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Return of Private Foundation

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

2010

Department of the Treasury
Internal Revenue Service

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

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

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

| | | |
|---|--|--|
| Name of foundation THE GUNNAR AND RUTH LIE FOUNDATION | | A Employer identification number 91-2090480 |
| Number and street (or P O box number if mail is not delivered to street address) 3248 HUNTS POINT ROAD | Room/suite | B Telephone number 425-261-1000 |
| City or town, state, and ZIP code BELLEVUE, WA 98004 | | C If exemption application is pending, check here <input type="checkbox"/> |
| H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation | | D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> |
| I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 7,012,697. | J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ | E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> |
| (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 <input type="checkbox"/> |

| Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).) | | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|---|------------|------------------------------------|---------------------------|-------------------------|---|
| 1 Contributions, gifts, grants, etc., received | | 1,000,000. | | | |
| 2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B | | | | | |
| 3 Interest on savings and temporary cash investments | | 50,159. | 50,159. | | STATEMENT 1 |
| 4 Dividends and interest from securities | | 52,327. | 52,327. | | STATEMENT 2 |
| 5a Gross rents | | | | | |
| b Net rental income or (loss) | | | | | |
| 6a Net gain or (loss) from sale of assets not on line 10 | | 231,082. | | | |
| b Gross sales price for all assets on line 6a | 2,747,219. | | | | |
| 7 Capital gain net income (from Part IV, line 2) | | | 231,082. | | |
| 8 Net short-term capital gain | | | | | |
| 9 Income modifications | | | | | |
| 10a Gross sales less returns and allowances | | | | | |
| b Less Cost of goods sold | | | | | |
| c Gross profit or (loss) | | | | | |
| 11 Other income | | | | | |
| 12 Total. Add lines 1 through 11 | | 1,333,568. | 333,568. | 0. | |
| 13 Compensation of officers, directors, trustees, etc. | | 0. | 0. | 0. | 0. |
| 14 Other employee salaries and wages | | | | | |
| 15 Pension plans, employee benefits | | | | | |
| 16a Legal fees | | | | | |
| b Accounting fees | STMT 3 | 1,450. | 435. | 0. | 1,015. |
| c Other professional fees | | | | | |
| 17 Interest | | | | | |
| 18 Taxes | STMT 4 | 2,408. | 2,408. | 0. | 0. |
| 19 Depreciation and depletion | | | | | |
| 20 Occupancy | | | | | |
| 21 Travel, conferences, and meetings | | | | | |
| 22 Printing and publications | | | | | |
| 23 Other expenses | STMT 5 | 23,447. | 23,297. | 0. | 150. |
| 24 Total operating and administrative expenses. Add lines 13 through 23 | | 27,305. | 26,140. | 0. | 1,165. |
| 25 Contributions, gifts, grants paid | | 553,380. | | | 553,380. |
| 26 Total expenses and disbursements. Add lines 24 and 25 | | 580,685. | 26,140. | 0. | 554,545. |
| 27 Subtract line 26 from line 12: | | | | | |
| a Excess of revenue over expenses and disbursements | | 752,883. | | | |
| b Net investment income (if negative, enter -0-) | | | 307,428. | | |
| c Adjusted net income (if negative, enter -0-) | | | | 0. | |

2

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 | | | |
| | 2 Savings and temporary cash investments | 1,041,750. | 1,362,745. | 1,362,745. |
| | 3 Accounts receivable ▶ | | | |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 4 Pledges receivable ▶ | | | |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 5 Grants receivable | | | |
| | 6 Receivables due from officers, directors, trustees, and other disqualified persons | | | |
| | 7 Other notes and loans receivable ▶ | | | |
| | Less: allowance for doubtful accounts ▶ | | | |
| | 8 Inventories for sale or use | | | |
| | 9 Prepaid expenses and deferred charges | | | |
| | 10a Investments - U.S. and state government obligations | | | |
| | b Investments - corporate stock STMT 6 | 4,282,964. | 4,715,397. | 5,649,952. |
| | c Investments - corporate bonds | | | |
| Liabilities | 11 Investments - land, buildings, and equipment, basis ▶ | | | |
| | Less: accumulated depreciation ▶ | | | |
| | 12 Investments - mortgage loans | | | |
| | 13 Investments - other | | | |
| | 14 Land, buildings, and equipment, basis ▶ | | | |
| | Less: accumulated depreciation ▶ | | | |
| | 15 Other assets (describe ▶) | | | |
| | 16 Total assets (to be completed by all filers) | 5,324,714. | 6,078,142. | 7,012,697. |
| | 17 Accounts payable and accrued expenses | | | |
| | 18 Grants payable | | | |
| Net Assets or Fund Balances | 19 Deferred revenue | | | |
| | 20 Loans from officers, directors, trustees, and other disqualified persons | | | |
| | 21 Mortgages and other notes payable | | | |
| | 22 Other liabilities (describe ▶) | | | |
| 23 Total liabilities (add lines 17 through 22) | 0. | 0. | | |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> | | | |
| | 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 ▶ <input checked="" type="checkbox"/> | | | |
| | and complete lines 27 through 31. | | | |
| | 27 Capital stock, trust principal, or current funds | 5,324,714. | 6,078,142. | |
| 28 Paid-in or capital surplus, or land, bldg., and equipment fund | 0. | 0. | | |
| 29 Retained earnings, accumulated income, endowment, or other funds | 0. | 0. | | |
| 30 Total net assets or fund balances | 5,324,714. | 6,078,142. | | |
| 31 Total liabilities and net assets/fund balances | 5,324,714. | 6,078,142. | | |

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 | 5,324,714. |
| 2 Enter amount from Part I, line 27a | 2 | 752,883. |
| 3 Other increases not included in line 2 (itemize) ▶ <u>PORTFOLIO EQUITY ADJUSTMENTS</u> | 3 | 545. |
| 4 Add lines 1, 2, and 3 | 4 | 6,078,142. |
| 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 | 6,078,142. |

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 CHARLES SCHWAB - SEE ATTACHED DETAIL | P | VARIOUS | VARIOUS |
| b CHARLES SCHWAB - SEE ATTACHED DETAIL | P | VARIOUS | VARIOUS |
| 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 1,606,411. | | 1,431,835. | 174,576. |
| b 1,140,808. | | 1,084,302. | 56,506. |
| c | | | |
| d | | | |
| e | | | |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) |
|---|--------------------------------------|---|---|
| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | |
| a | | | 174,576. |
| b | | | 56,506. |
| c | | | |
| d | | | |
| e | | | |

| | | | |
|--|--|----------|-----------------|
| 2 Capital gain net income or (net capital loss) | { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 } | 2 | 231,082. |
| 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 | 343,940. | 5,190,339. | .066265 |
| 2008 | 306,192. | 5,318,071. | .057576 |
| 2007 | 394,106. | 6,385,690. | .061717 |
| 2006 | 242,248. | 5,519,134. | .043892 |
| 2005 | 418,187. | 4,704,656. | .088888 |

| | | |
|---|----------|-------------------|
| 2 Total of line 1, column (d) | 2 | .318338 |
| 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 | .063668 |
| 4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5 | 4 | 6,488,519. |
| 5 Multiply line 4 by line 3 | 5 | 413,111. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 3,074. |
| 7 Add lines 5 and 6 | 7 | 416,185. |
| 8 Enter qualifying distributions from Part XII, line 4 | 8 | 554,545. |

