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 May 1, 2010, and ending April 30, 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: C3 Foundation, Inc.

A Employer identification number: 26-2511733

Number and street (or P O box number if mail is not delivered to street address): 3301 Benson Dr. Room/suite: Ste. 601

B Telephone number (see page 10 of the instructions): 919-877-7533

City or town, state, and ZIP code: Raleigh, NC 27609

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) ▶ $ 1,709,158

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)	0			
	2	Check ▶ ☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	0	0	n/a	
	4	Dividends and interest from securities	43,658	43,658	n/a	
	5a	Gross rents	0	0	n/a	
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	0			
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		0		
	8	Net short-term capital gain			n/a	
	9	Income modifications			n/a	
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)	0		n/a	
	11	Other income (attach schedule)	0	0	n/a	
	12	**Total.** Add lines 1 through 11	43,658	43,658	n/a	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	0	0	n/a	0
	14	Other employee salaries and wages	0	0	n/a	0
	15	Pension plans, employee benefits	0	0	n/a	0
	16a	Legal fees (attach schedule)	878	878	n/a	878
	b	Accounting fees (attach schedule)	0	0	n/a	0
	c	Other professional fees (attach schedule)	0	0	n/a	0
	17	Interest	0	0	n/a	0
	18	Taxes (attach schedule) (see page 14 of the instructions)	0	0	n/a	0
	19	Depreciation (attach schedule) and depletion	0	0	n/a	
	20	Occupancy	0	0	n/a	0
	21	Travel, conferences, and meetings	0	0	n/a	0
	22	Printing and publications	0	0	n/a	0
	23	Other expenses (attach schedule)	19,358	19,358	n/a	19,358
	24	**Total operating and administrative expenses.** Add lines 13 through 23	20,236	20,236	n/a	20,236
	25	Contributions, gifts, grants paid	200,000			200,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	220,236	20,236	n/a	220,236
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	(176,578)			
	b	**Net investment income** (if negative, enter -0-)		23,422		
	c	**Adjusted net income** (if negative, enter -0-)			n/a	

RECEIVED
OCT 17 2011
825
OGDEN, UT

SCANNED OCT 2 3 2011

G14

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	44,030	221,039	221,039
	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 ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S. and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	1,659,454	1,488,119	1,488,119
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	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)	1,703,484	1,709,158	1,709,158
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)	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.**			
	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	0	0	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund	1,703,484	1,709,158	
	29	Retained earnings, accumulated income, endowment, or other funds	0	0	
	30	**Total net assets or fund balances** (see page 17 of the instructions)	1,703,484	1,709,158	
	31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	1,703,484	1,709,158	

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	1,703,484
2	Enter amount from Part I, line 27a	2	(176,578)
3	Other increases not included in line 2 (itemize) ▶ Net Increase in Value of Schwab Securities Account	3	182,252
4	Add lines 1, 2, and 3	4	1,709,158
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	1,709,158

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	Publicly Traded Securities (See Attachment)			
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	778,887	0	819,863	(40,976)
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				(40,976)
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	(40,976)
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	21,614	1,550,414	0.014
2008	215,233	1,409,419	0.153
2007			
2006			
2005			

2	**Total** of line 1, column (d)	2	0.167
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	0.084
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	1,524,973
5	Multiply line 4 by line 3	5	128,098
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	234
7	Add lines 5 and 6	7	128,332
8	Enter qualifying distributions from Part XII, line 4	8	220,236

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 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	234	22
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	00
3	Add lines 1 and 2	3	234	22
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0	00
5	**Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-	5	234	22
6	Credits/Payments:			
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 0 00			
b	Exempt foreign organizations—tax withheld at source — 6b: 0 00			
c	Tax paid with application for extension of time to file (Form 8868) — 6c: 234 22			
d	Backup withholding erroneously withheld — 6d: 0 00			
7	Total credits and payments. Add lines 6a through 6d	7	234	22
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	0	00
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	0	00
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	0	00
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ | **Refunded** ▶	11	0	00

