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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 OCT 1, 2010, and ending SEP 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 <b>IMMANUEL CHARITABLE FOUNDATION</b>		A Employer identification number <b>86-0894096</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>1015 EAST CAROLINE LANE</b>	Room/suite	B Telephone number <b>602-531-7128</b>
City or town, state, and ZIP code <b>TEMPE, AZ 85284</b>		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <b>\$ 4,411,306.</b> (Part I, column (d) must be on cash basis.)	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(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		68.	68.		STATEMENT 1
4 Dividends and interest from securities		101,681.	101,681.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		178,702.			
b Gross sales price for all assets on line 6a		844,399.			
7 Capital gain net income (from Part IV, line 2)			178,702.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total Add lines 1 through 11		280,451.	280,451.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 3		37.	0.		37.
b Accounting fees					
c Other professional fees STMT 4		30,080.	30,080.		0.
17 Interest		10,062.	10,062.		0.
18 Taxes STMT 5		1,365.	548.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications		926.	926.		0.
23 Other expenses STMT 6		6,500.	6,392.		108.
24 Total operating and administrative expenses. Add lines 13 through 23		48,970.	48,008.		145.
25 Contributions, gifts, grants paid		125,966.			125,966.
26 Total expenses and disbursements. Add lines 24 and 25		174,936.	48,008.		126,111.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		105,515.			
b Net investment income (if negative, enter -0-)			232,443.		
c Adjusted net income (if negative, enter -0-)				N/A	

614 6

Part II 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
Assets	1 Cash - non-interest-bearing	179,174.	430,635.	430,635.
	2 Savings and temporary cash investments			
	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 STMT 7	2,170,857.	1,820,512.	1,820,512.
	c Investments - corporate bonds STMT 8	1,095,877.	1,026,580.	1,026,580.
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 9	1,065,143.	1,133,579.	1,133,579.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	4,511,051.	4,411,306.	4,411,306.
	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			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	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 ▶ <input checked="" type="checkbox"/>			
	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	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	4,511,051.	4,411,306.	
	30 Total net assets or fund balances	4,511,051.	4,411,306.	
	31 Total liabilities and net assets/fund balances	4,511,051.	4,411,306.	

## 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	4,511,051.
2 Enter amount from Part I, line 27a	2	105,515.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	4,616,566.
5 Decreases not included in line 2 (itemize) ▶ UNREALIZED LOSSES	5	205,260.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,411,306.

**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			
b <b>SEE ATTACHED STATEMENT</b>			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e <b>844,399.</b>		<b>665,697.</b>	<b>178,702.</b>

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
b			
c			
d			
e			<b>178,702.</b>

2 Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	2	<b>178,702.</b>
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). If (loss), enter -0- in Part I, line 8		3	<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	<b>239,246.</b>	<b>4,489,072.</b>	<b>.053295</b>
2008	<b>197,115.</b>	<b>3,863,754.</b>	<b>.051016</b>
2007	<b>191,609.</b>	<b>4,902,215.</b>	<b>.039086</b>
2006	<b>222,532.</b>	<b>2,874,571.</b>	<b>.077414</b>
2005	<b>213,895.</b>	<b>2,267,750.</b>	<b>.094320</b>

2 Total of line 1, column (d)	2	<b>.315131</b>
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	<b>.063026</b>
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	<b>4,738,791.</b>
5 Multiply line 4 by line 3	5	<b>298,667.</b>
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	<b>2,324.</b>
7 Add lines 5 and 6	7	<b>300,991.</b>
8 Enter qualifying distributions from Part XII, line 4	8	<b>126,111.</b>

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1 4,649.
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 4,649.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4 0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5 4,649.
6 Credits/Payments:		
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	
b Exempt foreign organizations - tax withheld at source	6b	
c Tax paid with application for extension of time to file (Form 8868)	6c	
d Backup withholding erroneously withheld	6d	
7 Total credits and payments. Add lines 6a through 6d	7	0.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	20.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	4,669.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b 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.		X
1c 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. \$ 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? 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
4a 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?		
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	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>AZ</u>		
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)? 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