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 <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b | | 1 | 3,074. |
| c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b). | | | |
| 2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) | | 2 | 0. |
| 3 Add lines 1 and 2 | | 3 | 3,074. |
| 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 | 3,074. |
| 6 Credits/Payments: | | | |
| a 2010 estimated tax payments and 2009 overpayment credited to 2010 | 6a | 4,946. | |
| b Exempt foreign organizations - tax withheld at source | 6b | | |
| c Tax paid with application for extension of time to file (Form 8868) | 6c | | |
| d Backup withholding erroneously withheld | 6d | | |
| 7 Total credits and payments. Add lines 6a through 6d | 7 | 4,946. | |
| 8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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 | 1,872. | |
| 11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input checked="" type="checkbox"/> 1,872. Refunded <input type="checkbox"/> | 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? | | 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 | | X |
| c Did the foundation file Form 1120-POL for this year? | | X |
| d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0. | | |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 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. | | 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 | | X |
| 4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? | | X |
| b If "Yes," has it filed a tax return on Form 990-T for this year? | | |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T. | | 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? | 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. | X | |
| 8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> WA | | |
| 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 | 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 | | X |
| 10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses | | X |

N/A

Part VII-A Statements Regarding Activities (continued)

| | | | | |
|----|--|----|-----|---------|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) | 11 | | X |
| 12 | Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? | 12 | | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u> | 13 | X | |
| 14 | The books are in care of ► <u>GUNNAR LIE</u> Telephone no. ► <u>425-261-1000</u> Located at ► <u>3248 HUNTS POINT ROAD, BELLEVUE, WA</u> ZIP+4 ► <u>98004</u> | | | |
| 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 <u>N/A</u> | | | |
| 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? 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 ► | 16 | Yes | No X |

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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (2) | Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (3) | Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| (4) | Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b | If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <u>N/A</u> ► <input type="checkbox"/> | 1b | |
| c | Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? <u>N/A</u> | 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <u>N/A</u> | 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <u>N/A</u> | 3b | |
| 4a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4a | X |
| b | Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010? | 4b | X |

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

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

N/A

☐ Yes ☐ No

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

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

6b

X

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ 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 |
|-----------------------|---|---|---|---------------------------------------|
| GUNNAR LIE | DIRECTOR | | | |
| 3248 HUNTS POINT ROAD | | | | |
| BELLEVUE, WA 98004 | 1.00 | 0. | 0. | 0. |
| RUTH LIE | DIRECTOR | | | |
| 3248 HUNTS POINT ROAD | | | | |
| BELLEVUE, WA 98004 | 1.00 | 0. | 0. | 0. |
| KIRSTEN MILLER | DIRECTOR | | | |
| 2215 MERRILL CRK PKWY | | | | |
| EVERETT, WA 98202 | 1.00 | 0. | 0. | 0. |
| ELIZABETH LIE | DIRECTOR | | | |
| 2215 MERRILL CRK PKWY | | | | |
| EVERETT, WA 98202 | 1.00 | 0. | 0. | 0. |

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

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

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

0

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Part 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. |

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

| | | | |
|----------|---|-----------|------------|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes: | | |
| a | Average monthly fair market value of securities | 1a | 5,385,081. |
| b | Average of monthly cash balances | 1b | 1,202,248. |
| c | Fair market value of all other assets | 1c | |
| d | Total (add lines 1a, b, and c) | 1d | 6,587,329. |
| 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 | 6,587,329. |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) | 4 | 98,810. |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 6,488,519. |
| 6 | Minimum investment return. Enter 5% of line 5 | 6 | 324,426. |

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 | 324,426. |
| 2a | Tax on investment income for 2010 from Part VI, line 5 | 2a | 3,074. |
| b | Income tax for 2010. (This does not include the tax from Part VI.) | 2b | |
| c | Add lines 2a and 2b | 2c | 3,074. |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 321,352. |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | 0. |
| 5 | Add lines 3 and 4 | 5 | 321,352. |
| 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 | 321,352. |

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 | 554,545. |
| 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 | 554,545. |
| 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 | 3,074. |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 551,471. |

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 | | | | 321,352. |
| 2 Undistributed income, if any, as of the end of 2010 | | | | |
| a Enter amount for 2009 only | | | 0. | |
| b Total for prior years: | | 0. | | |
| 3 Excess distributions carryover, if any, to 2010: | | | | |
| a From 2005 | 184,044. | | | |
| b From 2006 | | | | |
| c From 2007 | 94,371. | | | |
| d From 2008 | 41,624. | | | |
| e From 2009 | 85,873. | | | |
| f Total of lines 3a through e | 405,912. | | | |
| 4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 554,545. | | | | |
| a Applied to 2009, but not more than line 2a | | | 0. | |
| b Applied to undistributed income of prior years (Election required - see instructions) | | 0. | | |
| c Treated as distributions out of corpus (Election required - see instructions) | 0. | | | |
| d Applied to 2010 distributable amount | | | | 321,352. |
| e Remaining amount distributed out of corpus | 233,193. | | | |
| 5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a)) | 0. | | | 0. |
| 6 Enter the net total of each column as indicated below: | | | | |
| a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 | 639,105. | | | |
| 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 | 184,044. | | | |
| 9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a | 455,061. | | | |
| 10 Analysis of line 9: | | | | |
| a Excess from 2006 | | | | |
| b Excess from 2007 | 94,371. | | | |
| c Excess from 2008 | 41,624. | | | |
| d Excess from 2009 | 85,873. | | | |
| e Excess from 2010 | 233,193. | | | |

N/A

▶

4942(1)(5)

(e) Total

(4) Gross investment income

Form **990-PF** (2010)

Part XV **Supplementary Information** (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

| Recipient | 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 |
|---|--|--------------------------------------|-------------------------------------|-----------------|
| Name and address (home or business) | | | | |
| a <i>Paid during the year</i> | | | | |
| SEE STATEMENT 8 | | | | |
| Total | | | ▶ 3a | 553,380. |
| b <i>Approved for future payment</i> | | | | |
| NONE | | | | |
| Total | | | ▶ 3b | 0. |

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2010

Name of the organization

THE GUNNAR AND RUTH LIE FOUNDATION

Employer identification number

91-2090480

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐

501(c)() (enter number) organization

☐4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐

527 political organization

Form 990-PF

☒

501(c)(3) exempt private foundation

☐

4947(a)(1) nonexempt charitable trust treated as a private foundation

☐

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

Employer identification number

THE GUNNAR AND RUTH LIE FOUNDATION

91-2090480

Part I Contributors (see instructions)

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|------------|--|--------------------------------|--|
| 1 | GUNNAR & RUTH LIE 3248 HUNTS POINT ROAD BELLEVUE, WA 98004 | \$ 1,000,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |

Name of organization

Employer identification number

THE GUNNAR AND RUTH LIE FOUNDATION**91-2090480****Part II Noncash Property** (see instructions)

