Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2010

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

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

Name of foundation: RUDI SCHULTE FAMILY FOUNDATION

A Employer identification number: 77-0452600

Number and street (or P O box number if mail is not delivered to street address): P.O. BOX 60921

Room/suite:

B Telephone number: 805-685-3052

City or town, state, and ZIP code: SANTA BARBARA, CA 93160

C If exemption application is pending, check here ▶☐

D 1. Foreign organizations, check here ▶☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶☐

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

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 10,179,387.

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

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

Part I Analysis of Revenue and Expenses

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue					
1	Contributions, gifts, grants, etc., received			N/A	
2	Check ▶ ☒ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	336,727.	336,727.		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	32,041.			STATEMENT 1
b	Gross sales price for all assets on line 6a 2,858,444.				
7	Capital gain net income (from Part IV, line 2)		0.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss)				
11	Other income	469.	469.		STATEMENT 2
12	**Total** Add lines 1 through 11	369,237.	337,196.		
Operating and Administrative Expenses					
13	Compensation of officers, directors, trustees, etc	0.	0.		0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees STMT 3	11,398.	5,699.		5,699.
b	Accounting fees STMT 4	30,067.	15,034.		15,033.
c	Other professional fees STMT 5	59,271.	59,271.		0.
17	Interest				
18	Taxes STMT 6	8,993.	2,380.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses STMT 7	16,960.	15,796.		1,164.
24	**Total operating and administrative expenses** Add lines 13 through 23	126,689.	98,180.		21,896.
25	Contributions, gifts, grants paid	412,935.			397,935.
26	**Total expenses and disbursements.** Add lines 24 and 25	539,624.	98,180.		419,831.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	-170,387.			
b	**Net investment income** (if negative, enter -0-)		239,016.		
c	**Adjusted net income** (if negative, enter -0-)			N/A	

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LHA For Paperwork Reduction Act Notice, see the instructions

Part II Balance Sheets

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing	105,880.	93,507.	93,507.
	2	Savings and temporary cash investments	265,447.	170,570.	170,570.
	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 STMT 9	1,000.	2,130.	2,130.
	7	Other notes and loans receivable STMT 10▶ 923,917.			
		Less: allowance for doubtful accounts ▶ 0.	1,007,002.	923,917.	923,917.
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations STMT 11	317,543.	209,266.	209,266.
	b	Investments - corporate stock STMT 12	5,523,200.	5,838,838.	5,838,838.
	c	Investments - corporate bonds STMT 13	211,785.	213,947.	213,947.
	11	Investments - land, buildings, and equipment basis ▶ 239,100.			
		Less accumulated depreciation ▶	341,400.	239,100.	239,100.
	12	Investments - mortgage loans			
	13	Investments - other STMT 14	2,011,706.	2,480,313.	2,480,313.
	14	Land, buildings, and equipment: basis ▶			
		Less accumulated depreciation ▶			
	15	Other assets (describe ▶ STATEMENT 15)	11,068.	7,799.	7,799.
	16	Total assets (to be completed by all filers)	9,796,031.	10,179,387.	10,179,387.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable		15,000.	
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶)			
	23	Total liabilities (add lines 17 through 22)	0.	15,000.	
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	9,796,031.	10,164,387.	
	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, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances	9,796,031.	10,164,387.	
	31	Total liabilities and net assets/fund balances	9,796,031.	10,179,387.	

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	9,796,031.
2	Enter amount from Part I, line 27a	2	-170,387.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	538,743.
4	Add lines 1, 2, and 3	4	10,164,387.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	10,164,387.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b	SEE ATTACHED STATEMENT			
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	2,858,444.		2,897,063.	-38,619.

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				-38,619.

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 -38,619.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 3 N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	207,162.	4,923,569.	.042076
2008	174,167.	3,064,206.	.056839
2007	200,911.	3,637,637.	.055231
2006	250,298.	3,519,904.	.071109
2005	147,962.	3,402,497.	.043486

2	Total of line 1, column (d)	2	.268741
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	.053748
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	8,676,720.
5	Multiply line 4 by line 3	5	466,356.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	2,390.
7	Add lines 5 and 6	7	468,746.
8	Enter qualifying distributions from Part XII, line 4	8	419,831.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ____________ **(attach copy of letter if necessary-see instructions)** b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			1	4,780.
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	4,780.
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	4,780.
6 Credits/Payments:				
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	5,455.		
b Exempt foreign organizations - tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	2,500.		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d			7	7,955.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached			8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10 **Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	3,175.
11 Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ 3,175. **Refunded** ▶			11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? *If the answer is "Yes" to* **1a** *or* **1b**, *attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*	1b		X
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ 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 ▶ PAUL SCHULTE Telephone no. ▶805-685-3052

Located at ▶P.O. BOX 60921, SANTA BARBARA, CA ZIP+4 ▶93160

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A 0.

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

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

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

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

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

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

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

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

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

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

If "Yes" to 6b, file Form 8870.

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation (If not paid, enter -0-)	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
SEE STATEMENT 16		0.	0.	0.

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

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

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

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

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

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

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments

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

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	7,209,472.
b	Average of monthly cash balances	1b	351,905.
c	Fair market value of all other assets	1c	1,247,476.
d	**Total** (add lines 1a, b, and c)	1d	8,808,853.
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	8,808,853.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	132,133.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,676,720.
6	**Minimum investment return.** Enter 5% of line 5	6	433,836.

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	433,836.
2a	Tax on investment income for 2010 from Part VI, line 5 2a 4,780.		
b	Income tax for 2010. (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	4,780.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	429,056.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	429,056.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	429,056.

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	419,831.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	419,831.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	419,831.

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					429,056.
2 Undistributed income, if any, as of the end of 2010					
a Enter amount for 2009 only				178,989.	
b Total for prior years: _____, _____, _____			0.		
3 Excess distributions carryover, if any, to 2010:					
a From 2005					
b From 2006					
c From 2007					
d From 2008					
e From 2009	207,162.				
f **Total** of lines 3a through e		207,162.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 419,831.					
a Applied to 2009, but not more than line 2a				178,989.	
b Applied to undistributed income of prior years (Election required - see instructions)			0.		
c Treated as distributions out of corpus (Election required - see instructions) **		18,948.			
d Applied to 2010 distributable amount					221,894.
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).)		207,162.			207,162.
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		18,948.			
b Prior years' undistributed income. Subtract line 4b from line 2b			0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions			0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.				0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)		0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7		0.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		18,948.			
10 Analysis of line 9:					
a Excess from 2006					
b Excess from 2007					
c Excess from 2008					
d Excess from 2009					
e Excess from 2010	18,948.				

** SEE STATEMENT 17

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

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

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

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

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

1 **Information Regarding Foundation Managers:**

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

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here ▶ ☒ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:

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

c Any submission deadlines:

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

Part XV **Supplementary Information** (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT 18				
Total			▶ 3a	397,935.
b *Approved for future payment*				
RECORDING FOR THE BLIND & DYSLEXIC 20 ROSZEL ROAD PRINCETON, NJ 08540		501(C)(3)	GENERAL	15,000.
Total			▶ 3b	15,000.

