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: KATES FOUNDATION, INC.

A Employer identification number: 65-0401513

Number and street (or P O box number if mail is not delivered to street address): P.O. BOX 4153 | Room/suite

B Telephone number: (941)388-9194

City or town, state, and ZIP code: SARASOTA, FL 34230-4153

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 ▶ [ ]

H Check type of organization: [X] Section 501(c)(3) exempt private foundation [ ] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 1,643,057.

J Accounting method: [X] Cash [ ] Accrual [ ] Other (specify) *(Part I, column (d) must be on cash basis)*

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	15.	15.		STATEMENT 1
	4 Dividends and interest from securities	44,290.	44,290.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	-106,609.			STATEMENT 3
	b Gross sales price for all assets on line 6a 81,502.				
	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	-3,406.	-3,406.		STATEMENT 4
	12 **Total** Add lines 1 through 11	-65,710.	40,899.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	30,000.	0.		30,000.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits	15,521.	0.		15,521.
	16a Legal fees				
	b Accounting fees STMT 5	1,995.	0.		1,995.
	c Other professional fees				
	17 Interest	39.	39.		0.
	18 Taxes STMT 6	1,396.	294.		0.
	19 Depreciation and depletion	441.	0.		
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 7	1,435.	326.		1,109.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	50,827.	659.		48,625.
	25 Contributions, gifts, grants paid	96,290.			96,290.
	26 **Total expenses and disbursements.** Add lines 24 and 25	147,117.	659.		144,915.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-212,827.			
	b **Net investment income** (if negative, enter -0-)		40,240.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	165,876.	94.	94.
	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 8	1,531,360.	1,506,930.	1,310,961.
	c Investments - corporate bonds STMT 9	242,399.	242,400.	181,720.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 10	374,324.	374,324.	148,870.
	14 Land, buildings, and equipment: basis ▶ 2,195.			
	Less accumulated depreciation STMT 11 ▶ 783.	1,785.	1,412.	1,412.
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	2,315,744.	2,125,160.	1,643,057.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 12)	0.	22,243.	
	23 **Total liabilities** (add lines 17 through 22)	0.	22,243.	
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 ▶ [X] and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	2,315,744.	2,102,917.	
	30 **Total net assets or fund balances**	2,315,744.	2,102,917.	
	31 **Total liabilities and net assets/fund balances**	2,315,744.	2,125,160.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,315,744.
2	Enter amount from Part I, line 27a	2	-212,827.
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	2,102,917.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,102,917.

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	5000 SH ASIA PULP & PAPER		01/16/98	06/10/10
b	5000 SH ASIA PULP & PAPER		08/12/98	06/10/10
c	2500 SH GENWORTH FINL INC	P	05/24/04	07/26/10
d	2000 SH WELLS FARGO	P	02/28/08	01/25/10
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			53,260.	-53,260.
b			35,005.	-35,005.
c	37,790.		48,750.	-10,960.
d	43,712.		49,630.	-5,918.
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				-53,260.
b				-35,005.
c				-10,960.
d				-5,918.
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	-105,143.
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	84,185.	2,887,795.	.029152
2008	133,863.	1,753,749.	.076330
2007	124,175.	2,286,110.	.054317
2006	112,663.	2,233,865.	.050434
2005	119,033.	2,272,661.	.052376

2 **Total** of line 1, column (d)	2	.262609
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	.052522
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,578,157.
5 Multiply line 4 by line 3	5	82,888.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	402.
7 Add lines 5 and 6	7	83,290.
8 Enter qualifying distributions from Part XII, line 4	8	144,915.

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. 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	402.
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	402.
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	402.
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a 920.		
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	920.
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	518.
11 Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ 518. **Refunded** ▶		11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b 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*	1b		X
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. ▶ $ 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? 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 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

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 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 ▶ LISA KATES Telephone no. ▶ (941) 366-1819
Located at ▶ P.O. BOX 4153, SARASOTA, FL ZIP+4 ▶ 34230

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

			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

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)?	1b		X
	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?	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

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

		Yes	No
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 X 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 [X] No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes [X] 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 X 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 [X] 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 X No		
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		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 X 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
MENA LISA KATES P.O. BOX 4153 SARASOTA, FL 34230	PRESIDENT/TREASURER 10.00	30,000.	0.	13,277.
CHERRIE MCDONOUGH P.O. BOX 4153 SARASOTA, FL 34230	VICE-PRESIDENT 2.00	0.	0.	0.
PATTI WERTHEMIER P.O. BOX 4153 SARASOTA, FL 34230	SECRETARY 2.00	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

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services ▶		0

Part IX-A **Summary of Direct Charitable Activities**

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

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

Form **990-PF** (2010)

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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	1,555,165.
b	Average of monthly cash balances	1b	47,025.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	1,602,190.
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	1,602,190.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	24,033.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,578,157.
6	**Minimum investment return** Enter 5% of line 5	6	78,908.