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|------------------------------|--|--|----------------------|
| | | \$ | |
| | | \$ | |
| | | \$ | |
| | | \$ | |
| | | \$ | |
| | | \$ | |
| | | \$ | |
| | | \$ | |
| | | \$ | |

Name of organization

Employer identification number

THE GUNNAR AND RUTH LIE FOUNDATION**91-2090480**

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$

| (a) No. from Part I | (b) Purpose of gift | (c) Use of gift | (d) Description of how gift is held |
|---------------------------|---|-----------------|--|
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |
| | (e) Transfer of gift | | |
| | Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee |
| | | | |
| | | | |
| | | | |

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

| SOURCE | AMOUNT |
|--|---------|
| INTEREST INCOME - SCHWAB #2135 | 50,159. |
| TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A | 50,159. |

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

| SOURCE | GROSS AMOUNT | CAPITAL GAINS DIVIDENDS | COLUMN (A) AMOUNT |
|----------------------------------|--------------|----------------------------|----------------------|
| DIVIDENDS - SCHWAB #2135 | 52,327. | 0. | 52,327. |
| TOTAL TO FM 990-PF, PART I, LN 4 | 52,327. | 0. | 52,327. |

FORM 990-PF ACCOUNTING FEES STATEMENT 3

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| ACCOUNTING FEES | 1,450. | 435. | 0. | 1,015. |
| TO FORM 990-PF, PG 1, LN 16B | 1,450. | 435. | 0. | 1,015. |

FORM 990-PF TAXES STATEMENT 4

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| FOREIGN TAXES | 2,408. | 2,408. | 0. | 0. |
| TO FORM 990-PF, PG 1, LN 18 | 2,408. | 2,408. | 0. | 0. |

| FORM 990-PF | OTHER EXPENSES | | | STATEMENT | 5 |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|---|
| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES | |
| BANK FEES | 150. | 0. | 0. | 150. | |
| INVESTMENT FEES | 23,297. | 23,297. | 0. | 0. | |
| TO FORM 990-PF, PG 1, LN 23 | 23,447. | 23,297. | 0. | 150. | |

| FORM 990-PF | CORPORATE STOCK | | STATEMENT | 6 |
|---|-----------------|--|----------------------|---|
| DESCRIPTION | BOOK VALUE | | FAIR MARKET VALUE | |
| CORPORATE STOCKS | 4,715,397. | | 5,649,952. | |
| TOTAL TO FORM 990-PF, PART II, LINE 10B | 4,715,397. | | 5,649,952. | |

| | | | |
|-----------------------------|-------------------|-----------|---|
| FORM 990-PF | PART XV - LINE 1A | STATEMENT | 7 |
| LIST OF FOUNDATION MANAGERS | | | |
| <hr/> | | | |
| NAME OF MANAGER | | | |
| <hr/> | | | |
| GUNNAR LIE | | | |
| RUTH LIE | | | |

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 8

| RECIPIENT NAME AND ADDRESS | RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT | RECIPIENT STATUS | AMOUNT |
|---|--|---------------------|----------|
| CITY CHURCH 9051-132ND AVE. NE KIRKLAND, WA 98033 | NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES | 501(C)(3) | 200,000. |
| EVERETT GOSPEL MISSION PO BOX 423 EVERETT, WA 982060423 | NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES | 501(C)(3) | 20,000. |
| JUBILEE REACH CENTER 14200 SE 13TH PL BELLEVUE, WA 98007 | NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES | 501(C)(3) | 50,000. |
| KIDZANNA MINISTRIES 8229 44TH AVENUE WEST MUKILTEO, WA 98275 | NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES | 501(C)(3) | 30,000. |
| MEDICAL TEAMS INTERNATIONAL 1920 116TH AVENUE NE, SUITE 201 BELLEVUE, WA 98004 | NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES | 501(C)(3) | 45,000. |
| SEATTLE HARVEST (HARVEST MINISTRIES) 6115 ARLINGTON AVENUE RIVERSIDE, CA 92504 | NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES | 501(C)(3) | 5,000. |
| SEATTLE UNION GOSPEL MISSION 3800 SOUTH OTHELLO ST SEATTLE, WA 98118 | NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES | 501(C)(3) | 20,000. |
| WESTGATE CHAPEL 22901 EDMONDS WAY EDMONDS, WA 98020 | NONE TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES | 501(C)(3) | 41,000. |

THE GUNNAR AND RUTH LIE FOUNDATION

91-2090480

YOUTH FOR CHRIST
3827 14TH AVE. W. SEATTLE, WA
98119

NONE
TO ASSIST ORG. IN
CARRYING OUT
CHARITABLE PURPOSES

501(C)(3) 142,380.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

553,380.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-10 Through 12-31-10

