EXTENSION GRANTED

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

OMB No 1545 0052

2010

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

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

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
AARON & GERTRUDE KARCHMER MEMORIAL FOUNDATION

A Employer identification number
73-1463604

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
PO BOX 436

B Telephone number (see the instructions)
(405) 236-2210

City or town | State | ZIP code
OKLAHOMA CITY | OK | 73101

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 X 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) ► $ 812,553.

J Accounting method X 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))*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc, received (att sch)				
2	Ck ► X if the foundn is not req to att Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	12,212.	12,212.		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain/(loss) from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		53,184.		
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/(loss) (att sch)				
11	Other income (attach schedule) See Line 11 Stmt	46,460.	45,021.		
12	**Total.** Add lines 1 through 11	58,672.	110,417.		
13	Compensation of officers directors, trustees, etc				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach sch)				
c	Other prof fees (attach sch) L-16c Stmt	4,709.	3,759.		
17	Interest	7.	7.		
18	Taxes (attach schedule)(see instr) Foreign Tax on Di	267.	267.		
19	Depreciation (attach sch) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) ADR Fees	-10.			
24	**Total operating and administrative expenses.** Add lines 13 through 23	4,973.	4,033.		
25	Contributions, gifts, grants paid	68,800.			68,800.
26	**Total expenses and disbursements.** Add lines 24 and 25	73,773.	4,033.		68,800.
27	Subtract line 26 from line 12:				
a	**Excess of revenue over expenses and disbursements**	-15,101.			
b	**Net investment income** (if negative, enter 0-)		106,384.		
c	**Adjusted net income** (if negative, enter 0)				

Revenue / Operating and Administrative Expenses

SCANNED NOV 29 2011

RECEIVED NOV 14 2011 IRS-OSC OGDEN, UT

BAA For Paperwork Reduction Act Notice, see the instructions. TEEA0301 07/23/10 Form **990-PF** (2010)

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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 (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	24,624.	345,629.	345,629.
	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)	0.		
	b Investments – corporate stock (attach schedule) L-10b Stmt	383,718.	367,502.	466,924.
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment. basis ►			
	Less. accumulated depreciation (attach schedule) ►	0.		
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) L-13 Stmt	266,706.	0.	0.
	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)	675,048.	713,131.	812,553.
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)			
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► ☒ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	675,048.	713,131.	
	30 **Total net assets or fund balances** (see the instructions)	675,048.	713,131.	
	31 **Total liabilities and net assets/fund balances** (see the instructions)	675,048.	713,131.	

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	675,048.
2	Enter amount from Part I, line 27a	2	-15,101.
3	Other increases not included in line 2 (itemize) ► Net Capital Gains	3	53,184.
4	Add lines 1, 2, and 3	4	713,131.
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	713,131.

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 attached Schedule Short Term	P	Various	Various
b	See attached Schedule Long Term	P	Various	Various
c	Thru Partnership DG Homes, LLC	P	Various	Various
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	206,509.		210,932.	-4,423.
b	126,064.		117,366.	8,698.
c	48,909.		0.	48,909.
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				-4,423.
b	0.	0.	0.	8,698.
c	0.	0.	0.	48,909.
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	53,184.
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	

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 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	74,900.	700,295.	0.106955
2008	78,900.	1,255,819.	0.062828
2007	98,710.	1,443,956.	0.068361
2006	12,000.	1,521,435.	0.007887
2005	34,180.	1,111,972.	0.030738

2	**Total** of line 1, column (d)	2	0.276769
3	Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.055354
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	456,243.
5	Multiply line 4 by line 3	5	25,255.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,064.
7	Add lines 5 and 6	7	26,319.
8	Enter qualifying distributions from Part XII, line 4	8	68,800.