N/A

**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 ► <b>N/A</b>	13	X	
14	The books are in care of ► <b>CHARLES B. DUFF</b> Telephone no. ► <b>602-531-7128</b> Located at ► <b>1015 E CAROLINE LANE, TEMPE, AZ</b> ZIP+4 ► <b>85284</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 ► 15 <b>N/A</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? 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	No
				X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <b>N/A</b>	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)):		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ►		
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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 instructions.) <b>N/A</b>	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. ►		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.) <b>N/A</b>	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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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

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

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

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

6b

X

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
CHARLES B. DUFF	PRESIDENT			
1015 E CAROLINE LANE				
TEMPE, AZ 85284	5.00	0.	0.	0.
DORIE J. DUFF	SECRETARY			
1015 E CAROLINE LANE				
TEMPE, AZ 85284	5.00	0.	0.	0.
CHARLES E. DUFF	DIRECTOR			
1402 E CAROLINE LANE				
TEMPE, AZ 85284	1.00	0.	0.	0.
JOHN B. DUFF	DIRECTOR			
507 N LUCERNE BLVD				
LOS ANGELES, CA 90004	1.00	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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**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

<b>Total</b> number of others receiving over \$50,000 for professional services	0
---	---

## Expenses

Amount

<b>Total.</b> Add lines 1 through 3	0.
-------------------------------------	----



**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see 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>	3,342,418.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	334,958.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	1,133,579.
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	4,810,955.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	4,810,955.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	72,164.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	4,738,791.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	236,940.

**Part XI Distributable Amount** (see 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>	236,940.
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5	<b>2a</b>	4,649.
<b>b</b>	Income tax for 2010. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	4,649.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	232,291.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.
<b>5</b>	Add lines 3 and 4	<b>5</b>	232,291.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	232,291.

**Part XII Qualifying Distributions** (see 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>	126,111.
<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>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	126,111.
<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	<b>5</b>	0.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	126,111.

**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
<b>1</b> Distributable amount for 2010 from Part XI, line 7				232,291.
<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:		0.		
<b>3</b> Excess distributions carryover, if any, to 2010:				
<b>a</b> From 2005	104,318.			
<b>b</b> From 2006	81,315.			
<b>c</b> From 2007				
<b>d</b> From 2008	5,854.			
<b>e</b> From 2009				
<b>f</b> Total of lines 3a through e	191,487.			
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4: ► \$	126,111.			
<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 instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2010 distributable amount				126,111.
<b>e</b> Remaining amount distributed out of corpus	0.			
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	106,180.			106,180.
<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	85,307.			
<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		0.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			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)	0.			
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	85,307.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2006	79,453.			
<b>b</b> Excess from 2007				
<b>c</b> Excess from 2008	5,854.			
<b>d</b> Excess from 2009				
<b>e</b> Excess from 2010				

**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)

- 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.

[illegible]

- 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).)

CHARLES B. DUFF

- 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:

- 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 XVII

## Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- |          |  | Yes          | No       |
|----------|--|--------------|----------|
| <b>1</b> | 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?  |              |          |
| <b>a</b> | Transfers from the reporting foundation to a noncharitable exempt organization of:   |              |          |
|          | (1) Cash   | <b>1a(1)</b> | <b>X</b> |
|          | (2) Other assets   | <b>1a(2)</b> | <b>X</b> |
| <b>b</b> | Other transactions:  |              |          |
|          | (1) Sales of assets to a noncharitable exempt organization   | <b>1b(1)</b> | <b>X</b> |
|          | (2) Purchases of assets from a noncharitable exempt organization   | <b>1b(2)</b> | <b>X</b> |
|          | (3) Rental of facilities, equipment, or other assets   | <b>1b(3)</b> | <b>X</b> |
|          | (4) Reimbursement arrangements   | <b>1b(4)</b> | <b>X</b> |
|          | (5) Loans or loan guarantees   | <b>1b(5)</b> | <b>X</b> |
|          | (6) Performance of services or membership or fundraising solicitations   | <b>1b(6)</b> | <b>X</b> |
| <b>c</b> | Sharing of facilities, equipment, mailing lists, other assets, or paid employees   | <b>1c</b>    | <b>X</b> |
| <b>d</b> | 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. |              |          |

