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

2010

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 10/1/2010, and ending 9/30/2011

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

SHEPARD'S CORNERSTONE FOUNDATION, INC.

A Employer identification number

01-0548602

Number and street (or P O box number if mail is not delivered to street address)

Room/suite

B Telephone number (see page 10 of the instructions)

c/o L. WOLLIN 89 FIFTH AVENUE

400

212-785-2610

City or town, state, and ZIP code

NEW YORK

NY

10003-3020

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) ▶ \$ 779,703

J Accounting method: ☒ Cash ☐ Accrual  
☐ Other (specify) \_\_\_\_\_  
(Part I, column (d) must be on cash basis)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) (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)
<b>Revenue</b>				
1 Contributions, gifts, grants, etc., received (attach schedule)				
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments	0	0		
4 Dividends and interest from securities	14,616	14,616		
5 a Gross rents	13,625	13,625		
b Net rental income or (loss)	0			
6 a Net gain or (loss) from sale of assets not on line 10	-161,296			
b Gross sales price for all assets on line 6a	0			
7 Capital gain net income (from Part IV, line 2)		0		
8 Net short-term capital gain				
9 Income modifications				
10 a Gross sales less returns and allowances	0			
b Less: Cost of goods sold	0			
c Gross profit or (loss) (attach schedule)	0			
11 Other income (attach schedule)	861	861	0	
12 Total. Add lines 1 through 11	-132,194	29,102	0	
<b>Operating and Administrative Expenses</b>				
13 Compensation of officers, directors, trustees, etc.	0			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)	0	0	0	0
b Accounting fees (attach schedule)	1,400	0	0	0
c Other professional fees (attach schedule)	10,527	10,527	0	0
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)	10	0	0	0
19 Depreciation (attach schedule) and depletion	0	0	0	
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	24,169	12,494	0	0
24 Total operating and administrative expenses. Add lines 13 through 23	36,106	23,021	0	0
25 Contributions, gifts, grants paid	77,850			77,850
26 Total expenses and disbursements. Add lines 24 and 25	113,956	23,021	0	77,850
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-246,150			
b Net investment income (if negative, enter -0-)		6,081		
c Adjusted net income (if negative, enter -0-)			0	

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

Form 990-PF (2010)

SCANNED JUN 25 2012

10

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 . . . . .	4,662				
	2	Savings and temporary cash investments . . . . .	51,836	192,938	192,938		
	3	Accounts receivable ▶ . . . . .					
		Less: allowance for doubtful accounts ▶ . . . . .	0	0	0		
	4	Pledges receivable ▶ . . . . .					
		Less: allowance for doubtful accounts ▶ . . . . .	0	0	0		
	5	Grants receivable . . . . .					
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions) . . . . .	0	0	0		
	7	Other notes and loans receivable (attach schedule) ▶ . . . . .					
		Less: allowance for doubtful accounts ▶ . . . . .	0	0	0		
	8	Inventories for sale or use . . . . .					
	9	Prepaid expenses and deferred charges . . . . .					
	10 a	Investments—U S and state government obligations (attach schedule) . . . . .	33,192	0	0		
	b	Investments—corporate stock (attach schedule) . . . . .	305,100	350,526	341,765		
	c	Investments—corporate bonds (attach schedule) . . . . .	0	0	0		
	Liabilities	11	Investments—land, buildings, and equipment basis ▶ . . . . .				
		Less: accumulated depreciation (attach schedule) ▶ . . . . .	0	0	0		
12		Investments—mortgage loans . . . . .					
13		Investments—other (attach schedule) . . . . .	-96,485	-120,382	120,000		
14		Land, buildings, and equipment: basis ▶ . . . . . 535,859					
		Less: accumulated depreciation (attach schedule) ▶ . . . . .	0	0	0		
15		Other assets (describe ▶ Art Held for Public Exhibit ) . . . . .	150,000	150,000	75,000		
16		Total assets (to be completed by all filers—see the instructions Also, see page 1, item I) . . . . .	938,635	691,635	779,703		
17		Accounts payable and accrued expenses . . . . .					
18		Grants payable . . . . .					
Net Assets or Fund Balances	19	Deferred revenue . . . . .					
	20	Loans from officers, directors, trustees, and other disqualified persons . . . . .	0	0			
	21	Mortgages and other notes payable (attach schedule) . . . . .	0	0			
	22	Other liabilities (describe ▶ RENTAL DEPOSIT ) . . . . .	850	0			
	23	Total liabilities (add lines 17 through 22) . . . . .	850	0			
		Foundations that follow SFAS 117, check here . . . . . <input type="checkbox"/>					
	24	Unrestricted . . . . .					
	25	Temporarily restricted . . . . .					
	26	Permanently restricted . . . . .					
		Foundations that do not follow SFAS 117, check here . . . . . <input checked="" type="checkbox"/>					
27	Capital stock, trust principal, or current funds . . . . .	937,785	691,635				
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) . . . . .	937,785	691,635				
31	Total liabilities and net assets/fund balances (see page 17 of the instructions) . . . . .	938,635	691,635				

