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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 , 2010, and ending ,

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

THE EARTHSHINE FOUNDATION
182 SUNSET TERRACE
LAGUNA BEACH, CA 92651

A Employer identification number
68-0586978

B Telephone number (see the instructions)
949-376-2176

C If exemption application is pending, check here ☐
D 1 Foreign organizations, check here ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► $ 849,705.

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

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

	Line	Description	(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 (att sch)				
	2	Ck ► ☒ if the foundn is not req to att Sch B				
	3	Interest on savings and temporary cash investments	4,986.	4,986.	4,986.	
	4	Dividends and interest from securities	14,015.	14,015.	14,015.	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain/(loss) from sale of assets not on line 10	13,524.			
	b	Gross sales price for all assets on line 6a 186,448.				
	7	Capital gain net income (from Part IV, line 2)		13,524.		
	8	Net short-term capital gain			5,139.	
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit/(loss) (att sch)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	32,525.	32,525.	24,140.	
OPERATING AND ADMINISTRATIVE EXPENSES	13	Compensation of officers, directors, trustees, etc	0.			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule) SEE ST 1	1,640.	1,640.		
	b	Accounting fees (attach sch)				
	c	Other prof fees (attach sch) SEE ST 2	8,199.	8,199.		
	17	Interest				
	18	Taxes (attach schedule)(see instr) SEE STM 3	832.	832.		
	19	Depreciation (attach sch) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	2,246.	2,246.		
	22	Printing and publications				
	23	Other expenses (attach schedule) SEE STATEMENT 4	2,539.	2,539.		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	15,456.	15,456.		
	25	Contributions, gifts, grants paid PART XV	6,800.			6,800.
	26	**Total expenses and disbursements.** Add lines 24 and 25	22,256.	15,456.	0.	6,800.
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	10,269.			
	b	**Net investment income** (if negative, enter -0-)		17,069.		
	c	**Adjusted net income** (if negative, enter -0-)			24,140.	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments	133,242.	73,749.	73,749.
	3 Accounts receivable ►			
	Less allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	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 (attach schedule)			
	b Investments – corporate stock (attach schedule) STATEMENT 5	591,190.	671,638.	735,187.
	c Investments – corporate bonds (attach schedule) STATEMENT 6	49,467.	38,781.	40,769.
	11 Investments – land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule)			
	14 Land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
	16 Total assets (to be completed by all filers – see instructions Also, see page 1, item I)	773,899.	784,168.	849,705.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here ► [ ] and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	773,899.	784,168.	
	30 Total net assets or fund balances (see the instructions)	773,899.	784,168.	
	31 Total liabilities and net assets/fund balances (see the instructions)	773,899.	784,168.	

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	773,899.
2 Enter amount from Part I, line 27a	2	10,269.
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	784,168.
5 Decreases not included in line 2 (itemize) ►	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	784,168.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	SEE STATEMENT 7			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7	2	13,524.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8	3	5,139.

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) N/A

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 the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2009			
2008			
2007			
2006			
2005			

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

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 the instructions)

1 a 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 instr.)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b		1	341.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	341.
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	341.
6 Credits/Payments			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a 26.		
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	26.
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**	SEE STATEMENT 8 ►	9	323.
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
1 a 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 the instructions for definition)?	1b		X
*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ► $ 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?	2		X
If 'Yes,' attach a detailed description of the activities			
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	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		X
If 'Yes,' attach the statement required by General Instruction T			
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, column (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see the instructions) ► CA			
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 ► ANDREW CASTELLANO Telephone no ► 949-376-2176

Located at ► 182 SUNSET TERRACE LAGUNA BEACH CA ZIP + 4 ► 92651

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐

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 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
1 a	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 the instructions)?		1b	N/A	
	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? If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__	☐ Yes ☒ No			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement – see the instructions)		2b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2010 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)*		3b	N/A	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?		4b		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

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

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

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

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

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **5b** N/A

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

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

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

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

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

If 'Yes' to 6b, file Form 8870

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

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

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

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

(a) Name and address	**(b)** Title and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
ANDREW CASTELLANO 182 SUNSET TERRACE LAGUNA BEACH, CA 92651	PRESIDENT 0	0.	0.	0.
DEAN MUELLER 182 SUNSET TERRACE LAGUNA BEACH, CA 92651	CFO/SEC 0	0.	0.	0.