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		✓
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		✓
	*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		✓
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		✓
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		✓
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		✓
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		✓
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	✓	
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	✓	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ North Carolina			
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	✓	
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		✓
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		✓

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		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		✓
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	✓	

Website address ▶ n/a

14 The books are in care of ▶ Lonnie C. ("Ven") Poole Telephone no. ▶ 919-877-7533
Located at ▶ 3301 Benson Dr., Ste. 601, Raleigh, NC 27609 ZIP+4 ▶ 27609

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		
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?	1b		
	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		✓
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ Yes ☐ No If "Yes," list the years ▶ 20___ , 20___ , 20___ , 20___			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 22 of the instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20___ , 20___ , 20___ , 20___			
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		✓
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		✓

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)

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
Lisa R. Poole 816 Lakestone Dr., Raleigh, NC 27609	Dir./Pres. (0.5/wk.)	0	0	0
Lonnie C. ("Ven") Poole, III 816 Lakestone Dr., Raleigh, NC 27609	Dir./V.P. (0.5/wk.)	0	0	0
Joseph P. Davis, III 411 N. Elliott Rd., Chapel Hill, NC 27514	Dir./Sec/Treas (0.3)	0	0	0
Todd Saieed 301 Danumbe St., Raleigh, NC 27615	Director (0.2/wk.)	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 ▶

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

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 Evaluated and approved grant to St. David's School, an independent Episcopal school located in Raleigh, NC	200,000
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 n/a	
2	
All other program-related investments See page 24 of the instructions 3	
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	1,481,090
b	Average of monthly cash balances	1b	67,106
c	Fair market value of all other assets (see page 25 of the instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	1,548,196
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	1,548,196
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	23,223
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,524,973
6	**Minimum investment return.** Enter 5% of line 5	6	76,249

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	76,249
2a	Tax on investment income for 2010 from Part VI, line 5 2a 234		
b	Income tax for 2010. (This does not include the tax from Part VI.) 2b 0		
c	Add lines 2a and 2b	2c	234
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	76,015
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	76,015
6	Deduction from distributable amount (see page 25 of the instructions)	6	0
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	76,015

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	220,236
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	0
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0
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	220,236
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	220,236

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				76,015
2	Undistributed income, if any, as of the end of 2010:				
a	Enter amount for 2009 only			0	
b	Total for prior years: 20___,20___,20___		0		
3	Excess distributions carryover, if any, to 2010:				
a	From 2005 0				
b	From 2006 0				
c	From 2007 0				
d	From 2008 145,675				
e	From 2009 90,006				
f	**Total** of lines 3a through e	235,681			
4	Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 220,236				
a	Applied to 2009, but not more than line 2a			0	
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				76,015
e	Remaining amount distributed out of corpus	144,221			
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	379,902			
b	Prior years' undistributed income. Subtract line 4b from line 2b		0		
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d	Subtract line 6c from line 6b. Taxable amount—see 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				0
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)	0			
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	379,902			
10	Analysis of line 9:				
a	Excess from 2006				
b	Excess from 2007				
c	Excess from 2008 145,675				
d	Excess from 2009 90,006				
e	Excess from 2010 144,221				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

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			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
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).)

Lonnie C. ("Ven") Poole, III

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.

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 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*				
St. David's School 3400 White Oak Rd., Raleigh, NC 27609-7621			Support education mission	200,000.00
Total . . . . . . ▶ 3a				200,000.00
b *Approved for future payment*				
Total . . . . . . ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See page 28 of the instructions.)
1 Program service revenue:					
a None		0		0	0
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments		0		0	0
3 Interest on savings and temporary cash investments		0		0	0
4 Dividends and interest from securities	523000	43,658		0	0
5 Net rental income or (loss) from real estate:					
a Debt-financed property		0		0	0
b Not debt-financed property				0	0
6 Net rental income or (loss) from personal property		0		0	0
7 Other investment income		0		0	0
8 Gain or (loss) from sales of assets other than inventory		0		0	0
9 Net income or (loss) from special events		0		0	0
10 Gross profit or (loss) from sales of inventory		0		0	0
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		43,658		0	0