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
	(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	336,727.	
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	32,041.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a OTHER INCOME			01	469.	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		369,237.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 369,237.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

▶ Signature of officer or trustee | Date | ▶ PRESIDENT Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self- employed	PTIN
THOMAS H. BROOKS	Thomas H. Brooks	11-15-11		

Firm's name ▶ DAMITZ, BROOKS, NIGHTINGALE

Firm's EIN ▶

Firm's address ▶ 200 EAST CARRILLO STREET, SUITE 202
SANTA BARBARA, CA 93101

Phone no. 805-963-1837

RUDI SCHULTE FAMILY FOUNDATION

CONTINUATION FOR 990-PF, PART IV

77-0452600 PAGE 1 OF 1

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	MORGAN STANLEY #4629 PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
b	MORGAN STANLEY #4629 PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
c	MORGAN STANLEY #0303 PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
d	MORGAN STANLEY #0304 PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
e	MORGAN STANLEY #0304 PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
f	CAPITAL GAINS DIVIDENDS			
g				
h				
i				
j				
k				
l				
m				
n				
o				

	(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	1,088,661.		1,084,840.	3,821.
b	916,021.		942,712.	-26,691.
c	270,404.		296,705.	-26,301.
d	446,382.		462,265.	-15,883.
e	128,554.		110,541.	18,013.
f	8,422.			8,422.
g				
h				
i				
j				
k				
l				
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				3,821.
b				-26,691.
c				-26,301.
d				-15,883.
e				18,013.
f				8,422.
g				
h				
i				
j				
k				
l				
m				
n				
o				

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	-38,619.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGAN STANLEY #4629 PUBLICLY TRADED SECURITIES	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,088,661.	1,069,845.	0.	0.	18,816.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGAN STANLEY #4629 PUBLICLY TRADED SECURITIES	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
916,021.	861,685.	0.	0.	54,336.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGAN STANLEY #0303 PUBLICLY TRADED SECURITIES	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
270,404.	306,435.	0.	0.	-36,031.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGAN STANLEY #0304 PUBLICLY TRADED SECURITIES		VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
446,382.	471,827.	0.	0.	-25,445.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGAN STANLEY #0304 PUBLICLY TRADED SECURITIES		VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
128,554.	116,611.	0.	0.	11,943.

CAPITAL GAINS DIVIDENDS FROM PART IV	8,422.
TOTAL TO FORM 990-PF, PART I, LINE 6A	32,041.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INCOME	469.	469.	
TOTAL TO FORM 990-PF, PART I, LINE 11	469.	469.	

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SCHLEY LOOK & GUTHRIE	11,398.	5,699.		5,699.
TO FM 990-PF, PG 1, LN 16A	11,398.	5,699.		5,699.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DAMITZ BROOKS NIGHTINGALE ET AL	30,067.	15,034.		15,033.
TO FORM 990-PF, PG 1, LN 16B	30,067.	15,034.		15,033.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	59,271.	59,271.		0.
TO FORM 990-PF, PG 1, LN 16C	59,271.	59,271.		0.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES WITHHELD	2,380.	2,380.		0.
FEDERAL EXCISE TAX	6,613.	0.		0.
TO FORM 990-PF, PG 1, LN 18	8,993.	2,380.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INSURANCE-D&O	1,896.	948.		948.
FILING FEES	160.	0.		160.
REAL PROPERTY: MAINTENANCE	1,170.	1,170.		0.
OFFICE EXPENSE	113.	57.		56.
PARTNERSHIP PASSTHRU LOSS	12,264.	12,264.		0.
PARTNERSHIP PASSTHRU DED	1,180.	1,180.		0.
PARTNERSHIP PASSTHRU SEC 1231 LOSS	177.	177.		0.
TO FORM 990-PF, PG 1, LN 23	16,960.	15,796.		1,164.

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 8

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON MARKETABLE SECURITIES	538,743.
TOTAL TO FORM 990-PF, PART III, LINE 3	538,743.

FORM 990-PF OTHER RECEIVABLES FROM OFFICERS, ETC. STATEMENT 9

DESCRIPTION	BALANCE DUE	FMV OF LOAN
PETER SCHULTE	500.	500.
PAUL SCHULTE	1,455.	1,455.
SYLVIA MOLONY	175.	175.
TOTAL TO FORM 990-PF, PART II, LINE 6	2,130.	2,130.

FORM 990-PF OTHER NOTES AND LOANS REPORTED SEPARATELY STATEMENT 10

BORROWER'S NAME	TERMS OF REPAYMENT	INTEREST RATE
RUDI SCHULTE RESEARCH INSTITUTE	IMMEDIATELY	.00%

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION
12/01/09	12/01/10	941.	INHERITED PROPERTY EXPENSE	0.

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
NONE	GENERAL

RELATIONSHIP OF BORROWER	BALANCE DUE	DOUBTFUL ACCT ALLOWANCE	FMV OF LOAN
HEIR OF RUDI SCHULTE	941.	0.	941.

BORROWER'S NAME	TERMS OF REPAYMENT	INTEREST RATE
VIP FUTURES LP - ORANGE GARDEN	PAYABLE MONTHLY	7.16%

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION
03/22/91	03/22/29	2,037,000.	BEQUEST	0.

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
NONE	GENERAL

RELATIONSHIP OF BORROWER	BALANCE DUE	DOUBTFUL ACCT ALLOWANCE	FMV OF LOAN
NONE	484,817.	0.	484,817.

BORROWER'S NAME	TERMS OF REPAYMENT	INTEREST RATE
VIP FUTURES LP - WESTERN GRDN	PAYABLE MONTHLY	7.16%

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION
03/22/91	03/22/29	1,091,000.	BEQUEST	0.

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
NONE	GENERAL

RELATIONSHIP OF BORROWER	BALANCE DUE	DOUBTFUL ACCT ALLOWANCE	FMV OF LOAN
NONE	259,659.	0.	259,659.

BORROWER'S NAME	TERMS OF REPAYMENT	INTEREST RATE
281 SCHULTE LLC	PAYABLE MONTHLY	4.50%

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION
03/22/91	06/02/13	595,000.	BEQUEST	0.

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
NONE	GENERAL

RELATIONSHIP OF BORROWER	BALANCE DUE	DOUBTFUL ACCT ALLOWANCE	FMV OF LOAN
NONE	178,500.	0.	178,500.

BORROWER'S NAME	TERMS OF REPAYMENT	INTEREST RATE
PINES RESORT OF CA, LLC		.00%

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION
03/22/91	06/02/13	57,000.		0.

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
NONE	GENERAL

RELATIONSHIP OF BORROWER	BALANCE DUE	DOUBTFUL ACCT ALLOWANCE	FMV OF LOAN
NONE	0.	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 7	923,917.	0.	923,917.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 11

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
U.S. TREASURY NOTES - SEE ATTACHED	X		209,266.	209,266.
TOTAL U.S. GOVERNMENT OBLIGATIONS			209,266.	209,266.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			209,266.	209,266.

FORM 990-PF CORPORATE STOCK STATEMENT 12

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MS INVESTMENTS #4629 - COMMON STOCK	2,172,006.	2,172,006.
MS INVESTMENTS #0303 - COMMON STOCK	1,827,675.	1,827,675.
MS #0304 - COMMON STOCK AND MLP INVESTMENTS	1,839,157.	1,839,157.
TOTAL TO FORM 990-PF, PART II, LINE 10B	5,838,838.	5,838,838.

FORM 990-PF CORPORATE BONDS STATEMENT 13

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS - SEE ATTACHED	213,947.	213,947.
TOTAL TO FORM 990-PF, PART II, LINE 10C	213,947.	213,947.

FORM 990-PF OTHER INVESTMENTS STATEMENT 14

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS	FMV	1,490,107.	1,490,107.
PARTNERSHIP INVESTMENT - THE PINES RESORT	FMV	990,206.	990,206.
TOTAL TO FORM 990-PF, PART II, LINE 13		2,480,313.	2,480,313.