[illegible]

- 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
N/A		

**Sign  
Here**

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

Signature of officer or trustee

Date \_\_\_\_\_

PRESIDENT

Title

**Paid  
Preparer  
Use Only**

Print/Type preparer's name
----------------------------

Preparer's signature: \_\_\_\_\_

Date
------

Check ☐ self-employed

PTIN
------

JOSHUA P. HAYES

JOSHUA P. HAYES

01/09/12

Firm's name ► EIDE BAILLY LLP

Firm's EIN ▶

Firm's address ► 1850 N. CENTRAL AVENUE, SUITE 400  
PHOENIX, AZ 85004-4527

Phone no. **602-264-5844**

IMMANUEL CHARITABLE FOUNDATION

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	TALON ASSET MANAGEMENT LLC	P	06/10/10	02/08/11
b	TALON ASSET MANAGEMENT LLC	P	03/31/09	04/20/11
c	TALON INT'L K-1	P	06/10/10	02/08/11
d	TALON INT'L K-1	P	03/31/09	04/20/11
e	TALON TOTAL K-1	P	06/10/10	02/08/11
f	TALON TOTAL K-1	P	03/31/09	04/20/11
g	TALON SHARPRIDGE K-1	P	03/31/09	04/20/11
h	TALON SHARPRIDGE SALE OF PTSHP INTEREST	P	01/01/07	08/11/10
i	CAPITAL GAINS DIVIDENDS			
j				
k				
l				
m				
n				
o				

(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 98,645.		98,206.	439.
b 654,482.		460,390.	194,092.
c		1,881.	<1,881.>
d		2,784.	<2,784.>
e 170.			170.
f		3,936.	<3,936.>
g 138.			138.
h 54,931.		98,500.	<43,569.>
i 36,033.			36,033.
j			
k			
l			
m			
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			439.
b			194,092.
c			<1,881.>
d			<2,784.>
e			170.
f			<3,936.>
g			138.
h			<43,569.>
i			36,033.
j			
k			
l			
m			
n			
o			

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	178,702.
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). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

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**FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1**


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SOURCE	AMOUNT
TALON ASSET MANAGEMENT	68.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	68.

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**FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2**


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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
TALON ASSET MANAGEMENT	81,227.	36,033.	45,194.
TALON INT'L K-1	5,710.	0.	5,710.
TALON SHARPRIDGE K-1	1,996.	0.	1,996.
TALON TOTAL RETURN K-1	48,781.	0.	48,781.
TOTAL TO FM 990-PF, PART I, LN 4	137,714.	36,033.	101,681.

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**FORM 990-PF LEGAL FEES STATEMENT 3**


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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	37.	0.		37.
TO FM 990-PF, PG 1, LN 16A	37.	0.		37.

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**FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4**


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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES	30,080.	30,080.		0.
TO FORM 990-PF, PG 1, LN 16C	30,080.	30,080.		0.

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FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FEDERAL EXCISE TAX	817.	0.		0.	
FOREIGN TAXES WITHHELD	548.	548.		0.	
TO FORM 990-PF, PG 1, LN 18	1,365.	548.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
OFFICE EXPENSE	108.	0.		108.	
TALON INT'L K-1	3,984.	3,984.		0.	
TALON TOTAL RETURN K-1	2,328.	2,328.		0.	
TALON SHARPRIDGE K-1	80.	80.		0.	
TO FORM 990-PF, PG 1, LN 23	6,500.	6,392.		108.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	7
DESCRIPTION			BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK			1,820,512.	1,820,512.
TOTAL TO FORM 990-PF, PART II, LINE 10B			1,820,512.	1,820,512.