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 43,658

(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.)
	n/a

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

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

Ann Poole 9.8.11 Vice President

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☑ if self-employed	PTIN
Kevin W. Stroud	Kevin W. Stroud	10.7.11		243-35-6910
Firm's name ▶ The Stroud Law Firm			Firm's EIN ▶	26-4092491
Firm's address ▶ 3737 Glenwood Ave., Ste. 100, Raleigh, NC 27612			Phone no	919-872-6845

C3 Foundation, Inc., 3301 Benson Dr., Ste. 601, Raleigh, NC 27609 ID#: 26-2511733

SCHEDULE
(Part I, Analysis of Revenue and Expenses)

Part I: Analysis of Revenue and Expenses
Line 13-23: Expenses

	Payee	Expense	Amount
Line 16a	The Stroud Law Firm	Legal Fees	$ 878
Line 23	Charles Schwab	Asset Advisor Fees	19,358

C3 Foundation, Inc., 3301 Benson Dr., Ste. 601, Raleigh, NC 27609 ID#: 26-2511733

SCHEDULE

(Part II, Balance Sheets)

Part II: Balance Sheets
Line 10b: Investments - Corporate Stock

Corporate Stock:

	Account	Value
(1)	Charles Schwab Securities Account (Acct. # 2938-9045) [SEE ATTACHED CHARLES SCHWAB SECURITIES STATEMENT FOR ITEMIZED LIST OF CORPORATE STOCKS AS OF DATE OF RETURN]	$ 1,488,119
	TOTAL	**$ 1,488,119**

Change in Account Value

Change in Account Value	This Period	Year to Date
Starting Value	**$ 1,674,888.68**	**$ 1,616,081.06**
Cash Value of Purchases & Sales	154,093.88	149,068.20
Investments Purchased/Sold	(154,093.88)	(149,068.20)
Deposits & Withdrawals	0.00	0.00
Dividends & Interest	1,944.29	8,199.38
Fees & Charges	(5,234.00)	(10,284.00)
Transfers	0.00	0.00
Income Reinvested	(1,607.59)	(6,634.75)
Change in Value of Investments	39,166.82	101,796.51
Ending Value on 04/30/2011	**$ 1,709,158.20**	**$ 1,709,158.20**

[redacted]

Asset Composition

Asset Composition	Market Value
Money Market Funds [Sweep]	$ 221,039.18
Bond Funds	573,037.76
Equity Funds	797,004.28
Other Assets	118,076.98
Total Assets Long	**$ 1,709,158.20**

[redacted]

Gain or (Loss) Summary

Realized Gain or (Loss) This Period

Short Term	$2,696 45
Long Term	$1,038.79

Unrealized Gain or (Loss)

All Investments	$87,615 63

Values may not reflect all of your gains/losses

DWM Advisors, LLC
DAVIS WEALTH MANAGEMENT

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement
CT4N1305-002510 368738

charles SCHWAB
INSTITUTIONAL

Schwab One® Account of
C3 FOUNDATION INC

Account Number
2938-9045

Statement Period
April 1-30, 2011

Income Summary

	This Period		Year to Date	
Income Summary	Federally Tax-Exempt[1]	Federally Taxable	Federally Tax-Exempt[1]	Federally Taxable
Money Funds Dividends	1.02	0 00	2 50	0 00
Cash Dividends	0.00	1,943 27	0 00	8,196 88
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[1]Certain income in this category may qualify for state tax exemption, consult your tax advisor.

