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## Return of Private Foundation

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

2010

Department of the Treasury  
Internal Revenue Service

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

For calendar year 2010, or tax year beginning JUL 1, 2010, and ending JUN 30, 2011

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

ART AND ANNIE SANDLER FOUNDATION, INC

Number and street (or P O box number if mail is not delivered to street address) FEB 448 VIKING DRIVE Room/suite 220

City or town, state, and ZIP code VIRGINIA BEACH, VA 23452

H Check type of organization:  Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundationI Fair market value of all assets at end of year (from Part II, col (c), line 16) **59,624.** (Part I, column (d) must be on cash basis)J Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_

A Employer identification number

54-1850741

B Telephone number

757-463-5000

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 ► 

## Part I. Analysis of Revenue and Expenses

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

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received			N/A	
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments	4.	4.		
4 Dividends and interest from securities	1,885.	1,885.		
5a Gross rents				Statement 1
b Net rental income or (loss)				Statement 2
6a Net gain or (loss) from sale of assets not on line 10 Gross sales price for all assets on line 6a	15,099.			
7 Capital gain net income (from Part IV, line 2)		15,099.		
8 Net short-term capital gain				
9 Income modifications Gross sales less returns and allowances				
10a b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income				
12 Total Add lines 1 through 11	16,988.	16,988.		
13 Compensation of officers, directors, trustees, etc	0.	0.		0.
14 Other employee salaries and wages				
15a Pension plans, employee benefits				
16a Legal fees				
17 Accounting fees				
18 Other professional fees				
19 Interest				
20 Taxes				
21 Depreciation and depletion				
22 Occupancy				
23 Travel, conferences, and meetings				
24 Printing and publications				
25 Other expenses Stmt 3	60.	60.		0.
26 Total operating and administrative expenses. Add lines 13 through 23	60.	60.		0.
27 Contributions, gifts, grants paid	47,000.			47,000.
28 Total expenses and disbursements. Add lines 24 and 25	47,060.	60.		47,000.
29 Subtract line 26 from line 12:				
30 Excess of revenue over expenses and disbursements	-30,072.			
31 Net investment income (if negative, enter -0-)		16,928.		
32 Adjusted net income (if negative, enter -0-)			N/A	

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<b>Part II</b> Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1	Cash - non-interest-bearing	3,623.		
	2	Savings and temporary cash investments	27,486.	1,037.	1,037.
	3	Accounts receivable ►			
		Less: allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less: allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons			
	7	Other notes and loans receivable ►			
		Less: allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock	0.	0.	58,587.
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment basis ►			
		Less accumulated depreciation ►			
	12	Investments - mortgage loans			
	13	Investments - other			
	14	Land, buildings, and equipment basis ►			
		Less accumulated depreciation ►			
	15	Other assets (describe ►) )			
	16	<b>Total assets (to be completed by all filers)</b>	31,109.	1,037.	59,624.
<b>Liabilities</b>	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			
	22	Other liabilities (describe ►) )			
<b>Net Assets or Fund Balances</b>	23	<b>Total liabilities (add lines 17 through 22)</b>	0.	0.	
		Foundations that follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
		and complete lines 24 through 26 and lines 30 and 31			
	24	Unrestricted	31,109.	1,037.	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/>			
		and complete lines 27 through 31			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	<b>Total net assets or fund balances</b>	31,109.	1,037.	
	31	<b>Total liabilities and net assets/fund balances</b>	31,109.	1,037.	

**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	31,109.
2	Enter amount from Part I, line 27a	2	-30,072.
3	Other increases not included in line 2 (itemize) ►	3	0.
4	Add lines 1, 2, and 3	4	1,037.
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	1,037.

**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.)
<b>a</b> ECTEL		D	12/14/06	07/30/10
<b>b</b> VISTEON		D	12/14/06	10/19/10
<b>c</b> PHILLIP MORRIS		D	12/14/06	12/16/10
<b>d</b> HANESBRAND INC		D	Various	06/21/11
<b>e</b> SARA LEE		D	12/14/04	06/21/11
<b>(e)</b> Gross sales price	<b>(f)</b> Depreciation allowed (or allowable)	<b>(g)</b> Cost or other basis plus expense of sale	<b>(h)</b> Gain or (loss) (e) plus (f) minus (g)	
<b>a</b> 2.			<b>2.</b>	
<b>b</b> 4.			<b>4.</b>	
<b>c</b> 14,060.			<b>14,060.</b>	
<b>d</b> 134.			<b>134.</b>	
<b>e</b> 899.			<b>899.</b>	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
<b>(i)</b> F.M V. as of 12/31/69	<b>(j)</b> Adjusted basis as of 12/31/69	<b>(k)</b> Excess of col. (i) over col. (j), if any	<b>(l)</b> Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col (h))	
<b>a</b>			<b>2.</b>	
<b>b</b>			<b>4.</b>	
<b>c</b>			<b>14,060.</b>	
<b>d</b>			<b>134.</b>	
<b>e</b>			<b>899.</b>	
<b>2</b> 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	<b>15,099.</b>	
<b>3</b> Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8			<b>N/A</b>	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