FORM 990-PF OTHER ASSETS STATEMENT 15

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
INCOME RECEIVABLE	9,194.	7,538.	7,538.
TAX OVERPAYMENT	1,874.	261.	261.
TO FORM 990-PF, PART II, LINE 15	11,068.	7,799.	7,799.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 16

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
PAUL S. SCHULTE 200 E CARRILLO, STE 202 SANTA BARBARA, CA 93101	PRESIDENT 0.00	0.	0.	0.
PETER R. SCHULTE 200 E CARRILLO, STE 202 SANTA BARBARA, CA 93101	VICE PRESIDENT 0.00	0.	0.	0.
SYLVIA M. MOLONY 200 E CARRILLO, STE 202 SANTA BARBARA, CA 93101	ASSISTANT VP 0.00	0.	0.	0.
HENRY G. SCHULTE 200 E CARRILLO, STE 202 SANTA BARBARA, CA 93101	SECTRY / TRSR 0.00	0.	0.	0.
MARK M. AIJIAN 200 E CARRILLO, STE 202 SANTA BARBARA, CA 93101	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF

ELECTION UNDER REGULATIONS SECTION 53.4942(A)-3(D)(2) TO TREAT EXCESS QUALIFYING DISTRIBUTIONS AS DISTRIBUTIONS OUT OF CORPUS

STATEMENT 17

PURSUANT TO IRC SECTION 4942(H)(2) AND REGULATION 53.4942(A)-3(D)(2), THE FOUNDATION HEREBY ELECTS TO TREAT CURRENT YEAR QUALIFYING DISTRIBUTIONS IN EXCESS OF THE IMMEDIATELY PRECEDING TAX YEAR'S UNDISTRIBUTED INCOME AS BEING MADE OUT OF CORPUS.

SIGNED:

PAUL S. SCHULTE
PRESIDENT

FORM 990-PF GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR STATEMENT 18

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
ADOPT A STUDENT SCHOLARSHIP 4000 LA COLINA ROAD SANTA BARBARA, CA 93110	GENERAL	501(C)(3)	11,631.
ALZHEIMER'S ASSOCIATION 1528 CHAPALA STREET SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	500.
AMERICAN HOMELESS VETERANS 210 EAST BROAD STREET, SUITE 202 FALLS CHURCH, VA 22046	GENERAL	501(C)(3)	1,000.
ANGELS FOSTER FAMILY NETWORK 6160 FAIRMOUNT AVE., SUITE H SAN DIEGO , CA 92120	GENERAL	501(C)(3)	1,000.
ANIMAL SHELTER ASSISTANCE PROGRAM P.O. BOX 357 GOLETA, CA 93116	GENERAL	501(C)(3)	1,000.
ARIEL THEATRICAL, INC. 320 MAIN STREET SALINAS , CA 93901	GENERAL	501(C)(3)	10,000.
AVON BREAST CANCER WALK DONATION OFFICE, ONE AVON PLAZA RYE, NY 10580	GENERAL	501(C)(3)	1,000.
BENEDICTINE SISTERS OF CHICAGO 7430 NORTH RIDGE BOULEVARD CHICAGO , IL 60645	GENERAL	501(C)(3)	1,500.

BISHOP GARCIA DIEGO HIGH SCHOOL 4000 LA COLINA ROAD SANTA BARBARA, CA 93110	GENERAL	501(C)(3)	3,300.
BOYS AND GIRLS CLUB 4201 LONG BEACH BOULEVARD, SUITE 101 LONG BEACH , CA 90807	GENERAL	501(C)(3)	5,565.
BSA TROOP 105 5444 HOLLISTER AVE SANTA BARBARA, CA 93111	GENERAL	501(C)(3)	1,000.
CALVARY CHAPEL OF SANTA BARBARA 1 N. CALLE CESAR CHAVEZ, STE. 21 SANTA BARBARA, CA 93103	GENERAL	501(C)(3)	5,000.
CARING BRIDGE P.O. BOX 131447 HOUSTON, TX 77219	GENERAL	501(C)(3)	1,000.
CATHEDRAL CATHOLIC HIGH SCHOOL 5555 DEL MAR HEIGHTS ROAD SAN DIEGO, CA 92130	GENERAL	501(C)(3)	3,500.
CFAITC 2300 RIVER PLAZA DRIVE SACRAMENTO , CA 95833	GENERAL	501(C)(3)	500.
CHALLENGED ATHLETES FOUNDATION 9591 WAPLES STREET SAN DIEGO, CA 92121	GENERAL	501(C)(3)	5,000.
COKER COLLEGE 300 EAST COLLEGE AVE HARTSVILLE, SC 29550	GENERAL	501(C)(3)	1,000.
COMMUNITY COACHING CENTER, INC. P.O. BOX 720072 SAN DIEGO, CA 92172	GENERAL	501(C)(3)	12,000.

COMMUNITY KITCHEN P.O. BOX 24116 SANTA BARBARA, CA 93121	GENERAL	501(C)(3)	1,000.
COPS 4 CAUSES 5482 WILSHIRE BLVD. SUITE 1562 LOS ANGELES, CA 90036	GENERAL	501(C)(3)	1,000.
DOS PUEBLOS LITTLE LEAGUE P.O. BOX 8245 GOLETA , CA 93118	GENERAL	501(C)(3)	1,650.
ENDOWMENT FOR YOUTH COMMITTEE 1136 EAST MONTECITO STREET, SUITE 2 SANTA BARBARA, CA 93103	GENERAL	501(C)(3)	1,000.
FORCE RECON ASSOCIATION P.O. BOX 425 ROWE, MA 01367	GENERAL	501(C)(3)	1,000.
FRIENDS OF SANTA BARBARA PUBLIC LIBRARY P.O. BOX 1019 SANTA BARBARA, CA 93102	GENERAL	501(C)(3)	500.
FUTURE TRADITIONS FOUNDATION 2911 LA COMBADURA SANTA BARBARA, CA 93105	GENERAL	501(C)(3)	5,000.
GUIDE DOGS OF AMERICA 13445 GLENOAKS BOULEVARD SYLMAR, CA 91342	GENERAL	501(C)(3)	1,500.
HEARTS ADAPTIVE RIDING PROGRAM 455 N. DOS PUEBLOS CANYON GOLETA, CA 93117	GENERAL	501(C)(3)	271.
HEMOPHILIA FOUNDATION OF SOCAL 6720 MELROSE AVENUE HOLLYWOOD, CA 90038	GENERAL	501(C)(3)	2,000.

HIGGINS & LANGLEY MEMORIAL AND EDUCATION 8 PELHAM RD ASHEVILLE, NC 28803	GENERAL	501(C)(3)	3,000.
HILLSIDE HOUSE 1235 VERONICA SPRINGS RD SANTA BARBARA, CA 93105	GENERAL	501(C)(3)	2,000.
HOSPICE OF SANTA BARBARA 2050 ALAMEDA PADRE SERRA, SUITE 100 SANTA BARBARA, CA 93103	GENERAL	501(C)(3)	1,000.
INDEPENDENT LIVING RESOURCE CENTER 423 WEST VICTORIA STREET SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	6,000.
ISLA VISTA PTA 6875 EL COLEGIO RD GOLETA, CA 93117	GENERAL	501(C)(3)	2,500.
ISLA VISTA YOUTH PROJECTS 6842 PHELPS ROAD GOLETA , CA 93117	GENERAL	501(C)(3)	1,000.
JUNIOR LEAGUE OF SANTA BARBARA 229 EAST VICTORIA STREET SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	1,000.
JUVENILE DIABETES RESEARCH FOUNDATION 800 WEST SIXTH STREET, SUITE 450 LOS ANGELES, CA 90017	GENERAL	501(C)(3)	1,000.
KIDS & BIKES 6549 PARDALL ROAD GOLETA , CA 93117	GENERAL	501(C)(3)	5,000.
LA CHURCH OF CHRIST 2310 CHAPALA STREET SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	1,000.