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	78,908.
2a	Tax on investment income for 2010 from Part VI, line 5 — 2a: 402.		
b	Income tax for 2010. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	402.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	78,506.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	78,506.
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	78,506.

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	144,915.
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	144,915.
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	402.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	144,513.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				78,506.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			90,340.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 144,915.				
a Applied to 2009, but not more than line 2a			90,340.	
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				54,575.
e Remaining amount distributed out of corpus	0.			
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	0.			
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				23,931.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

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Part XIV **Private Operating Foundations** (see instructions and Part VII-A, question 9) N/A

1 a 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			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
2 a 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 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 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:

SEE STATEMENT 13

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 *Paid during the year*				
SEE STATEMENT 14				
Total			▶ 3a	96,290.
b *Approved for future payment*				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	15.	
4 Dividends and interest from securities			14	44,290.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	-3,406.	
8 Gain or (loss) from sales of assets other than inventory			01	-106,609.	
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.		-65,710.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 -65,710.

(See worksheet in line 13 instructions 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).

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.

▶ [signature] 5/19/11 ▶ 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	PTIN
CHARLES R. BAUMANN	[signature]	4/19/11		

Firm's name ▶ KERKERING, BARBERIO & CO. P.O. BOX 49348 | Firm's EIN ▶

Firm's address ▶ SARASOTA, FL 34230-6348 | Phone no. 941-365-4617

2010 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1 990-PF

Asset No	Description	Date Acquired	Method	Life	C o n v	Line No	Unadjusted Cost Or Basis	Bus % Excl	Section 179 Expense	* Reduction In Basis	Basis For Depreciation	Beginning Accumulated Depreciation	Current Sec 179 Expense	Current Year Deduction	Ending Accumulated Depreciation
1	PRINTER	07/27/05	SL	5.00	HY	16	174.				174.	155.		19.	174.
2	ANSWERING MACHINE	07/29/05	SL	7.00	HY	16	182.				182.	115.		26.	141.
3	FAX MACHINE	08/08/05	SL	7.00	HY	16	305.				305.	194.		44.	238.
4	(D)COMPUTER	04/08/08	SL	5.00	HY	16	2,444.				2,444.	856.		122.	
5	IMAC	03/31/10	SL	5.00	HY	16	1,534.				1,534.			230.	230.
	* TOTAL 990-PF PG 1 DEPR						4,639.				4,639.	1,320.		441.	783.

028111
05-01-10

(D) - Asset disposed

* ITC, Salvage, Bonus, Commercial Revitalization Deduction, GO Zone

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

SOURCE	AMOUNT
BANK OF AMERICA	1.
ENERGY TRANSFER PARTNERS LP	14.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	15.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CITIGROUP-SMITH BARNEY	44,274.	0.	44,274.
ENERGY TRANSFER PARTNERS LP	16.	0.	16.
TOTAL TO FM 990-PF, PART I, LN 4	44,290.	0.	44,290.

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 3

(A) DESCRIPTION OF PROPERTY				MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
5000 SH ASIA PULP & PAPER				PURCHASED	01/16/98	06/10/10

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	53,260.	0.	0.	-53,260.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
5000 SH ASIA PULP & PAPER	PURCHASED	08/12/98	06/10/10

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	35,005.	0.	0.	-35,005.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
2500 SH GENWORTH FINL INC	PURCHASED	05/24/04	07/26/10

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
37,790.	48,750.	0.	0.	-10,960.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
2000 SH WELLS FARGO	PURCHASED	02/28/08	01/25/10

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
43,712.	49,630.	0.	0.	-5,918.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
COMPUTER	PURCHASED	04/08/08	03/31/10

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	2,444.	0.	978.	-1,466.

NET GAIN OR LOSS FROM SALE OF ASSETS	-106,609.
CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	-106,609.

