See a Social Security Number? Say Something!
Report Privacy Problems to https://public.resource.org/privacy
Or call the IRS Identity Theft Hotline at 1-800-908-4490

Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning 02/01 **, 2010, and ending** 01/31, 20 11

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: FALES FOUNDATION TRUST 44113752

A Employer identification number: 91-6087669

Number and street (or P O box number if mail is not delivered to street address): 901 5TH AVE., SUITE 1200

Room/suite:

B Telephone number (see page 10 of the instructions): (206) 587-3688

City or town, state, and ZIP code: SEATTLE, WA 98164

C If exemption application is pending, check here ▶ ☐

D 1 Foreign organizations, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $ 4,310,664.

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

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see 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 ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	118,248.	117,915.		STMT 1
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	88,592.			
	b	Gross sales price for all assets on line 6a 689,126.				
	7	Capital gain net income (from Part IV, line 2)		88,592.		
	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) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	206,840.	206,507.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	41,965.	31,474.		10,491.
	14	Other employee salaries and wages		NONE	NONE	
	15	Pension plans, employee benefits		NONE	NONE	
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) STMT 2	900.	NONE	NONE	900.
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions) STMT 3	2,960.	931.		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings		NONE	NONE	
	22	Printing and publications		NONE	NONE	
	23	Other expenses (attach schedule) STMT 4	10,402.	10,377.		25.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	56,227.	42,782.	NONE	11,416.
	25	Contributions, gifts, grants paid	181,000.			181,000.
	26	Total expenses and disbursements Add lines 24 and 25	237,227.	42,782.	NONE	192,416.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	-30,387.			
	b	**Net investment income** (if negative, enter -0-)		163,725.		
	c	**Adjusted net income** (if negative, enter -0-)				

Postmark Missing

SCANNED MAY 23 2011

RECEIVED
MAY 20 2011
OGDEN, UT
E2-658

15E

For Paperwork Reduction Act Notice, see page 30 of the instructions. JSA Form **990-PF** (2010)

Part II		**Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	**(b)** Book Value	**(c)** Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	45,356.	87,296.	87,296.
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶ NONE			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations (attach schedule) STMT 5	200,232.	98,451.	106,282.
	b	Investments - corporate stock (attach schedule) STMT 6	1,320,066.	1,163,047.	1,622,456.
	c	Investments - corporate bonds (attach schedule) STMT 9	97,797.	97,797.	103,685.
	11	Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule) STMT 10	2,021,929.	2,208,401.	2,390,945.
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	3,685,380.	3,654,992.	4,310,664.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)			
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ ☒			
	27	Capital stock, trust principal, or current funds	3,685,380.	3,654,992.	
	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)	3,685,380.	3,654,992.	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	3,685,380.	3,654,992.	

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	3,685,380.
2	Enter amount from Part I, line 27a	2	-30,387.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	3,654,993.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 11	5	1.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,654,992.

Form **990-PF** (2010)

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 PART IV DETAIL			
b				
c				
d				
e				

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

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

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	88,592.
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	

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	168,996.	3,606,333.	0.04686089721
2008	185,354.	3,983,784.	0.04652712095
2007	176,924.	4,715,071.	0.03752308290
2006	206,694.	4,496,334.	0.04596944978
2005	226,372.	4,296,409.	0.05268865231

2	**Total** of line 1, column (d)	2	0.22956920315
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	0.04591384063
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	3,996,732.
5	Multiply line 4 by line 3	5	183,505.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,637.
7	Add lines 5 and 6	7	185,142.
8	Enter qualifying distributions from Part XII, line 4	8	192,416.

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.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ______________ (attach copy of ruling letter if necessary - see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b			1	1,637.
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	
3	Add lines 1 and 2			3	1,637.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	NONE
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	1,637.
6	Credits/Payments				
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	1,988.		
b	Exempt foreign organizations-tax withheld at source	6b	NONE		
c	Tax paid with application for extension of time to file (Form 8868)	6c	NONE		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments Add lines 6a through 6d			7	1,988.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	351.
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ 351. **Refunded** ▶			11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ____________ **(2)** On foundation managers ▶ $ ____________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ____________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ STMT 12			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ UNION BANK, N.A. Telephone no ▶ (206)587-3688

Located at ▶ 900 FOURTH AVENUE, SEATTLE, WA ZIP + 4 ▶ 98164

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

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

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

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☒ No If "Yes," list the years ▶ _____, _____, _____, _____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see page 22 of the instructions.) STMT 13	2b		X
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ _____, _____, _____, _____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2010 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.)*	3b		
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)? 5b

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

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

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

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

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

If "Yes" to 6b, file Form 8870

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
SEE STATEMENT 14		41,965.	-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
SEE STATEMENT 15		NONE	NONE	NONE

Total number of other employees paid over $50,000 ▶ NONE

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

3 Five highest-paid independent contractors for professional services (see 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
SEE STATEMENT 16		NONE

Total number of others receiving over $50,000 for professional services . . . . ▶ NONE

Part IX-A **Summary of Direct Charitable Activities**

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

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	3,998,804.
b	Average of monthly cash balances			1b	58,792.
c	Fair market value of all other assets (see page 25 of the instructions)			1c	NONE
d	**Total** (add lines 1a, b, and c)			1d	4,057,596.
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	NONE
3	Subtract line 2 from line 1d			3	4,057,596.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)			4	60,864.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4			5	3,996,732.
6	**Minimum investment return** Enter 5% of line 5			6	199,837.