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

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

Total number of other employees paid over $50,000 ► 0

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes		
a	Average monthly fair market value of securities	1a	674,804.
b	Average of monthly cash balances	1b	95,523.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	770,327.
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	770,327.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	11,555.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	758,772.
6	**Minimum investment return.** Enter 5% of line 5	6	37,939.

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	37,939.
2a	Tax on investment income for 2010 from Part VI, line 5 — 2a: 341.		
b	Income tax for 2010 (This does not include the tax from Part VI) — 2b:		
c	Add lines 2a and 2b	2c	341.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	37,598.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	37,598.
6	Deduction from distributable amount (see instructions)	6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	37,598.

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	6,800.
b	Program-related investments – total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	6,800.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	6,800.

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				37,598.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years: 20___, 20___, 20___		0.		
3 Excess distributions carryover, if any, to 2010.				
a From 2005				
b From 2006				
c From 2007				
d From 2008 7,577.				
e From 2009 71,466.				
f **Total** of lines 3a through e	79,043.			
4 Qualifying distributions for 2010 from Part XII, line 4 ► $ 6,800.				
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				6,800.
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))*	30,798.			30,798.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	48,245.			
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 instructions			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) (see instructions)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	48,245.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009 48,245.				
e Excess from 2010				

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

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year – see 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))

ANDREW CASTELLANO

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 9

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

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*				
THE OCEAN INSTITUTE 24200 DANA POIN HARBOR DRIVE DANA POINT, CA 92629	N/A			2,000.
OCEANA 909 3RD AVENUE, 31ST FLOOR NEW YORK CITY, NY 10022	N/A			4,800.
Total			► 3a	6,800.
b *Approved for future payment*				
Total			► 3b	

Part XVI-A **Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	4,986.	
4 Dividends and interest from securities			14	14,015.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					13,524.
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)				19,001.	13,524.
13 **Total.** Add line 12, columns (b), (d), and (e)				13	32,525.

(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) (See the instructions)
N/A	

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

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

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

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

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

b If 'Yes,' complete the following schedule

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

Sign Here

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

[signature] Signature of officer or trustee — Date: 8/11/11 — Title: PRESIDENT

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
PATTI S. DROTTER	[signature]	8/10/11		P00284440

Firm's name ▶ PRAETORIAN ADVISORS, LLP — Firm's EIN ▶ 33-0982760

Firm's address ▶ 2101 EAST COAST HWY, STE. 200, CORONA DEL MAR, CA 92625 — Phone no (949) 760-4040

STATEMENT 1
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	$ 1,640.	$ 1,640.		
TOTAL	$ 1,640.	$ 1,640.	$ 0.	$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	$ 8,199.	$ 8,199.		
TOTAL	$ 8,199.	$ 8,199.	$ 0.	$ 0.

STATEMENT 3
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAX	$ 832.	$ 832.		
TOTAL	$ 832.	$ 832.	$ 0.	$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK FEES	$ 173.	$ 173.		
CONFERENCE REGISTRATION	750.	750.		
WEB HOSTING	1,616.	1,616.		
TOTAL	$ 2,539.	$ 2,539.	$ 0.	$ 0.

STATEMENT 5
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MORGAN STANLEY 033262	MKT VAL	$ 198,133.	$ 204,410.
MORGAN STANLEY 033263	MKT VAL	242,575.	251,193.
MORGAN STANLEY 033265	MKT VAL	230,930.	279,584.
	TOTAL	$ 671,638.	$ 735,187.

STATEMENT 6
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MORGAN STANLEY 033262	MKT VAL	$ 38,781.	$ 40,769.
	TOTAL	$ 38,781.	$ 40,769.

STATEMENT 7
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
1	GMAC	PURCHASED	10/16/2007	1/19/2010
2	CASH IN LIEU	PURCHASED	VARIOUS	VARIOUS
3	MS (33263) (SEE ATTACHMENT)	PURCHASED	VARIOUS	VARIOUS
4	MS (33263) (SEE ATTACHMENT)	PURCHASED	VARIOUS	VARIOUS
5	MS (33265) (SEE ATTACHMENT)	PURCHASED	VARIOUS	VARIOUS
6	MS (33265) (SEE ATTACHMENT)	PURCHASED	VARIOUS	VARIOUS

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I)-(J)	(L) GAIN (LOSS)
1	40,000.		40,000.	0.				$ 0.
2	43.		0.	43.				43.
3	9,208.		7,390.	1,818.				1,818.
4	48,814.		45,543.	3,271.				3,271.
5	9,637.		6,359.	3,278.				3,278.
6	78,746.		73,632.	5,114.				5,114.
							TOTAL	$ 13,524.