 Yes  No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	0.	87,732.	.000000
2008	0.	80,773.	.000000
2007	106,333.	150,864.	.704827
2006	118,883.	178,109.	.667473
2005	661,949.	533,685.	1.240337

2 Total of line 1, column (d)

**2** **2.612637**

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** **.522527**

4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5

**4** **79,437.**

5 Multiply line 4 by line 3

**5** **41,508.**

6 Enter 1% of net investment income (1% of Part I, line 27b)

**6** **169.**

7 Add lines 5 and 6

**7** **41,677.**

8 Enter qualifying distributions from Part XII, line 4

**8** **47,000.**If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.  
See the Part VI instructions.

**Part VI: Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)**1a Exempt operating foundations described in section 4940(d)(2), check here ►  and enter "N/A" on line 1.

Date of ruling or determination letter: \_\_\_\_\_ (attach copy of letter if necessary-see instructions)

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ►  and enter 1% of Part I, line 27b

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2010 estimated tax payments and 2009 overpayment credited to 2010

6a 40.

b Exempt foreign organizations - tax withheld at source

6b

c Tax paid with application for extension of time to file (Form 8868)

6c 170.

d Backup withholding erroneously withheld

6d

7 Total credits and payments. Add lines 6a through 6d

7 210.

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 41.

11 Enter the amount of line 10 to be Credited to 2011 estimated tax ►

41. Refunded ►

11 0.

**Part VII-A: Statements Regarding Activities**

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

1a X

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?

*If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*

1b X

c Did the foundation file Form 1120-POL for this year?

1c X

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

(1) On the foundation. ► \$ 0. (2) On foundation managers. ► \$ 0.

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► \$ 0.

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

2 X

*If "Yes," attach a detailed description of the activities*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 X

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

*If "Yes," attach the statement required by General Instruction T*

N/A

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

5 X

• By language in the governing instrument, or

6 X

• 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?

7 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*

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ►

VA

8b X

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*9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? *If "Yes," complete Part XIV*

9 X

10 Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*

10 X

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

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) 11   X

12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? 12   X

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► **N/A** 13   X

14 The books are in care of ► **MR. NATHAN BENSON** Telephone no. ► **757-463-5000**  
Located at ► **PO BOX 8790, VIRGINIA BEACH, VA** ZIP+4 ► **23450-8790**

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► **15** N/A

16 At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ► 16   Yes   X

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

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

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  X  No
- (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?  Yes  X  No
- (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?  Yes  X  No
- (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?  Yes  X  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  X  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  X  No

b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)?

Organizations relying on a current notice regarding disaster assistance check here ► **N/A** 1b

c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010? ► **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)): N/A

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  X  No

If "Yes," list the years ► **1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 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**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**

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

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

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

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

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

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

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

N/A  
► 

5b

Organizations relying on a current notice regarding disaster assistance check here

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

N/A

 Yes  No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

 Yes  No

6b

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870

 Yes  No

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

 Yes  No

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

N/A

7b

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ARTHUR B. SANDLER 3076 KLINE DRIVE VIRGINIA BEACH, VA 23452	PRESIDENT 0.50	0.	0.	0.
ANNIE L. SANDLER 3076 KLINE DRIVE VIRGINIA BEACH, VA 23452	SECRETARY 0.50	0.	0.	0.
STEVEN B. SANDLER 1357 HARRIS ROAD VIRGINIA BEACH, VA 23452	VICE PRESIDENT 0.50	0.	0.	0.
RAYMOND L. GOTTLIEB 448 VIKING DRIVE SUITE 220 VIRGINIA BEACH, VA 23452	ASST SECRETARY 0.50	0.	0.	0.

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

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

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

► 0

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**Part VIII** **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**
**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

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

**Total number of others receiving over \$50,000 for professional services**

**0**
**Part IX-A Summary of Direct Charitable Activities**

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

	Expenses
1 <b>N/A</b>	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments**

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

	Amount
1 <b>N/A</b>	
2	
3	
<b>Total. Add lines 1 through 3</b>	<b>0.</b>

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:

a Average monthly fair market value of securities

b Average of monthly cash balances

c Fair market value of all other assets

d Total (add lines 1a, b, and c)

e Reduction claimed for blockage or other factors reported on lines 1a and

1c (attach detailed explanation)

1e 0.

1a	79,599.
1b	1,048.
1c	
1d	80,647.
2	0.
3	80,647.
4	1,210.
5	79,437.
6	3,972.

2 Acquisition indebtedness applicable to line 1 assets

3 Subtract line 2 from line 1d

4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)

5 Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4

6 Minimum investment return Enter 5% of line 5

**Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certainforeign organizations check here ►  and do not complete this part.)

1 Minimum investment return from Part X, line 6

2a Tax on investment income for 2010 from Part VI, line 5

2a 169.

b Income tax for 2010. (This does not include the tax from Part VI.)

