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Form **990-PF**

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

OMB No 1545-0052

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 SATO FOUNDATION		A Employer identification number 94-3356933
Number and street (or P O box number if mail is not delivered to street address) Room/suite P O Box 1501, NJ2-130-03-31		B Telephone number (see page 10 of the instructions) 609-274-6968
City or town, state, and ZIP code PENNINGTON NJ 08534-1501		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"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 8,766,382		2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis)		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		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) (see page 11 of the instructions))		(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 (attach schedule)				
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	0	0		
	4 Dividends and interest from securities	326,421	326,421		
	5 a Gross rents		0		
	b Net rental income or (loss)	0			
	6 a Net gain or (loss) from sale of assets not on line 10	202,348			
	b Gross sales price for all assets on line 6a	1,987,325			
	7 Capital gain net income (from Part IV, line 2)		202,348		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10 a Gross sales less returns and allowances	0			
b Less Cost of goods sold	0				
c Gross profit or (loss) (attach schedule)	0				
11 Other income (attach schedule)	0	0	0		
12 Total. Add lines 1 through 11	528,769	528,769	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16 a Legal fees (attach schedule)	0	0	0	0
	b Accounting fees (attach schedule)	1,500	0	0	1,500
	c Other professional fees (attach schedule)	53,355	32,013	0	21,342
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	4,278	1,066	0	0
	19 Depreciation (attach schedule) and depletion	0	0	0	
	20 Occupancy				
21 Travel, conferences and meetings					
22 Printing and publications					
23 Other expenses (attach schedule)	2,013	0	0	2,013	
24 Total operating and administrative expenses. Add lines 13 through 23	61,146	33,079	0	24,855	
25 Contributions, gifts, grants paid	407,423			407,423	
26 Total expenses and disbursements Add lines 24 and 25	468,569	33,079	0	432,278	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	60,200				
b Net investment income (if negative, enter -0-)		495,690			
c Adjusted net income (if negative, enter -0-)			0		

For Paperwork Reduction Act Notice, see page 30 of the instructions.

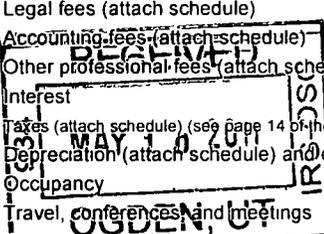
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(HTA)

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ENVELOPE MARK DATE MAY 06 2011

SCANNED MAY 1 2011



Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)			
		Beginning of year	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash—non-interest-bearing	20,080	14,131	14,131
	2	Savings and temporary cash investments	416,807	383,870	383,870
	3	Accounts receivable	0		
		Less allowance for doubtful accounts	0	0	0
	4	Pledges receivable	0		
		Less allowance for doubtful accounts	0	0	0
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)	0	0	0
	7	Other notes and loans receivable (attach schedule)	0		
		Less allowance for doubtful accounts	0	0	0
	8	Inventories for sale or use		0	
	9	Prepaid expenses and deferred charges		0	
	10 a	Investments—U S and state government obligations (attach schedule)	0	0	0
	b	Investments—corporate stock (attach schedule)	719,510	719,510	660,009
	c	Investments—corporate bonds (attach schedule)	0	0	0
	11	Investments—land, buildings, and equipment basis	0		
	Less accumulated depreciation (attach schedule)	0	0	0	
12	Investments—mortgage loans				
13	Investments—other (attach schedule)	7,212,666	7,311,765	7,708,372	
14	Land, buildings, and equipment basis	0			
	Less accumulated depreciation (attach schedule)	0	0	0	
15	Other assets (describe)	0	0	0	
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	8,369,063	8,429,276	8,766,382	
Liabilities	17	Accounts payable and accrued expenses		0	
	18	Grants payable			
	19	Deferred revenue		0	
	20	Loans from officers, directors, trustees, and other disqualified persons	0	0	
	21	Mortgages and other notes payable (attach schedule)	0	0	
	22	Other liabilities (describe)	0	0	
23	Total liabilities (add lines 17 through 22)	0	0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>				
	27	Capital stock, trust principal, or current funds	8,369,063	8,429,276	
	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 (see page 17 of the instructions)	8,369,063	8,429,276		
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	8,369,063	8,429,276		

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	8,369,063
2	Enter amount from Part I, line 27a	2	60,200
3	Other increases not included in line 2 (itemize) <u>COST BASIS ADJUSTMENT</u>	3	13
4	Add lines 1, 2, and 3	4	8,429,276
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	8,429,276

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 See Attached Statement				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a	0	0	0	
b	0	0	0	
c	0	0	0	
d	0	0	0	
e	0	0	0	
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) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a	0	0	0	
b	0	0	0	
c	0	0	0	
d	0	0	0	
e	0	0	0	
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	202,348
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			3	0

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 page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	514,761	8,468,600	0.060785
2008	575,173	10,313,581	0.055769
2007	591,209	11,847,924	0.049900
2006	480,378	11,664,523	0.041183
2005	439,366	10,144,618	0.043310
2 Total of line 1, column (d)			2 0.250947
3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.050189
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			4 8,706,997
5 Multiply line 4 by line 3			5 436,995
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 4,957
7 Add lines 5 and 6			7 441,952
8 Enter qualifying distributions from Part XII, line 4 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 on page 18.			8 432,278

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1 a	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 type="checkbox"/> 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)		
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	9,914
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	9,914
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	3,056
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	0
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	3,056
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	0
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	6,858
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0
11	Enter the amount of line 10 to be Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	0

Part VII-A Statements Regarding Activities

	Yes	No
1 a		X
b		X
c		X
d		
e		
2		X
3		X
4 a		X
4 b	N/A	
5		X
6	X	
7	X	
8 a		
8 b	X	
9		X
10		X