LA COLINA PTA 4025 FOOTHILL ROAD SANTA BARBARA, CA 93110	GENERAL	501(C)(3)	1,000.
LAUREN ASHLEY HERRERA MEMORIAL FOUNDATION 242 FIR TREE PL GOLETA, CA 93117	GENERAL	501(C)(3)	2,000.
LIFE NETWORK OF SANTA BARBARA 185-C SOUTH PATTERSON AVENUE SANTA BARBARA, CA 93111	GENERAL	501(C)(3)	1,000.
LITTLE ANGELS 909 NORTH LA CUMBRE RD SANTA BARBARA, CA 93110	GENERAL	501(C)(3)	80.
MARY ABBOTT CHILDREN'S HOUSE P.O. BOX 6316 NORMAN, OK 73070	GENERAL	501(C)(3)	1,000.
MESA VERDE FOUNDATION 823 SO. PERRY STREET, SUITE 120 CASTLE ROCK, CO 80104	GENERAL	501(C)(3)	6,000.
MESA VERDE SCHOOL 8375 ENTREKEN WAY SAN DIEGO, CA 92129	GENERAL	501(C)(3)	5,100.
MONTECITO COVENANT CHURCH 671 COLD SPRING ROAD SANTA BARBARA, CA 93108	GENERAL	501(C)(3)	1,000.
MUSCULAR DYSTROPHY ASSOCIATION 402 E. CARILLO STREET, #C SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	1,000.
MY STUFF BAGS FOUNDATION 5347 STERLING CENTER DRIVE WESTLAKE VILLAGE, CA 91361	GENERAL	501(C)(3)	2,000.

NATIONAL ASSOCIATION OF STATE BOATING 1500 LEESTOWN RD, SUITE 330 LEXINGTON , KY 40511	GENERAL	501(C)(3)	1,000.
NATIONAL SAFE BOATING COUNCIL P.O. BOX 509 BRISTOW, VA 20136	GENERAL	501(C)(3)	1,000.
NOTES FOR NOTES P.O. BOX 90632 SANTA BARBARA, CA 93190	GENERAL	501(C)(3)	4,500.
P.O.W. NETWORK P.O. BOX 68 SKIDMORE, MO 64487	GENERAL	501(C)(3)	1,000.
PAGE YOUTH CENTER 4540 HOLLISTER AVE SANTA BARBARA, CA 93110	GENERAL	501(C)(3)	2,000.
PANCAN 2141 ROSECRANS AVE, SUITE 7000 EL SEGUNDO , CA 90245	GENERAL	501(C)(3)	5,000.
PANCREATIC CANCER ACTION NETWORK 2141 ROSECRANS AVE, SUITE 7000 EL SEGUNDO , CA 90245	GENERAL	501(C)(3)	15,000.
POINT LOBOS FOUNDATION ROUTE 1, BOX 62 CARMEL, CA 93923	GENERAL	501(C)(3)	5,000.
PROJECT CRY NO MORE 622 S. KEENE AVE COMPTON, CA 90221	GENERAL	501(C)(3)	1,000.
RADY CHILDREN'S HOSPITAL 3020 CHILDREN'S WAY SAN DIEGO , CA 92123	GENERAL	501(C)(3)	5,000.

RESQCATS. P.O. BOX 3852 SANTA BARBARA, CA 93130.	GENERAL	501(C)(3)	1,000.
RECORDING FOR THE BLIND & DYSLEXIC 20 ROSZEL ROAD PRINCETON, NJ 08540	GENERAL	501(C)(3)	6,000.
RIVERS OF HOPE FND P.O. BOX 60921 SANTA BARBARA, CA 93160	GENERAL	501(C)(3)	7,000.
ROAD 2A CURE 31858 CASTAIC ROAD #299 CASTAIC, CA 91310	GENERAL	501(C)(3)	3,000.
ROTARY CLUB OF MONTECITO FOUNDATION P.O. BOX 40218 SANTA BARBARA, CA 93140	GENERAL	501(C)(3)	1,000.
SAINT VINCENT DE PAUL 105 E DE LA GUERRA SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	6,000.
SALVATION ARMY 4849 HOLLISTER AVENUE SANTA BARBARA, CA 93111	GENERAL	501(C)(3)	1,000.
SAN DIEGO HUMANE SOCIETY 5500 GAINES ST SAN DIEGO , CA 92110	GENERAL	501(C)(3)	4,000.
SAN DIEGO RESCUE MISSION P.O. BOX 80427 SAN DIEGO , CA 92138	GENERAL	501(C)(3)	5,000.
SANTA BARBARA CENTER PERFORMING ARTS 1330 STATE STREET, SUITE 101 SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	5,000.

SANTA BARBARA DANCE ALLIANCE 1330 STATE STREET, SUITE 201 SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	7,500.
SANTA BARBARA EDUCATION FOUNDATION 1330 STATE STREET, SUITE 203 SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	2,000.
SANTA BARBARA ELKS VETERANS FUND P.O. BOX 6720 SANTA BARBARA, CA 93160	GENERAL	501(C)(3)	1,000.
SANTA BARBARA FORESTERS 4299 CARPINTERIA AVE., SUITE 201 CARPINTERIA, CA 93013	GENERAL	501(C)(3)	1,500.
SANTA BARBARA INTERNATIONAL FILM FESTIVAL 1528 CHAPALA STREET, SUITE 203 SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	1,480.
SANTA BARBARA RESCUE MISSION P.O. BOX 3130 SANTA BARBARA, CA 93130	GENERAL	501(C)(3)	6,000.
SANTA BARBARA YOUTH ENSEMBLE THEATRE 319-A ANACAPA STREET SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	5,000.
SANTA BARBARA YOUTH MUSIC ACADEMY 3892 STATE STREET SANTA BARBARA, CA 93105	GENERAL	501(C)(3)	2,000.
SANTA INES MISSION 1760 MISSION DRIVE, P.O. BOX 408 SOLVANG, CA 93464	GENERAL	501(C)(3)	2,000.
SANTA YNEZ COTTAGE HOSPITAL P.O. BOX 689 SANTA BARBARA, CA 93102	GENERAL	501(C)(3)	1,000.

SARAH HOUSE P.O. BOX 20031 SANTA BARBARA, CA 93120	GENERAL	501(C)(3)	1,000.
SB/PV SISTER CITY P.O. BOX 3718 SANTA BARBARA, CA 93130	GENERAL	501(C)(3)	1,000.
SBDA P.O. BOX 710241 HOUSTON, TX 77271	GENERAL	501(C)(3)	5,000.
SDRI 2219 BATH STREET SANTA BARBARA, CA 93105	GENERAL	501(C)(3)	2,500.
SEAL - NAVAL SPECIAL WARFARE FOUNDATION 1619 D STREET, BLDG. 5326 VIRGINIA BEACH, VA 23459	GENERAL	501(C)(3)	1,000.
SEARCH DOG FOUNDATION 501 EAST OJAI AVENUE OJAI, CA 93023	GENERAL	501(C)(3)	2,500.
SMILE TRAIN 41 MADISON AVENUE, 28TH FLOOR NEW YORK, NY 10010	GENERAL	501(C)(3)	3,000.
SOUTH COAST RAILROAD MUSEUM 300 N. LOS CARNEROS ROAD GOLETA , CA 93117	GENERAL	501(C)(3)	500.
SPECIAL OPERATIONS WARRIOR FOUNDATION 7020 AC SKINNER PARKWAY, SUITE 100 JACKSONVILLE, FL 32256	GENERAL	501(C)(3)	3,000.
ST. JUDE CHILDREN'S RESEARCH HOSPITAL 262 DANNY THOMAS PLACE MEMPHIS , TN 38105	GENERAL	501(C)(3)	7,000.