| Open Date | Close Date | Quantity | Security | Cost Basis | Amort. or Accretion | Proceeds | Gain Or Loss | |
|--------------|---------------|----------|-------------------------------------|---------------|------------------------|-----------|--------------|-----------|
| | | | | | | | Short Term | Long Term |
| 04-02-09 | 01-11-10 | 500 | MSCI Emerging Markets iShares | 13,610 44 | | 21,555 99 | 7,945 54 | |
| 07-24-09 | 01-11-10 | 500 | Alcoa | 5,498 80 | | 8,731 33 | 3,232 53 | |
| 07-16-09 | 01-11-10 | 691 | Alcoa | 7,187 96 | | 12,066 70 | 4,878 74 | |
| 06-03-09 | 01-11-10 | 109 | Alcoa | 1,095 08 | | 1,903 43 | 808 35 | |
| 07-20-09 | 01-21-10 | 202 | Cerner Corp | 12,698 59 | | 17,593 01 | 4,894 42 | |
| 07-16-09 | 01-21-10 | 72 | Cerner Corp | 4,365 31 | | 6,270 77 | 1,905 46 | |
| 05-27-09 | 01-22-10 | 338 | iShares China 25 Index Fund | 12,267 38 | | 13,456 63 | 1,189 25 | |
| 04-16-09 | 01-22-10 | 562 | iShares China 25 Index Fund | 18,457 95 | | 22,374 63 | 3,916 68 | |
| 04-14-09 | 01-22-10 | 315 | iShares China 25 Index Fund | 10,243 30 | | 12,540 94 | 2,297 64 | |
| 04-13-09 | 01-22-10 | 425 | iShares China 25 Index Fund | 13,685 45 | | 16,920 32 | 3,234 87 | |
| 02-25-09 | 01-22-10 | 360 | iShares China 25 Index Fund | 9,336 38 | | 14,332 51 | 4,996 13 | |
| 04-02-09 | 01-22-10 | 1,700 | MSCI Emerging Markets iShares | 46,275 51 | | 67,225 19 | 20,949 68 | |
| 05-05-08 | 01-22-10 | 12 | ConocoPhillips | 1,050 62 | | 607 08 | | -443 54 |
| 04-18-08 | 01-22-10 | 164 | ConocoPhillips | 13,689 83 | | 8,296 78 | | -5,393 05 |
| 04-11-08 | 01-22-10 | 76 | ConocoPhillips | 6,005 35 | | 3,844 85 | | -2,160 50 |
| 09-16-08 | 01-22-10 | 48 | ConocoPhillips | 3,456 86 | | 2,428 32 | | -1,028 54 |
| 04-17-08 | 01-22-10 | 151 | PNC Financial Services Group Inc | 9,688 26 | | 8,071 77 | | -1,616 49 |
| 12-05-08 | 01-22-10 | 64 | PNC Financial Services Group Inc | 3,352 69 | | 3,421 15 | | 68 46 |
| 12-17-08 | 01-22-10 | 35 | PNC Financial Services Group Inc | 1,645 33 | | 1,870 94 | | 225 61 |
| 05-19-08 | 01-22-10 | 16 | Celgene Corp | 979 00 | | 935 80 | | -43 20 |
| 05-13-08 | 01-22-10 | 192 | Celgene Corp | 11,565 53 | | 11,229 54 | | -335 99 |
| 04-18-08 | 01-22-10 | 129 | Cooper Industries PLC | 5,687 49 | | 5,336 13 | | -351 36 |
| 04-11-08 | 01-22-10 | 119 | Cooper Industries PLC | 4,925 62 | | 4,922 48 | | -3 14 |
| 04-21-08 | 01-22-10 | 374 | Accenture PLC Cl A | 14,284 16 | | 15,778 11 | | 1,493 95 |
| 04-17-08 | 01-22-10 | 237 | Accenture PLC Cl A | 8,916 14 | | 9,998 43 | | 1,082 29 |
| 04-14-08 | 01-22-10 | 29 | Accenture PLC Cl A | 1,064 73 | | 1,223 44 | | 158 71 |
| 06-03-09 | 01-22-10 | 700 | Alcoa | 7,032 62 | | 9,344 33 | 2,311 71 | |
| 01-25-08 | 01-28-10 | 155 | Peabody Energy | 9,739 69 | | 6,907 67 | | -2,832 02 |
| 10-17-08 | 01-28-10 | 305 | Peabody Energy | 10,035 46 | | 13,592 52 | | 3,557 06 |
| 05-19-09 | 01-28-10 | 148 | Peabody Energy | 4,758 65 | | 6,595 71 | 1,837 06 | |
| 04-14-09 | 01-28-10 | 742 | Peabody Energy | 21,846 01 | | 33,067 69 | 11,221 68 | |
| 04-11-08 | 02-05-10 | 44 | America Movil - ADR Series L | 2,788 95 | | 1,927 50 | | -861 45 |
| 05-19-08 | 02-05-10 | 80 | America Movil - ADR Series L | 4,637 75 | | 3,504 55 | | -1,133 20 |
| 05-02-08 | 02-05-10 | 109 | America Movil - ADR Series L | 6,194 70 | | 4,774 95 | | -1,419 75 |
| 04-25-08 | 02-05-10 | 146 | America Movil - ADR Series L | 8,285 69 | | 6,395 80 | | -1,889 89 |
| 09-30-08 | 02-05-10 | 111 | America Movil - ADR Series L | 5,014 83 | | 4,862 56 | | -152 27 |
| 05-29-09 | 02-05-10 | 500 | America Movil - ADR Series L | 19,432 95 | | 21,903 43 | 2,470 48 | |
| 04-30-09 | 02-05-10 | 359 | America Movil - ADR Series L | 11,942 11 | | 15,726 67 | 3,784 56 | |
| 04-14-09 | 02-05-10 | 351 | America Movil - ADR Series L | 10,889 60 | | 15,376 21 | 4,486 61 | |

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-10 Through 12-31-10

| Open Date | Close Date | Quantity | Security | Cost Basis | Amort. or Accretion | Proceeds | Gain Or Loss | |
|-----------|------------|----------|---|------------|---------------------|-----------|--------------|-----------|
| | | | | | | | Short Term | Long Term |
| 02-24-09 | 02-05-10 | 300 | America Movil - ADR Series L | 7,844 35 | | 13,142 06 | 5,297 71 | |
| 04-23-09 | 03-11-10 | 5,000 | Arizona St Univ Nanotech Lse Rev/ ASU TAXABLE sf3/1/10 AssuredGty AA+ 5 050% Due 03-01-14 | 4,992 15 | | 5,000 00 | 7 85 | |
| 04-18-08 | 05-06-10 | 167 | ITT Industries Inc | 9,692 31 | | 8,872 06 | | -820 25 |
| 04-21-08 | 05-06-10 | 83 | ITT Industries Inc | 4,750 04 | | 4,409 46 | | -340 58 |
| 04-25-08 | 05-06-10 | 38 | Apple Computer | 6,396 72 | | 9,700 77 | | 3,304 05 |
| 08-04-09 | 05-06-10 | 33 | Apple Computer | 5,451 83 | | 8,424 36 | 2,972 53 | |
| 08-04-09 | 05-06-10 | 207 | Target Corp | 8,816 59 | | 11,497 00 | 2,680 41 | |
| 06-01-09 | 05-06-10 | 200 | Target Corp | 8,397 38 | | 11,108 21 | 2,710 83 | |
| 12-17-08 | 05-06-10 | 40 | PNC Financial Services Group Inc | 1,880 37 | | 2,624 09 | | 743 72 |
| 05-19-09 | 05-06-10 | 441 | PNC Financial Services Group Inc | 19,619 34 | | 28,930 58 | 9,311 24 | |
| 04-29-09 | 05-06-10 | 69 | PNC Financial Services Group Inc | 2,865 53 | | 4,526 55 | | 1,661 02 |
| 08-04-09 | 05-06-10 | 230 | Teva Pharmaceutical | 12,169 05 | | 13,540 25 | 1,371 20 | |
| 09-22-09 | 05-06-10 | 70 | Teva Pharmaceutical | 3,568 78 | | 4,120 95 | 552 17 | |
| 07-21-09 | 05-06-10 | 200 | Select Emerging Markets LIF- Vngd | 6,867 58 | | 7,647 18 | 779 60 | |
| 09-16-08 | 05-06-10 | 85 | ConocoPhillips | 6,121 52 | | 4,689 55 | | -1,431 97 |
| 12-17-08 | 05-06-10 | 85 | ConocoPhillips | 4,610 85 | | 4,689 56 | | 78 71 |
| 06-01-09 | 05-06-10 | 107 | ConocoPhillips | 5,108 46 | | 5,903 32 | 794 86 | |
| 08-28-09 | 05-06-10 | 23 | ConocoPhillips | 1,053 85 | | 1,268 94 | 215 09 | |
| 07-21-09 | 05-06-10 | 298 | Schlumberger Ltd | 17,141 57 | | 19,450 54 | 2,308 97 | |
| 05-19-08 | 05-06-10 | 50 | Berkshire Hathaway Class B | 4,132 98 | | 3,772 80 | | -360 18 |
| 08-10-09 | 05-06-10 | 100 | Berkshire Hathaway Class B | 6,764 44 | | 7,545 60 | 781 16 | |
| 04-21-08 | 05-06-10 | 159 | Nestle SA ADR | 8,007 75 | | 7,257 34 | | -750 41 |
| 05-20-08 | 05-06-10 | 125 | Nestle SA ADR | 6,161 00 | | 5,687 57 | | -473 43 |
| 04-11-08 | 05-06-10 | 15 | Nestle SA ADR | 759 44 | | 705 26 | | -54 18 |
| 08-19-08 | 05-14-10 | 490 | EMC Corporation | 7,415 66 | | 8,994 30 | | 1,578 64 |
| 07-03-08 | 05-14-10 | 579 | EMC Corporation | 8,746 77 | | 10,627 95 | | 1,881 18 |
| 08-10-09 | 05-14-10 | 150 | Berkshire Hathaway Class B | 10,146 65 | | 11,407 87 | 1,261 22 | |
| 04-13-09 | 05-14-10 | 400 | Berkshire Hathaway Class B | 24,120 95 | | 30,420 97 | | 6,300 02 |
| 04-11-08 | 05-19-10 | 102 | Nestle SA ADR | 4,997 61 | | 4,696 02 | | -301 59 |
| 05-02-08 | 05-19-10 | 198 | Nestle SA ADR | 9,404 62 | | 9,115 79 | | -288 83 |
| 07-21-09 | 05-19-10 | 300 | Select Emerging Markets ETF- Vngd | 10,301 37 | | 11,415 79 | 1,114 42 | |
| 05-21-09 | 05-19-10 | 200 | Select Emerging Markets ETF- Vngd | 6,162 85 | | 7,610 53 | 1,447 68 | |
| 06-03-09 | 05-19-10 | 796 | Market Vectors Gold Miners ETF | 33,334 45 | | 40,138 82 | 6,804 37 | |
| 07-21-09 | 05-19-10 | 4 | Market Vectors Gold Miners ETF | 155 61 | | 201 70 | 46 09 | |
| 07-20-09 | 05-19-10 | 492 | Lowe's Companies | 10,074 29 | | 12,063 75 | 1,989 46 | |
| 06-03-09 | 05-19-10 | 426 | Lowe's Companies | 8,603 19 | | 10,445 45 | 1,842 26 | |
| 06-01-09 | 05-19-10 | 300 | Target Corp | 12,596 07 | | 16,038 92 | 3,442 85 | |
| 04-13-09 | 05-19-10 | 200 | Target Corp | 7,953 81 | | 10,692 62 | | 2,738 81 |
| 04-18-08 | 05-19-10 | 46 | PepsiCo Inc | 3,223 55 | | 3,039 41 | | -184 14 |
| 05-05-08 | 05-19-10 | 213 | PepsiCo Inc | 14,625 01 | | 14,073 77 | | -551 24 |