FORM 990-PF OTHER INCOME STATEMENT 4

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
ENERGY TRANSFER PARTNERS LP	1.	1.	
MISCELLANEOUS	5.	5.	
ENERGY TRANSFER PARTNERS LP	-3,412.	-3,412.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-3,406.	-3,406.	

FORM 990-PF ACCOUNTING FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	1,995.	0.		1,995.
TO FORM 990-PF, PG 1, LN 16B	1,995.	0.		1,995.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX	294.	294.		0.
EXCISE TAX	1,102.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,396.	294.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TELEPHONE	640.	0.		640.
OFFICE	268.	0.		268.
ANNUAL REPORT	61.	0.		61.
ADMINISTRATIVE FEES	326.	326.		0.
WEBSITE	140.	0.		140.
TO FORM 990-PF, PG 1, LN 23	1,435.	326.		1,109.

FORM 990-PF — CORPORATE STOCK — STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
COMMON STOCK (SEE ATTACHED)	1,235,774.	1,120,825.
PREFERRED STOCK (SEE ATTACHED)	271,156.	190,136.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,506,930.	1,310,961.

FORM 990-PF — CORPORATE BONDS — STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS (SEE ATTACHED)	242,400.	181,720.
TOTAL TO FORM 990-PF, PART II, LINE 10C	242,400.	181,720.

FORM 990-PF — OTHER INVESTMENTS — STATEMENT 10

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS (SEE ATTACHED)	COST	374,324.	148,870.
TOTAL TO FORM 990-PF, PART II, LINE 13		374,324.	148,870.

FORM 990-PF — DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT — STATEMENT 11

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
PRINTER	174.	174.	0.
ANSWERING MACHINE	182.	141.	41.
FAX MACHINE	305.	238.	67.
IMAC	1,534.	230.	1,304.
TOTAL TO FM 990-PF, PART II, LN 14	2,195.	783.	1,412.

FORM 990-PF OTHER LIABILITIES STATEMENT 12

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
DUE TO MORGAN STANLEY	0.	22,243.
TOTAL TO FORM 990-PF, PART II, LINE 22	0.	22,243.

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION STATEMENT 13
PART XV, LINES 2A THROUGH 2D

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

LISA KATES
P.O. BOX 4153
SARASOTA, FL 34230

TELEPHONE NUMBER

(941) 388-9194

FORM AND CONTENT OF APPLICATIONS

WRITTEN APPLICATION WITH CURRENT 501(C)(3) LETTER, FINANCIAL STATMENTS AND BUDGET FOR PROJECT FOR WHICH MONIES ARE BEING REQUESTED

ANY SUBMISSION DEADLINES

FUNDS DISBURSED SEMI-ANNUALLY, DEADLINES ARE APRIL 1 AND OCTOBER 1.

RESTRICTIONS AND LIMITATIONS ON AWARDS

PRIMARY FOCUS IS THE STATE OF FLORIDA BUT OTHER AREAS MAY BE CONSIDERED. THERE ARE NO OTHER RESTRICTIONS.

FORM 990-PF GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR STATEMENT 14

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
CHILDREN HAVEN ADULT CENTER 4405 DESOTO RD SARASOTA, FL 34235	NONE	509(A)(1)	8,000.
EASTER SEALS OF SOUTHWEST FLORIDA 350 BRADEN AVENUE SARASOTA, FL 34243	NONE RESPITE CARE	509(A)(1)	5,000.
LOVELAND CENTER 157 S HAVANA RD VENICE, FL 34292	NONE	509(A)(2)	2,500.
PLANNED PARENTHOOD OF SOUTHWEST & CENTRAL FL, INC 1958 PROSPECT ST. SARASOTA, FL 34239	NONE CAPITAL CAMPAIGN	509(A)(1)	8,340.
SARASOTA-MANATEE JEWISH FEDERATION 582 MCINTOSH RD SARASOTA, FL 34232	NONE	509(A)(2)	5,000.
TECHNION ISRAEL INSTITUTE OF TECHNOLOGY TECHNION CITY HAIFA 32000, ISRAEL, ISRAEL	NONE	509(A)(1)	250.
BEYOND BASKETBALL FOUNDATION P.O. BOX 3737 NEW YORK, NY 10163	NONE	509(A)(1)	500.
GWIZ 1001 BLVD OF THE ARTS SARASOTA, FL 34236	NONE SUMMER CAMP	509(A)(1)	2,000.