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 ► [X] and enter 1% of Part I, line 27b		1	1,064.
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	1,064.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-		5	1,064.
6 Credits/Payments			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a 116.		
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c 0.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d		7	116.
8 Enter any **penalty** for underpayment of estimated tax Check here [X] if Form 2220 is attached		8	3.
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter amount owed ►		9	951.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►		10	0.
11 Enter the amount of line 10 to be Credited to 2011 estimated tax ► 0.	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 ► $ ________ **(2)** On foundation managers ► $ ________			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ ________			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	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, 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) ► OK - Oklahoma			
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 ► DON A KARCHMER Telephone no. ► (405) 236-2210

Located at ► 21 EAST MAIN, OKLAHOMA CITY, OK ZIP + 4 ► 73104

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here ► ☐
and enter the amount of tax-exempt interest received or accrued during the year ► | 15 |

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See 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		
	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 ► 20__ , 20__ , 20__ , 20__				
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		
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__ .				
3 a	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		
4 a	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**

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

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

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **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? **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
DON A KARCHMER 21 EAST MAIN, OKC, OK 73104	PRES/TREAS 4.00	0.	0.	0.
TERE BOND 21 EAST MAIN, OKC, OK 73104	SECRETARY 2.00	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				
0				
0				
0				
0				

Total number of other employees paid over $50,000 ► None

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 ►	None

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1	
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	
2	
All other program-related investments See instructions 3	
Total. Add lines 1 through 3 ►	

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	426,472.
b	Average of monthly cash balances	1b	36,719.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	463,191.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	463,191.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	6,948.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	456,243.
6	**Minimum investment return.** Enter 5% of line 5	6	22,812.

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	22,812.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,064.		
b	Income tax for 2010. (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,064.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	21,748.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	21,748.
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	21,748.

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	68,800.
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	68,800.
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	1,064.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	67,736.

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					21,748.
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 ___					
3 Excess distributions carryover, if any, to 2010:					
a From 2005	0.				
b From 2006	0.				
c From 2007	0.				
d From 2008	0.				
e From 2009	16,212.				
f **Total** of lines 3a through e		16,212.			
4 Qualifying distributions for 2010 from Part XII, line 4 ► $ 68,800.					
a Applied to 2009, but not more than line 2a					
b Applied to undistributed income of prior years (Election required — see instructions)					
c Treated as distributions out of corpus (Election required — see instructions)					
d Applied to 2010 distributable amount					21,748.
e Remaining amount distributed out of corpus		47,052.			
5 Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*					
6 **Enter the net total of each column as indicated below:**					
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5		63,264.			
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					
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)					
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		63,264.			
10 Analysis of line 9.					
a Excess from 2006 .	0.				
b Excess from 2007	0.				
c Excess from 2008	0.				
d Excess from 2009	16,212.				
e Excess from 2010	47,052.				

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 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).)

DON A KARCHMER

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

DON A KARCHMER
PO Box 436
OKLAHOMA CITY OK 73101 (405) 236-2210

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

LETTER REGARDING EXEMPT PURPOSE, AND INFORMATION REGARDING THE ORGANIZATION, PROOF OF EXEMPT STATUS

c Any submission deadlines:

NONE

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

RESTRICTED TO 501(c)(3) ORGANIZATIONS

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*				
Centralia Area Historical Society 240 S Locust ST Centralia IL 62801	NA	501(c)(3)	CHARITY	50,000.
Jewish Federation of Greater OKC 2600 NW 55th PL Oklahoma City OK 73112	NA	501(c)(3)	CHARITY	5,000.
Dean McGee Eye Institute 1000 N Lincoln Oklahoma City OK 73104	NA	501(c)(3)	CHARITY	5,000.
Chabad Community Center 3000 W Hefner Road Oklahoma City OK 73120	NA	501(c)(3)	CHARITY	1,800.
Chicago Holocaust Museum 9603 Woods Drive Skokie IL 60077	NA	501(c)(3)	CHARITY	5,000.
Sigma Alpha Mu Foundation 9245 N Meridian Street, Suite 105 Indianapolis IN 46260	NA	501(c)(3)	CHARITY	2,000.
Total			► **3a**	68,800.
***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					
4 Dividends and interest from securities			14	12,212.	
5 Net rental income or (loss) from real estate.					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	53,183.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a PATHWAYS ADULT LIVING RENTS			16	17,000.	
b DG Homers, LLC			16	28,021.	
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				110,416.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 110,416.

(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.)