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 page 20 of the instructions)			X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	X		
14	The books are in care of ▶ MLTC, A DIVISION OF BANK OF AMERICA, N A Telephone no ▶ 609-274-6968 Located at ▶ 1300 MERRILL LYNCH DRIVE PENNINGTON NJ ZIP+4 ▶ 08534-1501			
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			
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 ▶		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 ▶ <input type="checkbox"/>	1b	N/A
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20 _____, 20 _____, 20 _____, 20 _____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 22 of the instructions)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20 _____, 20 _____, 20 _____, 20 _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <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)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) Yes No

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

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here ▶

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945–5(d) N/A

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? Yes 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? Yes No

	5b	N/A
	6b	X
	7b	N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
KOZO SATO P O BOX 6540 INCLINE VILLAGE NV 89450-61	PRESIDENT 1 00	0	0	0
NIEVES SATO P O BOX 6540 INCLINE VILLAGE NV 89450-61	SECRETREA 1 00	0	0	0
SONIA SATO 369-B THIRD STREET #462 SAN RAFAEL CA	DIRECTOR 5 00	0	0	0
KATE SATO BURTON 16 PATRICK STREET ARLINGTON MA 02474-	DIRECTOR 1 00	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account other allowances
NONE				
Total number of other employees paid over \$50,000 ▶				0

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		0
.....		0
.....		0
.....		0
.....		0
		0
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 NONE	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

Amount

1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3 NONE	
Total. Add lines 1 through 3	
0	0

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	8,537,588
b	Average of monthly cash balances	1b	302,003
c	Fair market value of all other assets (see page 25 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	8,839,591
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	8,839,591
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see page 25 of the instructions)	4	132,594
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	8,706,997
6	Minimum investment return. Enter 5% of line 5	6	435,350

Part XI Distributable Amount (see page 25 of the 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	435,350
2a	Tax on investment income for 2010 from Part VI, line 5	2a	9,914
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	0
c	Add lines 2a and 2b	2c	9,914
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	425,436
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	425,436
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	425,436

Part XII Qualifying Distributions (see page 25 of the 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	432,278
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	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	432,278
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	432,278

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				425,436
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			407,422	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2010				
a From 2005	NONE			
b From 2006	NONE			
c From 2007	NONE			
d From 2008	NONE			
e From 2009	NONE			
f Total of lines 3a through e	0			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ <u>432,278</u>				
a Applied to 2009, but not more than line 2a			407,422	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)	0			
d Applied to 2010 distributable amount				24,856
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0			0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions		0		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				400,580
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)	0			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 2006	0			
b Excess from 2007	0			
c Excess from 2008	0			
d Excess from 2009	0			
e Excess from 2010	0			

Part XIV Private Operating Foundations (see page 27 of the 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)

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

Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	
	0			0
b 85% of line 2a	0	0	0	0
c Qualifying distributions from Part XII, line 4 for each year listed	0			0
d Amounts included in line 2c not used directly for active conduct of exempt activities				0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	0	0	0	0

3 Complete 3a, b, or c for the alternative test relied upon

a "Assets" alternative test—enter

(1) Value of all assets 0

(2) Value of assets qualifying under section 4942(j)(3)(B)(i) 0

b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed 0

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) 0

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) 0

(3) Largest amount of support from an exempt organization 0

(4) Gross investment income 0

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 page 28 of 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))

KOZO AND VIEVES SATO

- 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 page 28 of the 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	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)				
<p>a <i>Paid during the year</i> See Attached Statement</p>				
Total			▶ 3a	407,423
<p>b <i>Approved for future payment</i> NONE</p>				
Total			▶ 3b	0

THE SATO FOUNDATION

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Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year

Recipient(s) paid during the year

Name

NAPA VALLEY YOUTH SYMPHONY

Street

City NAPA	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501 (C)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 40,000

Name

THE MARINE MAMMAL CENTER

Street

City SAUSALITO	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501 (C)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 30,000

Name

NEVADA MUSEUM OF ART

Street

City RENO	State NV	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501 (C)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 15,000

Name

VINTAGE HIGH SCHOOL MUSIC BOOSTERS

Street

City NAPA	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501 (C)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 15,000

Name

SAFARI WEST WILDLIFE FOUNDATION

Street

City SANTA ROSA	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501 (C)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 15,119

Name

CALIFORNIA ACADEMY OF SCIENCES

Street

City SAN FRANCISCO	State CA	Zip Code	Foreign Country
Relationship NONE	Foundation Status 501 (C)(3)		
Purpose of grant/contribution GENERAL OPERATING			Amount 15,000

THE SATO FOUNDATION

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Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year

Recipient(s) paid during the year

Name

STANFORD UNIVERSITY

Street

City	State	Zip Code	Foreign Country
STANFORD	CA		
Relationship	Foundation Status		
NONE	501 (C)(3)		
Purpose of grant/contribution			Amount
GENERAL OPERATING			60,000

Name

OAKLAND ZOO

Street

City	State	Zip Code	Foreign Country
OAKLAND	CA		
Relationship	Foundation Status		
NONE	501 (C)(3)		
Purpose of grant/contribution			Amount
GENERAL OPERATING			5,000

Name

MUSEUM OF CRAFT AND FOLK ART

Street

City	State	Zip Code	Foreign Country
SAN FRANCISCO	CA		
Relationship	Foundation Status		
NONE	501 (C)(3)		
Purpose of grant/contribution			Amount
GENERAL OPERATING			20,000