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	199,837.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	1,637.		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	1,637.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	198,200.
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	198,200.
6	Deduction from distributable amount (see page 25 of the instructions)			6	NONE
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	198,200.

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	192,416.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	192,416.
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	1,637.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	190,779.

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					198,200.
2	Undistributed income, if any, as of the end of 2010					
a	Enter amount for 2009 only				NONE	
b	Total for prior years 20_____, 20_____, 20_____			NONE		
3	Excess distributions carryover, if any, to 2010:					
a	From 2005	27,925.				
b	From 2006	NONE				
c	From 2007	NONE				
d	From 2008	NONE				
e	From 2009	NONE				
f	**Total** of lines 3a through e		27,925.			
4	Qualifying distributions for 2010 from Part XII, line 4 ▶ $ 192,416.					
a	Applied to 2009, but not more than line 2a				NONE	
b	Applied to undistributed income of prior years (Election required - see page 26 of the instructions)			NONE		
c	Treated as distributions out of corpus (Election required - see page 26 of the instructions)		NONE			
d	Applied to 2010 distributable amount					192,416.
e	Remaining amount distributed out of corpus		NONE			
5	Excess distributions carryover applied to 2010 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		5,784.			5,784.
6	**Enter the net total of each column as indicated below:**					
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5		22,141.			
b	Prior years' undistributed income Subtract line 4b from line 2b			NONE		
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			NONE		
d	Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions			NONE		
e	Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				NONE	
f	Undistributed income for 2010 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011					
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)		NONE			
8	Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)		22,141.			
9	**Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		NONE			
10	Analysis of line 9					
a	Excess from 2006	NONE				
b	Excess from 2007	NONE				
c	Excess from 2008	NONE				
d	Excess from 2009	NONE				
e	Excess from 2010	NONE				

Part XIV **Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

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

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

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

Part XV **Supplementary Information (Complete this part only if the 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).)

NONE

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

NONE

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

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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.

SEE STATEMENT 17

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

SEE ATTACHED STATEMENT FOR LINE 2

c Any submission deadlines·

SEE ATTACHED STATEMENT FOR LINE 2

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

SEE ATTACHED STATEMENT FOR LINE 2

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT 37				
Total . . . . ▶ 3a				181,000.
b *Approved for future payment*				
Total . . . . ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	118,248.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	88,592.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				206,840.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . . 13 206,840.

(See worksheet in line 13 instructions on page 29 to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See page 29 of the instructions)
	NOT APPLICABLE

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

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

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

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

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

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

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

Signature of officer or trustee | 05/17/2011 Date | VICE PRESIDENT Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JEFFREY E. KUHLIN	Jeffrey E Kuhlin	05/17/2011		P00353001