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-10 Through 12-31-10

| Open Date | Close Date | Quantity | Security | Cost Basis | Amort. or Accretion | Proceeds | Gain Or Loss | |
|-----------|------------|----------|--------------------------------------|------------|---------------------|-----------|--------------|-----------|
| | | | | | | | Short Term | Long Term |
| 05-19-08 | 05-19-10 | 41 | PepsiCo Inc | 2,793 82 | | 2,709 03 | | -84 79 |
| 05-19-08 | 05-19-10 | 37 | Procter & Gamble | 2,476 20 | | 2,343 00 | | -133 20 |
| 05-02-08 | 05-19-10 | 303 | Procter & Gamble | 20,231 17 | | 19,187 28 | | -1,043 89 |
| 06-06-08 | 05-19-10 | 10 | Procter & Gamble | 656 69 | | 633 24 | | -23 45 |
| 04-18-08 | 05-19-10 | 15 | Goldman Sachs | 2,716 81 | | 2,079 85 | | -636 96 |
| 04-11-08 | 05-19-10 | 36 | Goldman Sachs | 6,070 99 | | 4,991 65 | | -1,079 34 |
| 01-21-10 | 05-19-10 | 199 | Goldman Sachs | 32,444 80 | | 27,592 71 | -4,852 09 | |
| 04-06-10 | 05-19-10 | 400 | Morgan Stanley | 11,704 83 | | 10,635 05 | -1,069 78 | |
| 06-02-09 | 05-19-10 | 200 | Morgan Stanley | 5,818 47 | | 5,317 53 | -500 94 | |
| 08-04-09 | 05-19-10 | 150 | Amgen Inc | 9,373 15 | | 8,213 13 | -1,160 02 | |
| 07-20-09 | 05-19-10 | 300 | Amgen Inc | 17,638 90 | | 16,426 25 | -1,212 65 | |
| 04-23-10 | 05-19-10 | 200 | Varian Medical Sys | 11,070 55 | | 10,509 04 | -561 51 | |
| 04-17-08 | 05-19-10 | 35 | Varian Medical Sys | 1,619 64 | | 1,839 08 | | 219 44 |
| 06-01-09 | 05-19-10 | 265 | Varian Medical Sys | 9,855 62 | | 13,924 48 | 4,068 86 | |
| 04-11-08 | 05-19-10 | 26 | Cooper Industries PLC | 1,076 18 | | 1,245 57 | | 169 39 |
| 04-25-08 | 05-19-10 | 366 | Cooper Industries PLC | 15,126 87 | | 17,533 74 | | 2,406 87 |
| 06-01-09 | 05-19-10 | 295 | Cooper Industries PLC | 10,092 05 | | 14,132 39 | 4,040 34 | |
| 07-20-09 | 05-19-10 | 13 | Cooper Industries PLC | 415 16 | | 622 78 | 207 62 | |
| 04-18-08 | 05-19-10 | 349 | Adobe Systems Inc | 12,700 75 | | 11,604 27 | | -1,096 48 |
| 04-11-08 | 05-19-10 | 164 | Adobe Systems Inc | 5,909 82 | | 5,453 01 | | -456 81 |
| 08-04-09 | 05-19-10 | 194 | Adobe Systems Inc | 6,379 74 | | 6,450 52 | 70 78 | |
| 08-04-09 | 05-19-10 | 50 | Apple Computer | 8,260 35 | | 12,528 88 | 4,268 53 | |
| 04-21-08 | 05-19-10 | 345 | Cisco Systems Inc | 8,547 20 | | 8,395 99 | | -151 21 |
| 04-17-08 | 05-19-10 | 256 | Cisco Systems Inc | 6,070 29 | | 6,230 06 | | 159 77 |
| 07-03-08 | 05-19-10 | 700 | EMC Corporation | 10,574 68 | | 12,794 60 | | 2,219 92 |
| 04-16-10 | 05-19-10 | 14 | Google Inc | 7,836 48 | | 6,957 83 | -878 65 | |
| 04-25-08 | 05-19-10 | 10 | Google Inc | 5,492 48 | | 4,969 88 | | -522 60 |
| 04-18-08 | 05-19-10 | 16 | Google Inc | 8,737 71 | | 7,951 80 | | -785 91 |
| 05-02-08 | 05-19-10 | 192 | Microsoft | 5,649 17 | | 5,483 93 | | -165 24 |
| 04-17-08 | 05-19-10 | 295 | Microsoft | 8,565 88 | | 8,425 83 | | -140 05 |
| 06-19-09 | 05-19-10 | 387 | Qualcomm Inc | 17,551 08 | | 14,165 90 | -3,385 18 | |
| 06-01-09 | 05-19-10 | 113 | Qualcomm Inc | 4,992 76 | | 4,136 29 | -856 47 | |
| 04-13-10 | 05-19-10 | 2,000 | Alcoa | 28,503 55 | | 23,330 65 | -5,172 90 | |
| 05-02-08 | 05-19-10 | 105 | EQT Corp | 6,935 53 | | 4,207 71 | | -2,727 82 |
| 04-11-08 | 05-19-10 | 96 | EQT Corp | 5,957 11 | | 3,847 05 | | -2,110 06 |
| 05-29-09 | 05-19-10 | 299 | EQT Corp | 11,179 15 | | 11,981 95 | 802 80 | |
| 05-02-08 | 05-20-10 | 37 | Nestle SA ADR | 1,757 43 | | 1,677 19 | | -80 24 |
| 06-01-09 | 05-20-10 | 300 | Nestle SA ADR | 11,108 95 | | 13,598 80 | 2,489 85 | |
| 05-27-09 | 05-20-10 | 113 | Nestle SA ADR | 4,131 27 | | 5,122 21 | 990 94 | |
| 09-22-09 | 05-20-10 | 177 | Teva Pharmaceutical | 9,023 93 | | 9,763 32 | 739 39 | |
| 07-20-09 | 05-20-10 | 323 | Teva Pharmaceutical | 16,012 95 | | 17,816 68 | 1,803 73 | |
| 05-02-08 | 05-20-10 | 52 | Teva Pharmaceutical | 2,452 88 | | 2,868 32 | | 415 44 |
| 04-18-08 | 05-20-10 | 298 | Teva Pharmaceutical | 14,053 39 | | 16,437 69 | | 2,384 30 |
| 04-11-08 | 05-20-10 | 40 | Teva Pharmaceutical | 1,877 91 | | 2,206 40 | | 328 49 |
| 05-21-09 | 05-20-10 | 670 | Select Emerging Markets ETF- Vngd | 20,645 55 | | 24,445 63 | 3,800 08 | |
| 07-21-09 | 05-20-10 | 370 | Market Vectors Gold Miners ETF | 14,393 51 | | 17,625 54 | 3,232 03 | |
| 06-03-09 | 05-20-10 | 1,000 | Lowe's Companies | 20,195 27 | | 23,921 94 | 3,726 67 | |
| 06-01-09 | 05-20-10 | 170 | Lowe's Companies | 3,389 60 | | 4,066 73 | 677 13 | |
| 07-16-09 | 05-20-10 | 1,297 | Starbucks Corporation | 18,772 48 | | 33,082 65 | 14,310 17 | |
| 09-30-08 | 05-20-10 | 243 | Starbucks Corporation | 3,511 23 | | 6,198 21 | | 2,686 98 |
| 04-13-09 | 05-20-10 | 340 | Target Corp | 13,521 47 | | 18,225 62 | | 4,704 15 |