Name

KALA ART INSTITUTE

Street

City	State	Zip Code	Foreign Country
BERKELEY	CA		
Relationship	Foundation Status		
NONE	501 (C)(3)		
Purpose of grant/contribution			Amount
GENERAL OPERATING			20,000

Name

CULTURAL COUNCIL OF SANTA CRUZ COUNTY

Street

City	State	Zip Code	Foreign Country
SANTA CRUZ	CA		
Relationship	Foundation Status		
NONE	501 (C)(3)		
Purpose of grant/contribution			Amount
GENERAL OPERATING			15,000

Name

RENO PHILHARMONIC ASSOCIATION

Street

City	State	Zip Code	Foreign Country
RENO	NV		
Relationship	Foundation Status		
NONE	501 (C)(3)		
Purpose of grant/contribution			Amount
GENERAL OPERATING			15,000

THE SATO FOUNDATION

Continuation of Part XV, Line 3a (990-PF) - Grants and Contributions Paid During the Year

Recipient(s) paid during the year

Name

YERBA BUENA CENTER FOR THE ARTS

Street

City	State	Zip Code	Foreign Country
SAN FRANCISCO	CA		
Relationship	Foundation Status		
NONE	501 (C)(3)		
Purpose of grant/contribution			Amount
GENERAL OPERATING			10,000

Name

FINE ARTS MUSEUM OF SAN FRANCISCO

Street

City	State	Zip Code	Foreign Country
SAN FRANCISCO	CA		
Relationship	Foundation Status		
NONE	501 (C)(3)		
Purpose of grant/contribution			Amount
GENERAL OPERATING			15,000

Name

THE BREAKTHROUGH COLLABORATIVE

Street

City	State	Zip Code	Foreign Country
SAN FRANCISCO	CA		
Relationship	Foundation Status		
NONE	501 (C)(3)		
Purpose of grant/contribution			Amount
GENERAL OPERATING			30,000

Name

THE OXBOW SCHOOL

Street

City	State	Zip Code	Foreign Country
NAPA	CA		
Relationship	Foundation Status		
NONE	501 (C)(3)		
Purpose of grant/contribution			Amount
GENERAL OPERATING			30,000

Name

CYBERMILL, INC

Street

City	State	Zip Code	Foreign Country
NAPA	CA		
Relationship	Foundation Status		
NONE	501 (C)(3)		
Purpose of grant/contribution			Amount
GENERAL OPERATING			57,304

Name

Street

City	State	Zip Code	Foreign Country
Relationship	Foundation Status		
Purpose of grant/contribution			Amount
			0

Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

Index	Check "X" if Sale of Security	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Totals			Net Gain or Loss
									Gross Sales Price	Cost or Other Basis	Cost, Other Basis and Expenses	
									16,792	0	0	0
									1,987,325	0	1,784,977	202,348
									0	0	0	0
1	X	BLACKROCK LOW DURATION	091928283			6/8/2010		11/16/2010	7,362	7,256		106
2	X	BLACKROCK LOW DURATION	091928283			6/8/2010		11/16/2010	16,335	16,099		236
3	X	BLACKROCK BOND PORTFOL	091928341			6/9/2008		6/8/2010	9,840	9,714		126
4	X	BLACKROCK BOND PORTFOL	091928341			5/22/2008		11/16/2010	76,378	74,543		1,835
5	X	BLACKROCK BOND PORTFOL	091928341			6/9/2008		11/16/2010	30,796	29,799		997
6	X	BLACKROCK GNMA INST	091929695			10/3/2008		6/8/2010	278,351	261,021		17,330
7	X	BLACKROCK GNMA INST	091929695			11/20/2008		6/8/2010	86,120	80,675		5,445
8	X	BLACKROCK GNMA INST	091929695			11/20/2008		11/16/2010	21,750	20,029		1,721
9	X	BLACKROCK GNMA INST	091929695			10/3/2008		11/16/2010	65,079	59,993		5,086
10	X	BLACKROCK INFLATION	091937748			10/3/2008		6/8/2010	624,214	572,809		51,405
11	X	BLACKROCK INFLATION	091937748			11/20/2008		6/8/2010	300,803	256,703		44,100
12	X	BLACKROCK INFLATION	091937748			10/6/2008		6/8/2010	73,029	67,147		5,882
13	X	BLACKROCK INFLATION	091937748			11/20/2008		6/8/2010	235,575	201,038		34,537
14	X	BLACKROCK INFLATION	091937748			11/20/2008		11/16/2010	9,608	7,968		1,640
15	X	BLACKROCK INFLATION	091937748			11/20/2008		11/16/2010	3,809	3,159		650
16	X	BLACKROCK EQTY DIVIDEND	09251M504			6/8/2010		11/16/2010	17,457	15,639		1,818
17	X	BLACKROCK EQTY DIVIDEND	09251M504			6/8/2010		11/16/2010	5,764	5,163		601
18	X	BLACKROCK GLOBAL	09251T509			3/9/2006		3/17/2010	1,648	1,579		69
19	X	BLACKROCK GLOBAL	09251T509			3/9/2006		11/16/2010	28,554	26,485		2,069
20	X	BLACKROCK GLOBAL	09251T509			10/3/2006		11/16/2010	813	755		58
21	X	BLACKROCK GLOBAL	09251T509			4/14/2005		11/16/2010	77,248	67,403		9,845

Line 16b (990-PF) - Accounting Fees

		1,500	0	0	1,500
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	ACCOUNTING	1,500			1,500
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 16c (990-PF) - Other Fees

		53,355	32,013	0	21,342
	Name of Organization or Person Providing Service	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	MLTC FEES AS AGENT	53,355	32,013		21,342
2					
3					
4					
5					
6					
7					
8					
9					
10					