ST. RAFAEL'S YOUTH MINISTRY 5444 HOLLISTER AVE SANTA BARBARA, CA 93111	GENERAL	501(C)(3)	2,500.
ST. RAFAEL SCHOOL 160 SAINT JOSEPHS ST SANTA BARBARA, CA 93111	GENERAL	501(C)(3)	60,771.
TGOP P.O. BOX 41744 SANTA BARBARA, CA 93140	GENERAL	501(C)(3)	500.
THE LEUKEMIA & LYMPHOMA SOCIETY 1311 MAMARONECK AVENUE, SUITE 310 WHITE PLAINS, NY 10605	GENERAL	501(C)(3)	1,000.
THE TEDDY BEAR CANCER FOUNDATION 133 E DE LA GUERRA STREET, #163 SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	5,687.
TOBY KEITH FOUNDATION P.O. BOX 721856 NORMAN, OK 73070	GENERAL	501(C)(3)	7,500.
TOMLINSON'S TOUCHING LIVES FOUNDATION 9450 MIRA MESA BLVD, SUITE B226 SAN DIEGO, CA 92126	GENERAL	501(C)(3)	5,000.
TRANSITION HOUSE 425 EAST COTA STREET SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	1,000.
UNITY SHOPPE 1219 STATE STREET SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	1,000.
UNIVERSITY OF ARIZONA FOUNDATION 1111 N. CHERRY AVENUE, P.O. BOX 210109 TUCSON , AZ 85721	GENERAL	501(C)(3)	2,500.

VALLEY HAVEN P.O. BOX 950 SOLVANG, CA 93464	GENERAL	501(C)(3)	1,000.
VETERANS MEMORIAL OFFICE P.O. BOX 535 CUPERTINO, CA 95015	GENERAL	501(C)(3)	1,000.
VIETNAM VETERANS OF SAN DIEGO 4141 PACIFIC HIGHWAY SAN DIEGO, CA 92110	GENERAL	501(C)(3)	3,000.
WESTSIDE BOYS & GIRLS CLUB SANTA BARBARA 602 WEST ANAPAMU ST SANTA BARBARA, CA 93101	GENERAL	501(C)(3)	7,000.
WESTVIEW FOUNDATION 13500 CAMINO DEL SUR SAN DIEGO , CA 92129	GENERAL	501(C)(3)	1,900.
WOUNDED WARRIOR PROJECT P.O. BOX 758517 TOPEKA , KS 66675	GENERAL	501(C)(3)	7,000.
YOUNG AMERICA'S FOUNDATION 110 ELDEN STREET HERNDON, VA 20170	GENERAL	501(C)(3)	30,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A			397,935.

Holdings

Morgan Stanley Advisory Active Assets Account
249-094629-044

RUDI SCHULTE FAMILY FOUNDATION
PO BOX 60921

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement.

Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.

If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.

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.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
CASH	**$22,734.30**			
MORGAN STANLEY BANK N.A. #	**170,569.95**	256.00	—	0.150

	Percentage of Assets %	Market Value	Estimated Annual Income Accrued Interest
CASH, DEPOSITS AND MONEY MARKET FUNDS	**4.5%**	**$193,304.25**	**$256.00** **$0.00**

 # Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association (Members FDIC), affiliates of Morgan Stanley Smith Barney.
Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.

.STOCKS

COMMON STOCKS

Consulting Group Investment Advisor Research (CG IAR) status codes (FL, AL or NL) may be shown for certain exchange-traded funds. Please refer to "CG IAR Statuses in Investment Advisory Programs" at the end of this statement for a description of these status codes. All status codes represent the opinions of CG IAR and are not representations or guarantees of performance.

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
ISHARES BARCLAYS 1-3 YEAR CRED (CSJ)	864.000	$90,187.20	**$90,097.92**	$(89.28)	$2,236.03	2.48
Share Price: $104 280; Next Dividend Payable 01/04/11						
ISHARES GOLD TRUST (IAU)	4,030.000	32,712.74	**56,017.00**	23,304.26	—	—
Share Price. $13.900; CG IAR Status. AL						
ISHARES S&P MIDCAP 400 INDEX (IJH)	2,773.000	222,311.07	**251,483.37**	29,172.30	2,653.76	1.05
Share Price: $90.690, CG IAR Status AL; Next Dividend Payable 03/11						

CONTINUED

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
SPDR S&P DIVIDEND (SDY)	4,509.000	225,796.74	**234,377.82**	8,581.08	7,854.68	3.35
Share Price: $51.980; Next Dividend Payable 03/11						
VANGUARD EUROPEAN ETF (VGK)	6,871.000	402,060.46	**337,297.39**	(64,763.07)	15,844.53	4.69
Share Price $49 090, CG IAR Status: AL; Next Dividend Payable 12/11						
VANGUARD GROWTH ETF (VUG)	9,950.000	582,788.92	**611,129.00**	28,340.08	6,965.00	1.13
Share Price. $61.420; CG IAR Status. AL; Next Dividend Payable 03/11						
VANGUARD PACIFIC ETF (VPL)	2,853.000	158,598.89	**162,735.12**	4,136.23	6,399.28	3 93
Share Price: $57 040; CG IAR Status: AL; Next Dividend Payable 12/11						
VANGUARD REIT ETF (VNQ)	3,224.000	190,809.55	**178,512.88**	(12,296.67)	6,096.58	3.41
Share Price· $55.370, CG IAR Status. AL; Next Dividend Payable 03/11						
VANGUARD SMALL CAP ETF (VB)	3,447.000	221,900.29	**250,355.61**	28,455.32	2,916.16	1.16
Share Price: $72.630; CG IAR Status: AL; Next Dividend Payable 06/11						

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
STOCKS	**50.7%**	**$2,127,165.86**	**$2,172,006.11**	**$44,840.25**	**$50,966.02** **$0.00**	**2.35%**

CORPORATE FIXED INCOME

CORPORATE BONDS

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
GENERAL ELECTRIC CAPITAL CORP SER A CUSIP 36962GZY3	100,000.000	$107,167.25 $101,896.57	**$107,540.00**	$5,643.43	$5,450.00 $2,513.05	5.06
Unit Price: $107.540; Coupon Rate 5.450%; Matures 01/15/13; Int. Semi-Annually Jan/Jul 15; Yield to Maturity 1.673%; Moody AA2 S&P AA+; Issued 12/06/02						
JP MORGAN CHASE & CO CUSIP 46625HBV1	100,000.000	104,634.00 103,486.71	**106,407.00**	2,920.29	5,125.00 1,509.02	4.81
Unit Price: $106.407; Coupon Rate 5.125%; Matures 09/15/14; Int. Semi-Annually Mar/Sep 15; Yield to Maturity 3 273%; Moody A1 S&P A; Issued 09/15/04						

	Percentage of Assets %	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
CORPORATE FIXED INCOME		**$211,801.25** **$205,383.28**	**$213,947.00**	**$8,563.72**	**$10,575.00** **$4,022.07**	**4.94%**
TOTAL CORPORATE FIXED INCOME (incl.accr.int.)	**5.1%**		**$217,969.07**			

GOVERNMENT SECURITIES

TREASURY SECURITIES

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
UNITED STATES TREASURY NOTE CUSIP 9128277B2	100,000.000	$100,130.35 $100,010.69	**$102,938.00**	$2,927.31	$5,000.00 $1,875.00	4.85
Unit Price: $102.938; Coupon Rate 5.000%, Matures 08/15/11; Int Semi-Annually Feb/Aug 15; Moody AAA S&P AAA; Issued 08/15/01						
UNITED STATES TREASURY NOTE CUSIP 912828AJ9	100,000.000	100,688.35 100,144 35	**106,328.00**	6,183 65	4,375.00 1,640.62	4.11
Unit Price: $106.328; Coupon Rate 4.375%; Matures 08/15/12; Int. Semi-Annually Feb/Aug 15; Moody AAA S&P AAA; Issued 08/15/02						