Firm's name ▶ KPMG LLP

Firm's EIN ▶ 13-5565207

Firm's address ▶ 2020 N CENTRAL AVE, STE 700
PHOENIX, AZ 85004

Phone no 800-810-2207

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		TOTAL LONG-TERM CAPITAL GAIN DIVIDENDS					13,687.	
		300. ABBOTT LABS COM				P	12/23/2008	04/30/2010
		PROPERTY TYPE: SECURITIES						
15,237.00		15,927.00					-690.00	
		300. ABBOTT LABS COM				P	12/23/2008	08/31/2010
		PROPERTY TYPE: SECURITIES						
14,757.00		15,927.00					-1,170.00	
		150. AMERICAN EXPRESS CO				P	05/08/2009	10/20/2010
		PROPERTY TYPE: SECURITIES						
5,918.00		4,188.00					1,730.00	
		500. BAXTER INTL INC				P	03/10/2009	04/30/2010
		PROPERTY TYPE: SECURITIES						
24,195.00		25,474.00					-1,279.00	
		350. CVS CAREMARK CORPORATION				P	07/16/2009	08/25/2010
		PROPERTY TYPE: SECURITIES						
9,741.00		11,127.00					-1,386.00	
		350. CVS CAREMARK CORPORATION				P	07/16/2009	11/15/2010
		PROPERTY TYPE: SECURITIES						
10,605.00		10,878.00					-273.00	
		800. CISCO SYS INC				P	02/25/2009	03/15/2010
		PROPERTY TYPE: SECURITIES						
20,560.00		12,000.00					8,560.00	
		300. CITRIX SYS INC				P	05/08/2009	10/20/2010
		PROPERTY TYPE: SECURITIES						
17,204.00		8,237.00					8,967.00	
		100. DANAHER CORP				P	04/09/2009	03/15/2010
		PROPERTY TYPE: SECURITIES						
7,773.00		5,586.00					2,187.00	
		100. DANAHER CORP				P	04/09/2009	04/30/2010
		PROPERTY TYPE: SECURITIES						
8,515.00		5,586.00					2,929.00	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		250. DANAHER CORP PROPERTY TYPE: SECURITIES				P	08/27/2009	10/20/2010
10,307.00		7,731.00					2,576.00	
		250. DOW CHEM CO PROPERTY TYPE: SECURITIES				P	10/11/2006	03/15/2010
7,417.00		9,780.00					-2,363.00	
		300. EXELON CORP PROPERTY TYPE: SECURITIES				P	12/23/2008	12/13/2010
12,205.00		15,564.00					-3,359.00	
		150. EXXON MOBIL CORP PROPERTY TYPE: SECURITIES				P	12/23/2008	03/15/2010
9,988.00		11,370.00					-1,382.00	
		.92 EXXON MOBIL CORP PROPERTY TYPE: SECURITIES				P	12/23/2008	08/02/2010
52.00		70.00					-18.00	
		183. EXXON MOBIL CORP PROPERTY TYPE: SECURITIES				P	12/23/2008	10/20/2010
11,957.00		13,871.00					-1,914.00	
		100. FPL GROUP INC PROPERTY TYPE: SECURITIES				P	12/23/2005	03/15/2010
4,709.00		4,136.00					573.00	
		100. FPL GROUP INC PROPERTY TYPE: SECURITIES				P	03/14/1985	04/30/2010
5,071.00		1,046.00					4,025.00	
		100000. FNMA NTS PROPERTY TYPE: SECURITIES			6.625% 11/1	P	12/05/2000	11/15/2010
100,000.00		101,781.00					-1,781.00	
		.0159 FRONTIER COMMUNICATIONS CORP COM PROPERTY TYPE: SECURITIES				P	12/23/2008	07/22/2010
		96. FRONTIER COMMUNICATIONS CORP COM PROPERTY TYPE: SECURITIES				P	12/23/2008	08/31/2010
737.00		860.00					-123.00	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		10. GOOGLE INC-CL A				P	02/25/2009	03/15/2010
		PROPERTY TYPE: SECURITIES						
5,663.00		3,432.00					2,231.00	
		25. GOOGLE INC-CL A				P	04/09/2009	10/20/2010
		PROPERTY TYPE: SECURITIES						
15,190.00		8,848.00					6,342.00	
		2228.164 HIGHMARK BOND FID				P	11/08/1991	05/21/2010
		PROPERTY TYPE: SECURITIES						
25,000.00		23,680.00					1,320.00	
		2608.695 HIGHMARK BOND FID				P	11/08/1991	08/31/2010
		PROPERTY TYPE: SECURITIES						
30,000.00		27,724.00					2,276.00	
		300. HOSPIRA INC COM				P	04/09/2009	10/20/2010
		PROPERTY TYPE: SECURITIES						
17,352.00		9,588.00					7,764.00	
		150. MICROSOFT CORP				P	10/11/2006	03/15/2010
		PROPERTY TYPE: SECURITIES						
4,369.00		4,144.00					225.00	
		150. MONSANTO CO NEW				P	07/16/2009	04/30/2010
		PROPERTY TYPE: SECURITIES						
9,412.00		11,568.00					-2,156.00	
		100. NIKE INC CL B				P	04/09/2009	04/30/2010
		PROPERTY TYPE: SECURITIES						
7,731.00		5,096.00					2,635.00	
		100. NORDSTROM INC				P	04/09/2009	04/30/2010
		PROPERTY TYPE: SECURITIES						
4,291.00		1,970.00					2,321.00	
		100. NORDSTROM INC				P	04/09/2009	08/31/2010
		PROPERTY TYPE: SECURITIES						
2,839.00		1,970.00					869.00	
		400. NORDSTROM INC				P	04/09/2009	10/20/2010
		PROPERTY TYPE: SECURITIES						
14,920.00		7,880.00					7,040.00	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		300. ORACLE CORP				P	12/23/2008	03/15/2010
		PROPERTY TYPE: SECURITIES						
7,482.00		5,295.00					2,187.00	
		100. PEPSICO INC				P	12/23/2008	04/30/2010
		PROPERTY TYPE: SECURITIES						
6,515.00		5,416.00					1,099.00	
		200. PRAXAIR INC				P	02/10/2009	08/31/2010
		PROPERTY TYPE: SECURITIES						
17,124.00		13,620.00					3,504.00	
		100. QUESTAR CORP				P	07/16/2009	03/15/2010
		PROPERTY TYPE: SECURITIES						
4,360.00		3,167.00					1,193.00	
		1800. AMEX FINANCIAL SELECT SPDR				P	05/08/2009	10/20/2010
		PROPERTY TYPE: SECURITIES						
25,920.00		20,894.00					5,026.00	
		1000. STAPLES INC COMMON STOCK				P	04/09/2009	07/30/2010
		PROPERTY TYPE: SECURITIES						
20,190.00		19,620.00					570.00	
		100. STARWOOD HOTELS & RESORTS WORLDWIDE				P	07/16/2009	04/30/2010
		PROPERTY TYPE: SECURITIES						
5,596.00		2,106.00					3,490.00	
		872.791 STRATTON SMALL CAP VALUE FD				P	02/11/2009	04/30/2010
		PROPERTY TYPE: SECURITIES						
40,000.00		25,923.00					14,077.00	
		200. SUNCOR ENERGY INC				P	07/16/2009	10/20/2010
		PROPERTY TYPE: SECURITIES						
6,648.00		5,778.00					870.00	
		500. ULTRA PETE CORP COM				P	07/16/2009	08/31/2010
		PROPERTY TYPE: SECURITIES						
19,410.00		21,429.00					-2,019.00	
		1399.254 VNGRD ST TERM INVMT GRADE ADM				P	06/22/2005	05/21/2010
		PROPERTY TYPE: SECURITIES						
15,000.00		14,831.00					169.00	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		200. VERIZON COMMUNICATIONS PROPERTY TYPE: SECURITIES				P	10/11/2006	03/15/2010
5,932.00		7,044.00					-1,112.00	
		200. VERIZON COMMUNICATIONS PROPERTY TYPE: SECURITIES				P	12/23/2008	04/30/2010
5,826.00		6,746.00					-920.00	
		.3856 WEYERHAEUSER CO PROPERTY TYPE: SECURITIES				P	09/01/2010	09/14/2010
6.00		6.00						
		100. WISCONSIN ENERGY CORP PROPERTY TYPE: SECURITIES				P	08/27/2009	04/30/2010
5,218.00		4,624.00					594.00	
		250. XTO ENERGY INC PROPERTY TYPE: SECURITIES				P	04/22/2009	04/30/2010
12,077.00		8,255.00					3,822.00	
		100. YUM BRANDS INC PROPERTY TYPE: SECURITIES				P	04/22/2009	04/30/2010
4,275.00		3,239.00					1,036.00	
		100. YUM BRANDS INC PROPERTY TYPE: SECURITIES				P	05/08/2009	08/31/2010
4,152.00		3,384.00					768.00	
		350. ZIMMER HLDGS INC COM PROPERTY TYPE: SECURITIES				P	12/23/2008	10/20/2010
18,004.00		25,428.00					-7,424.00	
		1000. INVESCO LTD COM PROPERTY TYPE: SECURITIES				P	05/08/2009	08/31/2010
17,989.00		16,690.00					1,299.00	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
TOTAL GAIN(LOSS)							88,592.	