UNIVERSITY OF SOUTH FLORIDA ROBERT NOYCE SCIENCE, TECHNOLOGY, ENGINEERING - 4202 E. FOWLER AVE EDU 105 TAMPA, FL 33620	NONE STEM PROGRAM	509(A)(1)	5,000.
FLORIDA CENTER FOR CHILD & FAMILY DEVELOPMENT 4620 17TH ST SARASOTA, FL 34235	NONE	509(A)(1)	5,000.
BOYS AND GIRLS CLUB P.O. BOX 4068 SARASOTA, FL 34230	NONE	509(A)(1)	10,000.
AMERICAN RED CROSS 2001 CANTU COURT SARASOTA, FL 34232	NONE BABY SITTING CLASSES	509(A)(1)	2,600.
COEXISTENCE, INC P.O. BOX 2559 SARASOTA, FL 34230	NONE TRANSPORTATION/EMBRACI OUR DIFFERENCES PROJECT	509(A)(1)	5,000.
ENGINEERS WITHOUT BORDERS 4665 NAUTILUS COURT, SUITE 300 BOULDER, CO 80301	NONE	509(A)(1)	2,500.
FLORIDA STUDIO THEATRE 1241 NORTH PALM AVE SARASOTA, FL 34236	NONE	509(A)(1)	5,000.
MANASOTA BRINGING UP DOWN SYNDROME 8374 MARKET STREET LAKEWOOD RANCH, FL 34202	NONE	509(A)(2)	2,100.
FAMILY NETWORK ON DISABILITIES 2196 MAIN STREET, SUITE K DUNEDIN, FL 34698	NONE RESPITE CARE	509(A)(1)	5,000.
PACE CENTER FOR GIRLS ONE WEST ADAMS ST SUITE 301 JACKSONVILLE, FL 32202	NONE LAUNDRY	509(A)(1)	5,000.

THE PLAYERS THEATRE 838 N TAMIAMI TR SARASOTA, FL 34236	NONE SCHOLARSHIPS	509(A)(1)	3,000.
SARASOTA BALLET OF FLORIDA 5555 N TAMIAMI TR SARASOTA, FL 34243	NONE	509(A)(1)	5,000.
COMMUNITY FOUNDATION OF SARASOTA COUNTY 2635 FRUITVILLE RD SARASOTA, FL 34237	NONE SEASON FOR SHARING	509(A)(1)	3,000.
INSTRIDE THERAPY 1629 RANCH ROAD NOKOMIS, FL 34274	NONE	509(A)(1)	5,000.
JEWISH FAMILY & CHILDRENS SEVICES 2688 FRUITVILLE ROAD SARASOTA, FL 34237	NONE	509(A)(1)	1,500.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			96,290.