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	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment, or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		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

2 a 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

Sign Here

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

Signature of officer or trustee: Alton W. Karchmer — Date: 11/10/11 — Title: FOUNDATION MANAGER President

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self employed	PTIN
Laura Cooke, Attorney	Laura Cooke, Atty	11/06/11	X	

Firm's name ▶ LAURA COOKE, ATTORNEY — Firm's EIN ▶

Firm's address ▶ 3100 W BRITTON RD STE E OKLAHOMA CITY OK 73120-2036 — Phone no (405) 755-5199

Form 990-PF, Page 1, Part I, Line 11
Line 11 Stmt

Other income.	Rev/Exp Book	Net Inv Inc	Adj Net Inc
PATHWAYS ADULT LIVING RENTS	17,000.	17,000.	
Passive RE Rental DG Homes, LLC	28,021.	28,021.	
Federal Tax Refund	1,439.		
Total	46,460.	45,021.	

Form 990-PF, Page 1, Part I
Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
SMITHBARNEY	INVESTMENT SERVICES	3,759.			
LAURA COOKE	INCOME TAX SERVICES	950.			
Total		4,709.			

Form 990-PF, Page 2, Part II, Line 10b
L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year Book Value	End of Year Fair Market Value
SMITH BARNEY INVESTMENT ACCOUNT - See attached schedule	367,502.	466,924.
Total	367,502.	466,924.

Form 990-PF, Page 2, Part II, Line 13
L-13 Stmt

Line 13 - Investments - Other:	End of Year Book Value	End of Year Fair Market Value
Temporary Investment - Ashley Furniture	0.	0.
Total	0.	0.

Details of Short Term Gain (Loss) 2010

This section shows your sales of securities during the year The "Sale Proceeds" column excludes any accrued income you may have received In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000010	25	COOPER INDUSTRIES PLC DUBLIN-USD MorganStanley SmithBarney LLC acted as your agent	02/11/10	04/16/10	$ 1 228 22	$ 1,075 81		$ 152 41
125000020	50	ALLERGAN INC MorganStanley SmithBarney LLC acted as your agent in this transaction	07/20/09	04/16/10	3 090 44	2,499 38		591 06

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AARON AND GERTRUDE KARCHMER
Account Number 422-04964-10 870

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000030	80	BB&T CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	12/02/09	04/16/10	$ 2,654 35	$ 2,114 89		$ 539 46
125000040	420	BB&T CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	12/02/09	06/29/10	11,761 82	11,103 16		658 66
125000050	35	BOK FINL CORP NEW MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/13/10	04/16/10	1,844 46	1,845 64	(1 18)	
125000060	225	BAXTER INTL INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/12/10	04/22/10	11,339 62	13,414 46	(2,074 84)	
125000070	65	BLACKROCK INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/19/10	04/06/10	13,136.27	14,575 86	(1,439 59)	
125000130	25	CENTURYTEL INC MorganStanley SmithBarney LLC acted as your agent in this transaction	11/24/09	04/16/10	895.48	892 86		2 62
125000140	375	CENTURYTEL INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	11/24/09	04/26/10	12,788 37	13,392 94	(604 57)	
125000150	100	CISCO SYS INC MorganStanley SmithBarney LLC acted as your agent in this transaction	07/20/09	04/16/10	2,709 96	2,110 81		599 15
125000160	500	CISCO SYS INC MorganStanley SmithBarney LLC acted as your agent in this transaction	07/20/09	06/30/10	10,774.91	10,554 05		220 86

AARON AND GERTRUDE KARCHMER
Account Number 422-04964-10 870

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000170	200	COSTCO WHOLESALE CORP NEW MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/13/09	07/23/10	$ 11,190.61	$ 11,717.46	($ 526 85)	
125000180	220	CULLEN FROST BANKERS INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/01/10	11/01/10	11,486.55	12,009.25	(522 70)	
125000190	50	E I DU PONT DE NEMOURS & CO MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/14/10	10/19/10	2,321 46	1,906.90		414 56
125000200	25	EATON CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	11/05/09	04/16/10	1,979.46	1,602.55		376 91
125000210	250	FLUOR CORP NEW MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/14/10	07/12/10	11,245.05	12 922.00	(1 676 95)	
125000220	250	HERSHEY COMPANY MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/01/10	12/13/10	11,824 65	11,980.00	(155.35)	
125000230	125	INTEL CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/17/09	04/16/10	2 985 44	2,403.75		581 69
125000240	575	INTEL CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/17/09	10/19/10	11,116.92	11.057 25		59 67
125000270	40	MCKESSON CORPORATION MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/09/09	04/16/10	2,558.35	1,742.43		815 92