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FOREIGN DIVIDENDS	8,681.	8,681.
NONDIVIDEND DISTRIBUTIONS	333.	
DOMESTIC DIVIDENDS	48,678.	48,678.
CORPORATE INTEREST	4,500.	4,500.
U.S. GOVERNMENT INTEREST(FEDERAL TAXABLE	4,625.	4,625.
U.S. GOVERNMENT INTEREST - FEDERAL & STA	6,625.	6,625.
NONQUALIFIED FOREIGN DIVIDENDS	274.	274.
NONQUALIFIED DOMESTIC DIVIDENDS	44,532.	44,532.
TOTAL	118,248.	117,915.

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
TAX PREPARATION FEE (NON-ALLOC	900.			900.
TOTALS	900.	NONE	NONE	900.

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FOREIGN TAXES	67.	67.
FEDERAL TAX PAYMENT - PRIOR YE	41.	
FEDERAL ESTIMATES - PRINCIPAL	1,988.	
FOREIGN TAXES ON QUALIFIED FOR	806.	806.
FOREIGN TAXES ON NONQUALIFIED	58.	58.
TOTALS	2,960.	931.

FALES FOUNDATION TRUST 44113752 91-6087669

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
ADMINISTRATION EXPENSE	10,369.	10,369.	
WA STATE FILING FEE	25.		25.
OTHER MISC FEES	8.	8.	
TOTALS	10,402.	10,377.	25.

FALES FOUNDATION TRUST 44113752 91-6087669

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
FHLB BDS SER RM12 4.625%	98,451.	98,451.	106,282.
FNMA NTS 6.625%	101,781.		
TOTALS	200,232.	98,451.	106,282.

FALES FOUNDATION TRUST 44113752 91-6087669

FORM 990PF, PART II - CORPORATE STOCK
======================================

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
3M CO	17,073.	17,073.	26,376.
ABBOTT LABS COM	31,854.		
AMERICAN EXPRESS CO	10,325.	6,137.	13,014.
BAXTER INTL INC	25,474.		
BP PLC ADR	18,524.	18,524.	14,241.
CAMERON INTL CORP COM	14,060.	14,060.	26,650.
CHEVRON CORP COMMON STK	26,028.	26,028.	37,972.
CISCO SYS INC	44,160.	32,160.	42,300.
CITRIX SYS INC	13,729.	5,492.	12,636.
CVS CAREMARK CORP	22,005.		
DANAHER CORP	40,898.	21,995.	34,545.
DEERE & CO	19,230.	19,230.	45,450.
DONALDSON INC	18,605.	18,605.	29,300.
DOW CHEM CO	29,340.	19,560.	17,740.
ECOLAB	15,339.	15,339.	19,876.
EMERSON ELEC CO	12,604.	12,604.	23,552.
EXELON CORP	15,564.		
EXXON MOBIL CORP	33,344.	22,672.	32,272.
FPL GROUP INC	5,182.		
GENERAL ELEC CO	13,123.	13,123.	36,252.
GENERAL MLS INC	11,712.	11,712.	13,912.
GOLDMAN SACHS GROUP INC	28,893.	28,893.	40,905.
GOOGLE INC-CL A	38,017.	25,737.	45,027.
HANOVER INS GROUP INC	27,134.	27,134.	33,110.
HOME DEPOT INC	16,764.	16,764.	22,062.
HOSPIRA INC COM	9,588.		
INTEL CORP	34,880.	34,880.	38,628.
INTERNATIONAL BUS MACHS	8,273.	8,273.	16,200.
INVESCO LTD COM	16,690.		

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
JOHNSON & JOHNSON	13,208.	24,654.	41,839.
JP MORGAN CHASE & CO	14,488.	14,488.	44,940.
KIMBERLY CLARK CORP	22,419.	22,419.	25,892.
KOHLS CORP	17,585.	17,585.	25,390.
LINEAR TECHNOLOGY CORP	17,280.	28,845.	34,790.
MCDONALDS CORP	18,501.	18,501.	22,101.
MICROSOFT CORP	39,157.	35,013.	41,588.
MONSANTO CO	11,568.		
NIKE INC CL B	15,288.	10,192.	16,496.
NORDSTROM INC	11,820.		
OCCIDENTAL PETE CORP	15,873.	15,873.	29,004.
ORACLE CORP	40,961.	35,666.	64,060.
PEPSICO INC	27,080.	21,664.	25,724.
PFIZER INC	26,860.	26,860.	30,974.
PHILIP MORRIS INTL COM	13,119.	18,854.	22,896.
PRAXAIR INC	24,916.	11,296.	18,608.
PROCTOR & GAMBLE CO	24,340.	24,340.	25,252.
QUALCOMM INC	17,343.	17,343.	21,652.
QUESTAR CORP	15,835.	7,567.	6,972.
ROCKWELL COLLINS	16,239.	16,239.	22,449.
SCHLUMBERGER LTD	19,930.	19,930.	44,495.
STAPLES INC COMMON STK	19,620.		
STARWOOD HOTELS & RESORTS	8,424.	11,133.	23,588.
SUNCOR ENERGY INC	32,736.	26,958.	41,510.
ULTRA PETE CORP	21,429.		
VERIZON COMMUNICATIONS	27,654.	13,005.	14,248.
WAL MART STORES	31,347.	31,347.	33,642.
WELLS FARGO & CO COM	34,428.	34,428.	42,146.
WEYERHAEUSER	23,528.	39,224.	39,638.