Common stocks & options

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Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
488	ALCATEL-LUCENT ADR Rating. Citigroup . 1H Morgan Stanley . 2 S&P : 2	ALU	01/07/00	$ 133,188 01 <30076.78>	$ 272.926	$ 2 96	$ 1,444 48	($ 131,743.53)*LT		
2,500	BANK OF AMERICA CORP Rating: Citigroup 1H Morgan Stanley · 1 S&P : 2	BAC	07/26/10	36,074 23	14 128	13 34	33,350 00	(2,724 23) ST	299	100 00
4,000	BRISTOL MYERS SQUIBB CO Rating: Citigroup : 1M Morgan Stanley : 2 S&P · 2	BMY		~~Please provide~~ 56,630.86		26 48	105,920.00	Not available	4 984	5,280.00
2,250	CARDINAL HEALTH INC Rating· Citigroup · 2M	CAH	10/14/99	50,999 12	22 666	38 31	86,197 50	35,198 38* LT		
750			10/14/99	16 867.13	22 489	38.31	28,732.50	11,865 37* LT		
3,000	Morgan Stanley . 1 S&P : 1			67,866.25 + 60.49	22.622		114,930.00	47,063 75	2 036	2,340 00
1,125	CAREFUSION CORP Rating Citigroup · 1M	CFN	10/14/99	20 208 81	17 963	25.70	28,912.50	8,703 69* LT		
375			10/14/99	6,683 73	17 823	25 70	9,637.50	2,953 77* LT		
1,500	Morgan Stanley : 1 S&P · 2			26,892 54 + 17.46	17 928		38,550 00	11,657 46		
2,000	CISCO SYS INC Rating: Citigroup 1M	CSCO	11/14/00	106 530 48	53.27	20.23	40,460.00	(66,070 48)*LT		
800	Morgan Stanley · 2		11/14/00	42 614.47	53 27	20 23	16,184 00	(26,430.47)*LT		
1,500	S&P 1		09/25/01	19,342.32	12.89	20.23	30,345.00	11,002 68* LT		
4,300				168,487.27	39 183		86,989 00	(81,498.27)		
1,000	CITIGROUP INC	C	02/21/06	46,724 90	46 14	4.73	4,730 00	(41,894.90) LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,000	ENERGY TRANSFER PARTNERS LP UNIT LP INT Rating Citigroup · 2M Morgan Stanley . 2 S&P . 1 per K-1 <20,292.54>	ETP	08/24/07	$ 55,445 54	$ 54 776	$ 51.82	$ 51,820 00	($ 3,625 54) LT	6 898 %	$ 3,575 00
3,496	FORD MOTOR COMPANY Rating Citigroup . 2H Morgan Stanley 1 S&P · 2	F	12/21/94	33,884 14	9 69	16.79	58,697.84	24 813.70' LT		
1,748			02/15/95.	16 306 86	9.33	16 79	29 348.92	13,042 06' LT		
5,244				50,191 00	9.571		88,046.76	37,855 76		
2,000	GENERAL ELECTRIC CO Rating Citigroup 1M Morgan Stanley 1 S&P . 1	GE	09/25/08	48,936 18	24 098	18 29	36 580 00	(12,356.18) LT		
2 000			03/13/09	20,346 06	9.928	18 29	36 580.00	16 233 94 LT		
4,000				69,282 24	17.321		73,160.00	3,877 76	3 061	2,240 00
4,000	HOME DEPOT INC Rating Citigroup . 1M S&P 2	HD	11/19/02	100,698.60	25 17	35.06	140,240 00	39,541 40' LT	2.695	3,780 00
1,000	KELLOGG CO Rating Citigroup 1L Morgan Stanley 1 S&P · 2	K	01/25/10	55,238.94	54.237	51 08	51,080 00	(4,158 94) ST	3.171	1,620.00
4,000	MICROSOFT CORP Rating Citigroup . 1L Morgan Stanley 1 S&P 2	MSFT	11/18/05	113,066 03	28.00	27 91	111,640 00	(1,426 03) LT	2 293	2,560 00
2,000	NOKIA CORP SPONSORED ADR Rating Citigroup · 3H S&P 1	NOK	01/18/01	83,778 42	41 89	10 32	20,640 00	(63,138 42)' LT	3 401	702.00
1,000	PETROLEO BRASILEIRO SA PETROBRAS Rating Citigroup . 1H Morgan Stanley 1 S&P . 2	PBR	09/25/08	47,805 79	47 15	37.84	37,840 00	(9,965 79) LT	.396	150 00
1,500	ST JOE COMPANY	JOE	05/08/06	80,144 58	52 86	21 85	32,775 00	(47,369 58) LT		
1,000	WAL-MART STORES INC Rating Citigroup . 1M S&P . 1	WMT	02/25/00	45,096 55	45 10	53.93	53,930 00	8,833 45' LT	2 243	1,210 00
2,000	WASTE MGMT INC DEL Rating Morgan Stanley · 2 S&P : 1	WM	03/13/09	49,659 86	24 475	36 87	73,740 00	24,080 14 LT	3 417	2,520.00
Total common stocks and options				**$ 1,229,640.75**			**$ 1,120,825.24'**	**($ 6,883.17)**ST ($ 207,052 34)**LT**	**2.32**	**$ 26,077 00**

61 32.89

12 35,773.64

Exchange traded & closed end funds

Citi Investment Research & Analysis (CIRA) ratings may be shown for certain closed-end funds. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating CIRA closed-end fund recommendations include an investment rating and a risk rating. The Investment Rating code (1,2, 3) is based upon CIRA's expectation of the security's performance relative to its peer group of closed-end funds. The Risk Rating (L, M, H or S) represents the fund's expected risk, taking into account the quality and liquidity of the underlying securities, financial leverage and foreign currency exposure Please refer to the end of this statement for a guide describing CIRA ratings.

Closed end investment companies are grouped below by portfolio designations Gain/Loss is provided to assist in tax preparation It is not intended to calculate investment returns or performance.