	Percentage of Assets %	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
GOVERNMENT SECURITIES		**$200,818.70** **$200,155.04**	**$209,266.00**	**$9,110.96**	**$9,375.00** **$3,515.62**	**4.48%**
TOTAL GOVERNMENT SECURITIES (incl.accr.int.)	**5.0%**		**$212,781.62**			

MUTUAL FUNDS

OTHER MUTUAL FUNDS

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Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
FIDEL ADV FLOATING RT HI INC A (FFRAX)	10,460.251	$100,000.00	**$102,510.46**	$2,510.46	$2,820.00	2.75
Share Price: $9.800; Dividend Cash; Capital Gains Cash						
INVESCO DEVELOPING MARKETS A (GTDDX) Purchases	7,468.264	248,319.79	**247,199.54**	(1,120.25)		

CONTINUED

MUTUAL FUNDS

OTHER MUTUAL FUNDS (CONTINUED)

Security Description		Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
Reinvestments		59.898	1,951.46	1,982.62	31 16		
	Total	7,528.162	250,271.25	**249,182.16**	(1,089.09)	1,719.00	0.68
Market Value vs Total Purchases + Net Value Increase/(Decrease)			248,319.79	249,182.16 862.37			
Share Price: $33.100; CG IAR Status: AL; Enrolled In MS Dividend Reinvestment; Capital Gains Reinvest							
IVY HIGH INC A (WHIAX)		25,651.551	210,000.00	**212,907.87**	2,907.87	20,364.00	9.56
Share Price: $8 300; Dividend Cash; Capital Gains Cash							
JANUS FLEXIBLE BOND A (JDFAX)	**Purchases**	18,587.361	200,000.00	**193,494.43**	(6,505.57)		
Reinvestments		10.535	113.99	109.67	(4.32)		
	Total	18,597.896	200,113.99	**193,604.10**	(6,509.89)	6,924.00	3.57
Market Value vs Total Purchases + Net Value Increase/(Decrease)			200,000.00	193,604.10 (6,395.90)			
Share Price $10.410, Dividend Cash; Capital Gains Cash							
JP MORGAN STRAT INC OPPORT A (JSOAX)		18,391.788	215,000.00	**217,207.02**	2,207.02	7,500.00	3.45
Share Price: $11.810; Dividend Cash; Capital Gains Cash							
PIMCO TOTAL RETURN A (PTTAX)		18,542.195	202,965.27	**201,182.82**	(1,782.45)	6,468.00	3.21
Share Price: $10.850; CG IAR Status: FL, Dividend Cash; Capital Gains Cash							
PIMCO UNCONSTRAINED BD A (PUBAX)		17,793.594	200,000.00	**197,508.89**	(2,491.11)	4,272.00	2.16
Share Price: $11 100, Dividend Cash; Capital Gains Cash							
PIONEER FLOATING RATE A (FLARX)	**Purchases**	16,732.028	114,112.58	**115,618.31**	1,505.73		
Reinvestments		55.792	381.06	385.52	4.46		
	Total	16,787.820	114,493.64	**116,003.84**	1,510.19	5,232.00	4.51
Market Value vs Total Purchases + Net Value Increase/(Decrease)			114,112.58	116,003.84 1,891.26			
Share Price: $6.910, Dividend Cash, Capital Gains Cash							

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
MUTUAL FUNDS	**34.8%**	**$1,492,844.15**	**$1,490,107.16**	**$(2,737.00)**	**$55,299.00** **$0.00**	**3.71%**

Transactions in mutual fund positions held directly at the Fund Company are not included in the total above and are not reflected on the Summary Page.
For more information about the pricing of Money Market Funds, please see the Disclosures section of the statement.

+ Net Value Increase/(Decrease) compares your Total Purchases (excluding Dividend Reinvestments) with the Market Value of all shares you hold of the fund. This calculation is for informational purposes only, does not reflect your total unrealized gain or loss and should not be used for tax purposes.

Holdings

Morgan Stanley Advisory Active Assets Account
249-094629-044

RUDI SCHULTE FAMILY FOUNDATION
PO BOX 60921

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
TOTAL MARKET VALUE	100.0%	$4,025,548.33	$4,278,630.52	$59,777.93	$126,471.02 $7,537.69	2.95%
TOTAL VALUE (includes accrued interest)			$4,286,168.21			

Holdings

Access Active Assets Account 249-100303-044
RUDI SCHULTE FAMILY FOUNDATION P.O. BOX 60921

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Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.

If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.

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.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
CASH	**$(8,465.45)**			
MORGAN STANLEY BANK N.A. #	**34,571.54**	52.00	—	0.150

	Percentage of Assets %	Market Value	Estimated Annual Income Accrued Interest
CASH, DEPOSITS AND MONEY MARKET FUNDS	**1.4%**	**$26,106.09**	**$52.00** **$0.00**
TOTAL CASH, DEPOSITS, MMFS (CREDIT)		$34,571.54	
TOTAL CASH, DEPOSITS, MMFS (DEBIT)		$(8,465.45)	

 # Bank deposits are at Morgan Stanley Bank, N A. and Morgan Stanley Private Bank, National Association (Members FDIC), affiliates of Morgan Stanley Smith Barney.

Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.

STOCKS

COMMON STOCKS

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
ABBOTT LABORATORIES (ABT) *Share Price: $47 910, Next Dividend Payable 02/11*	316 000	$15,413.37	**$15,139.56**	$(273.81)	$556.16	3.67
ALTRIA GROUP INC (MO) *Share Price: $24.620; Next Dividend Payable 01/10/11*	1,747.000	32,786.53	**43,011.14**	10,224.61	2,655.44	6.17
AT&T INC (T) *Share Price: $29.380; Next Dividend Payable 02/11*	2,438.000	65,914.94	**71,628.44**	5,713.50	4,193.36	5.85

CONTINUED

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
BCE INC (NEW) (BCE)	1,627.000	42,678:10	**57,693.42**	15,015.32	3,175.90	5.50
Share Price: $35.460; Next Dividend Payable 01/15/11						
BRISTOL MYERS SQUIBB CO (BMY)	2,833.000	65,627.00	**75,017.84**	9,390.84	3,739.56	4.98
Share Price: $26 480; Next Dividend Payable 02/11						
CENTURYLINK INC (CTL)	1,232.000	42,647.74	**56,881.44**	14,233.70	3,572.80	6.28
Share Price: $46.170; Next Dividend Payable 03/11						
CHEVRON CORP (CVX)	757.000	56,993.23	**69,076.25**	12,083.02	2,180.16	3.15
Share Price: $91.250; Next Dividend Payable 03/11						
CINCINNATI FINANCIAL OHIO (CINF)	613.000	15,950.38	**19,425.97**	3,475.59	980.80	5.04
Share Price: $31.690; Next Dividend Payable 01/17/11						
COCA COLA CO (KO)	827.000	45,833.28	**54,391.79**	8,558.51	1,455.52	2.67
Share Price: $65.770; Next Dividend Payable 03/11						
CONOCOPHILLIPS (COP)	799.000	40,723.71	**54,411.90**	13,688.19	1,757.80	3.23
Share Price: $68.100; Next Dividend Payable 03/11						
CONS EDISON INC (HLDG CO) (ED)	580.000	25,258.09	**28,750.60**	3,492.51	1,380.40	4.80
Share Price· $49 570; Next Dividend Payable 03/11						
DOMINION RES INC (NEW) (D)	1,437.000	52,323.49	**61,388.64**	9,065.15	2,629.71	4.28
Share Price: $42.720, Next Dividend Payable 03/11						
DUKE ENERGY CORP HLDING CO (DUK)	3,065.000	49,335.75	**54,587.65**	5,251.90	3,003.70	5.50
Share Price: $17 810; Next Dividend Payable 03/11						
ELI LILLY & CO (LLY)	1,662.000	57,499.67	**58,236.48**	736.81	3,257.52	5.59
Share Price: $35.040; Next Dividend Payable 03/11						
GLAXOSMITHKLINE PLC ADS (GSK)	1,711.000	69,361.81	**67,105.42**	(2,256.39)	3,420.29	5.09
Share Price: $39.220, Next Dividend Payable 01/06/11						
H J HEINZ CO (HNZ)	1,474.000	60,837.71	**72,904.04**	12,066.33	2,653.20	3.63
Share Price· $49 460, Next Dividend Payable 01/10/11						
HCP INCORPORATED (HCP)	890.000	25,519.13	**32,743.10**	7,223.97	1,655.40	5.05
Share Price: $36 790; Next Dividend Payable 02/11						
HEALTH CARE REIT INC (HCN)	602.000	25,729.67	**28,679.28**	2,949.61	1,661.52	5.79
Share Price: $47.640; Next Dividend Payable 02/11						