STATEMENT 8
FORM 990-PF, PART VI, LINE 9
TAX DUE

TAX DUE	$ 315.
LATE PAYMENT PENALTY	5.
LATE INTEREST	3.
TOTAL	$ 323.

CASH FLOW ACTIVITY BY DATE (CONTINUED)

Transaction Date	Settlement Date	Activity Type	Description	Comments	Quantity	Price	Credits/(Debits)
12/17	12/17	Service Fee	FUJIFILM HLDGS CORP ADR	AGENT CUSTODY FEE $0 0390/SH			(5 71)
12/20	12/20	Dividend	DAI NIPPPN PRGT LTD JAPAN ADJ GROSS DIV AMOUNT 4 67 FOREIGN TAX PAID IS 4 67				0 00
12/20	12/20	Dividend	NIPPON TELEGRAPH&TELEPHONE ADS ADJ GROSS DIV AMOUNT 8 20 FOREIGN TAX PAID IS 8 20				0 00
12/20	12/20	Dividend	NIPPON TELEGRAPH&TELEPHONE ADS				108 90
12/20	12/20	Dividend	DAI NIPPPN PRGT LTD JAPAN				62 01
12/20	12/20	Service Fee	DAI NIPPPN PRGT LTD JAPAN	AGENT CUSTODY FEE $0 0235/SH			(8 23)
12/20	12/20	Service Fee	NIPPON TELEGRAPH&TELEPHONE ADS	AGENT CUSTODY FEE $0 0035/SH			(1 15)
12/23	12/23	Dividend	MS&AD INS GROUP HLDGS ADR ADJ GROSS DIV AMOUNT 4 69 FOREIGN TAX PAID IS 4 69				0 00
12/23	12/23	Dividend	MS&AD INS GROUP HLDGS ADR				62 32
12/23	12/23	Service Fee	MS&AD INS GROUP HLDGS ADR	AGENT CUSTODY FEE $0 0219/SH			(9 13)
12/27	12/27	Dividend	SUNCOR ENERGY INC NEW COM ADJ GROSS DIV AMOUNT 2 33 FOREIGN TAX PAID IS 2 33				0 00
12/27	12/27	Dividend	EMBRAER EMPRESA BRAS DD ADS ADJ GROSS DIV AMOUNT 4 53 FOREIGN TAX PAID IS 4 53				0 00
12/27	12/27	Dividend	HACHIJUNI BANK LTD ADR ADJ GROSS DIV AMOUNT 1 03 FOREIGN TAX PAID IS 1 03				0 00
12/27	12/27	Dividend	EMBRAER EMPRESA BRAS DD ADS				25 65
12/27	12/27	Dividend	HACHIJUNI BANK LTD ADR				13 62
12/27	12/27	Dividend	SUNCOR ENERGY INC NEW COM				13 22
12/27	12/27	Service Fee	HACHIJUNI BANK LTD ADR	AGENT CUSTODY FEE $0 0385/SH			(1 58)
12/27	12/27	Service Fee	EMBRAER EMPRESA BRAS DD ADS	AGENT CUSTODY FEE $0 0025/SH			(0 28)
12/30	12/30	Interest Income	MORGAN STANLEY BANK N A (Period 11/30-12/30)				1 89
NET CREDITS/(DEBITS)							**$1,636 49**

Purchase and Sale transactions above may have received an average price execution Details regarding the actual prices are available upon request