## 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	937,785
2	Enter amount from Part I, line 27a . . . . .	2	-246,150
3	Other increases not included in line 2 (itemize) ▶ . . . . .	3	0
4	Add lines 1, 2, and 3 . . . . .	4	691,635
5	Decreases not included in line 2 (itemize) ▶ ROUNDING . . . . .	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	691,635

**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>1a</b> PINE HILL CONDO - A301	P	10/1/2007	3/1/2011
<b>b</b> PINE HILL CONDO - B 404	P	10/1/2007	8/25/2011
<b>c</b> SCHEDULE ATTACHED - LT Capital	P	1/1/2008	9/30/2011
<b>d</b>			
<b>e</b>			

(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)
<b>a</b> 101,252	22,767	208,717	-84,698
<b>b</b> 103,203	22,762	208,589	-82,624
<b>c</b> 327,368	0	321,342	6,026
<b>d</b> 0	0	0	0
<b>e</b> 0	0	0	0

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	
<b>a</b> 0	0	0	-84,698
<b>b</b> 0	0	0	-82,624
<b>c</b> 0	0	0	6,026
<b>d</b> 0	0	0	0
<b>e</b> 0	0	0	0

<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 }	<b>2</b>	-161,296
<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) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 }	<b>3</b>	0

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

**1** Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2009	55,800	1,347,259	0.041417
2008	60,082	1,060,225	0.056669
2007	74,096	1,181,816	0.062697
2006	75,296	1,441,884	0.052221
2005	90,130	1,549,485	0.058168

<b>2</b> Total of line 1, column (d)	<b>2</b>	0.271172
<b>3</b> 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	<b>3</b>	0.054234
<b>4</b> Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	<b>4</b>	763,866
<b>5</b> Multiply line 4 by line 3	<b>5</b>	41,428
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)	<b>6</b>	0
<b>7</b> Add lines 5 and 6	<b>7</b>	41,428
<b>8</b> Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.	<b>8</b>	77,850

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary—see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	0	
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0	
3 Add lines 1 and 2		3	0	
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4		
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	0	
6 Credits/Payments:				
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	646		
b Exempt foreign organizations—tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	600		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d	7	1,246		
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	0		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,246		
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input checked="" type="checkbox"/> 1,246 Refunded <input type="checkbox"/>	11	0		

**Part VII-A Statements Regarding Activities**

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

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions) . . . . .	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 <b>► N/A</b>				
14	The books are in care of <b>► LONNIE WOLLIN</b> Telephone no. <b>► 212-785-2610</b>			
	Located at <b>► 124 PROSPECT ST RIDGEWOOD NJ</b> ZIP+4 <b>► 07450</b>			
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 . . . . . <b>► 15</b>			
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	Yes	No
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 <b>►</b>				X

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

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

	Yes	No
<b>1a</b> During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</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)? . . . . . <input type="checkbox"/> <b>1b</b> N/A		
<b>c</b> 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? . . . . . <b>1c</b> X		
<b>2</b> 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)):		
<b>a</b> At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If "Yes," list the years <b>► 20</b> . . . . .		
<b>b</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.) . . . . . <b>2b</b> N/A		
<b>c</b> If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <b>► 20</b> . . . . .		
<b>3a</b> Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? . . . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</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.) . . . . . <b>3b</b> N/A		
<b>4a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? . . . . . <b>4a</b> X		
<b>b</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? . . . . . <b>4b</b> 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 inRegulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? ☐ Yes ☒ NoOrganizations 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 thetax 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? ☐ Yes ☒ No

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

**7a** At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No**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
SCHEDULE ATTACHED	.00	0	0	0
	.00	0	0	0
	.00	0	0	0
	.00	0	0	0

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

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

Total number of other employees paid over \$50,000 ☐ 0

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."		
(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		0
		0
		0
		0
		0
		0
Total number of others receiving over \$50,000 for professional services		0