Investment Detail - Money Market Funds [Sweep]

Money Market Funds [Sweep]	Quantity	Market Price	Market Value	Current Yield
SCH AMT TF MMF· SWFXX	221,039.1800	1.0000	221,039 18	0.01%
[illegible]			221,039.18	
[illegible]			221,039.18	

Investment Detail - Mutual Funds

Accounting Method
Mutual Funds First In First Out [FIFO]

Bond Funds	Quantity	Market Price	Market Value	Average Cost Basis	Cost Basis	Unrealized Gain or (Loss)
LOOMIS SAYLES STRATEGIC INCM FD CL Y SYMBOL: NEZYX	4,858 5870	15.5600	75,599.61	14 47	70,304 01 t	5,295.60
OPPENHEIMER INTL BD Y ◊ SYMBOL: OIBYX	11,259.9690	6 8000	76,567 79	6 42	72,272.39	4,295 40
PIMCO EMRG MKTS BD FD ◊ INSTL CL SYMBOL: PEBIX	6,732.0040	11 1800	75,263 80	10.38	69,957 10 t	5,306.70

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

CT4N1305-002510 368739

Investment Detail - Mutual Funds (continued)

Accounting Method
Mutual Funds. First In First Out [FIFO]

Bond Funds (continued)	Quantity	Market Price	Market Value	Average Cost Basis	Cost Basis	Unrealized Gain or (Loss)
PIMCO TOTAL RETURN FUND ◊ INSTL CL SYMBOL: PTTRX	31,333 3240	11.0300	345,606.56	10.82	339,288.58 t	6,317.98

[redacted]

Equity Funds	Quantity	Market Price	Market Value	Average Cost Basis	Cost Basis	Unrealized Gain or (Loss)
AMERICAN FD GROWTH FD OF AMERICA F2 SYMBOL: GFFFX	4,106 3060	32 9300	135,220 66	32.07	131,084 48 t	4,136.18
ARTIO INTL EQUITY FUND II CL I SYMBOL. JETIX	8,024 7160	13 3400	107,049.71	14.70	118,000.00 t	(10,950 29)
COLUMBIA MARSICO 21ST CENTURY FD CL A SYMBOL: NMTAX	9,202.0650	14.5300	133,706 00	13 73	124,248 03 t	9,457.97
COLUMBIA VALUE AND RESTRUCTURING Z SYMBOL: UMBIX	1,591.8080	54.1800	86,244.16	58 32	92,834 22 t	(6,590.06)
FIDELITY ADV LEVERAGED COMPANY STOCK FUND CL I SYMBOL: FLVIX	1,971.8640	38.7300	76,370.29	35.03	41,645 77 t	34,724.52
PIONEER CULLEN VALUE Y SYMBOL: CVFYX	4,949 8810	19.8100	98,057.14	19.96	98,799.63 t	(742 49)
PRUDENTIAL JENNISON NATURAL RES A SYMBOL: PGNAX	333 2940	61 1000	20,364 26	59 33	19,443 89 t	920.37

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

CT4N1305-002510 368740

Investment Detail - Mutual Funds (continued)

Accounting Method
Mutual Funds. First In First Out [FIFO]

Equity Funds (continued)	Quantity	Market Price	Market Value	Average Cost Basis	Cost Basis	Unrealized Gain or (Loss)
QUANT EMERGING MARKETS FUND ORDINARY SHARE SYMBOL: QFFOX	2,345 2420	26.2000	61,445.34	26.82	62,901 98 t	(1,456 64)
ROYCE VALUE FUND SVC CL SYMBOL· RYVFX	5,551.0050	14.1500	78,546.72	11.60	64,388.04 t	14,158.68

[redacted]

Investment Detail - Other Assets

Accounting Method
Other Assets First In First Out [FIFO]

Other Assets	Quantity	Market Price	Market Value *Cost Basis*	Unrealized Gain or (Loss)
BARCLAYS BANK IPATH ETN DJ UBS COMMODITY INDEX SYMBOL: DJP	**365.0000**	**53.1100**	**19,385.15** *21,696.67 t*	**(2,311.52)**
PROSHS ULTRA DJ ETF NEW UBS CRUDE OIL SYMBOL. UCO	**356.0000**	**63.6600**	**22,662.96** *11,178.40 t*	**11,484.56**
VANGUARD MID CAP SYMBOL: VO	**919.0000**	**82.7300**	**76,028.87** *62,460.20*	**13,568.67**