MONEY MARKET FUND (MMF) AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Credits/(Debits)
12/1	Automatic Investment	BANK DEPOSIT PROGRAM	$83 63
12/3	Automatic Investment	BANK DEPOSIT PROGRAM	9 11
12/7	Automatic Investment	BANK DEPOSIT PROGRAM	899 50
12/8	Automatic Investment	BANK DEPOSIT PROGRAM	12 54
12/9	Automatic Investment	BANK DEPOSIT PROGRAM	1,437 07
12/10	Automatic Investment	BANK DEPOSIT PROGRAM	817 65
12/14	Automatic Investment	BANK DEPOSIT PROGRAM	153 48
12/15	Automatic Redemption	BANK DEPOSIT PROGRAM	(468 62)
12/16	Automatic Investment	BANK DEPOSIT PROGRAM	25 19
12/17	Automatic Redemption	BANK DEPOSIT PROGRAM	(1,621 65)
12/20	Automatic Investment	BANK DEPOSIT PROGRAM	104 98
12/21	Automatic Investment	BANK DEPOSIT PROGRAM	161 53
12/27	Automatic Investment	BANK DEPOSIT PROGRAM	53 19
12/28	Automatic Investment	BANK DEPOSIT PROGRAM	37 41
12/30	Automatic Investment	BANK DEPOSIT PROGRAM	13 22
12/30	Automatic Investment	BANK DEPOSIT PROGRAM	1 89
NET ACTIVITY FOR PERIOD			**$1,720 12**

SECURITY ACTIVITY

CORPORATE ACTIONS

Date	Activity Type	Description	Comments	Quantity
11/24	Stock Dividend	MAGNA INTERNATIONAL INC		22 000
12/14	Name Change From	EMBRAER EMPRESA BRAS DD ADS		
12/14	Name Change To	EMBRAER S A ADR		

REALIZED GAIN/(LOSS) DETAIL

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
AEGON NV ADR	09/20/05	05/20/10	79 000	$467 83	$1,138 17	$(670 34)	LT

CONTINUED

REALIZED GAIN/(LOSS) DETAIL (CONTINUED)

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
	10/24/08	05/20/10	90 000	532 97	434 45	98 52	LT
	02/23/09	05/20/10	249 000	1 474 55	1 038 65	435 90	LT
ANGLOGOLD ASHANTI LIMITED	03/03/08	05/28/10	24 000	1,008 59	875 81	132 78	LT
	03/19/08	05/28/10	3 000	126 07	100 33	25 74	LT
ASTRAZENECA PLC ADS	01/11/10	07/01/10	14 000	656 09	667 06	(10 97)	ST
BARRICK GOLD CORP	12/11/06	05/07/10	10 000	430 23	304 60	125 63	LT
	03/20/08	05/07/10	21 000	903 49	907 07	(3 58)	LT
	04/30/08	05/07/10	1 000	43 02	38 28	4 74	LT
	04/30/08	12/06/10	15 000	817 65	574 19	243 46	LT
CAMECO CORP	08/08/08	12/01/10	36 000	1,344 87	1,163 97	180 90	
	09/16/08	12/01/10	19 000	709 79	449 90	259 89	
EMBRAER S A ADR	10/30/09	12/03/10	46 000	1,368 84	1,014 53	354 31	
FUJIFILM HLDGS CORP ADR	09/20/05	03/08/10	53 000	1,709 73	1,776 23	(66 50)	
	12/02/05	03/08/10	15 000	483 89	497 18	(13 29)	
IVANHOE MINES LTD	05/30/06	07/15/10	84 000	1 404 58	581 57	823 01	
	01/04/07	07/15/10	2 000	33 44	18 26	15 18	
	01/04/07	11/05/10	62 000	1,658 99	566 01	1,092 98	
	01/09/08	11/05/10	39 000	1 043 56	414 46	629 10	
KINROSS GOLD CORP NEW	07/06/09	09/29/10	61 000	1 157 76	1,105 31	52 45	
KOREA ELECTRIC POWER CORP ADS	09/20/05	01/21/10	25 000	448 61	421 54	27 07	
MAGNA INTERNATIONAL INC	06/20/08	09/14/10	9 000	711 56	599 00	112 56	
	06/20/08	09/27/10	5 000	397 24	332 78	64 46	
	07/14/08	09/27/10	2 000	158 89	110 78	48 11	
	07/14/08	10/15/10	9 000	787 83	498 52	289 31	
	07/14/08	12/10/10	19 000	957 02	526 21	430 81	
MAGNA INTL A COM	06/05/08	05/07/10	16 000	1 130 16	1,112 31	17 85	
	06/20/08	05/07/10	5 000	353 18	332 78	20 40	
NEWCREST MINING LTD SPONS ADR	07/18/06	10/28/10	32 000	1 226 00	458 93	767 07	
NINTENDO CO LTD ADR NEW	08/03/09	03/25/10	19 000	783 16	645 04	138 12	ST
NOVARTIS AG ADR	02/17/09	01/08/10	34 000	1,771 39	1 432 85	338 54	ST
	02/17/09	01/12/10	22 000	1,156 36	927 14	229 22	ST
	04/14/09	01/12/10	1 000	52 56	36 89	15 67	ST
	04/14/09	01/14/10	23 000	1,220 40	848 51	371 89	ST
	04/14/09	01/20/10	17 000	909 13	627 16	281 97	ST
	05/08/09	01/20/10	28 000	1 497 39	1,068 89	428 50	ST
REXAM PLC ADR NEW	10/28/09	06/03/10	50 000	1,163 05	1,136 48	26 57	ST
ROYAL DUTCH SHELL PLC CL B	09/20/05	10/05/10	24 000	1 428 75	1,662 00	(233 25)	
SEGA SAMMY HOLDINGS SPONS ADR	12/19/06	10/22/10	192 000	764 86	1,250 65	(485 79)	