CONTINUED

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
HOSPITALITY PPTYS TR COM SBI (HPT) *Share Price: $23.040, Next Dividend Payable 02/11*	642.000	15,408.26	**14,791.68**	(616.58)	1,155.60	7.81
JOHNSON & JOHNSON (JNJ) *Share Price: $61.850; Next Dividend Payable 03/11*	835.000	51,211.91	**51,644.75**	432.84	1,803.60	3.49
KIMBERLY CLARK CORP (KMB) *Share Price: $63.040; Next Dividend Payable 01/04/11*	1,116.000	69,371.82	**70,352.64**	980.82	2,946.24	4.18
LORILLARD INC (LO) *Share Price: $82.060, Next Dividend Payable 03/11*	197.000	15,473.25	**16,165.82**	692.57	886.50	5.48
MC DONALDS CORP (MCD) *Share Price: $76.760; Next Dividend Payable 03/11*	986.000	60,391.10	**75,685.36**	15,294.26	2,405.84	3.17
NATIONWIDE HLTH PROPERTIES (NHP) *Share Price: $36.380; Next Dividend Payable 03/11*	471.000	16,376.44	**17,134.98**	758.54	885.48	5.16
NEW YORK COMMUNITY BANCORP INC (NYB) *Share Price: $18.850, Next Dividend Payable 02/11*	1,663.000	25,920.71	**31,347.55**	5,426.84	1,663.00	5.30
PHILIP MORRIS INTL INC (PM) *Share Price· $58 530; Next Dividend Payable 01/10/11*	990.000	48,817.41	**57,944.70**	9,127.29	2,534.40	4.37
PROCTER & GAMBLE (PG) *Share Price: $64.330; Next Dividend Payable 02/11*	502.000	30,364.04	**32,293.66**	1,929.62	967 35	2 99
PROGRESS ENERGY INC (PGN) *Share Price: $43.480, Next Dividend Payable 02/11*	924.000	35,904.92	**40,175.52**	4,270.60	2,291.52	5.70
REYNOLDS AMERICAN INC (RAI) *Share Price: $32.620; Next Dividend Payable 01/03/11*	1,470.000	35,939.12	**47,951.40**	12,012.28	2,881.20	6.00
ROYAL DUTCH SHELL PLC CL B (RDS'B) *Share Price: $66.670*	1,163.000	67,087 38	**77,537.21**	10,449.83	3,907.68	5.03
SCANA CORP NEW (SCG) *Share Price: $40.600; Next Dividend Payable 01/01/11*	463.000	16,195.78	**18,797.80**	2,602.02	879.70	4.67
SENIOR HSG PPTY TR SBI (SNH) *Share Price· $21.940; Next Dividend Payable 02/11*	733.000	17,100.01	**16,082.02**	(1,017.99)	1,084.84	6.74

CONTINUED

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
SOUTHERN CO (SO)	1,872.000	59,583.97	**71,566.56**	11,982.59	3,407.04	4.76
Share Price: $38.230; Next Dividend Payable 03/11						
TELEFONICA SA ADR (TEF)	289.000	24,786.36	**19,773.38**	(5,012.98)	1,206.86	6.10
Share Price: $68.420						
TOTAL FINA ELF SA (TOT)	798.000	49,368.58	**42,677.04**	(6,691.54)	1,981.43	4.64
Share Price: $53.480						
UNILEVER PLC (NEW) ADS (UL)	1,323.000	38,498.66	**40,854.24**	2,355.58	1,475.15	3.61
Share Price· $30 880						
VERIZON COMMUNICATIONS (VZ)	2,052.000	59,363.34	**73,420.56**	14,057.22	4,001.40	5.44
Share Price· $35.780; Next Dividend Payable 02/11						
VODAFONE GP PLC ADS NEW (VOD)	2,553.000	57,166.70	**67,501.32**	10,334.62	3,329.11	4.93
Share Price: $26.440; Next Dividend Payable 02/04/11						
WINDSTREAM CORP (WIN)	1,643.000	16,262.72	**22,903.42**	6,640.70	1,643.00	7.17
Share Price: $13.940, Next Dividend Payable 01/18/11						

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
STOCKS	**98.6%**	**$1,601,026.08**	**$1,827,674.57**	**$226,648.49**	**$87,266.18** **$0.00**	**4.77%**

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
TOTAL MARKET VALUE	**100.0%**	**$1,601,026.08**	**$1,853,780.66**	**$226,648.49**	**$87,318.18** **$0.00**	**4.71%**

TOTAL VALUE (includes accrued interest) **$1,853,780.66**

Holdings

Access Active Assets Account
249-100304-044

RUDI SCHULTE FAMILY FOUNDATION
P.O. BOX 60921

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market See "Pricing of Securities" in the Disclosures section at the end of this statement

Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.

If you hold structured products; please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.

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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.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
CASH	**$(6,381.33)**			
MORGAN STANLEY BANK N.A. #	**49,147.49**	74.00	—	0.150

	Percentage of Assets %	Market Value	Estimated Annual Income Accrued Interest
CASH, DEPOSITS AND MONEY MARKET FUNDS	**2.3%**	**$42,766.16**	**$74.00** **$0.00**
TOTAL CASH, DEPOSITS, MMFS (CREDIT)		$49,147.49	
TOTAL CASH, DEPOSITS, MMFS (DEBIT)		$(6,381.33)	

 # Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Private Bank, National Association (Members FDIC), affiliates of Morgan Stanley Smith Barney.

Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.

