, FL 33480	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	150.
PALM BEACH CIVIC ASSOC, 139 N COUNTY ROAD PALM BEACH, FL 33480	NONE SUPPORTING EDUCATIONAL ACTIVITES	ALL PUBLIC	250.
PALM BEACH COMMUNITY COLLEGE, 4200 CONGRESS AVENUE LAKE WORTH, FL 33461	NONE SUPPORTING CHARITABLE ACTIVITIES	ALL PUBLIC	
PALM BEACH INFECTIOUS DISEASE 1515 N FLAGLER DR WEST PALM BEACH, FL 33401	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	
PALM BEACH OPERA, 415 SOUTH OLIVE AVENUE WEST PALM BEACH, FL 33401	NONE SUPPORTING EDUCATIONAL ACTIVITIES	ALL PUBLIC	800.
ROYAL POINCIANA CHAPEL, 60 COCOANUT ROW PALM BEACH, FL 33480	NONE SUPPORTING CHARITABLE ACTIVITES	ALL PUBLIC	3500.

ST STEPHENS EPISCOPAL CHURCH 954 LAKE AVENUE GREENWICH, CT 06831	NONE SUPPORTING CHARITABLE ACTIVITIES	ALL PUBLIC	2000.
WPBT PUBLIC TV P O BOX 610002 MIAMI, FL 33261-0002	NCNE SUPPORTING CHARITABLE ACTIVITIES	ALL PUBLIC	250.
WXEL 3401 SOUTH CONGRESS AVENUE WEST PALM BEACH, FL 33426	NONE SUPPORTING CHARITABLE ACTIVITIES	ALL PUBLIC	250.

Total to Form 990-PF, Part XV, line 3a

25225.

THE PALM BEACH POST
Published Daily and Sunday
West Palm Beach, Palm Beach County, Florida

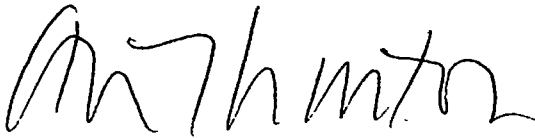
PROOF OF PUBLICATION

STATE OF FLORIDA
COUNTY OF PALM BEACH

Before the undersigned authority personally appeared **Ellen Sanita**, who on oath says that she is **Call Center Revenue Manager** of The Palm Beach Post, a daily and Sunday newspaper, published at West Palm Beach in Palm Beach County, Florida; that the attached copy of advertising for a Notice in the matter Annual Report was published in said newspaper in the issues of February 16, 2011. Affiant further says that the said The Post is a newspaper published at West Palm Beach, in said Palm Beach County, Florida, and that the said newspaper has heretofore been continuously published in said Palm Beach County, Florida, daily and Sunday and has been entered as second class mail matter at the post office in West Palm Beach, in said Palm Beach County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she/he has neither paid nor promised any person, firm or corporation any discount rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper. Also published in Martin and St. Lucie Counties.



Sworn to and subscribed before 16th day of February, A.D. 2011.
Who is personally known to me.



NOTARY PUBLIC-STATE OF FLORIDA
 **Karen M. McLinton**
Commission #DD832672
Expires: NOV. 15, 2012
BONDED THRU ATLANTIC BONDING CO., INC.

NO. 5844238
NOTICE IS HEREBY GIVEN by J. Y. Arnold Jr., Principal Manager, that the annual report of the Arnold Foundation for the year is available at its principal office - 4616 N.W. Red Bay Circle, Jensen Beach, FL 34957 c/o C. Merrill Branch, for inspection during regular business hours within 180 days after publication of this notice of its availability.
PUB The Palm Beach Post
February 16, 2010