CONTINUED

CLIENT STATEMENT | For the Period December 1-31, 2010

MorganStanley SmithBarney

Activity Access Active Assets Account 109-033263-034 EARTHSHINE FOUNDATION ATTENTION ANDREW CASTELLANO

REALIZED GAIN/(LOSS) DETAIL (CONTINUED)

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
	01/19/07	10/22/10	184 000	732 99	1 230 22	(497 23)	
	03/07/07	10/22/10	220 000	876 40	1 402 26	(525 86)	
	01/11/08	10/22/10	284 000	1,131 35	884 06	247 29	
SEVEN & I HLDGS CO LTD ADR	12/24/08	05/14/10	7 000	346 36	441 30	(94 94)	
	01/07/09	05/14/10	17 000	841 16	1,003 30	(162 14)	
	01/08/09	05/14/10	2 000	98 96	118 34	(19 38)	
SHISEIDO LTD SPON ADR	09/22/05	03/03/10	31 000	688 87	475 64	213 23	
	09/22/05	07/16/10	51 000	1,140 80	782 50	358 30	
SOCIETE GENERALE SP ADR	10/20/08	08/10/10	35 000	414 94	396 27	18 67	
	01/16/09	08/10/10	26 000	308 24	219 97	88 27	
SWISSCOM AG ADR	09/22/05	07/21/10	43 000	1,587 62	1,421 01	166 61	
TDK CP ADR NEW	10/22/08	04/26/10	2 000	131 07	69 49	61 58	
	12/12/08	04/26/10	38 000	2,490 41	1,264 69	1,225 72	
TECHNIP-COFLEXIP	11/20/08	02/02/10	5 000	373 57	119 69	253 88	
	11/20/08	02/22/10	31 000	2 271 41	742 08	1 529 33	
TOPPAN PRTG LTD ADR	02/01/06	01/21/10	85 000	3,692 28	5 760 17	(2,067 89)	
	12/05/06	01/21/10	2 000	86 88	106 83	(19 95)	
	12/05/06	04/09/10	33 000	1,475 58	1,762 78	(287 20)	
	12/13/06	04/09/10	23 000	1,028 43	1,222 21	(193 78)	
UNITED UTILITIES GROUP PLC	09/22/05	06/17/10	57 000	905 01	1,769 11	(864 10)	
	02/01/06	06/17/10	55 000	873 26	1,721 58	(848 32)	
	12/09/08	06/17/10	92 000	1,460 72	1,613 55	(152 83)	
VODAFONE GP PLC ADS NEW	05/26/06	11/02/10	28 000	771 98	710 93	61 05	
Net Realized Gain/(Loss) This Period				**$5,198 17**	**$3,728 80**	**$1,469 37**	
Net Realized Gain/(Loss) Year to Date				**$58,021 77**	**$52,932 47**	**$5,089 30**	

Gain/loss information is provided for informational purposes only and should not be used for tax preparation Please refer to the gain/loss section of the disclosures for important information about gain/loss reporting

From January through September realized gain/loss information will be shown only for trades settling in the current month, and/or certain adjustments (to previously closed lots) made in the current month From October through December, in order to provide information for year-end investment planning, complete year to date realized gain/loss detail will be displayed for trades settling through the last business day of the year

ST	9,208	7,390	1,818
LT	48,814	45,542	3,272
TOTAL	58,022	52,932	5,089

MONEY MARKET FUND (MMF) AND BANK DEPOSITS ACTIVITY (CONTINUED)