Line 18 (990-PF) - Taxes

	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	PY FED EXCISE TAX	156			
2	ESTIMATED EXCISE TAX PAID	3,056			
3	FOREIGN TAX WITHHELD	1,066	1,066		
4					
5					
6					
7					
8					
9					
10					
		4,278	1,066	0	0

Line 23 (990-PF) - Other Expenses

		2,013	0	2,013	0	2,013
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes	2,013
1		0	0	0	0	0
2	TRUSTEE FEES					
3	ADR FEES					
4	STATE AG FEES	85				85
5	BANK CHARGES	75				75
6	TELEPHONE	593				593
7	POSTAGE	263				263
8	COMPUTER EXPENSE - SOFTWARE UPDATES	273				273
9	COMPUTER EXPENSE - PRINTER/FAX	530				530
10	INTERNET	194				194
11						

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

	Kind(s) of Property Sold	Amount		How Acquired	Date Acquired	Date Sold	Totals	Gross Sales Price	Depreciation Allowed	Cost or Other Basis Plus Expense of Sale	Gain or Loss	FMV as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses
		Long Term CG Distributions	Short Term CG Distributions												
		16,792	0					1,970,533	0	1,784,977	185,556	0	0	0	185,556
1	BLACKROCK LOW DURATION	091928283		Acquired	6/8/2010	11/16/2010		7,362	0	7,256	106				106
2	BLACKROCK LOW DURATION	091928283		Acquired	6/8/2010	11/16/2010		16,335	0	16,099	236				236
3	BLACKROCK BOND PORTFOLIO	091928341		Acquired	6/9/2008	6/8/2010		9,840	0	9,714	126				126
4	BLACKROCK BOND PORTFOLIO	091928341		Acquired	5/22/2008	11/16/2010		76,378	0	74,543	1,835				1,835
5	BLACKROCK BOND PORTFOLIO	091928341		Acquired	6/9/2008	11/16/2010		30,796	0	29,799	997				997
6	BLACKROCK GNMA INST	091928695		Acquired	10/3/2008	6/8/2010		278,351	0	261,021	17,330				17,330
7	BLACKROCK GNMA INST	091928695		Acquired	11/20/2008	6/8/2010		86,120	0	80,675	5,445				5,445
8	BLACKROCK GNMA INST	091928695		Acquired	11/20/2008	11/16/2010		21,750	0	20,029	1,721				1,721
9	BLACKROCK GNMA INST	091928695		Acquired	10/3/2008	11/16/2010		65,079	0	59,993	5,086				5,086
10	BLACKROCK INFLATION	091937748		Acquired	10/3/2008	6/8/2010		624,214	0	572,809	51,405				51,405
11	BLACKROCK INFLATION	091937748		Acquired	11/20/2008	6/8/2010		300,803	0	256,703	44,100				44,100
12	BLACKROCK INFLATION	091937748		Acquired	10/6/2008	6/8/2010		73,029	0	67,147	5,882				5,882
13	BLACKROCK INFLATION	091937748		Acquired	11/20/2008	6/8/2010		235,575	0	201,038	34,537				34,537
14	BLACKROCK INFLATION	091937748		Acquired	11/20/2008	11/16/2010		9,608	0	7,968	1,640				1,640
15	BLACKROCK INFLATION	091937748		Acquired	11/20/2008	11/16/2010		3,609	0	3,159	650				650
16	BLACKROCK EQTY DIVIDEND	09251M504		Acquired	6/8/2010	11/16/2010		17,457	0	15,639	1,818				1,818
17	BLACKROCK EQTY DIVIDEND	09251M504		Acquired	6/8/2010	11/16/2010		5,764	0	5,163	601				601
18	BLACKROCK GLOBAL	09251T509		Acquired	3/9/2006	3/17/2010		1,648	0	1,579	69				69
19	BLACKROCK GLOBAL	09251T509		Acquired	3/9/2006	11/16/2010		28,554	0	26,485	2,069				2,069
20	BLACKROCK GLOBAL	09251T509		Acquired	10/3/2006	11/16/2010		813	0	755	58				58
21	BLACKROCK GLOBAL	09251T509		Acquired	4/14/2005	11/16/2010		77,248	0	67,403	9,845				9,845

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Average Hours	Compensation
1	KOZO SATO		P O BOX 6540	INCLINE VILLAGE	NV	89450-6540		PRESIDENT	1	
2	NIEVES SATO		P O BOX 6540	INCLINE VILLAGE	NV	89450-6540		SECRETRE	1	
3	SONIA SATO		369-B THIRD STREET #462	SAN RAFAEL	CA	94901-3581		DIRECTOR	5	
4	KATE SATO BURTON		16 PATRICK STREET	ARLINGTON	MA	02474-3504		DIRECTOR	1	
5										
6										
7										
8										
9										
10										

0

Part

	0	0	0
	Benefits	Expense Account	Explanation
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

Part VI, Line 6a (990-PF) - Estimated Tax Payments

	Date	Amount
1 Credit from prior year return		1
2 First quarter estimated tax payment		2
3 Second quarter estimated tax payment		3
4 Third quarter estimated tax payment		4
5 Fourth quarter estimated tax payment		5
6 Other payments	12/31/2010	6 3,056
7 Total		7 3,056

Part XIII, Line 2a, Column C (990-PF) - Prior Year Undistributed Income

1	Distributable amounts for 2009 that remained undistributed at the beginning of the 2010 tax year	1	407,422
2		2	
3		3	
4		4	
5		5	
6		6	
7		7	
8		8	
9		9	
10	Total	10	407,422