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
WISCONSIN ENERGY CORP	13,872.	9,248.	12,058.
XTO ENERGY INC	22,894.		
YUM BRANDS	16,484.	9,861.	14,028.
ZIMMER HLDS INC	25,428.		
ALTRIA GROUP		12,455.	11,755.
APPLE COMPUTER		15,449.	16,966.
COCA COLA CO.		15,133.	15,713.
DU PONT E I DE NEMOURS		13,847.	15,204.
EXPRESS SCRIPTS INC CL A		14,412.	16,899.
GILEAD SCIENCES		20,573.	19,190.
INTERNATIONAL GAME TECHNOLOGY		15,230.	17,170.
ITC HLDGS CORP		23,191.	26,280.
LAS VEGAS SAND CORP		12,320.	18,596.
MERCK & CO		21,183.	19,902.
QEP RES INC		5,101.	16,256.
UNITEDHEALTH GROUP		15,625.	20,525.
TOTALS	1,320,066.	1,163,047.	1,622,456.

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
JP MORGAN CHASE & CO 4.500%	97,797.	97,797.	103,685.
TOTALS	97,797.	97,797.	103,685.

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION	COST/ FMV C OR F	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
ABSOLUTE STRATEGIES FD CL	C	40,012.	75,011.	77,669.
AMEX FINANCIAL SELECT SPDR	C	30,974.	10,080.	16,400.
DODGE & COX INTL STOCK FD	C	74,945.	84,945.	72,045.
HIGHMARK BOND FD	C	421,769.	373,678.	394,326.
HIGHMARK GENEVA GROWTH FD CL F	C	50,000.	80,132.	103,016.
HIGHMARK INTL OPPORTUNITIES FD	C	180,120.	180,120.	169,757.
HIGHMARK SMALL CAP VALUE FD	C	128,454.	128,454.	118,736.
HOTCHKIS & WILEY M/C VALUE I	C	50,000.	80,000.	100,907.
ISHARES MSCI EMERGING MKT IDX	C	43,097.	43,097.	54,972.
LAZARD EMERG MKTS INSTL	C	74,162.	81,162.	83,619.
MFS INTL GROWTH FD CL I	C	61,013.	71,013.	74,325.
NUVEEN REAL EST SECS I	C	40,000.	60,000.	77,939.
PIMCO HIGH YIELD INSTL	C	73,310.	73,310.	95,942.
PIMCO TOTAL RETURN INSTL	C	151,017.	168,948.	167,541.
STRATTON SMALL CAP VALUE FD	C	118,536.	92,613.	156,841.
T ROWE PRICE NEW HORIZONS FD	C	205,600.	211,735.	226,910.
VNGRD SMALL-CAP VALUE INDEX	C	50,000.	50,000.	45,793.
VNGRD ST TERM INVMT GRADE ADM	C	228,920.	254,089.	260,577.
ISHARES S&P PREF STK IDX	C		30,014.	29,310.
JP MORGAN RES MKT NEUTRAL INST	C		20,000.	19,782.
LAZARD CAP ALLOC OPP STRAT I	C		40,000.	44,538.
TOTALS		2,021,929.	2,208,401.	2,390,945.

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION	AMOUNT
ROUNDING DIFFERENCE	1.
TOTAL	1.

STATE(S) WHERE THE FOUNDATION IS REGISTERED

===

WA

STATEMENT 12

990PF, PART VII-B LINE 2b - SECTION 4942a2 EXPLANATION STATEMENT

THIS QUESTION DOES NOT APPLY. THE FOUNDATION DOES NOT HAVE ANY UNDISTRIBUTED INCOME FROM PRIOR YEARS.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

OFFICER NAME:
UNION BANK, N.A.
ADDRESS:
P. O. BOX 84495
SEATTLE, WA 98124
TITLE:
TRUSTEE
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 20
COMPENSATION .... 41,965.

TOTAL COMPENSATION: 41,965.

990PF, PART VIII - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

EMPLOYEE NAME:
NONE

990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALS

NAME:
NONE

FORM 990PF, PART XV - LINES 2a - 2d
===================================

RECIPIENT NAME:
  J. THOMAS MCCULLY, C/O UNION BANK
FORM, INFORMATION AND MATERIALS:
  APPLICATION FORM PROVIDED IN RESPONSE TO QUALIFIED INQUIRIES
SUBMISSION DEADLINES:
  APRIL 1 ANNUALLY
RESTRICTIONS OR LIMITATIONS ON AWARDS:
  ONLY TO SEATTLE ART PROGRAMS AND PROGRAMS SERVING THE HOMELESS

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID
==

RECIPIENT NAME:
ASIAN COUNSELING & REFERRA
ADDRESS:
3639 MARTIN LUTHER KING JR WAY SO.
SEATTLE, WA 98144
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
HOMESTEP
ADDRESS:
8757 15TH AVE NW #204
SEATTLE, WA 98117
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 3,000.