FORM 990-PF	CORPORATE BONDS		STATEMENT	8
DESCRIPTION			BOOK VALUE	FAIR MARKET VALUE
BONDS			1,026,580.	1,026,580.
TOTAL TO FORM 990-PF, PART II, LINE 10C			1,026,580.	1,026,580.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	9
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
TALON INTERNATIONAL SELECT	COST	273,400.	273,400.
TALON TOTAL RETURN	COST	860,179.	860,179.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,133,579.	1,133,579.

FORM 990-PF	GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR	STATEMENT	10
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RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
ARIZONA COMMUNITY CHURCH 9325 S RURAL RD TEMPE, AZ 85284	N/A CHURCH	501(C)(3)	300.
ALONGSIDE MINISTRIES 4650 N 35TH AVE PHOENIX, AZ 85017	N/A PRISON INMATE AFTERCARE	501(C)(3)	5,000.
AMERICAN DIABETES ASSOCIATION RESEARCH FOUNDATION 1701 BEAUREGARD ST ALEXANDRIA, VA 64802	N/A MEDICAL RESEARCH	501(C)(3)	1,000.
AMERICAN REHABILITATION MINISTRIES PO BOX 1490 JOPLIN, MO 64802	N/A PRISON OUTREACH MINISTRY	501(C)(3)	1,616.
CENTER FOR ARIZONA POLICY 11000 N SCOTTSDALE RD SUITE 120 SCOTTSDALE, AZ 85254	N/A FAMILY POLICY SUPPORT	501(C)(3)	15,000.
CHRIST CHURCH LUTHERAN 3901 E INDIAN SCHOOL RD PHOENIX, AZ 85018	N/A CHURCH	501(C)(3)	15,000.

IMMANUEL CHARITABLE FOUNDATION			86-0894096
BROTHERHOOD ORGANIZATION PO BOX 35090 LOS ANGELES, CA 90035	N/A MINORITY SCHOLARSHIPS	501(C)(3)	1,000.
BETHANY COMMUNITY CHURCH 6240 S PRICE RD TEMPE, AZ 85283	N/A CHURCH	501(C)(3)	5,000.
CRESCENT PROJECT PO BOX 50986 INDIANAPOLIS, IN 46250	N/A MUSLIM OUTREACH	501(C)(3)	1,000.
FRONTIERS PO BOX 60670 PHOENIX, AZ 85082	N/A TRAIN FOREIGN MISSIONARIES	501(C)(3)	6,000.
FOOD FOR THE HUNGRY 1224 E WASHINGTON PHOENIX, AZ 85034	N/A FOOD FOR NEEDY COUNTRIES	501(C)(3)	5,000.
FREEDOM CHALLENGE 12025 W LYNNDALE WITCHITA, KS 67235	N/A INMATE EDUCATIONAL PROGRAM SUPPORT	501(C)(3)	5,000.
DOX CHURCH PO BOX 13537 PORTLAND, OR 97213	N/A CHURCH	501(C)(3)	10,000.
FIRST BAPTIST CHURCH OF SCOTTSDALE 7025 E OSBORN RD SCOTTSDALE, AZ 85251	N/A CHURCH	501(C)(3)	2,000.
LEUKEMIA AND LYMPHOMA SOCIETY 1311 MAMARONECK AVE, SUITE 310 WHITE PLAINS, NY 10605	N/A MEDICAL RESEARCH	501(C)(3)	50.
JESUS FILM PROJECT 910 CALLE NEGOCITO #300 SAN CLEMENTE, CA 92673	N/A MISSIONS SUPPORT	501(C)(3)	10,000.