Account Number: 80C-74C08

TOTAL MERRILL*

MERRILL LYNCH TRUST COMPANY,
 A DIVISION OF BANK OF AMERICA, N.A.
 AGENT OF THE
 SATO FOUNDATION - GENERAL FUND
 DATED MARCH 28, 2000

Net Portfolio Value: \$2,171,675.08

Your Financial Advisor:
 VOTH/HEFLEBOWER
 1715 SECOND STREET
 NAPA CA 94559
 (800) 637-6272

Trust Officer:
 GINA SOUTHGATE
 310-203-3302

TRUST MANAGEMENT ACCOUNT

December 01, 2010 - December 31, 2010

Your Investment Manager - Private Investors/ MFO Conservative (R)

ASSETS	December 31	November 30	CASH FLOW	This Statement	Year to Date
Cash/Money Accounts	93,433.64	164,628.00	Opening Cash/Money Accounts	\$62,325.35	
Fixed Income	-	-	CREDITS		
Equities	202,576.94	186,879.78	Funds Received	-	-
Mutual Funds	1,875,664.50	1,901,587.21	Electronic Transfers	-	-
Options	-	-	Other Credits	71.19	121.47
Other	-	-	Subtotal	71.19	121.47
Subtotal (Long Portfolio)	2,171,675.08	2,253,094.99	DEBITS		
TOTAL ASSETS	\$2,171,675.08	\$2,253,094.99	Electronic Transfers	-	-
LIABILITIES			Other Debits	(2,432.24)	(407,428.24)
Debit Balance	-	(102,302.65)	ML Trust Fees	(2,592.55)	(30,437.26)
Short Market Value	-	-	Non ML Trust Fees	-	-
NET PORTFOLIO VALUE	\$2,171,675.08	\$2,150,792.34	Bill Payment	-	-
			Subtotal	(\$5,024.79)	(\$137,865.47)
			Net Cash Flow	(\$4,953.60)	(\$137,744.00)
			Dividends/Interest Income	36,061.89	84,725.33
			Security Purchases/Debits	-	(476,952.24)
			Security Sales/Credits	-	505,059.65
			Closing Cash/Money Accounts	\$93,433.64	
			Securities You Transferred In/Out	-	-

Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S) is a registered broker-dealer, Member Securities Investor Protection Corporation (SIPC) and a wholly owned subsidiary of Bank of America Corporation. Investment products: **Are Not FDIC Insured** **Are Not Bank Guaranteed** **May Lose Value**

SATO FOUNDATION - GENERAL FUND

Account Number: 80C-74C08

December 01, 2010 - December 31, 2010

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

CASH/MONEY ACCOUNTS		Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
CASH		9,278.21	9,278.21		9,278.21		
BIF MONEY-FUND		80,712.00	80,712.00	1.0000	80,712.00	48	.06
TOTAL			89,990.21		89,990.21	48	.06

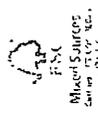
EQUITIES		Quantity	Unit Cost Basis	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Estimated Current Yield%
ROHM 6963		3,100	1.0000	3,100.01	65.3474	202,576.94	199,476.93		
JPY PAR ORDINARY									
TOTAL				3,100.01		202,576.94	199,476.93		

MUTUAL FUNDS/CLOSED END FUNDS/UIT		Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Total Client Investment	Cumulative Investment Return (\$)	Estimated Annual Current Yield%	
BLACKROCK INFLATION		8,649	82,343.60	10.8900	94,187.61	11,844.01	82,343	11,844	1.82	
PROTECTED BD FD INST CL										
SYMBOL: BPRX Initial Purchase:11/20/08										
Fixed Income 100%										

BLACKROCK BOND PORTFOLIO		73,054	642,383.07	9.3100	680,132.74	37,749.67	642,383	37,749	27,469	4.03
FUND CL INSTL										
SYMBOL: PNBIX Initial Purchase:06/09/08										
Fixed Income 100%										

BLACKROCK LOW DURATION		30,390	290,528.40	9.6500	293,263.50	2,735.10	290,528	2,735	8,905	3.03
BD INSTL CL										
SYMBOL: BFMXX Initial Purchase:06/08/10										
Fixed Income 100%										

BLACKROCK GNMA INST		37,965	372,483.52	10.1500	385,344.75	12,861.23	372,483	12,861	12,187	3.16
SYMBOL: BGNIX Initial Purchase:11/20/08										
Fixed Income 100%										





SATO FOUNDATION - GENERAL FUND

Account Number: 80C-74C08

TOTAL MERRILL*

December 01, 2010 - December 31, 2010

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

MUTUAL FUNDS/CLOSED END FUNDS/UIT (continued)	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Total Client Investment	Cumulative Investment Return (\$)	Estimated Annual Current Income	Current Yield%
BLACKROCK EQTY DIVIDEND FUND INSTL	6,431	95,693.28	17.5500	112,864.05	17,170.77	95,693	17,170	2,348	2.07
SYMBOL: MADVX Initial Purchase: 06/08/10 Equity 100%									
BLACKROCK GLOBAL ALLOCATION FD, INC INSTL	15,890	285,026.05	19.5000	309,855.00	24,828.95	285,026	24,828	4,307	1.38
SYMBOL: MALOX Initial Purchase: 10/03/06 Fixed Income 39% Equity 61% .8640 Fractional Share									
Subtotal (Fixed Income)				1,573,778.62					
Subtotal (Equities)				301,885.88					
TOTAL		1,768,473.26		1,875,664.50	107,191.24	107,187	56,938	3.04	
TOTAL PRINCIPAL INVESTMENTS		1,861,563.48		2,168,231.65	306,668.17		56,986	2.63	

Total Client Investment: Cost of shares directly purchased and still held. Does not include shares purchased through reinvestment.