[redacted]

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

CT4N1305-002510 368741

C3 Foundation, Inc., 3301 Benson Dr., Ste. 601, Raleigh, NC 27609 ID#: 26-2511733

SCHEDULE

(Part III, Analysis of Changes in Net Assets or Fund Balances)

Part III: Analysis of Changes in Net Assets or Fund Balances
Line 3: Increases Not Included in Line 2

1	$	1,703,484	Total fund balances at beginning of year (Part II, column (a), line 30)
2	–	(176,578)	Amount from Part 1, line 27a
3	+	182,252	Increase in value of securities held in Charles Schwab Securities Account (Acct. # 2938-9045)
4		1,709,158	Sum of Lines 1, 2, and 3
	$	**1,709,158**	**Total Net Assets**

C3 Foundation, Inc., 3301 Benson Dr., Ste. 601, Raleigh, NC 27609 ID#: 26-2511733

SCHEDULE

(Part IV, Capital Gains and Losses for Tax on Investment Income)

Part IV: Capital Gains and Losses for Tax on Investment Income
Line 1a:

May 03, 2010	Long Term Loss	$ (57,076.23)
Oct. 05, 2010	Short Term Gain	6,549.80
Dec. 31, 2010	Capital Gain	5,814.99
Apr. 04, 2011	Short Term Gain	2,696.45
Apr. 04, 2011	Long Term Gain	1,038.79
Net Capital Gains		**$ 40,976.20**

SEE ATTACHED CHARLES SCHWAB ACCOUNT STATEMENT EXCERPTS

Investment Detail - Other Assets (continued)

Accounting Method
Other Assets. First In First Out [FIFO]

Other Assets (continued)	Quantity	Market Price	Market Value / *Cost Basis*	Unrealized Gain or (Loss)
VANGUARD MID CAP SYMBOL: VO	**1,100.0000**	**62.5600**	**68,816.00** *74,908.50*	**(6,092.50)**

[redacted]

Realized Gain or (Loss)

Accounting Method First In First Out [FIFO]

Long Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
COLUMBIA VALUE & RESTRUCTURING CL Z: UMBIX	987 9250	06/13/08	05/03/10	45,000.00	57,615.78 t	(12,615 78)
FIDELITY ADV LEVERAGED COMPANY STOCK FUND CL I: FLVIX	5,045 8720	06/13/08	05/03/10	164,975.00	209,151 40 t	(44,176.40)
LOOMIS SAYLES STRATEGIC INCOME FUND CLASS A: NEFZX	12,060.6480	06/13/08	05/03/10	175,000 00	174,638 18 t	361.82
PIONEER CULLEN VALUE Y CVFYX	2,587.6940	06/13/08	05/03/10	44,975 00	51,650.37 t	(6,675 37)
PROSHS ULTRA DJ UBS CRUDE OIL : UCO	500 0000	02/27/09	05/03/10	7,124 87	3,925 00 t	3,199 87
PROSHS ULTRA DJ UBS CRUDE OIL UCO	1,600 0000	02/27/09	05/03/10	22,799 61	12,560 00 t	10,239.61
QUANT EMERGING MARKETS FUND ORDINARY SHARE. QFFOX	514.9810	06/13/08	05/03/10	11,000.00	14,198.02 t	(3,198.02)

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

CT5N1304-006222 337156

Realized Gain or (Loss) (continued)

Accounting Method. First In First Out [FIFO]

Long Term (continued)		Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
ROYCE VALUE FUND	SVC CL : RYVFX	6,793 4780	06/13/08	05/03/10	75,000 00	79,211.96 ᵗ	(4,211 96)

[redacted]

Schwab has provided accurate realized gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings If all data for a given investment is not available, the investment will not be listed here.
Option Customers Realized gain/loss of underlying securities is adjusted to reflect the premiums of assigned or exercised options Please consult IRS publication 550, Investment Income and Expenses, for additional information on Options.