IMMANUEL CHARITABLE FOUNDATION

86-0894096

MARCH OF DIMES 1275 MAMARONECK AVE WHITE PLAINS, NY 10605	N/A MEDICAL RESEARCH	501(C)(3)	1,000.
OPERATION HOMEFRONT 8930 FOURWINDS DRIVE SAN ANTONIO, TX 78239	N/A EMERGENCY ASSISTANCE FOR MILITARY PERSONNEL	501(C)(3)	5,000.
ST. JUDES CHILDRENS HOSPITAL 262 DANNY THOMAS PL MEMPHIS, TN 38105	N/A MEDICAL RESEARCH	501(C)(3)	1,000.
SALVATION ARMY PO BOX 29123 PHOENIX, AZ 85038	N/A ASSIST NEEDY FAMILIES	501(C)(3)	10,000.
SOLDIERS' ANGELS 1792 E WASHINGTON BLVD PASADENA, CA 91104	N/A ARMED FORCES SUPPORT	501(C)(3)	5,000.
PARTNERS INTERNATIONAL 26 W RAMONA AVE COLORADO SPRINGS, CO 80905	N/A FOREIGN MINISTRIES	501(C)(3)	10,000.
YOUNG LIFE PO BOX 520 COLORADO SPRINGS, CO 80901	N/A MINISTRY TO HIGH SCHOOL STUDENTS	501(C)(3)	1,000.
UNITED WARRIOR SURVIVORS PO BOX 181097 CORONADO, CA 92118	N/A ARMED FORCES SUPPORT	501(C)(3)	5,000.
ZION GOSPEL MISSION 3113 VENICE BLVD LOS ANGELES, CA 90019	N/A HOMELESS SOUP KITCHEN	501(C)(3)	5,000.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

125,966.

**Equity 65% / Fixed 35%**  
From 10-01-10 Through 09-30-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
10-28-08	10-11-10	2,300 000	Geo Group Inc.	31,627		57,353		25,726
02-10-09	10-11-10	1,000,000	Geo Group Inc	13,717		24,936		11,219
04-26-10	11-18-10	600 000	Monsanto	39,349		36,205	-3,144	
07-03-08	12-16-10	50,000	IBM International Group 5.050% Due 10-22-12	51,312	-718	53,671		3,077
05-12-09	01-18-11	500,000	Harris Corp	14,432		24,256		9,823
05-12-09	02-01-11	500 000	Harris Corp.	14,432		23,281		8,848
06-10-10	02-08-11	50,000	BP Capital Markets PLC 3.125% Due 03-10-12	47,525	910	51,106	2,671	
08-20-09	02-09-11	500,000	Harris Corp.	17,205		24,373		7,168
03-19-09	03-04-11	2,000,000	EMC Corp	23,127		54,793		31,666
04-28-09	03-07-11	600 000	Coca Cola	25,454		39,326		13,872
09-01-09	04-06-11	300 000	Baker Hughes	10,505		21,382		10,877
05-23-06	04-20-11	300,000	Tyco International LTD	12,674		15,162		2,488
05-25-06	04-20-11	150,000	Tyco International LTD	6,325		7,581		1,256
10-16-07	04-20-11	300,000	Tyco International LTD	13,132		15,162		2,030
07-01-09	04-20-11	300,000	Alliance Data Systems Corp	12,413		25,681		13,268
04-07-10	05-06-11	600 000	Millicom International Cellular SA	52,844		63,773		10,929
04-15-10	05-06-11	200 000	Millicom International Cellular SA	17,973		21,258		3,284
10-06-09	05-17-11	1,200,000	Bank of New York Mellon Corp.	33,690		34,002		312
11-09-09	05-17-11	800 000	Bank of New York Mellon Corp.	21,748		22,668		920
10-20-10	05-17-11	400,000	Bank of New York Mellon Corp	10,422		11,334	912	
02-17-09	06-01-11	3,000 000	MFA Financial Inc	17,038		24,502		7,465
05-09-08	06-02-11	200 000	Reinsurance Group of America	10,286		12,425		2,139
10-26-09	07-08-11	1,900,000	Immucor Inc.	34,331		51,184		16,853
01-27-10	07-08-11	1,100,000	Immucor Inc.	20,740		29,633		8,893
04-05-10	07-08-11	300 000	Immucor Inc.	6,102		8,082		1,979
TOTAL GAINS							3,583	194,092
TOTAL LOSSES							-3,144	0
				558,403	193	753,127	439	194,092
TOTAL REALIZED GAIN/LOSS		194,531						