Cumulative Investment Return: Estimated Market Value minus Total Client Investment. Cumulative Investment Return is the dollar value of the capital appreciation (depreciation) of all shares purchased and still held, including shares acquired through reinvestment of dividends and distributions, which may be greater or less than the actual income distributed.

Market Timing: Merrill Lynch's policies prohibit mutual fund market timing, which involves the purchase and sale of mutual fund shares within short periods of time with the intention of capturing short-term profits resulting from market volatility. Market timing may result in lower returns for long-term fund shareholders because market timers capture short-term gains that would otherwise pass to all shareholders and due to increased transaction costs and fewer assets for investment due to the need to retain cash to satisfy redemptions.

Unrealized Gain or (Loss): Estimated Market Value minus Total Cost Basis (total cost of shares directly purchased and still held, as well as cost of shares acquired through reinvestment). Provided for Tax Planning purposes only and is not applicable to retirement accounts.

Initial Purchase: Date of your initial investment in this fund.



SATO FOUNDATION - GENERAL FUND

Account Number: 80C-74C08

December 01, 2010 - December 31, 2010

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF INCOME INVESTMENTS

CASH/MONEY ACCOUNTS	Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
	BIF MONEY FUND	9,280.00	9,280.00	1.0000	9,280.00	6	.06
TOTAL INCOME INVESTMENTS			9,280.00		9,280.00	5	.06

Income Debit Balance 5,836.57

LONG PORTFOLIO

Adjusted/Total Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
1,870,843.48	2,177,511.65	306,668.17		56,992	2.62
TOTAL PRINCIPAL/INCOME INVESTMENTS					

YOUR TRUST MANAGEMENT ACCOUNT TRANSACTIONS

Date	Transaction Type	Quantity	Description	Income Cash	Principal Cash	Income Year To Date
12/01	Dividend		BLACKROCK INFLATION	118.72		
			PROTECTED BD FD INST CL			
			DIVIDEND			
12/01	Dividend		PAY DATE 11/30/2010	1,439.71		
			BLACKROCK BOND PORTFOLIO			
			FUND CL INSTL			
			DIVIDEND			
12/01	Dividend		PAY DATE 11/30/2010	762.39		
			BLACKROCK LOW DURATION			
			BD INSTL CL			
			DIVIDEND			
			PAY DATE 11/30/2010			





TOTAL MERRILL

Account Number: 80C-74C06

MERRILL LYNCH TRUST COMPANY,
A DIVISION OF BANK OF AMERICA, N.A.
AGENT OF THE
SATO FOUNDATION - SEPARATE FUND
DATED MARCH 28, 2000

Net Portfolio Value:

\$6,593,178.05

Your Financial Advisor:
VOTH/HEFLEBOWER
1715 SECOND STREET
NAPA CA 94559
(800) 637-6272

Trust Officer:
GINA SOUTHGATE
310-203-3302

TRUST MANAGEMENT ACCOUNT

Your Investment Manager - Private Investors/ MFO Conservative (R)

December 01, 2010 - December 31, 2010

ASSETS	December 31	November 30
Cash/Money Accounts	303,039.25	238,863.79
Fixed Income	-	-
Equities	457,431.80	421,986.60
Mutual Funds	5,832,707.00	5,913,172.97
Options	-	-
Other	-	-
Subtotal (Long Portfolio)	6,593,178.05	6,574,023.36
TOTAL ASSETS	\$6,593,178.05	\$6,574,023.36
LIABILITIES		
Debit Balance	-	-
Short Market Value	-	-
NET PORTFOLIO VALUE	\$6,593,178.05	\$6,574,023.36

CASH FLOW

	This Statement	Year to Date
Opening Cash/Money Accounts	\$238,863.79	
CREDITS		
Funds Received	-	-
Electronic Transfers	-	-
Other Credits	106.80	117.41
Subtotal	106.80	117.41
DEBITS		
Electronic Transfers	-	-
Other Debits	(45,379.89)	(305,857.86)
ML Trust Fees	-	(22,767.59)
Non ML Trust Fees	-	-
Bill Payment	-	-
Subtotal	(\$45,379.89)	(\$328,625.45)
Net Cash Flow	(\$45,273.09)	(\$328,508.04)
Dividends/Interest Income	109,448.55	258,248.16
Security Purchases/Debits	-	(1,407,104.69)
Security Sales/Credits	-	1,465,473.32
Closing Cash/Money Accounts	\$303,039.25	
Securities You Transferred In/Out	-	-

Merrill Lynch, Pierce, Fenner & Smith Incorporated (MLPF&S) is a registered broker-dealer, Member Securities Investor Protection Corporation (SIPC) and a wholly owned subsidiary of Bank of America Corporation. Investment products: **Are Not FDIC Insured** **Are Not Bank Guaranteed** **May Lose Value**

SATO FOUNDATION - SEPARATE FUND

Account Number: 80C-74C06

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2010 - December 31, 2010

CASH/MONEY ACCOUNTS Description	Quantity	Acquired	Total		Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
			Quantity	Cost Basis				
CASH	26,877.18		26,877.18			26,877.18		
BIF MONEY FUND	265,461.00		265,461.00	1.0000		265,461.00	159	.06
TOTAL			292,338.18			292,338.18	159	.06

EQUITIES Description	Symbol	Acquired	Quantity	Unit		Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Estimated Current Yield%
				Quantity	Cost Basis					
ROHM 6963	ROHCF	07/02/04	100	119.6801	11,968.01	65.3474	6,534.74	(5,433.27)		
JPY PAR ORDINARY		10/28/04	3,200	100.5300	321,696.00	65.3474	209,111.68	(112,584.32)		
		01/03/05	3,700	103.4449	382,746.13	65.3474	241,785.38	(140,960.75)		
Subtotal			7,000	716,410.14	716,410.14		457,431.80	(258,978.34)		
TOTAL				716,410.14	716,410.14		457,431.80	(258,978.34)		