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

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1	
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	
2	
All other program-related investments. See page 24 of the instructions	
3	0
Total. Add lines 1 through 3	0



**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	342,700
<b>b</b>	Average of monthly cash balances	<b>1b</b>	116,131
<b>c</b>	Fair market value of all other assets (see page 25 of the instructions)	<b>1c</b>	316,667
<b>d</b>	Total (add lines 1a, b, and c)	<b>1d</b>	775,498
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	775,498
<b>4</b>	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	<b>4</b>	11,632
<b>5</b>	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	<b>5</b>	763,866
<b>6</b>	Minimum investment return. Enter 5% of line 5	<b>6</b>	38,193

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	38,193
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5	<b>2a</b>	0
<b>b</b>	Income tax for 2010. (This does not include the tax from Part VI.)	<b>2b</b>	0
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	0
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	38,193
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	38,193
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions)	<b>6</b>	
<b>7</b>	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	38,193

**Part XII Qualifying Distributions** (see page 25 of the instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26	<b>1a</b>	77,850
<b>b</b>	Program-related investments—total from Part IX-B	<b>1b</b>	0
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	0
<b>4</b>	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4.	<b>4</b>	77,850
<b>5</b>	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)	<b>5</b>	0
<b>6</b>	Adjusted qualifying distributions. Subtract line 5 from line 4	<b>6</b>	77,850

**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
<b>1</b> Distributable amount for 2010 from Part XI, line 7 . . . . .				38,193
<b>2</b> Undistributed income, if any, as of the end of 2010:				
<b>a</b> Enter amount for 2009 only . . . . .			0	
<b>b</b> Total for prior years: 20____, 20____, 20____ . . . . .		0		
<b>3</b> Excess distributions carryover, if any, to 2010.				
<b>a</b> From 2005 . . . . . 2,403				
<b>b</b> From 2006 . . . . . 5,185				
<b>c</b> From 2007 . . . . . 15,311				
<b>d</b> From 2008 . . . . . 7,071				
<b>e</b> From 2009 . . . . . 0				
<b>f</b> Total of lines 3a through e . . . . .	29,970			
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4: ► \$ 77,850				
<b>a</b> Applied to 2009, but not more than line 2a . . . . .			0	
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions) . . . . .		0		
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions) . . . . .	0			
<b>d</b> Applied to 2010 distributable amount . . . . .				38,193
<b>e</b> Remaining amount distributed out of corpus . . . . .	39,657			
<b>5</b> Excess distributions carryover applied to 2010 . . . . .	0			0
(If an amount appears in column (d), the same amount must be shown in column (a) )				
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5 . . . . .	69,627			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b . . . . .		0		
<b>c</b> 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 . . . . .				
<b>d</b> Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions . . . . .		0		
<b>e</b> Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions . . . . .			0	
<b>f</b> Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011 . . . . .				0
<b>7</b> 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) . . . . .				
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .	2,403			
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a . . . . .	67,224			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2006 . . . . . 5,185				
<b>b</b> Excess from 2007 . . . . . 15,311				
<b>c</b> Excess from 2008 . . . . . 7,071				
<b>d</b> Excess from 2009 . . . . . 0				
<b>e</b> Excess from 2010 . . . . . 39,657				

<b>Part XIV</b>	<b>Private Operating Foundations</b> (see page 27 of the instructions and Part VII-A, question 9)	<b>N/A</b>
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**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 . . . . .

N/A

**b** Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or ☐ 4942(j)(5)

**2 a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .

**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).)

PETER WILSON

**CYNTHIA WILSON**

**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	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)				
<b>a</b> Paid during the year SCHEDULE ATTACHED	N/A	PUBLIC		77,850
<b>Total</b>			▶ <b>3a</b>	77,850
<b>b</b> Approved for future payment				
<b>Total</b>			▶ <b>3b</b>	0



Form **990-PF** (2010)

**Line 16b (990-PF) - Accounting Fees**

		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	NAME OF ORGANIZATION OR PERSON PROVIDING SERVICE				
2	LONNIE E WOLLIN, PC	1,400			
3					
4					
5					
6					
7					
8					
9					
10					

**Line 18 (990-PF) - Taxes**

		10	0	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Real estate tax not included in line 20				
2	Tax on investment income	10			
3	Income tax				
4					
5					
6					
7					
8					
9					
10					