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-10 Through 12-31-10

| Open Date | Close Date | Quantity | Security | Cost Basis | Amort. or Accretion | Proceeds | Gain Or Loss | |
|-----------|------------|----------|----------------------------|------------|---------------------|-----------|--------------|-----------|
| | | | | | | | Short Term | Long Term |
| 04-06-10 | 05-20-10 | 300 | WMS Industries Inc | 13,280 26 | | 13,652 42 | 372 16 | |
| 03-18-10 | 05-20-10 | 10 | WMS Industries Inc | 412 61 | | 455 08 | 42 47 | |
| 04-13-10 | 05-20-10 | 100 | Costco Wholesale | 5,999 86 | | 5,715 05 | -284 81 | |
| 09-09-09 | 05-20-10 | 120 | Costco Wholesale | 6,828 61 | | 6,858 06 | 29 45 | |
| 05-19-08 | 05-20-10 | 39 | PepsiCo Inc | 2,657 53 | | 2,523 48 | | -134 05 |
| 04-25-08 | 05-20-10 | 84 | PepsiCo Inc | 5,683 15 | | 5,435 18 | | -247 97 |
| 04-13-10 | 05-20-10 | 123 | PepsiCo Inc | 8,166 31 | | 7,958 66 | -207 65 | |
| 06-06-08 | 05-20-10 | 60 | PepsiCo Inc | 3,964 75 | | 3,882 27 | | -82 48 |
| 07-16-09 | 05-20-10 | 34 | PepsiCo Inc | 1,951 17 | | 2,199 96 | 248 79 | |
| 06-06-08 | 05-20-10 | 50 | Procter & Gamble | 3,283 46 | | 3,105 22 | | -178 24 |
| 04-13-10 | 05-20-10 | 210 | Procter & Gamble | 13,234 75 | | 13,041 91 | -192 84 | |
| 07-21-09 | 05-20-10 | 80 | Procter & Gamble | 4,478 72 | | 4,968 34 | 489 62 | |
| 04-06-10 | 05-20-10 | 310 | Walgreen Co | 11,656 70 | | 10,296 70 | -1,360 00 | |
| 04-21-08 | 05-20-10 | 128 | Chevron Corp | 11,864 95 | | 9,565 37 | | -2,299 58 |
| 04-17-08 | 05-20-10 | 162 | Chevron Corp | 14,956 69 | | 12,106 17 | | -2,850 52 |
| 12-17-08 | 05-20-10 | 40 | Chevron Corp | 3,129 75 | | 2,989 18 | | -140 57 |
| 08-10-09 | 05-20-10 | 300 | Chevron Corp | 20,785 39 | | 22,418 82 | 1,633 43 | |
| 06-01-09 | 05-20-10 | 80 | Chevron Corp | 5,519 50 | | 5,978 35 | 458 85 | |
| 08-28-09 | 05-20-10 | 565 | ConocoPhillips | 25,888 15 | | 29,157 21 | 3,269 06 | |
| 08-04-09 | 05-20-10 | 15 | ConocoPhillips | 675 79 | | 774 09 | 98 30 | |
| 05-02-08 | 05-20-10 | 233 | National Oilwell Varco Inc | 15,502 54 | | 8,382 99 | | -7 119 55 |
| 09-16-08 | 05-20-10 | 197 | National Oilwell Varco Inc | 10,602 23 | | 7,087 76 | | -3,514 47 |
| 07-23-09 | 05-20-10 | 210 | National Oilwell Varco Inc | 7,488 33 | | 7,555 49 | 67 16 | |
| 07-21-09 | 05-20-10 | 108 | Schlumberger Ltd | 6,212 38 | | 6,496 07 | 283 69 | |
| 08-04-09 | 05-20-10 | 262 | Schlumberger Ltd | 14,729 55 | | 15,758 98 | 1,029 43 | |
| 05-19-09 | 05-20-10 | 280 | Berkshire Hathaway Class B | 16,844 71 | | 20,535 50 | | 3 690 79 |
| 01-21-10 | 05-20-10 | 22 | Goldman Sachs | 3,586 86 | | 3,032 77 | -554 09 | |
| 01-22-10 | 05-20-10 | 125 | Goldman Sachs | 19,522 13 | | 17,231 62 | -2,290 51 | |
| 05-19-09 | 05-20-10 | 23 | Goldman Sachs | 3,303 12 | | 3,170 62 | | -132 50 |
| 04-29-10 | 05-20-10 | 390 | JP Morgan Chase & Co | 17,219 16 | | 14,920 77 | -2,298 39 | |
| 04-13-10 | 05-20-10 | 150 | MetLife, Inc | 6,778 15 | | 5,798 76 | -979 39 | |
| 03-18-10 | 05-20-10 | 240 | MetLife, Inc | 10,291 95 | | 9,278 01 | -1,013 94 | |
| 06-02-09 | 05-20-10 | 200 | Morgan Stanley | 5,818 47 | | 5,234 02 | -584 45 | |
| 03-24-09 | 05-20-10 | 580 | Morgan Stanley | 14,969 06 | | 15,178 64 | | 209 58 |
| 07-20-09 | 05-20-10 | 16 | Amgen Inc | 940 74 | | 863 90 | -76 84 | |
| 04-23-10 | 05-20-10 | 189 | Amgen Inc | 10,972 46 | | 10,204 77 | -767 69 | |
| 04-13-09 | 05-20-10 | 586 | Amgen Inc | 27,778 90 | | 31,640 20 | | 3,861 30 |
| 04-21-08 | 05-20-10 | 459 | Amgen Inc | 19,520 41 | | 24,783 03 | | 5,262 62 |
| 05-13-08 | 05-20-10 | 92 | Celgene Corp | 5,541 81 | | 5,237 36 | | -304 45 |
| 01-29-09 | 05-20-10 | 100 | Celgene Corp | 5,211 75 | | 5,692 79 | | 481 04 |
| 07-20-09 | 05-20-10 | 198 | Celgene Corp | 9,280 50 | | 11,271 72 | 1,991 22 | |
| 07-16-09 | 05-20-10 | 234 | Cerner Corp | 14,187 24 | | 19,044 90 | 4,857 66 | |
| 04-14-09 | 05-20-10 | 36 | Cerner Corp | 1,662 41 | | 2,929 98 | | 1,267 57 |
| 06-01-09 | 05-20-10 | 169 | Varian Medical Sys | 6,285 28 | | 8,475 33 | 2,190 05 | |
| 01-28-09 | 05-20-10 | 141 | Varian Medical Sys | 5,034 43 | | 7,071 13 | | 2,036 70 |
| 07-20-09 | 05-20-10 | 436 | Aecom Technology Corp | 13,871 31 | | 11,128 43 | -2,742 88 | |
| 01-06-09 | 05-20-10 | 230 | Aecom Technology Corp | 7,221 73 | | 5,870 50 | | -1,351 23 |
| 07-16-09 | 05-20-10 | 345 | Aecom Technology Corp | 10,736 97 | | 8,805 76 | -1,931 21 | |
| 04-13-09 | 05-20-10 | 49 | Aecom Technology Corp | 1,370 88 | | 1,250 67 | | -120 21 |
| 07-20-09 | 05-20-10 | 430 | Cooper Industries PLC | 13,732 12 | | 19,506 70 | 5,774 58 | |
| 04-21-08 | 05-20-10 | 98 | ITT Industries Inc | 5,608 49 | | 4,752 41 | | -856 08 |
| 04-11-08 | 05-20-10 | 108 | ITT Industries Inc | 6,085 03 | | 5,237 35 | | -847 68 |
| 01-08-10 | 05-20-10 | 700 | ITT Industries Inc | 35,110 52 | | 33,945 76 | -1,164 76 | |