AARON AND GERTRUDE KARCHMER

Account Number 422-04964-10 870

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000280	200	MEDCO HEALTH SOLUTIONS INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/11/09	01/12/10	$ 12,999 89	$ 10,599 20		$ 2,400 69
125000310	250	NOVARTIS AG ADR MorganStanley SmithBarney LLC acted as your agent in this transaction	11/16/09	05/06/10	11,863 89	13,478 75	(1,614 86)	
125000360	15	PPG INDUSTRIES INC MorganStanley SmithBarney LLC acted as your agent in this transaction	02/11/10	04/16/10	1,036 48	903 33		133 15
125000370	10	PPG INDUSTRIES INC MorganStanley SmithBarney LLC acted as your agent in this transaction	02/11/10	10/19/10	764 18	602.22		161 96
125000390	250	RAYTHEON COMPANY NEW MorganStanley SmithBarney LLC acted as your agent in this transaction	02/25/10	11/30/10	11,577 85	13,801 78	(2,223 93)	
125000400	35	ROYAL DUTCH SHELL PLC ADR CL A MorganStanley SmithBarney LLC acted as your agent	09/10/09	04/16/10	2,133 21	2,035.08		98 13
125000410	230	ROYAL DUTCH SHELL PLC ADR CL A MorganStanley SmithBarney LLC acted as your agent	09/10/09	06/01/10	12,211 64	13,373.35	(1,161.71)	
125000420	140	SIEMENS A G SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction	11/05/09	02/24/10	12,169 86	12,867 75	(697 89)	
125000430	25	SMUCKER J M CO NEW MorganStanley SmithBarney LLC acted as your agent in this transaction	09/03/09	04/16/10	1,552 72	1,277 81		274 91

AARON AND GERTRUDE KARCHMER
Account Number 422-04964-10 870

Details of Short Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000470	25	TIFFANY & CO NEW MorganStanley SmithBarney LLC acted as your agent in this transaction.	11/16/09	04/16/10	$ 1,266 47	$ 1,071.33		$ 195 14
Total					**$ 206,508 58**	**$ 210,932.05**	**($ 12,700 42)**	**$ 8,276 95**

Details of Long Term Gain (Loss) 2010

This section shows your sales of securities during the year The "Sale Proceeds" column excludes any accrued income you may have received In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000080	700	BRISTOL MYERS SQUIBB CO MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/11/08	02/11/10	$ 16,716.83	$ 15,411.55		$ 1,305 28
125000090	35	BRITISH AMERICAN TOBACCO PLC ADR MorganStanley SmithBarney LLC acted as your agent	01/31/08	04/16/10	2,327.46	2,481.50	(154 04)	
125000100	200	BRITISH AMERICAN TOBACCO PLC ADR MorganStanley SmithBarney LLC acted as your agent	01/31/08	05/14/10	11,946 29	14,179 98	(2 233 69)	
125000110	25	C H. ROBINSON WORLDWIDE INC MorganStanley SmithBarney LLC acted as your agent in this transaction	09/12/08	10/19/10	1,801 21	1,389 09		412.12
125000120	40	CSX CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	02/25/08	04/16/10	2,155.56	1,992.65		162 91

AARON AND GERTRUDE KARCHMER
Account Number 422-04964-10 870

Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000250	50	JOHNSON & JOHNSON MorganStanley SmithBarney LLC acted as your agent in this transaction	10/27/08	03/12/10	$ 3,198 45	$ 3,022 96		$ 175 49
125000260	200	JOHNSON & JOHNSON MorganStanley SmithBarney LLC acted as your agent in this transaction	10/27/08	08/06/10	11,938 19	12,091 82	(153.63)	
125000290	50	MICROSOFT CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/06/08	04/16/10	1,542.47	1,252.99		289 48
125000300	350 100	MICROSOFT CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	10/06/08 03/25/09	05/07/10	9,956.91 2,844 83	8,770.93 1,787 80		1,185.98 1,057 03
125000320	325	NUCOR CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	03/16/09	03/18/10	14,514.51	12,118.05		2,396 46
125000330	35	OCCIDENTAL PETROLEUM CORP-DEL MorganStanley SmithBarney LLC acted as your agent in this transaction	12/26/07	04/16/10	2,970.74	2,729 62		241 12
125000340	165	OCCIDENTAL PETROLEUM CORP-DEL MorganStanley SmithBarney LLC acted as your agent in this transaction	12/26/07	09/27/10	12,350.95	12,868 18	(517 23)	
125000350	25	ONEOK INC NEW MorganStanley SmithBarney LLC acted as your agent in this transaction	01/23/09	04/16/10	1,186 47	730 62		455 85
125000380	25	PRAXAIR INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/16/09	04/16/10	2,171.71	1,605 61		566 10