RECIPIENT NAME:
NORTHWEST BURN FOUNDATION
ADDRESS:
1515 NW 52ND, SUITE A
SEATTLE, WA 98107
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
BROADVIEW EMERGENCY SHELTER
ADDRESS:
1501 NORTH 45TH STREET
SEATTLE, WA 98103
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 10,000.

RECIPIENT NAME:
CHURCH OF MARY MAGDALENE
ADDRESS:
766 THOMAS STREET
SEATTLE, WA 98109
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,500.

RECIPIENT NAME:
FAMILY WORKS
ADDRESS:
1501 NO. 45TH
SEATTLE, WA 98103
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 3,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
FOOD LIFELINE
ADDRESS:
1702 NE 150TH
SHORELINE, WA 98155
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 10,000.

RECIPIENT NAME:
HEROES FOR THE HOMELESS
ADDRESS:
P.O. BOX 971
WOODINVILLE, WA 98072
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 1,000.

RECIPIENT NAME:
OPERATION NIGHTWATCH
ADDRESS:
P.O. BO X21181
SEATTLE, WA 98111
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 1,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
PACIFIC NW BALLET
ADDRESS:
301 MERCER STREET
SEATTLE, WA 98109
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 4,000.

RECIPIENT NAME:
PIKE MARKET SENIOR CENTER
ADDRESS:
85 PIKE STREET #200
SEATTLE, WA 98101
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
PRATT FINE ARTS CENTER
ADDRESS:
1902 SO. MAIN STREET
SEATTLE, WA 98144
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
RICHARD HUGO HOUSE
ADDRESS:
1634 ELEVENT AVENUE
SEATTLE, WA 98122
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
SEATTLE ARTS & LECTURES
ADDRESS:
105 SO. MAIN, SUITE 201
SEATTLE, WA 98104
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
SEATTLE SHAKESPEARE COMPANY
ADDRESS:
305 HARRISON STREET
SEATTLE, WA 98109
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 3,000.

RECIPIENT NAME:
SEATTLE YOUTH SYMPHONY
ORCHESTRAS
ADDRESS:
11065 FIFTH AVE NE SUITE A
SEATTLE, WA 98125
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
TOWN HALL SEATTLE
ADDRESS:
1119 8TH AVENUE
SEATLE, WA 98101
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
UNION GOSPEL MISSION
ADDRESS:
P.O. BOX 202
SEATTLE, WA 98111
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 10,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID
===

RECIPIENT NAME:
SEATTLE REPERTORY THEATRE
ADDRESS:
155 MERCER STREET
SEATTLE, WA 98109
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 4,000.

RECIPIENT NAME:
YOUTH IN FOCUS
ADDRESS:
2100-24TH AVE S SUITE 310
SEATTLE, WA 98144
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 1,500.

RECIPIENT NAME:
YOUTHCARE
ADDRESS:
2500 NE 54TH ST. #100
SEATTLE, WA 98105
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

==

RECIPIENT NAME:
YWCA HOMELESS SERVICES
ADDRESS:
905 EAST SPRUCE ST., SUITE 100
SEATTLE, WA 98104
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 4,000.

RECIPIENT NAME:
WELLSPRING FAMILY SERVICES
ADDRESS:
1900 RAINIER AVENUE SO.
SEATTLE, WA 98144
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 4,000.

RECIPIENT NAME:
FOUNDATION CENTER
ADDRESS:
79 FIFTH AVENUE
NEW YORK, NY 10003
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 1,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID
==

RECIPIENT NAME:
ACT THEATRE
ADDRESS:
700 UNION STREET
SEATTLE, WA 98101
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 3,000.

RECIPIENT NAME:
ARTS CORPS
ADDRESS:
44008 DELRIDGE AVE SW, STE 110
SEATTLE, WA 98106
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
ARTWORKS
ADDRESS:
923 SOUTH BAYVIEW STREET, STE C
SEATTLE, WA 98134
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 1,500.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

==

RECIPIENT NAME:
BOOK-IT REPERTORY THEATRE
ADDRESS:
305 HARRISON STREET
SEATTLE, WA 98109
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
ARC OF KING COUNTY
ADDRESS:
233 SIXTH AVE NO
SEATTLE, WA 98109
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 4,000.

RECIPIENT NAME:
COMMUNITY LUNCH ON CAPITAL HILL
ADDRESS:
1710 ELEVENTH AVE
SEATTLE, WA 98122
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
CRISIS CLINIC
ADDRESS:
9725 3RD AVE NE, STE 300
SEATTLE, WA 98115
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 3,000.

RECIPIENT NAME:
INITMAN THEATRE
ADDRESS:
201 MERCER STREET
SEATTLE, WA 98109
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
BUILDING CHANGES
ADDRESS:
2014 EAST MADISON, STE 200
SEATTLE, WA 98122
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
LIFELONG AIDS ALLIANCE
ADDRESS:
1002 EAST SENECA
SEATTLE, WA 98122
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 3,000.

RECIPIENT NAME:
LOW INCOME HOUSING INSTITUTE
ADDRESS:
2407 FIRST AVE #200
SEATTLE, WA 98121
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 5,000.