MUTUAL FUNDS/CLOSED END FUNDS/UIT Description	Quantity	Acquired	Total		Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Total Client Investment	Cumulative Investment Return (\$)	Estimated Annual Current Income	Estimated Current Yield%
			Quantity	Cost Basis							
BLACKROCK INFLATION PROTECTED BD FD INST CL SYMBOL: BPRX Initial Purchase: 11/20/08 Fixed Income 100%	26,869		26,869	10.8900	292,603.41	36,468.16	256,135	36,468	5,346	1.82	

BLACKROCK BOND PORTFOLIO FUND CL INSTL SYMBOL: PNBIX Initial Purchase: 05/22/08 Fixed Income 100%	230,123		2,069,623.42	9.3100	2,142,445.13	72,821.71	2,069,623	72,821	86,527	4.03
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BLACKROCK LOW DURATION BD INSTL CL SYMBOL: BFMX Initial Purchase: 06/08/10 Fixed Income 100%	94,401		902,473.56	9.6500	910,969.65	8,496.09	902,473	8,496	27,660	3.03
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BLACKROCK GINMA INST	115,830		1,135,968.38	10.1500	1,175,674.50	39,706.12	1,135,968	39,706	37,182	3.16
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TOTAL MERRILL

SATO FOUNDATION - SEPARATE FUND

Account Number: 80C-74C06

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF PRINCIPAL INVESTMENTS

December 01, 2010 - December 31, 2010

MUTUAL FUNDS/CLOSED END FUNDS/UIT Description	SYMBOL	BGNIX	Initial Purchase	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Unrealized Gain/(Loss)	Total Client Investment	Cumulative Investment Return (\$)	Estimated Annual Current Income Yield%
BLACKROCK EQTY DIVIDEND FUND INSTL			10/03/08	19,857	295,472.16	17.5500	348,490.35	53,018.19	295,472	53,018	2.07
SYMBOL: BGNIX Initial Purchase: 10/03/08 Fixed Income 100%											
BLACKROCK GLOBAL ALLOCATION FD INC INSTL			06/08/10	49,360	883,615.01	19.5000	962,520.00	78,904.99	883,615	78,904	1.38
SYMBOL: MADVX Initial Purchase: 06/08/10 Equity 100%											
BLACKROCK GLOBAL ALLOCATION FD INC INSTL			04/14/05		3.61	19.5000	3.96	.35			1.38
SYMBOL: MALOX Initial Purchase: 04/14/05 Fixed Income 39% Equity 61% .2030 Fractional Share											
Subtotal (Fixed Income)						4,897,077.03					
Subtotal (Equities)						935,629.97					
TOTAL						5,832,707.00					
TOTAL PRINCIPAL INVESTMENTS						6,582,476.98					
						30,437.27					
						289,415.61					
						289,413					
						177,341					
						177,500					
						2.70					

Total Client Investment: Cost of shares directly purchased and still held. Does not include shares purchased through reinvestment.

Cumulative Investment Return: Estimated Market Value minus Total Client Investment. Cumulative Investment Return is the dollar value of the capital appreciation (depreciation) of all shares purchased and still held, including shares acquired through reinvestment of dividends and distributions, which may be greater or less than the actual income distributed.

Market Timing: Merrill Lynch's policies prohibit mutual fund market timing, which involves the purchase and sale of mutual fund shares within short periods of time with the intention of capturing short-term profits resulting from market volatility. Market timing may result in lower returns for long-term fund shareholders because market timers capture short-term gains that would otherwise pass to all shareholders and due to increased transaction costs and fewer assets for investment due to the need to retain cash to satisfy redemptions.

Unrealized Gain or (Loss): Estimated Market Value minus Total Cost Basis (total cost of shares directly purchased and still held, as well as cost of shares acquired through reinvestment) Provided for Tax Planning purposes only and is not applicable to retirement accounts.

Initial Purchase: Date of your initial investment in this fund.

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SATO FOUNDATION - SEPARATE FUND

Account Number: 80C-74C06

December 01, 2010 - December 31, 2010

YOUR TRUST MANAGEMENT ACCOUNT STATEMENT OF INCOME INVESTMENTS

CASH/MONEY ACCOUNTS	Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
BIF MONEY FUND		26,889.00	26,889.00	1.0000	26,889.00	16	.06
TOTAL INCOME INVESTMENTS			26,889.00		26,889.00	16	.06

Income Debit Balance 16,187.93

LONG PORTFOLIO

Adjusted/Total Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
6,578,928.71	6,609,365.98	30,437.27		177,516	2.69
TOTAL PRINCIPAL/INCOME INVESTMENTS				177,516	

YOUR TRUST MANAGEMENT ACCOUNT TRANSACTIONS

Date	Transaction Type	Quantity	Description	Income Cash	Principal Cash	Income Year To Date
12/01	Dividend		BLACKROCK INFLATION PROTECTED BD FD INST CL DIVIDEND	367.21		
12/01	Dividend		PAY DATE 11/30/2010 BLACKROCK BOND PORTFOLIO FUND CL INSTL DIVIDEND	4,509.63		
12/01	Dividend		PAY DATE 11/30/2010 BLACKROCK LOW DURATION BD INSTL CL DIVIDEND PAY DATE 11/30/2010	2,358.03		

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TOTAL MERRILL

Account Number: 80C-04036

24-Hour Assistance: (800) MERRILL
Access Code: 39-802-04036

Online at: www.mymerrill.com
THE SATO FOUNDATION
369-B THIRD STREET #462
SAN RAFAEL CA 94901-3581