AARON AND GERTRUDE KARCHMER

Account Number 422-04964-10 870

Details of Long Term Gain (Loss) 2010 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000440	160	TELEFONICA S A SPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction	03/16/09	04/28/10	$ 10,367 82	$ 9,386 03		$ 981 79
125000450	45	TEVA PHARMACEUTICAL INDS LTD ADR MorganStanley SmithBarney LLC acted as your agent	04/14/09	04/16/10	2,807 95	2,006 46		801 49
125000460	225	TEVA PHARMACEUTICAL INDS LTD ADR MorganStanley SmithBarney LLC acted as your agent	04/14/09	11/22/10	11 249 80	10 032.30		1,217 50
125000480	15	UNITED TECHNOLOGIES CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	12/05/08	04/16/10	1,103.83	722 57		381 26
125000490	35	V F CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	02/11/08	04/16/10	2 911 95	2 785 49		126 46
Total					**$ 126,063 93**	**$ 117,366 20**	**($ 3,058 59)**	**$ 11,756 32**

2010 YEAR END

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
326,265 74	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 326,265.74		.06%	$ 195.75
Total money fund		$ 326,265.74	$ 0 00	.05%	$ 195.75

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
275	COOPER INDUSTRIES PLC DUBLIN-USD	CBE	02/11/10	$ 11,833.97	$ 43 032	$ 58 29	$ 16,029 75	$ 4,195.78 ST	1 852 %	$ 297 00
200	ALLERGAN INC	AGN	07/20/09	9,997 50	49 987	68 67	13,734.00	3,736 50 LT	.291	40 00
260	ASTRAZENECA PLC SPON ADR	AZN	07/23/10	12,146 58	48.586	46 19	11,547 50	(599.08) ST	5 217	602.50
265	BOK FINL CORP NEW	BOKF	04/13/10	13,974 11	52 732	53 40	14,151 00	176.89 ST	1 872	265 00