Consulting Group Research (CGR) conducts on-going research on a wide variety of exchange-traded funds for certain investment advisory programs. Your individual exchange-traded fund holdings in your brokerage account may or may not be covered by CGR. Please contact your Financial Advisor for further information regarding whether your exchange-traded fund holdings are covered by CGR.

MUTUAL FUND

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
3,000	ALPINE GLOBAL PREMIER PPTYS FD SHS OF BEN INT Equity portfolio	AWP	04/25/07	$ 53,028.00 +972.00	$ 20 00	$ 7.09	$ 21,270 00	($ 37,758 00) LT		
43 6695	Reinvestments to date			748 63	17 143	7.09	309.62	(439.01) LT		
3,043 6695				50,776 63	19 64		21,579 62	(38,107.01)	5.585	1,205.29
Total closed end fund equity allocation							**$ 21,579.62**			
Total exchange traded funds and closed end funds				~~$ 59,776 63~~ 60762.83			$ 21,579 62	$ 0 00 ST ($ 38,107 01) LT	5 58	$ 1,205.29

Preferred stocks

Citi Investment Research & Analysis (CIRA) ratings may be shown for certain securities. In addition, Standard & Poor's research ratings may be shown for certain securities. CIRA is not the author of, does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared by Standard & Poor's. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. CIRA stock recommendations include an investment rating and risk rating The Investment Rating Code (1, 2 or 3) is a function of CIRA's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and a Risk Rating. The Risk Rating (L, M, H or S) represents the stock's expected risk, taking into account price volatility and fundamental criteria Please refer to the end of this statement for a guide describing CIRA ratings

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2,000	FREDDIE MAC 8.375% FIXED TO FLOATING NON CUM PFD Rated C Next call on 12/31/12	FMCKJ	02/28/08	$ 53,310 00	$ 26 655	$ .629	$ 1,258 00	($ 52,052 00) LT		

Preferred stocks *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
3,000	GENERAL ELEC CAP CORP 6 45 %	GER	06/27/06	$ 74 775.00	$ 24 925	$ 25 547	$ 76 641 00	$ 1,866 00 LT		
1,000	Rated AA +		06/27/06	24 925 00	24 925	25 547	25 547 00	622.00 LT		
4,000	Next call on 06/15/11			99,700 00	24.925		102,188 00	2,488 00	6 311	6,450 00
1,600	GENERAL MOTORS 5 25% SER B CONV SENIOR DEB	MTLO G	02/28/02	40,000 00	25 00	8 20	13,120 00	(26,880 00)*LT	16 012	2,100 80
3,500	GOLDMAN SACHS GROUP INC FLOATING RATE PFD PERPETUAL Rated BBB Next call on 01/20/11	GSPRA	01/25/10	78,145 62	22 00	21 02	73,570.00	(4,575 62) ST	4 557	3,353 00
Total preferred stocks				$ 271,155 62			$ 190,136 00	($ 4 575 62) ST	6.26	
								($ 76,444.00) LT		$ 11,903 80

Mutual funds

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency Although money market funds seek to preserve the value of your investment at $1 00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1.00 per share In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders This liquidation process could take up to one month or more During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Certain mutual funds may not be transferable to other broker-dealers For further information, please refer to the fund's Prospectus or call your Financial Advisor Consulting Group Research (CGR) conducts on-going research on a wide variety of mutual funds for certain investment advisory programs Your individual mutual fund holdings in your brokerage account may or may not be covered by CGR Please contact your Financial Advisor for further information regarding whether your mutual fund holdings are covered by CGR