**Line 23 (990-PF) - Other Expenses**

		32,047	20,372	0	0
	Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Amortization. See attached statement	0	0	0	0
2	Supplies	1,615			
3	DELAWARE FRANCHISE TAX				
4	DELAWARE REPRESENTATION FEE				
5	ART EXHIBIT EXPENSE				
6	BANK CHARGE	60			
7	PROPERTY MAINTENANCE	12,494	12,494		
8	PROPERTY MGT FEE	7,878	7,878		
9	DIRECTOR'S FEE	10,000			
10					

<b>9/30/2011</b>					
<b>SEC Positions</b>					
<b>Shares</b>	<b>Descriptions</b>	<b>Symbol</b>	<b>Date Purch</b>	<b>Cost</b>	<b>FMV</b>
<b>Common Stocks</b>					
152	BERKSHIRE HATHAWAY INC CL B	BRKB	8/11/2011	10,670	10,798
<b>Exchange traded &amp; closed end funds</b>					
1452	ISHARES MSCI JAPAN INDEX FUND	EWJ	8/11/2011	14,297	13,736
320	ISHARES BARCLAYS 1-3 YR CD BD FD	CSJ	8/11/2011	28,596	28,491
<b>Mutual Funds</b>					
1597.766	DOUBLELINE TOTAL RETURN FUND	DBLTX	8/11/2011	17,879	17,895
630.644	FIRST EAGLE OVERSEES FUND CL 1	SGOIX	8/11/2011	14,303	13,571
437.638	FIRST EAGLE OVERSEES FUND CL 1	SGOIX	8/11/2011	7,151	7,007
684.962	HATTERAS ALPHA HEDGED STRAT FUND	ALPHX	8/11/2011	7,151	7,041
2176.522	JP MORGAN STRATEGIC INC	JSOSX	8/11/2011	25,030	24,616
1391.31	JP MORGAN HIGH YIELD FUND	OHYFX	8/11/2011	10,727	10,421
864.384	LOOMIS SAYLES INVESTMENT	LIGRX	8/11/2011	10,727	10,476
722.844	LOOMIS SAYLES STRATEGIC FUND	NEFZX	8/11/2011	10,727	10,272
2648.741	LORD ABBETT EMERGING MARKETS	LDMFX	8/11/2011	17,879	16,555
2027.098	LORD ABBETT FLOATING RATE FUND CL F	LFRFX	8/11/2011	17,879	17,899
686.748	MERGER FUND	MERFX	8/11/2011	10,727	10,706
683.652	NATIXIS FDS	FAFYX	8/11/2011	7,151	6,994
994.161	NEUBERGER BERMAN EQUITY INC FUND	NBHIX	8/11/2011	10,727	10,339
1984.644	PIMCO ALL ASSET ALL AUTHORITY FUND C	PAUPX	8/11/2011	21,454	20,025
269.747	RYDEX SGI LONG/SHORT FUND CL H	RYLFX	8/11/2011	7,151	6,660
280.762	RYDEX SGI MANAGED FUT STRATEGY CL I	RYMFX	8/11/2011	7,151	6,921
1285.085	TCW EMERGING MARKETS INC FUND N	TGINX	8/11/2011	14,303	13,018
1629.808	TWC TOTAL RETURN BOND FUND CL N	TGMNX	12/29/2009	16,950	16,640
107.782	TWC TOTAL RETURN BOND FUND CL N	TGMNX	8/11/2011	1,108	1,100
3451.002	THORNBURG LTD TERM INC FUND CL I	THIIX	8/11/2011	46,485	45,967
1248.08	VIRTUS PREMIUM ALPHASECTOR	VAPIX	8/11/2011	14,303	14,615
				350,526	341,765
<b>9/30/2010</b>					
<b>SEC Positions</b>					
<b>Shares</b>	<b>Descriptions</b>	<b>Symbol</b>	<b>Date Purch</b>	<b>Cost</b>	<b>FMV</b>
5726.351	DELAWARE LIMITED TERM	DTRIX	12/29/2006	50,850	51,709
6588.921	GOLDMAN SACHS SHORT DURATION	GSTGX	12/29/2009	67,800	68,657
16563.518	JANUS SHORT TERM BOND FUND	JSHIX	12/29/2009	50,850	51,678
4941.691	PIMCO LOW DURATION FUND CL P	PLDPX	12/29/2009	50,850	52,530
7345.612	SENTINEL SHOR MATURITY GOV'T	SSIGX	12/29/2009	67,800	68,535
1629.808	TCW TOTAL RETURN BOND FUND	TGMNX	12/29/2009	16,950	17,390
				305,100	310,498
<b>BONDS</b>					
320	ISHARES BARCLAYS TREAS	TIP	12/29/2009	33,192	34,899
				33,192	34,899
				338,292	345,398