2b

c Add lines 2a and 2b

1	3,972.
2c	169.
3	3,803.
4	0.
5	3,803.
6	0.
7	3,803.

3 Distributable amount before adjustments Subtract line 2c from line 1

4 Recoveries of amounts treated as qualifying distributions

5 Add lines 3 and 4

6 Deduction from distributable amount (see instructions)

7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1

**Part XII Qualifying Distributions** (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:

a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26

1a	47,000.
1b	0.
2	
3a	
3b	
4	47,000.
5	169.
6	46,831.

b Program-related investments - total from Part IX-B

2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes

3 Amounts set aside for specific charitable projects that satisfy the:

a Suitability test (prior IRS approval required)

b Cash distribution test (attach the required schedule)

4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4

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

6 Adjusted qualifying distributions. Subtract line 5 from line 4

Note The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

**Part XIII Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				3,803.
2 Undistributed income, if any, as of the end of 2010			0.	
a Enter amount for 2009 only				
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2010.				
a From 2005	649,121.			
b From 2006	110,115.			
c From 2007	98,893.			
d From 2008				
e From 2009				
f Total of lines 3a through e	858,129.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► \$ 47,000.			0.	
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount			3,803.	
e Remaining amount distributed out of corpus	43,197.			
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:	901,326.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		0.		
b Prior years' undistributed income. Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	649,121.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	252,205.			
10 Analysis of line 9:				
a Excess from 2006	110,115.			
b Excess from 2007	98,893.			
c Excess from 2008				
d Excess from 2009				
e Excess from 2010	43,197.			

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling  
b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

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

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

## 1 Information Regarding Foundation Managers:

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

## ARTHUR B. SANDLER

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

None

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

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

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

N/A

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

N/A

#### **c Any submission deadlines**

N/A

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

N/A

## Part XV Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
NORFOLK ACADEMY 1585 WESLEYAN DRIVE NORFOLK, VA 23502		TAX-EXEMPT	PROGRAMS	25,000.
VIRGINIA ARTS FESTIVAL 440 BANK STREET NORFOLK, VA 23510		TAX-EXEMPT	PROGRAMS	12,000.
COLLEGE OF CHARLESTON 66 GEORGE STREET CHARLESTON, SC 29424		TAX-EXEMPT	PROGRAMS	10,000.
<b>Total</b>				► 3a <b>47,000.</b>
<i>b Approved for future payment</i>				
None				
<b>Total</b>				► 3b <b>0.</b>

023611 12-07-10

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Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514	(e) Related or exempt function income
		(a) Business code	(b) Amount	(c) Exclu- sion code	
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.
4 Dividends and interest from securities					
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					15,099.
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)			0.		16,988.
13 Total Add line 12, columns (b), (d), and (e)				0.	16,988.

Relationship of Activities to the Accomplishment of Exempt Purposes



## Form 990-PF Interest on Savings and Temporary Cash Investments Statement 1

Source	Amount
WELLS FARGO	4.
Total to Form 990-PF, Part I, line 3, Column A	4.

## Form 990-PF Dividends and Interest from Securities Statement 2

Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
MERRILL LYNCH	90.	0.	90.
WELLS FARGO	1,795.	0.	1,795.
Total to Fm 990-PF, Part I, ln 4	1,885.	0.	1,885.

## Form 990-PF Other Expenses Statement 3

Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes
TAXES AND LICENSES	60.	60.		0.
To Form 990-PF, Pg 1, ln 23	60.	60.		0.

## Form 990-PF Corporate Stock Statement 4

Description	Book Value	Fair Market Value
INVESTMENTS - STOCKS AND SECURITIES	0.	58,587.
Total to Form 990-PF, Part II, line 10b	0.	58,587.

# Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II (on page 2 of this form)

**Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

Type or print	Name of exempt organization <b>ART AND ANNIE SANDLER FOUNDATION, INC</b>	Employer identification number <b>54-1850741</b>
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P O box, see instructions <b>448 VIKING DRIVE, No. 220</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>VIRGINIA BEACH, VA 23452</b>	

Enter the Return code for the return that this application is for (file a separate application for each return)

**0 4**

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

**MR. NATHAN BENSON**

- The books are in the care of ► **PO BOX 8790 - VIRGINIA BEACH, VA 23450-8790**

Telephone No ► **757-463-5000** FAX No ► **757-463-6898**

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN)  If this is for the whole group, check this box ►  If it is for part of the group, check this box ►  and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until

**February 15, 2012**, to file the exempt organization return for the organization named above. The extension is for the organization's return for.

►  calendar year  or

►  tax year beginning **JUL 1, 2010**, and ending **JUN 30, 2011**

2 If the tax year entered in line 1 is for less than 12 months, check reason  Initial return  Final return  
 Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$ <b>210.</b>
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$ <b>40.</b>
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$ <b>170.</b>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

LHA For Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 1-2011)