Yield is the current distribution annualized, divided by the fund's net asset value at the end of the statement period. Distributions may consist of income, capital gains or the return of capital. Distributions and current dividend for funds are based upon information provided by an outside vendor and are not verified by us. **"Tax-Based Cost vs. Current Value"** *is being provided for information purposes only.* **"Cash Distributions (since inception)"** *when shown, may reflect distributions on positions no longer held in the account, and may not reflect all distributions received in cash due to but not limited to the following investments made prior to 1/1/89, asset transfers, recent activity and certain adjustments made in your account.* **"Total Purchases vs Current Value"** *is provided to assist you in comparing your* **"Total purchases"** *excluding reinvested distributions, with the current value of the fund's shares in your account.* **"Fund Value Increase/Decrease"** *reflects the difference between your total purchases and the current value of the fund's shares, plus cash distributions since inception*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
1,807.2678	INVESCO TECHNOLOGY SECTOR FUND	IFOAX	04/04/00	$ 72,080 00	$ 39 882	$ 10.93	$ 19,753.66	($ 52,326 34)*LT			
2,539 1349	CLASS A		10/27/00	100 000.00	39.383	10.93	27,752 74	(72,247 26)*LT			
4,346 4227	Total Purchases			172,080 00	39 59	10.93	47,506 40	(124,573 60)			
291 1033	Reinvestments to date			10 106 51 r	34.717	10 93	3,181 76	(6 924 75) LT			
4,637 526	Tax-based Cost vs Current Value			182 186 51	39 285		50,688.16	(131,488 35)			

Mutual funds *continued*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
	INVESCO TECHNOLOGY SECTOR FUND CLASS A	IFOAX									
	Total Purchases vs. Current Value			$ 172,080.00			$ 50,688 16		($ 121,391.84)		
	Fund Value Increase/Decrease								(121,391 84)		
1,673 458	LEGG MASON VALUE TRUST FD CL C	LMVTX	02/24/06	115 000 00	68 72	38.87	65,047 31	(49,952 69) LT			
1,673 458	Total Purchases			115,000 00	68 72	38 87	65,047.31	(49,952 69)			
297 261	Reinvestments to date			16 374 82	55 085	38 87	11,554.54	(4,820.28) LT			
1,970 719	Tax-based Cost vs Current Value			131,374 82	66 663		76,601.85	(54,772 97)		463	354 72
	Total Purchases vs. Current Value			115 000 00			76 601 85		(38,398 15)		
	Fund Value Increase/Decrease								(38,398 15)		
Total mutual funds (Tax based)				$ 313,561 33			$ 127,290 01	$ 0 00 ST ($ 186,271 32) LT		.27	$ 354 72
Total Fund Value Increase/Decrease									($ 159,789 99)		

Bonds

Unrealized gains & losses have been adjusted to account for the accretion of OID (original issue discount), the amortization of premium, and/or the accretion of market discount.

Call features shown indicate the next regularly scheduled call date and price Your holdings may be subject to other redemption features including sinking funds or extraordinary calls.

The research rating for Moody's Investors Service and Standard & Poor's may be shown for certain fixed income securities All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting research ratings

Corporate bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted	Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
40,000	GTE CORP DEBS-BK/ENTRY DTD 4/27/1998 INT: 06.340% MATY. 04/15/2018 Rating: BAA1/A	10/09/02 362320AZ6	$ 40,252 00 $ 40,128 40 + 2374	$ 100 56 $ 100 321	113 362 $ 577 60	$ 45,344 80	$ 5,092.80* LT $ 5,216 40* LT	6 033 $ 2,736 00	$ 0 00 $ 5,216 40
100,000	BANKAMERICA CAP II PREFERRED JUNIOR SUBORDINATED INT. 08 000% MATY 12/15/2026 Rating: BAA3/BB Next call on 01/30/11 @ 102.381	04/04/00 066048AA7	100,002.35 100,002.35	100 00 100.00	100.625 355 56	100,625 00	622 65* LT 622 65* LT	7.95 8,000.00	0 00 622 65

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued interest	Current value	Unrealized Gain/(loss) Original/ Adjusted	Current % Yield/ Anticip income (annualized)	Ordinary income/ Capital gain/(loss)
100,000	GENERAL MOTORS CORP DTD 7/3/2003 INT 08 375% MATY 07/15/2033 Rating: Moody WR	01/14/05 370442BT1	$ 102,005 00 $ 101,855 00 + 116.31	$ 102 00 $ 101 855	35.75	$ 35,750 00	($ 66,255 00)* LT ($ 66,105 00)* LT		$ 0.00 ($ 66,105 00)
Total corporate bonds 240,000			~~$ 242,250.35~~ 242391.40 $ 241,985 75		$ 933 16	$ 181,719 80	$ 0.00 ST ($ 60,265.95) LT	5.90 $ 10,736 00	$ 0.00 ($ 60 265.95)
Total portfolio value			[illegible]			$ 1,641,550.67	($ 11 458 79)** ST ($ 569,030 62)** LT	3.06 $ 50 276 81	$ 0.00 ($ 60 265.95)