Date	Activity Type	Description	Credits/(Debits)
12/30	Automatic Investment	BANK DEPOSIT PROGRAM	0 70
NET ACTIVITY FOR PERIOD			**$(857.44)**

REALIZED GAIN/(LOSS) DETAIL

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
ALTERA CP	09/21/05	07/19/10	78 000	$2 197 03	$1,488 24	$708 79	
	09/21/05	11/09/10	87 000	2,924 81	1,659 96	1 264 85	
	09/26/05	11/09/10	17 000	571 51	324 44	247 07	
	09/26/05	11/15/10	19 000	618 10	362 60	255 50	
	11/02/05	11/15/10	40 000	1 301 27	670 84	630 43	
	01/30/06	11/15/10	14 000	455 45	272 72	182 73	
	03/16/06	11/15/10	5 000	162 66	101 25	61 41	
ANIXTER INTL INC	10/16/07	04/26/10	36 000	1 890 71	3 011 40	(1,120 69)	
	10/16/07	11/10/10	35 000	2 067 29	2,927 75	(860 46)	
	10/24/07	11/10/10	1 000	59 07	76 02	(16 95)	
CANADIAN NATL RAILWAY CO	09/21/05	04/22/10	20 000	1,244 45	688 30	556 15	
CIMAREX ENERGY CO	09/21/05	01/11/10	33 000	1,781 54	1 476 09	305 45	
	01/30/06	01/11/10	8 000	431 89	363 84	68 05	
	01/30/06	06/09/10	2 000	154 47	90 96	63 51	
	03/16/06	06/09/10	9 000	695 10	368 19	326 91	
	12/08/06	06/09/10	12 000	926 80	457 08	469 72	
	09/02/08	06/09/10	1 000	77 23	51 77	25 46	
COMCAST CORP CL A SPECIAL NEW	02/02/06	10/18/10	24 000	428 46	435 44	(6 98)	
	03/16/06	10/18/10	40 000	714 11	730 35	(16 24)	
	12/08/06	10/18/10	16 000	285 64	424 58	(138 94)	
INTUIT INC	04/19/07	01/11/10	60 000	1 865 08	1,760 18	104 90	
	04/19/07	07/20/10	45 000	1,656 82	1,320 13	336 69	
	04/19/07	09/03/10	45 000	1,978 45	1,320 13	658 32	
	04/19/07	09/14/10	51 000	2,239 73	1,496 15	743 58	
	04/19/07	12/08/10	4 000	189 73	117 35	72 38	
	05/16/07	12/08/10	42 000	1 992 13	1,163 89	828 24	
	05/16/07	12/16/10	15 000	733 00	415 67	317 33	
	04/20/09	12/16/10	18 000	879 61	436 95	442 66	
MILLIPORE CORP	09/21/05	03/05/10	7 000	735 62	450 80	284 82	
	03/16/06	03/05/10	12 000	1 261 07	871 80	389 27	
	09/22/06	03/05/10	8 000	840 71	491 51	349 20	

CONTINUED

REALIZED GAIN/(LOSS) DETAIL (CONTINUED)