RECIPIENT NAME:
MUSEUM OF HISTORY & INDUSTRY
ADDRESS:
200 24TH AVE E
SEATTLE, WA 98112
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
NATURE CONSORTIUM
ADDRESS:
4408 DELRIDGE WAY SW #107
SEATTLE, WA 98116
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
LEGAL ACTION CENTER
ADDRESS:
100 23RD AVE SOUTH
SEATTLE, WA 98144
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 4,000.

RECIPIENT NAME:
NEIGHBORHOOD HOUSE
ADDRESS:
905 SPRUCE, STE 213
SEATTLE, WA 98104
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 4,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
NORTH HELPLINE
ADDRESS:
12736 33RD AVE NE
SEATTLE, WA 98125
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 1,000.

RECIPIENT NAME:
NORTHWEST HARVEST
ADDRESS:
P.O. BOX 12272
SEATTLE, WA 98102
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 5,000.

RECIPIENT NAME:
OPERATION SACKLUNCH
ADDRESS:
P.O. BOX 4128
SEATTLE, WA 98194
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
NEIGHBORCARE HEALTH
ADDRESS:
1537 WESTERN AVENUE
SEATTLE, WA 98101
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 3,000.

RECIPIENT NAME:
SEATTLE OPERA
ADDRESS:
1020 JOHN STREET
SEATTLE, WA 98109
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 3,500.

RECIPIENT NAME:
SEATTLE SYMPHONY
ADDRESS:
P.O. BOX 21906
SEATTLE, WA 98111
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
SENIOR SERVICES
ADDRESS:
2208 SECOND AVE, STE 100
SEATTLE, WA 98121
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 5,000.

RECIPIENT NAME:
SHARE
ADDRESS:
P.O. BOX 2548
SEATTLE, WA 98111
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 1,000.

RECIPIENT NAME:
PACIFIC ASIAN EMPOWERMENT PROGRAM
ADDRESS:
270 SO HANFORD ST, STE 100B
SEATTLE, WA 98134
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 1,000.

RECIPIENT NAME:
PLYMOUTH HOUSING GROUP
ADDRESS:
2113 THIRD AVENUE
SEATTLE, WA 98121
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 8,000.

RECIPIENT NAME:
RAINIER VALLEY FOOD BANK
ADDRESS:
4205 RAINIER AVE SO
SEATTLE, WA 98118
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
ROTARY FIRST HARVEST
ADDRESS:
P.O. BOX 94117
SEATTLE, WA 98124
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
SEATTLE MUSIC PARTNERS
ADDRESS:
4533 SUNNYSIDE AVE NO
SEATTLE, WA 98103
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
SHAREHOUSE
ADDRESS:
5706 SECOND AVENUE SO
SEATTLE, WA 98108
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 4,000.

RECIPIENT NAME:
SOJOURNER PLACE
ADDRESS:
5071 8TH AVE NE
SEATTLE, WA 98105
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 3,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
SOUTHEAST EFFECTIVE DEVELOPMENT
ADDRESS:
5117 RAINIER AVE S
SEATTLE, WA 98118
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
TEEN FEED
ADDRESS:
4740 B UNIVERSITY WAY NE
SEATTLE, WA 98105
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 4,000.

RECIPIENT NAME:
TRANSITIONAL RESOURCES
ADDRESS:
2971 SW AVALON WAY
SEATTLE, WA 98126
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
VERA PROJECT
ADDRESS:
305 HARRISON STREET
SEATTLE, WA 98109
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 2,000.

RECIPIENT NAME:
FARESTART
ADDRESS:
700 VIRGINIA
SEATTLE, WA 98101
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
CHARITABLE
FOUNDATION STATUS OF RECIPIENT:
EXEMPT
AMOUNT OF GRANT PAID .... 5,000.

TOTAL GRANTS PAID: 181,000.

STATEMENT 37

FALES FOUNDATION TRUST 44113752 91-6087669

Schedule D Detail of Short-term Capital Gains and Losses

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Short-term Gain/Loss
CAPITAL GAINS (LOSSES) HELD FOR INVESTMENT PURPOSES					
100. DANAHER CORP	04/09/2009	03/15/2010	7,773.00	5,586.00	2,187.00
150. MONSANTO CO NEW	07/16/2009	04/30/2010	9,412.00	11,568.00	-2,156.00
100. QUESTAR CORP	07/16/2009	03/15/2010	4,360.00	3,167.00	1,193.00
100. STARWOOD HOTELS &	07/16/2009	04/30/2010	5,596.00	2,106.00	3,490.00
.3856 WEYERHAEUSER CO	09/01/2010	09/14/2010	6.00	6.00	
100. WISCONSIN ENERGY CORP	08/27/2009	04/30/2010	5,218.00	4,624.00	594.00
TOTAL CAPITAL GAINS (LOSSES) HELD FOR INVESTMENT PURPOSES			32,365.00	27,057.00	5,308.00
Totals			32,365.00	27,057.00	5,308.00