Transaction Detail - Purchases & Sales

Bond Funds Activity

Settle Date	Trade Date	Transaction	Description	Quantity	Unit Price	Total Amount
05/04/10	05/03/10	Sold	LOOMIS SAYLES STRATEGIC INCOME FUND CLASS A. NEFZX	(12,060 6480)	14 5100	175,000.00
05/04/10	05/03/10	Bought	OPPENHEIMER INTL BD Y OIBYX	11,696 5680	6 4100	(75,000 00)
05/04/10	05/03/10	Bought	PIMCO TOTAL RETURN FUND INSTL CL PTTRX	13,307.1040	11.1200	(148,000 00)
05/28/10	05/28/10	Reinvested Shares	OPPENHEIMER INTL BD Y· OIBYX	42.9350	6.1400	(263.62)
05/28/10	05/28/10	Reinvested Shares	PIMCO EMRG MKTS BD FD INSTL CL: PEBIX	38 7640	10 5000	(407 02)
05/28/10	05/28/10	Reinvested Shares	PIMCO TOTAL RETURN FUND INSTL CL. PTTRX	67 3050	11 1000	(747.08)

[redacted]

Investment Detail - Other Assets (continued)

Accounting Method
Other Assets First In First Out [FIFO]

Other Assets (continued)	Quantity	Market Price	Market Value / *Cost Basis*	Unrealized Gain or (Loss)
VANGUARD MID CAP SYMBOL: VO	**1,117.0000**	**69.0200**	**77,095.34** *75,943.80*	**1,151.54**
[redacted]				

[redacted]

Realized Gain or (Loss)

Accounting Method: First In First Out [FIFO]

Short Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
PROSHARES ULTRA S&P 500 SSO	1,175 0000	06/04/10	10/05/10	47,497.38	40,947 58	6,549 80
[redacted]						

Schwab has provided accurate realized gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings If all data for a given investment is not available, the investment will not be listed here
Option Customers Realized gain/loss of underlying securities is adjusted to reflect the premiums of assigned or exercised options Please consult IRS publication 550, Investment Income and Expenses, for additional information on Options

G000024050206

charles SCHWAB
INSTITUTIONAL

Schwab One® Account of
C3 FOUNDATION INC

Account Number
2938-9045

Statement Period
December 1-31, 2010

Income Summary

	This Period		Year to Date	
Income Summary	Federally Tax-Exempt[1]	Federally Taxable	Federally Tax-Exempt[1]	Federally Taxable
Money Funds Dividends	6.03	0 00	9.91	0.00
Cash Dividends	0 00	20,838.93	0 00	43,481.43
Total Capital Gains	0 00	5,814.99	0 00	5,814.99
[redacted]				

[1]Certain income in this category may qualify for state tax exemption, consult your tax advisor

Investment Detail - Cash and Money Market Funds [Sweep]

Cash	Market Value
Cash	978 49
[redacted]	

Money Market Funds [Sweep]	Quantity	Market Price	Market Value	Current Yield
SCH AMT TF MMF: SWFXX	73,077.1100	1.0000	73,077 11	0.01%
[redacted]				

[redacted]

Investment Detail - Mutual Funds

Accounting Method
Mutual Funds: First In First Out [FIFO]

Bond Funds	Quantity	Market Price	Market Value	Average Cost Basis	Cost Basis	Unrealized Gain or (Loss)
LOOMIS SAYLES STRATEGIC INCM FD CL Y SYMBOL: NEZYX	5,056 0850	14 7800	74,728 94	14 47	73,161 82[t]	1,567.12

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

CTCN1305-002405 396031

Investment Detail - Total

[redacted]

Realized Gain or (Loss)

Accounting Method: First In First Out [FIFO]