Account  
IMMANUEL CHARITABLE FOUNDATION  
ATTN CHARLES B DUFF  
CORPORATION

Reporting Period: September 1 - 30, 2011

## MONTHLY STATEMENT

### HOLDINGS DETAIL

#### CASH AND CASH ALTERNATIVES

Investment Description	Market Value
TDAM US GOVERNMENT PORTFOLIO	\$430,635.29
<b>TOTAL CASH &amp; CASH ALTERNATIVES</b>	<b>\$430,635.29</b>

#### FIXED INCOME

Investment Description	Symbol/ CUSIP	Purchase Date	Quantity	Closing Price	Market Value	Cost Basis	Unrealized Gain/(Loss)
BLACKROCK INC SR UNSECURED 2.25%12 M-W CALL 2.25% 12/10/2012	09247XAF8	12/8/09	50	\$101.553	\$50,776.50	\$50,159.00	\$617.50
BP CAPITAL MARKETS GTD SR 3.875%15 3.875% 03/10/2015	05565QBH0	8/6/09	50	106.022	53,011.00	51,191.00	1,820.00
CAMPBELL SOUP CO NT 4.875%13 4.875% 10/01/2013	134429AS8	2/18/09	50	107.73	53,865.00	52,963.50	901.50
CONSOLIDATED EDISON CO N Y INC SR UNSECURED 5.625% 07/01/2012	209111DZ3		50	103.543	51,771.50	-	-

Questions? Consult your Independent Advisor:  
TALON ASSET MANAGEMENT LLC (312) 422-5400



Reporting Period September 1 - 30, 2011

# MONTHLY STATEMENT

## HOLDINGS DETAIL (continued)

### FIXED INCOME

Investment Description	Symbol/ CUSIP	Purchase Date	Quantity	Closing Price	Market Value	Cost Basis	Unrealized Gain/(Loss)
DELL INC	24702RAH4	11/23/09	50	101.739	50,869.50	52,253.00	(1,383.50)
SR UNSECURED MAKE WHOLE 3.375% 06/15/2012							
DIAGEO FINANCE BV	25244SAF8	11/3/09	50	104.665	52,332.50	49,820.50	2,512.00
GTD NT 3.25%15 MAKE WHOLE 3.25% 01/15/2015							
EMERSON ELEC CO	291011AU8		50	111.994	55,997.00	-	-
BD 4.75%15 4.75% 10/15/2015							
INTL BUSINESS MACHINES	459200GU9	12/16/10	50	101.438	50,719.00	48,655.50	2,063.50
NT 2%16 MAKE WHOLE CALL 2% 01/05/2016							
JP MORGAN CHASE & CO	46625HHB9	7/13/09	50	105.136	52,568.00	51,887.00	681.00
SR NT 4.75%13 4.75% 05/01/2013							
MEDTRONIC INC	585055AR7	3/11/10	50	105.873	52,936.50	50,159.00	2,777.50
SR NT 3%15 M-W CALL 3% 03/15/2015							
NEW YORK LIFE GLOBAL FDG	64953BAP3	8/3/09	50	105.588	52,794.00	52,130.00	664.00
NT 4 65%144A13 4.65% 05/09/2013							
NOVARTIS CAPITAL CORP	66989HAB4	4/26/10	50	102.047	51,023.50	50,006.50	1,017.00
GTD NT 1.9%13 M-W CALL 1.9% 04/24/2013							
NYSE EURONEXT	629491AA9	6/4/09	50	106.227	53,113.50	51,601.00	1,512.50
SR UNSECURED 4.8%62813 4.8% 06/28/2013							
ORACLE CORP	68389XAF2	9/8/09	50	107.695	53,847.50	52,050.00	1,797.50
SR NT 3.75%14 M-W CALL 3.75% 07/08/2014							
PRAXAIR INC	74005PAV6	8/28/09	50	106.963	53,481.50	50,103.50	3,378.00
NT 3.25%15 M-W CALL 3.25% 09/15/2015							
SHERWIN WILLIAMS CO	824348AN6	3/24/10	50	105.633	52,816.50	50,089.00	2,727.50
SR UNSECURED CALL @ MAKE WHOLE 3.125% 12/15/2014							
STATOILHYDRO ASA	85771SAC0	3/31/10	50	105.229	52,614.50	50,121.50	2,493.00
GTD SR NT 2.9%14 MAKE WHOLE 2.9% 10/15/2014							