FALES FOUNDATION TRUST 44113752 91-6087669

Schedule D Detail of Long-term Capital Gains and Losses

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
CAPITAL GAINS (LOSSES) HELD FOR INVESTMENT	PURPOSES				
300. ABBOTT LABS COM	12/23/2008	04/30/2010	15,237.00	15,927.00	-690.00
300. ABBOTT LABS COM	12/23/2008	08/31/2010	14,757.00	15,927.00	-1,170.00
150. AMERICAN EXPRESS CO	05/08/2009	10/20/2010	5,918.00	4,188.00	1,730.00
500. BAXTER INTL INC	03/10/2009	04/30/2010	24,195.00	25,474.00	-1,279.00
350. CVS CAREMARK	07/16/2009	08/25/2010	9,741.00	11,127.00	-1,386.00
350. CVS CAREMARK	07/16/2009	11/15/2010	10,605.00	10,878.00	-273.00
800. CISCO SYS INC	02/25/2009	03/15/2010	20,560.00	12,000.00	8,560.00
300. CITRIX SYS INC	05/08/2009	10/20/2010	17,204.00	8,237.00	8,967.00
100. DANAHER CORP	04/09/2009	04/30/2010	8,515.00	5,586.00	2,929.00
250. DANAHER CORP	08/27/2009	10/20/2010	10,307.00	7,731.00	2,576.00
250. DOW CHEM CO	10/11/2006	03/15/2010	7,417.00	9,780.00	-2,363.00
300. EXELON CORP	12/23/2008	12/13/2010	12,205.00	15,564.00	-3,359.00
150. EXXON MOBIL CORP	12/23/2008	03/15/2010	9,988.00	11,370.00	-1,382.00
.92 EXXON MOBIL CORP	12/23/2008	08/02/2010	52.00	70.00	-18.00
183. EXXON MOBIL CORP	12/23/2008	10/20/2010	11,957.00	13,871.00	-1,914.00
100. FPL GROUP INC	12/23/2005	03/15/2010	4,709.00	4,136.00	573.00
100. FPL GROUP INC	03/14/1985	04/30/2010	5,071.00	1,046.00	4,025.00
100000. FNMA NTS 6.625% 11/15/10	12/05/2000	11/15/2010	100,000.00	101,781.00	-1,781.00
96. FRONTIER COMMUNICATION	12/23/2008	08/31/2010	737.00	860.00	-123.00
10. GOOGLE INC-CL A	02/25/2009	03/15/2010	5,663.00	3,432.00	2,231.00
25. GOOGLE INC-CL A	04/09/2009	10/20/2010	15,190.00	8,848.00	6,342.00
2228.164 HIGHMARK BOND FID #489	11/08/1991	05/21/2010	25,000.00	23,680.00	1,320.00
2608.695 HIGHMARK BOND FID #489	11/08/1991	08/31/2010	30,000.00	27,724.00	2,276.00
300. HOSPIRA INC COM	04/09/2009	10/20/2010	17,352.00	9,588.00	7,764.00
150. MICROSOFT CORP	10/11/2006	03/15/2010	4,369.00	4,144.00	225.00
100. NIKE INC CL B	04/09/2009	04/30/2010	7,731.00	5,096.00	2,635.00
100. NORDSTROM INC	04/09/2009	04/30/2010	4,291.00	1,970.00	2,321.00
100. NORDSTROM INC	04/09/2009	08/31/2010	2,839.00	1,970.00	869.00
400. NORDSTROM INC	04/09/2009	10/20/2010	14,920.00	7,880.00	7,040.00
Totals					

FALES FOUNDATION TRUST 44113752 91-6087669

Schedule D Detail of Long-term Capital Gains and Losses

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
300. ORACLE CORP	12/23/2008	03/15/2010	7,482.00	5,295.00	2,187.00
100. PEPSICO INC	12/23/2008	04/30/2010	6,515.00	5,416.00	1,099.00
200. PRAXAIR INC	02/10/2009	08/31/2010	17,124.00	13,620.00	3,504.00
1800. AMEX FINANCIAL	05/08/2009	10/20/2010	25,920.00	20,894.00	5,026.00
1000. STAPLES INC COMMON	04/09/2009	07/30/2010	20,190.00	19,620.00	570.00
872.791 STRATTON SMALL CAP					
VALUE FD #37	02/11/2009	04/30/2010	40,000.00	25,923.00	14,077.00
200. SUNCOR ENERGY INC	07/16/2009	10/20/2010	6,648.00	5,778.00	870.00
500. ULTRA PETE CORP COM	07/16/2009	08/31/2010	19,410.00	21,429.00	-2,019.00
1399.254 VNGRD ST TERM					
INVMT GRADE ADM #539	06/22/2005	05/21/2010	15,000.00	14,831.00	169.00
200. VERIZON COMMUNICATION	10/11/2006	03/15/2010	5,932.00	7,044.00	-1,112.00
200. VERIZON COMMUNICATION	12/23/2008	04/30/2010	5,826.00	6,746.00	-920.00
250. XTO ENERGY INC	04/22/2009	04/30/2010	12,077.00	8,255.00	3,822.00
100. YUM BRANDS INC	04/22/2009	04/30/2010	4,275.00	3,239.00	1,036.00
100. YUM BRANDS INC	05/08/2009	08/31/2010	4,152.00	3,384.00	768.00
350. ZIMMER HLDGS INC COM	12/23/2008	10/20/2010	18,004.00	25,428.00	-7,424.00
1000. INVESCO LTD COM	05/08/2009	08/31/2010	17,989.00	16,690.00	1,299.00
TOTAL CAPITAL GAINS (LOSSES) HELD FOR INVESTMENT PURPOSES			643,074.00	573,477.00	69,597.00
Totals			643,074.00	573,477.00	69,597.00

FEDERAL CAPITAL GAIN DIVIDENDS

LONG-TERM CAPITAL GAIN DIVIDENDS

15% RATE CAPITAL GAIN DIVIDENDS		
LONG-TERM 15% CAPITAL GAIN DIVIDENDS	13,687.00	
TOTAL 15% RATE CAPITAL GAIN DIVIDENDS		13,687.00
TOTAL LONG-TERM CAPITAL GAIN DIVIDENDS		13,687.00