STOCKS

COMMON STOCKS

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
ABBOTT LABORATORIES (ABT)	1,175.000	$58,654.24	**$56,294.25**	$(2,359.99)	$2,068.00	3.67
Share Price: $47.910; Next Dividend Payable 02/11						
AMERICAN WATER WORKS CO (AWK)	2,945.000	61,247.77	**74,479.05**	13,231.28	2,591.60	3.47
Share Price· $25 290, Next Dividend Payable 03/11						
AT&T INC (T)	1,765.000	47,369.16	**51,855.70**	4,486.54	3,035.80	5.85
Share Price: $29.380; Next Dividend Payable 02/11						

CONTINUED

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
BCE INC (NEW) (BCE)	540.000	13,596.15	**19,148.40**	5,552.25	1,054.08	5.50
Share Price: $35.460; Next Dividend Payable 01/15/11						
BK MONTREAL (BMO)	440.000	21,578.87	**25,330.80**	3,751.93	1,217.04	4.80
Share Price· $57.570, Next Dividend Payable 02/11						
BRISTOL MYERS SQUIBB CO (BMY)	1,145.000	26,441.25	**30,319.60**	3,878.35	1,511.40	4.98
Share Price: $26.480; Next Dividend Payable 02/11						
CINCINNATI FINANCIAL OHIO (CINF)	1,195.000	31,249.40	**37,869.55**	6,620.15	1,912.00	5.04
Share Price: $31.690; Next Dividend Payable 01/17/11						
CINEMARK HOLDINGS (CNK)	815.000	12,741.80	**14,050.60**	1,308.80	684.60	4.87
Share Price: $17.240; Next Dividend Payable 03/11						
DIGITAL REALTY TRUST INC (DLR)	685.000	34,608.86	**35,304.90**	696.04	1,452.20	4.11
Share Price: $51.540; Next Dividend Payable 01/14/11						
DONNELLEY R R & SONS CO (RRD)	2,065.000	45,457.85	**36,075.55**	(9,382.30)	2,147.60	5.95
Share Price: $17.470; Next Dividend Payable 03/11						
ELI LILLY & CO (LLY)	980.000	35,500.58	**34,339.20**	(1,161.38)	1,920.80	5.59
Share Price: $35.040; Next Dividend Payable 03/11						
ENERGY TRANSFER PARTNERS L P (ETP)	1,615.000	69,111.54	**83,689.30**	14,577.76	5,773.63	6.89
Share Price: $51.820; Next Dividend Payable 02/11						
ENERPLUS RES FD TR UT NEW (ERF)	2,010.000	45,739.31	**61,988.40**	16,249.09	4,287.33	6.91
Share Price: $30.840, Next Dividend Payable 01/20/11						
ENTERPRISE PROD PRTNRS L.P. (EPD)	2,620.000	75,003.51	**109,018.20**	34,014.69	6,104.60	5.59
Share Price: $41.610; Next Dividend Payable 02/11						
GLAXOSMITHKLINE PLC ADS (GSK)	915.000	35,025.19	**35,886.30**	861.11	1,829.09	5.09
Share Price: $39.220; Next Dividend Payable 01/06/11						
H J HEINZ CO (HNZ)	775.000	34,801.07	**38,331.50**	3,530.43	1,395.00	3.63
Share Price· $49 460; Next Dividend Payable 01/10/11						
HCP INCORPORATED (HCP)	1,645.000	50,787.39	**60,519.55**	9,732.16	3,059.70	5.05
Share Price: $36 790; Next Dividend Payable 02/11						
INTEL CORP (INTC)	2,845.000	58,440.44	**59,830.35**	1,389.91	1,792.35	2.99
Share Price. $21.030, Next Dividend Payable 03/11						

CONTINUED

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
JOHNSON & JOHNSON (JNJ) *Share Price: $61.850; Next Dividend Payable 03/11*	945.000	58,037.97	**58,448.25**	410.28	2,041.20	3.49
KINDER MORGAN ENERGY PTRS LP (KMP) *Share Price: $70.260; Next Dividend Payable 02/11*	1,275.000	70,513.06	**89,581.50**	19,068.44	5,661.00	6.31
MAXIM INTEGRATED PRODUCTS INC (MXIM) *Share Price: $23.620; Next Dividend Payable 03/11*	2,135.000	49,149.84	**50,428.70**	1,278.86	1,793.40	3.55
MC DONALDS CORP (MCD) *Share Price: $76 760, Next Dividend Payable 03/11*	244.000	15,178.33	**18,729.44**	3,551.11	595.36	3.17
MERCK & CO INC NEW COM (MRK) *Share Price: $36 040; Next Dividend Payable 01/07/11*	1,355.000	48,058.83	**48,834.20**	775.37	2,059.60	4.21
MICROCHIP TECHNOLOGY INC (MCHP) *Share Price: $34.210; Next Dividend Payable 03/11*	1,395.000	37,182.32	**47,722.95**	10,540.63	1,925.10	4.03
NATL GRID TRANSCO PLC ADS (NGG) *Share Price: $44 380*	1,225.000	54,925.33	**54,365.50**	(559.83)	3,427.55	6.30
NISOURCE INC (NI) *Share Price: $17 620; Next Dividend Payable 02/11*	3,260.000	44,639.15	**57,441.20**	12,802.05	2,999.20	5.22
NORTHEAST UTILITIES (NU) *Share Price: $31.880; Next Dividend Payable 03/11*	1,160.000	27,449.47	**36,980.80**	9,531.33	1,189.00	3.21
NUSTAR ENERGY LP UNIT COM (NS) *Share Price: $69.480, Next Dividend Payable 02/11*	290.000	15,356.60	**20,149.20**	4,792.60	1,247.00	6.18
NYSE EURONEXT (NYX) *Share Price: $29 980; Next Dividend Payable 03/11*	1,630.000	44,830.38	**48,867.40**	4,037.02	1,956.00	4.00
ONEOK PARTNERS LP (OKS) *Share Price: $79.500, Next Dividend Payable 02/11*	550.000	30,449.45	**43,725.00**	13,275.55	2,486.00	5.68
PEPCO HLDGS INC (POM) *Share Price: $18 250, Next Dividend Payable 03/11*	1,100.000	16,914.77	**20,075.00**	3,160.23	1,188.00	5.91
PFIZER INC (PFE) *Share Price: $17.510; Next Dividend Payable 03/11*	1,830.000	33,600.26	**32,043.30**	(1,556.96)	1,464.00	4.56
PLAINS ALL AMERICAN PIPLIN L P (PAA) *Share Price. $62.790; Next Dividend Payable 02/11*	315.000	15,354.97	**19,778.85**	4,423.88	1,197.00	6.05

CONTINUED

Holdings

Access Active Assets Account 249-100304-044
RUDI SCHULTE FAMILY FOUNDATION
P.O. BOX 60921

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Quantity	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
PROCTER & GAMBLE (PG) *Share Price: $64.330; Next Dividend Payable 02/11*	750.000	45,463.44	**48,247.50**	2,784.06	1,445.25	2.99
SEADRILL LTD (SDRL) *Share Price: $33.920; Next Dividend Payable 03/11*	1,495.000	49,087.13	**50,710.40**	1,623.27	3,887.00	7.66
SPECTRA ENERGY CORP COM (SE) *Share Price: $24.990; Next Dividend Payable 03/11*	1,130.000	21,693.05	**28,238.70**	6,545.65	1,130.00	4.00
STATOIL ASA ADR (STO) *Share Price: $23.770*	2,235.000	48,286.28	**53,125.95**	4,839.67	1,741.07	3.27
TAIWAN SMCNDCTR MFG CO LTD ADR (TSM) *Share Price: $12.540*	3,565.000	37,898.32	**44,705.10**	6,806.78	1,329.75	2.97
TELE NORTE LESTE PART SA ADR (TNE) *Share Price. $14.700*	1,815.000	33,648.62	**26,680.50**	(6,968.12)	2,092.70	7.84
TELEFONICA SA ADR (TEF) *Share Price: $68.420*	565.000	34,714.79	**38,657.30**	3,942.51	2,359.44	6.10
WINDSTREAM CORP (WIN) *Share Price: $13.940; Next Dividend Payable 01/18/11*	2,675.000	26,468.52	**37,289.50**	10,820.98	2,675.00	7.17

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
STOCKS	**97.7%**	**$1,616,255.26**	**$1,839,157.44**	**$222,902.18**	**$91,726.44** **$0.00**	**4.99%**

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income *Accrued Interest*	Yield %
TOTAL MARKET VALUE	**100.0%**	**$1,616,255.26**	**$1,881,923.60**	**$222,902.18**	**$91,800.44** **$0.00**	**4.88%**

TOTAL VALUE (includes accrued interest) **$1,881,923.60**