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note custodial reports may not show fixed income accrued interest

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-10 Through 12-31-10

| Open Date | Close Date | Quantity | Security | Cost Basis | Amort. or Accretion | Proceeds | Gain Or Loss | |
|-----------|------------|----------|-----------------------------------|------------|---------------------|-----------|--------------|-----------|
| | | | | | | | Short Term | Long Term |
| 07-23-09 | 05-20-10 | 64 | ITT Industries Inc | 2,935 23 | | 3,103 61 | 168 38 | |
| 08-04-09 | 05-20-10 | 134 | Adobe Systems Inc | 4,406 63 | | 4,303 46 | -103 17 | |
| 07-20-09 | 05-20-10 | 401 | Adobe Systems Inc | 12,476 04 | | 12,878 26 | 402 22 | |
| 07-16-09 | 05-20-10 | 55 | Adobe Systems Inc | 1,645 49 | | 1,766 35 | 120 86 | |
| 08-04-09 | 05-20-10 | 45 | Apple Computer | 7,434 31 | | 10,856 98 | 3,422 67 | |
| 04-17-08 | 05-20-10 | 64 | Apple Computer | 9,906 55 | | 15,441 05 | | 5,534 50 |
| 07-16-09 | 05-20-10 | 11 | Apple Computer | 1,617 04 | | 2,653 93 | 1,036 89 | |
| 05-14-10 | 05-20-10 | 500 | Broadcom Corp - Cl A | 15,970 90 | | 15,921 94 | -48 96 | |
| 06-10-09 | 05-20-10 | 40 | Broadcom Corp - Cl A | 1,085 70 | | 1,273 75 | 188 05 | |
| 04-17-08 | 05-20-10 | 127 | Cisco Systems Inc | 3,011 43 | | 2,976 95 | | -34 48 |
| 04-11-08 | 05-20-10 | 253 | Cisco Systems Inc | 5,933 96 | | 5,930 46 | | -3 50 |
| 07-20-09 | 05-20-10 | 510 | Cisco Systems Inc | 10,699 26 | | 11,954 67 | 1,255 41 | |
| 07-03-08 | 05-20-10 | 21 | EMC Corporation | 317 24 | | 375 35 | | 58 11 |
| 06-19-09 | 05-20-10 | 1,269 | EMC Corporation | 16,593 54 | | 22,681 67 | 6,088 13 | |
| 04-18-08 | 05-20-10 | 6 | Google Inc | 3,276 64 | | 2,879 07 | | -397 57 |
| 04-14-08 | 05-20-10 | 15 | Google Inc | 6,820 75 | | 7,197 67 | | 376 92 |
| 07-16-09 | 05-20-10 | 29 | Google Inc | 12,715 29 | | 13,915 50 | 1,200 21 | |
| 04-17-08 | 05-20-10 | 15 | Microsoft | 435 55 | | 414 16 | | -21 39 |
| 05-20-08 | 05-20-10 | 237 | Microsoft | 6,848 77 | | 6,543 74 | | -305 03 |
| 04-11-08 | 05-20-10 | 208 | Microsoft | 5,941 11 | | 5,743 02 | | -198 09 |
| 08-04-09 | 05-20-10 | 470 | Microsoft | 11,163 45 | | 12,977 03 | 1,813 58 | |
| 06-01-09 | 05-20-10 | 87 | Qualcomm Inc | 3,843 99 | | 3,119 41 | -724 58 | |
| 05-27-09 | 05-20-10 | 202 | Qualcomm Inc | 8,793 73 | | 7,242 78 | -1,550 95 | |
| 04-21-08 | 05-20-10 | 90 | Qualcomm Inc | 3,824 61 | | 3,226 98 | | -597 63 |
| 04-06-10 | 05-20-10 | 813 | Qualcomm Inc | 34,528 28 | | 29,150 38 | -5,377 90 | |
| 04-17-08 | 05-20-10 | 218 | Qualcomm Inc | 9,121 35 | | 7,816 46 | | -1,304 89 |
| 04-11-08 | 05-20-10 | 142 | Qualcomm Inc | 5,924 53 | | 5,091 45 | | -833 08 |
| 04-24-09 | 05-20-10 | 198 | Qualcomm Inc | 8,170 31 | | 7,099 35 | | -1,070 96 |
| 04-14-09 | 05-20-10 | 227 | Qualcomm Inc | 9,311 18 | | 8,139 16 | | -1,172 02 |
| 02-04-09 | 05-20-10 | 223 | Qualcomm Inc | 7,720 29 | | 7,995 74 | | 275 45 |
| 06-03-09 | 05-20-10 | 1,850 | Alcoa | 18,586 22 | | 20,803 19 | 2,216 97 | |
| 05-29-09 | 05-20-10 | 101 | EQT Corp | 3,776 24 | | 3,866 72 | 90 48 | |
| 09-30-08 | 05-20-10 | 239 | EQT Corp | 8,715 72 | | 9,149 97 | | 434 25 |
| 07-23-09 | 05-20-10 | 200 | EQT Corp | 7,271 59 | | 7,656 87 | 385 28 | |
| 05-13-08 | 05-20-10 | 300 | Roche Holdings AG Ltd - Spons ADR | 12,259 20 | | 10,374 37 | | -1,884 83 |
| 04-17-08 | 05-20-10 | 360 | Roche Holdings AG Ltd - Spons ADR | 14,677 15 | | 12,449 24 | | -2,227 91 |
| 08-04-09 | 05-20-10 | 427 | Roche Holdings AG Ltd - Spons ADR | 16,661 95 | | 14,766 18 | -1,895 77 | |
| 05-29-09 | 05-20-10 | 920 | Roche Holdings AG Ltd - Spons ADR | 31,308 18 | | 31,814 73 | 506 55 | |
| 04-14-09 | 05-20-10 | 420 | Roche Holdings AG Ltd - Spons ADR | 13,750 47 | | 14,524 12 | | 773 65 |
| 04-29-09 | 05-20-10 | 112 | PNC Financial Services Group Inc | 4,651 30 | | 6,838 65 | | 2,187 35 |
| 06-03-09 | 05-20-10 | 209 | PNC Financial Services Group Inc | 8,435 83 | | 12,761 42 | 4,325 59 | |
| 04-13-09 | 05-20-10 | 179 | PNC Financial Services Group Inc | 6,756 71 | | 10,929 63 | | 4,172 92 |
| 01-28-09 | 05-20-10 | 200 | PNC Financial Services Group Inc | 7,396 75 | | 12,211 88 | | 4,815 13 |