**Part II, Line 13 (990-PF) - Investments - Other**

	Item or Category	Basis of Valuation	Book Value Beg. of Year	Book Value End of Year	FMV End of Year
1	FLOURNOY PREF EQUITY		-96,485	-120,382	120,000
2					
3					
4					
5					
6					
7					
8					
9					
10					

**Part II, Line 14 (990-PF) - Land, Buildings, and Equipment**

		535,859	45,529	0	490,330	118,553	50,000
	Item or Category	Cost or Other Basis	Accumulated Depreciation Beg. of Year	Accumulated Depreciation End of Year	Book Value Beg. of Year	Book Value End of Year	FMV End of Year
1	PINE HILL RE 301	208,717	22,767		185,950		
2	PINE HILL RE 304	208,589	22,762		185,827		
3	LAND	118,553			118,553	118,553	50,000
4					0	0	
5					0	0	
6					0	0	
7					0	0	
8					0	0	
9					0	0	
10					0	0	
11					0	0	
12					0	0	
13					0	0	
14					0	0	
15					0	0	
16					0	0	
17					0	0	

Part II, Line 15 (990-PF) - Other Assets

	Description	150,000	150,000	75,000
1	Art Held for Public Exhibit	150,000	150,000	75,000
2				
3				
4				
5				
6				
7				
8				
9				
10				

**Part II, Line 22 (990-PF) - Other Liabilities**

	Description	Beginning Balance	Ending Balance
1	RENTAL DEPOSIT	850	
2			
3			
4			
5			
6			
7			
8			
9			
10			

09/30/2011

SHEPARD'S CORNERSTONE FDN

5/18/2012

PART IV line 1a						
LONG TERM CAPITAL GAIN/LOSS - 09-30-2011						
Date						Short Term
Purchased	Trade Date	Transaction Description	Quantity	Sale Price	Cost Basis	Gain or (Loss)
12/29/2009	8/11/2011	DE LIMITED TERM DIV INC FND CL A	5726 351	52,053	50,850	1,203
12/29/2009	8/11/2011	GOLDMAN SACHS SHORT DUR GOVT	6588.884	67,668	67,800	(132)
12/29/2009	8/11/2011	ISHARES BARCLAYS TREAS	320	37,203	33,192	4,011
12/29/2009	8/11/2011	JANUS SHORT-TERM BOND FUND	16510.087	50,686	50,850	(164)
12/29/2009	8/11/2011	PIMCO LOW DURATION FUND CL P	4941 691	51,591	50,850	741
12/29/2009	8/11/2011	SENTINEL SHORT MATURITY GOVT FUND C	7345 612	68,167	67,800	367
				327,368	321,342	6,026

PART VIII line 1a	TITLE	TITLE	COMPENSATION	BENEFITS	EXPENSE ACCT
PETER WILSON DESTIN, FL 32541	DIRECTOR	PRES P/T	0	0	0
CYNTHIA WILSON DESTIN, FL 32541	DIRECTOR	VP P/T	0	0	0
LONNIE WOLLIN 89 Fifth Avenue 4th Floor NEW YORK, NY 10003		SECY P/T	1,400	0	0



PART XV 3(a)						
	City	State	If recipient is Individual	Recipient Status	Purpose	Amount
Alzheimer's Association	Chicago	IL	N/A	public charity	Charitable	12,500 00
BSA - Gulf Court Council	Pensacola	FL	N/A	public charity	Charitable	2,500 00
Campus Crusade	Orlando	FL	N/A	public charity	Religious	5,000 00
Be Fruitful & Multiply	Palestine	TX	N/A	public charity	Religious	1,200 00
Care International	Atlanta	GA	N/A	public charity	Religious	2,000 00
Destin United Methodist Church	Destin	FL	N/A	public charity	Religious	25,500 00
World Vision	Federal Way	WA	N/A	public charity	Charitable	650 00
Harvest of the Vineyard	Crestview	FL	N/A	public charity	Religious	22,500 00
Miracle Prayer Center	Destin	FL	N/A	public charity	Religious	2,500 00
Soldiers Angels	Pasadena	CA	N/A	public charity	Charitable	1,500 00
Philip Cameron Ministries	Montgomery	AL	N/A	public charity	Charitable	2,000 00
						77,850 00