MorganStanley SmithBarney

Reserved Client
Financial Management Account
December 1 - December 31, 2010

AARON AND GERTRUDE KARCHMER Account number 422-04964-10 870

ımon stocks & options *continued*

ty	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Average % yield	Anticipated income (annualized)
25	BANK OF NOVA SCOTIA EURO#19279	BNS	04/28/10	$ 11,447 87	$ 50 879	$ 57 20	$ 12,870 00	$ 1 422 13	ST	3 416%	$ 439 65
25	C H ROBINSON WORLDWIDE INC	CHRW	09/12/06	12,501 76	55 563	80 18	18,042.75	6,540 99	LT	1 446	261 00
35	CSX CORP	CSX	02/25/08	6,725 18	49 816	64.61	8,722 35	1,997 16	LT		
25			01/23/09	3,610.00	28 88	64.61	8,076 25	4,466 25	LT		
!80				10,335 19	39.751		16,798 60	6,463 41		1.609	270.40
200	CATERPILLAR INC	CAT	07/12/10	12,992 08	64 96	93 66	18,732 00	5,739.92	ST	1.879	352 00
225	COCA-COLA CO	KO	09/30/09	12,074 87	53 666	65 77	14,798.25	2,723.38	LT	2 675	396 00
230	CONOCOPHILLIPS	COP	09/27/10	13,011 10	56 57	68 10	15,663.00	2,651.90	ST	3 23	506.00
300	E I DU PONT DE NEMOURS & CO	DD	05/14/10	11,441 40	38 138	49 88	14,964.00	3,522.60	ST	3.287	492 00
175	EATON CORP	ETN	11/05/09	11,217 85	64 102	101.51	17,764.25	6,546.40	LT	2.285	406 00
235	EMERSON ELECTRIC CO	EMR	11/01/10	12,994.89	55 297	57.17	13,434.95	440 06	ST	2.413	324.30
110	W W GRAINGER INC	GWW	07/23/10	12,005.84	109 144	138.11	15,192 10	3,186 26	ST	1.563	237.60
100	INTL BUSINESS MACHINES CORP	IBM	05/01/09	10,420 84	104.208	146.76	14,676.00	4,255 16	LT	1.771	260.00
165	LORILLARD INC	LO	05/14/10	13,068 33	79.202	82 06	13,539.90	471.57	ST	5.483	742.50
400	MARATHON OIL CORP	MRO	04/29/10	12,978 88	32 447	37 03	14,812.00	1,833.12	ST	2 70	400 00
220	MCKESSON CORPORATION	MCK	07/09/09	9,583 35	43 56	70 38	15,483.60	5,900.25	LT	1.023	158 40
335	OGE ENERGY CORP	OGE	08/06/10	13,282 62	39 649	45 54	15,255.90	1,973 28	ST	3.293	502 50
150	OCCIDENTAL PETROLEUM CORP-DEL	OXY	10/19/10	12,226 20	81 508	98 10	14,715.00	2,488 80	ST	1.549	228.00
300	ONEOK INC NEW	OKE	01/23/09	8,767 50	29 225	55.47	16,641 00	7,873 50	LT	3.461	576 00
200	PPG INDUSTRIES INC	PPG	02/11/10	12,044.45	60 222	84.07	16,814.00	4,769 55	ST	2.616	440.00
150	PARKER-HANNIFIN CORP	PH	11/22/10	12,028.50	80.19	86.30	12,945 00	916 50	ST	1.344	174.00
160	PRAXAIR INC	PX	03/16/09	10,275.94	64.224	95.47	15,275 20	4,999.26	LT	1.885	288.00
100	PUBLIC STORAGE (MD)	PSA	10/18/10	10,156 15	101.561	101.42	10,142 00	(14.15)	ST		
40			11/30/10	3 876 80	96 92	101.42	4,056 80	180.00	ST		
140				14,032 95	100.235		14,198.80	165.85		3 155	448 00

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Average % yield	Anticipated income (annualized)
225	SMUCKER J M CO NEW	SJM	09/03/09	$ 11,500 24	$ 51 112	$ 65 65	$ 14,771.25	$ 3,271.01	LT	2 437%	$ 360 00
165	3M COMPANY	MMM	02/11/10	13,194 80	79 968	86 30	14,239 50	1,044 70	ST	2 433	346 50
275	TIFFANY & CO NEW	TIF	11/16/09	11,784 66	42 853	62 27	17,124 25	5,339 59	LT	1 605	275 00
260	TRAVELERS COMPANIES INC	TRV	07/01/10	12,339.20	49.356	55 71	13,927.50	1,588.30	ST	2 584	380 00
185	UNITED TECHNOLOGIES CORP	UTX	12/05/08	8,911 69	48 171	78 72	14,563 20	5,651.51	LT	2 159	314 50
165	V F CORP	VFC	02/11/08	13,131 61	79.585	86.18	14,219 70	1,088 09	LT	2 924	415.80
Total common stocks and options				$ 367,546 77			$ 466,823.85	$ 35,988.13	ST	2 39	
								$ 63,389 05	LT		$ 11,178.55
Total portfolio value				$ 693,812.51			$ 793,189.59	$ 35,988.13	ST	1.43	$ 11,374.40
								$ 63,389.05	LT		

... your account.