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
	12/08/06	03/05/10	9 000	945 80	625 50	320 30	
	03/06/09	03/05/10	20 000	2,101 78	1 044 60	1,057 18	ST
	08/20/09	03/05/10	6 000	630 54	403 37	227 17	ST
NATL GRID TRANSCO PLC ADS	09/21/05	01/05/10	23 000	1,250 92	1,137 35	113 57	
	09/21/05	01/11/10	41 000	2,173 16	2 027 45	145 71	
	09/21/05	01/29/10	2 000	100 73	98 90	1 83	
	12/02/05	01/29/10	15 000	755 45	706 88	48 57	
	01/30/06	01/29/10	2 000	100 73	102 32	(1 59)	
	03/16/06	01/29/10	10 000	503 64	525 60	(21 96)	
	05/16/08	01/29/10	38 000	1,913 82	2,723 35	(809 53)	
NATL INSTRUMS CP	09/21/05	03/23/10	48 000	1 601 01	1,195 63	405 38	
	09/21/05	04/26/10	28 000	1,023 95	697 45	326 50	
NEWFIELD EXPL CO	09/21/05	01/11/10	15 000	753 96	758 70	(4 74)	
	09/21/05	03/10/10	27 000	1,430 73	1 365 66	65 07	
	09/21/05	10/20/10	20 000	1,163 13	1 011 60	151 53	
NOVO NORDISK A/S ADR	03/16/06	07/07/10	10 000	831 77	314 50	517 27	
	12/08/06	07/07/10	16 000	1 330 83	652 00	678 83	
	12/08/06	07/20/10	2 000	172 22	81 50	90 72	
	10/16/08	07/20/10	25 000	2 152 70	1,193 46	959 24	
	10/16/08	08/03/10	15 000	1,350 45	716 07	634 38	
	10/16/08	10/20/10	13 000	1,312 32	620 60	691 72	
NOVOZYMES A/S UNSPONS APR	05/28/09	01/25/10	16 000	1 672 56	1 263 03	409 53	ST
	06/03/09	01/25/10	5 000	522 68	395 25	127 43	ST
PRAXAIR INC	10/03/08	01/11/10	19 000	1,551 81	1,367 92	183 89	
SCHLUMBERGER LTD	02/01/08	08/27/10	0 871	48 13	67 82	(19 69)	
	02/01/08	08/31/10	16 000	855 99	1,245 94	(389 95)	
	10/09/08	08/31/10	24 000	1,283 99	1,614 47	(330 48)	
	12/09/09	08/31/10	88 000	4,707 96	3 253 26	1,454 70	ST
SCRIPPS NETWORKS INTERAC CL A	01/26/06	01/05/10	20 000	875 62	911 29	(35 67)	
	01/30/06	01/05/10	5 000	218 90	225 75	(6 85)	
	03/10/06	01/05/10	21 000	919 40	933 36	(13 96)	
	03/16/06	01/05/10	14 000	612 93	605 15	7 78	
	03/16/06	06/09/10	2 000	87 79	86 45	1 34	
	03/17/06	06/09/10	28 000	1,229 03	1,196 51	32 52	
	04/13/06	06/09/10	5 000	219 47	209 15	10 32	
	04/13/06	10/18/10	26 000	1,248 29	1,087 56	160 73	
	05/08/06	10/18/10	3 000	144 03	132 16	11 87	
SMITH INTERNATIONAL INC	01/29/08	02/19/10	65 000	2,450 84	3,668 16	(1 217 32)	

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REALIZED GAIN/(LOSS) DETAIL (CONTINUED)

Security Description	Date Acquired	Date Sold	Quantity	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
	02/01/08	02/19/10	9 000	339 35	492 66	(153 31)	
TOYOTA MOTOR CP ADR NEW	09/21/05	02/04/10	22 000	1,574 20	1,918 62	(344 42)	
	01/30/06	02/04/10	5 000	357 77	512 05	(154 28)	
	03/16/06	02/04/10	8 000	572 44	862 08	(289 64)	
	12/08/06	02/04/10	6 000	429 33	734 76	(305 43)	
	01/03/08	02/04/10	13 000	930 21	1,386 97	(456 76)	
WASHINGTON POST COMPANY CL B	07/11/08	08/10/10	8 000	3,038 68	4,750 37	(1,711 69)	
	08/15/08	08/10/10	1 000	379 83	629 96	(250 13)	
	08/15/08	08/16/10	3 000	955 14	1,889 89	(934 75)	
	12/04/08	08/16/10	7 000	2,228 65	2 906 95	(678 30)	
	03/06/09	08/16/10	3 000	955 14	961 35	(6 21)	
YAHOO INC	03/11/09	10/18/10	64 000	1 014 12	853 38	160 74	
Net Realized Gain/(Loss) This Period				**$3,794 47**	**$2,133 86**	**$1,660 61**	
Net Realized Gain/(Loss) Year to Date				**$88,383 46**	**$79,991.14**	**$8,392 32**	

Gain/loss information is provided for informational purposes only and should not be used for tax preparation Please refer to the gain/loss section of the disclosures for important information about gain/loss reporting

From January through September, realized gain/loss information will be shown only for trades settling in the current month, and/or certain adjustments (to previously closed lots) made in the current month From October through December, in order to provide information for year-end investment planning, complete year to date realized gain/loss detail will be displayed for trades settling through the last business day of the year

ST	9,637	6,359	3,278
LT	78,746	73,632	5,114
TOTAL	88,383	79,991	8,392

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