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-10 Through 12-31-10

| Open Date | Close Date | Quantity | Security | Cost Basis | Amort. or Accretion | Proceeds | Gain Or Loss | |
|--------------------------------|------------|----------|--|------------|---------------------|------------|--------------|------------|
| | | | | | | | Short Term | Long Term |
| 02-24-09 | 05-20-10 | 500 | PNC Financial Services Group Inc | 13,673 95 | | 30,529 71 | | 16,855 76 |
| 04-13-10 | 05-20-10 | 3,000 | General Electric | 57,038 95 | | 49,511 35 | -7,527 60 | |
| 04-23-10 | 05-20-10 | 1,000 | General Electric | 18,927 95 | | 16,503 78 | -2,424 17 | |
| 04-14-08 | 05-20-10 | 134 | Accenture PLC Cl A | 4,919 80 | | 5,133 05 | | 213 25 |
| 08-04-09 | 05-20-10 | 316 | Accenture Pl C Cl A | 11,276 88 | | 12,104 82 | 827 94 | |
| 07-20-09 | 05-20-10 | 414 | Accenture PLC Cl A | 14,192 18 | | 15,858 84 | 1,666 66 | |
| 07-16-09 | 05-20-10 | 563 | Accenture PLC Cl A | 19,172 34 | | 21,566 49 | 2,394 15 | |
| 05-19-09 | 05-20-10 | 197 | Accenture PLC Cl A | 5,934 71 | | 7,546 35 | | 1,611 64 |
| 04-14-09 | 05-20-10 | 376 | Accenture PLC Cl A | 10,367 00 | | 14,403 20 | | 4,036 20 |
| 07-16-09 | 05-25-10 | 342 | Adobe Systems Inc | 10,231 97 | | 10,654 74 | 422 77 | |
| 04-24-09 | 05-25-10 | 173 | Adobe Systems Inc | 4,444 32 | | 5,389 68 | | 945 36 |
| 04-13-09 | 05-25-10 | 431 | Adobe Systems Inc | 10,627 93 | | 13,427 46 | | 2,799 53 |
| 01-28-09 | 05-25-10 | 351 | Adobe Systems Inc | 7,288 69 | | 10,935 13 | | 3,646 44 |
| 02-04-09 | 05-25-10 | 313 | Adobe Systems Inc | 6,319 03 | | 9,751 27 | | 3,432 24 |
| 04-06-10 | 05-25-10 | 75 | Walgreen Co | 2,820 17 | | 2,457 69 | -362 48 | |
| 04-17-08 | 05-25-10 | 394 | Walgreen Co | 14,156 98 | | 12,911 06 | | -1,245 92 |
| 04-21-08 | 05-25-10 | 421 | Walgreen Co | 15,059 70 | | 13,795 82 | | -1,263 88 |
| 03-24-09 | 06-04-10 | 20 | Morgan Stanley | 516 17 | | 524 99 | | 8 82 |
| 04-02-09 | 06-04-10 | 1,900 | Morgan Stanley | 46,806 33 | | 49,874 14 | | 3,067 81 |
| 04-30-09 | 06-04-10 | 300 | Morgan Stanley | 7,179 76 | | 7,874 87 | | 695 11 |
| 01-28-09 | 06-07-10 | 381 | Varian Medical Sys | 13,603 66 | | 18,779 87 | | 5,176 21 |
| 04-14-09 | 06-07-10 | 509 | Varian Medical Sys | 16,889 78 | | 25,089 12 | | 8,199 34 |
| 06-30-08 | 06-15-10 | 15,000 | Portland OR Urban Renew&Redev TAXABLE Waterfront st ave If '12 AMBAC Aa3 7 260% Due 06-15-13 | 15,976 50 | | 15,000 00 | | -976 50 |
| 08-04-09 | 08-12-10 | 100,000 | Federal Farm Credit Bank dtd 8/12/09 FULL CALL 8/12/10* 100 om8/13 AAA 2 950% Due 08-12-10 | 100,010 00 | | 100,000 00 | | -10 00 |
| TOTAL GAINS | | | | | | | 230,691 01 | 126,692 56 |
| TOTAL LOSSES | | | | | | | -56,115 23 | -70,186 49 |
| TOTAL REALIZED GAIN/LOSS | | | | | | | 174,575.78 | 56,506.07 |
| NO CAPITAL GAINS DISTRIBUTIONS | | | | | | | | |

| | <u>PROCEEDS</u> | <u>COST</u> | <u>Gain <Loss></u> |
|------------|-----------------|--------------|----------------------------|
| SHORT TERM | 1,606,411.14 | 1,431,835.36 | 174,575.78 |
| LONG TERM | 1,140,868.20 | 1,084,302.13 | 56,506.07 |

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.