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
326,265 74	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 326,265.74		.06%	$ 195.75
Total money fund		$ 326,265.74	$ 0 00	.05%	$ 195.75

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
275	COOPER INDUSTRIES PLC DUBLIN-USD	CBE	02/11/10	$ 11,833 97	$ 43 032	$ 58 23	$ 16,029 75	$ 4,195.78 ST	1 852 %	$ 297 00
200	ALLERGAN INC	AGN	07/20/09	9,997 50	49 987	68 67	13,734.00	3,736 50 LT	.291	40.00
260	ASTRAZENECA PLC SPON ADR	AZN	07/23/10	12,146 58	48.586	46 19	11,547 50	(599.08) ST	5 217	602.50
265	BOK FINL CORP NEW	BOKF	04/13/10	13,974.11	52 732	53 40	14,151 00	176.89 ST	1 872	265.00

mon stocks & options *continued*

ty	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)		Average % yield	Anticipated income (annualized)
25	BANK OF NOVA SCOTIA EURO#19279	BNS	04/28/10	$ 11,447 87	$ 50 879	$ 57 20	$ 12,870 00	$ 1,422 13	ST	3 416%	$ 439 65
25	C H ROBINSON WORLDWIDE INC	CHRW	09/12/05	12,501 76	55 563	80 18	18,042.75	5,540 99	LT	1 446	261 00
35	CSX CORP	CSX	02/25/08	6,725 18	49 816	64.61	8,722 35	1,997 16	LT		
25			01/23/09	3,610.00	28 88	64.61	8,076 25	4,466 25	LT		
60				10,335 19	39.751		16,798 60	6,463 41		1.609	270.40
00	CATERPILLAR INC	CAT	07/12/10	12,992 08	64 96	93 66	18,732.00	5,739.92	ST	1 879	352 00
25	COCA-COLA CO	KO	09/30/09	12,074 87	53 666	65.77	14,798.25	2,723.38	LT	2 675	396 00
230	CONOCOPHILLIPS	COP	09/27/10	13,011 10	56 57	68 10	15,663.00	2,651.90	ST	3 23	506.00
300	E I DU PONT DE NEMOURS & CO	DD	05/14/10	11,441 40	38 138	49 88	14,964.00	3,522.60	ST	3 287	492 00
175	EATON CORP	ETN	11/05/09	11,217 85	64 102	101.51	17,764.25	6,546.40	LT	2.285	406 00
235	EMERSON ELECTRIC CO	EMR	11/01/10	12,994 89	55 297	57 17	13,434.95	440 06	ST	2.413	324.30
110	W W GRAINGER INC	GWW	07/23/10	12,005.84	109 144	138.11	15,192 10	3,186 26	ST	1.563	237.60
100	INTL BUSINESS MACHINES CORP	IBM	05/01/09	10,420 84	104.208	146.76	14,676.00	4,255.16	LT	1.771	260.00
165	LORILLARD INC	LO	05/14/10	13,068 33	79 202	82 06	13,539.90	471.57	ST	5 483	742.50
400	MARATHON OIL CORP	MRO	04/29/10	12,978 88	32 447	37 03	14,812.00	1,833.12	ST	2 70	400 00
220	MCKESSON CORPORATION	MCK	07/09/09	9,583 35	43 56	70 38	15,483.60	5,900.25	LT	1.023	158.40
335	OGE ENERGY CORP	OGE	08/06/10	13,282 62	39 649	45 54	15,255.90	1,973 28	ST	3.293	502 50
150	OCCIDENTAL PETROLEUM CORP-DEL	OXY	10/19/10	12,226 20	81 508	98 10	14,715.00	2,488.80	ST	1.548	228.00
300	ONEOK INC NEW	OKE	01/23/09	8,767 50	29 225	55.47	16,641 00	7,873 50	LT	3.461	576 00
200	PPG INDUSTRIES INC	PPG	02/11/10	12,044.45	60 222	84.07	16,814 00	4,769.55	ST	2.616	440.00
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275	TIFFANY & CO NEW	TIF	11/16/09	11,784.66	42 853	62 27	17,124 25	5,339 59	LT	1 605	275 00
250	TRAVELERS COMPANIES INC	TRV	07/01/10	12,339.20	49.356	55 71	13,927.50	1,588.30	ST	2 584	380.00
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165	V F CORP	VFC	02/11/08	13,131 61	79.585	86.18	14,219 70	1,088 09	LT	2 924	415.80
Total common stocks and options				$ 367,546 77			$ 466,823.85	$ 35,988.13	ST	2 39	
								$ 63,389 05	LT		$ 11,178.65
Total portfolio value				$ 693,812 51			$ 793,189.69	$ 35,988.13	ST	1.43	$ 11,374.40
								$ 63,389.05	LT		