Short Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
OPPENHEIMER INTL BD Y. OIBYX	1,065.4490	05/03/10	04/04/11	6,975.00	6,831.81	143.19
VANGUARD MID CAP VO	198 0000	05/03/10	04/04/11	16,036 86	13,483 60	2,553 26
[redacted]						

Long Term	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
AMERICAN FD GROWTH FD OF AMERICA F2 GFFFX	620 3470	06/13/08	04/04/11	19,975.00	20,515 52 t	(540.52)
COLUMBIA MARSICO 21ST CENTURY FD CL A : NMTAX	2,346 4460	06/13/08	04/04/11	34,000 00	34,351 97 t	(351.97)
DRIEHAUS INTL DISCOVERY FUND. DRIDX	1,178 2550	06/13/08	04/04/11	36,832 25	46,600.00 t	(9,767 75)
FIDELITY ADV LEVERAGED COMPANY STOCK FUND CL I· FLVIX	473 9340	multiple	04/04/11	17,975 00	11,602.83 t	6,372.17
LOOMIS SAYLES STRATEGIC INCM FD CL Y : NEZYX	197.4980	06/13/08	04/04/11	2,975.00	2,857.81 t	117.19
PIMCO EMRG MKTS BD FD INSTL CL : PEBIX	2,697 8420	06/13/08	04/04/11	29,975.00	27,932.45 t	2,042.55
PIMCO TOTAL RETURN FUND INSTL CL PTTRX	549 9540	06/13/08	04/04/11	5,975 00	5,796.51 t	178.49
PROSHS ULTRA DJ ETF NEW UBS CRUDE OIL : UCO	119 0000	02/27/09	04/04/11	6,981.34	3,736 60 t	3,244 74

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

CT4N1305-002510 368742

Realized Gain or (Loss) (continued)

Accounting Method. First In First Out [FIFO]

Long Term (continued)	Quantity/Par	Acquired/ Opened	Sold/ Closed	Total Proceeds	Cost Basis	Realized Gain or (Loss)
PRUDENTIAL JENNISON NATURAL RES A · PGNAX	32 4620	06/13/08	04/04/11	2,000.00	2,256 11 [1]	(256.11)

[redacted]

Schwab has provided accurate realized gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings If all data for a given investment is not available, the investment will not be listed here

Option Customers· Realized gain/loss of underlying securities is adjusted to reflect the premiums of assigned or exercised options. Please consult IRS publication 550, Investment Income and Expenses, for additional information on Options

Transaction Detail - Purchases & Sales

Bond Funds Activity

Settle Date	Trade Date	Transaction	Description	Quantity	Unit Price	Total Amount
04/05/11	04/04/11	Sold	LOOMIS SAYLES STRATEGIC INCM FD CL Y. NEZYX	(197.4980)	15.1900	2,975 00
04/05/11	04/04/11	Sold	OPPENHEIMER INTL BD Y: OIBYX	(1,065.4490)	6.5700	6,975.00
04/05/11	04/04/11	Sold	PIMCO EMRG MKTS BD FD INSTL CL: PEBIX	(2,697.8420)	11.1200	29,975.00
04/05/11	04/04/11	Sold	PIMCO TOTAL RETURN FUND INSTL CL· PTTRX	(549.9540)	10 9100	5,975 00
04/29/11	04/29/11	Reinvested Shares	OPPENHEIMER INTL BD Y· OIBYX	38 1990	6.8000	(259.75)
04/29/11	04/29/11	Reinvested Shares	PIMCO EMRG MKTS BD FD INSTL CL. PEBIX	32 9860	11 1800	(368 78)
04/29/11	04/29/11	Reinvested Shares	PIMCO TOTAL RETURN FUND INSTL CL PTTRX	88.6710	11.0300	(978 04)
Total Bond Funds Activity						[illegible]

Schwab has provided accurate gain and loss information wherever possible for most investments Cost basis data may be incomplete or unavailable for some of your holdings
Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement

CT4N1305-002510 368743