Net Portfolio Value: **\$1,528.67**

Your Financial Advisor:
VOTH/HEFLEBOWER
1715 SECOND STREET
NAPA CA 94559
(800) 637-6272

Operating Fund

December 01, 2010- December 31, 2010

	December 31	November 30
ASSETS		
Cash/Money Accounts	1,528.67	2,468.87
Fixed Income	-	-
Equities	-	-
Mutual Funds	-	-
Options	-	-
Other	-	-
Subtotal (Long Portfolio)	1,528.67	2,468.87
TOTAL ASSETS	\$1,528.67	\$2,468.87
LIABILITIES		
Debit Balance	-	-
Short Market Value	-	-
TOTAL LIABILITIES	-	-
NET PORTFOLIO VALUE	\$1,528.67	\$2,468.87

	This Statement	Year to Date
CASH FLOW		
Opening Cash/Money Accounts	\$2,468.87	-
CREDITS		
Funds Received	-	-
Electronic Transfers	-	-
Other Credits	-	-
Subtotal	-	-
DEBITS		
Electronic Transfers	-	-
Margin Interest Charged	-	-
Other Debits	-	(232.50)
Visa Purchases (debits)	(940.29)	(1,772.82)
ATM/Cash Advances	-	-
Checks Written/Bill Payment	-	(78.84)
Subtotal	(940.29)	(2,084.16)
Net Cash Flow	(\$940.29)	(\$2,084.16)
Dividends/Interest Income	0.09	1.38
Security Purchases/Debits	-	-
Security Sales/Credits	-	-
Closing Cash/Money Accounts	\$1,528.67	\$1,528.67
Securities You Transferred In/Out	-	-

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THE SATO FOUNDATION

Account Number: 80C-04036

24-Hour Assistance: (800) MERRILL
Access Code: 39-802-04036

YOUR EMA BANK DEPOSIT INTEREST SUMMARY

December 01, 2010 - December 31, 2010

Money Account Description	Opening Balance	Average Deposit Balance	Current Yield%	Interest on Deposits	Closing Balance
FIA Card Services, N.A.	2,468	2,407	.05	0.09	1,528
TOTAL ML Bank Deposit Program	2,468			0.09	1,528

YOUR EMA ASSETS

CASH/MONEY ACCOUNTS Description	Quantity	Total Cost Basis	Estimated Market Price	Estimated Market Value	Estimated Annual Income	Est. Annual Yield%
CASH	0.67	0.67		.67		
ML BANK DEPOSIT PROGRAM	1,528.00	1,528.00	1.0000	1,528.00	1	.05
TOTAL		1,528.67		1,528.67	1	.05

LONG PORTFOLIO	Adjusted/Total Cost Basis	Estimated Market Value	Unrealized Gain/(Loss)	Estimated Accrued Interest	Estimated Annual Income	Current Yield%
TOTAL	1,528.67	1,528.67				.05

YOUR EMA TRANSACTIONS

DIVIDENDS/INTEREST INCOME TRANSACTIONS						
Date	Transaction Type	Quantity	Description	Income	Year To Date	Income
12/31	Bank Interest		BANK DEPOSIT INTEREST	.09		1.38
	Subtotal (Taxable Interest)			.09		1.38
	NET TOTAL			.09		1.38

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TOTAL MERRILL

Account Number: 80C-04036

YOUR EMA TRANSACTIONS

December 01, 2010 - December 31, 2010

THE SATO FOUNDATION

CASH/OTHER TRANSACTIONS

Date	Transaction Type	Quantity	Description	Debit	Credit
12/29	Visa Signature		MONTH END SUMMARY DEBIT	940.29	
	Subtotal (Other Debits/Credits)			940.29	
	NET TOTAL			940.29	

VISA SIGNATURE CARD ACTIVITY

Trans. Date	Date Cleared	Description	Location	Debit	Credit
11/24		OPENING BALANCE		.00	
11/28	12/29	*. MICROSOFT WGA-US	866-530-6599 WA	217.91	
12/01	12/29	*. AMAZON MKTPLACE PMTS	AMZN.COM/BILL WA	529.78	
12/02	12/29	*. THE UPS STORE #2623	SAN RAFAEL CA	180.00	
12/15	12/29	*. VONAGE *PRICE+TAXES	866-243-4357 NJ	12.60	
		Subtotal (Visa Purchases/Credits)		940.29	
		TOTAL Visa Signature Card Activity		940.29	

12/29 *Month-End Debit for Visa Purchases CLOSING BALANCE .00

Total Visa Signature Card Purchase Activity 940.29
 Total Visa Credit Activity .00
 Total Visa Purchases (Net of Credits) 940.29
 Total Visa ATM/Cash Advances .00

TOTAL VISA CARD ACTIVITY

940.29

VISA SIGNATURE REWARDS

Rewards Period	Previous Point Balance	Points Earned This Period	Points Redeemed	Point Adjustments	Bonus Points	Ending Balance
11/25/2010 to 12/29/2010	21,832	941	0	0	0	22,773

To report Lost or Stolen Visa Cards or Checks, please call (800) CMA-LOST.

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THE SATO FOUNDATION

Account Number: 80C-04036

24-Hour Assistance: (800) MERRILL
Access Code: 39-802-04036

YOUR EMA MONEY ACCOUNT TRANSACTIONS

December 01, 2010 - December 31, 2010

Date	Description	Withdrawals	Deposits	Date	Description	Withdrawals	Deposits
12/29	ML BANK DEPOSIT PROGRAM	940.00					
NET TOTAL		940.00					