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TALON ASSET MANAGEMENT LLC (312) 422-5400

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# MONTHLY STATEMENT

## HOLDINGS DETAIL (continued)

### FIXED INCOME

Investment Description	Symbol/ CUSIP	Purchase Date	Quantity	Closing Price	Market Value	Cost Basis	Unrealized Gain/(Loss)
TRANSCANADA PIPELINES LTD SR NT 3.4%15 3.4% 06/01/2015	893526DH3	5/27/10	50	106.079	53,039.50	50,009.00	3,030.50
UNITED PARCEL SERVICE SR UNSECURED M-W CALL 4.5% 01/15/2013	911312AG1		25	105.03	26,257.50	-	-
WISC ELEC POWER DEB4.5%13 4.5% 05/15/2013	976656BX5	7/20/09	50	105.49	52,745.00	51,332.00	1,413.00
<b>TOTAL FIXED INCOME</b>					<b>\$1,026,579.50</b>	<b>\$864,531.00</b>	<b>\$28,022.50</b>

### STOCKS

Investment Description	Symbol/ CUSIP	Purchase Date	Quantity	Closing Price	Market Value	Cost Basis	Unrealized Gain/(Loss)
3M CO COM	MMM	7/7/06	700	\$71.79	\$50,253.00	\$52,707.91	\$(2,454.91)
ABBOTT LABS COM	ABT	9/8/09	700	51.14	35,798.00	31,986.83	3,811.17
AIR PRODUCTS AND CHEMICALS INC COM	APD	2/9/10	900	76.37	68,733.00	62,454.30	6,278.70
ALLIANCE DATASYS CORP COM	ADS	7/1/09	900	92.70	83,430.00	44,212.34	39,217.66
APACHE CORP COM	APA	7/23/10	500	80.24	40,120.00	45,104.13	(4,984.13)
BAKER HUGHES INC COM	BHI	9/1/09	1,000	46.15	46,150.00	35,016.33	11,133.67
BANK OF AMERICA CORP COM	BAC	5/10/07	5,000	6.12	30,600.00	156,047.69	(125,447.69)
BP PLC SPONS ADR	BP	2/20/07	1,200	36.07	43,284.00	69,703.89	(26,419.89)

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# MONTHLY STATEMENT

## HOLDINGS DETAIL (continued)

### STOCKS

Investment Description	Symbol/ CUSIP	Purchase Date	Quantity	Closing Price	Market Value	Cost Basis	Unrealized Gain/(Loss)
CARNIVAL CORP COM	CCL	5/12/11	1,100	30.30	33,330.00	45,636.62	(12,306.62)
CHURCH & DWIGHT INC COM	CHD	1/6/10	1,200	44.20	53,040.00	36,277.49	16,762.51
CISCO SYSTEMS INC COM	CSCO	2/17/09	3,200	15.50	49,600.00	57,172.05	(7,572.05)
COIDIEN PLC COM	COV	7/12/07	1,700	44.10	74,970.00	72,619.43	2,350.57
CVS CAREMARK CORPORATION COM	CVS	6/21/10	1,700	33.59	57,103.00	53,979.52	3,123.48
CYS INVESTMENTS INC COM	CYS	2/9/06	4,152	12.09	50,197.68	101,141.10	(50,943.42)
DUN & BRADSTREET COM	DNB	8/3/09	800	61.26	49,008.00	57,403.53	(8,395.53)
E M C CORP MASS COM	EMC	3/19/09	2,700	20.99	56,673.00	31,903.85	24,769.15
EATON CORP COM	ETN	8/29/11	600	35.50	21,300.00	24,742.55	(3,442.55)
ENERGIZER HOLDINGS INC COM	ENR	5/18/10	900	66.44	59,796.00	52,229.64	7,566.36
EXTERRAN HOLDINGS COM	EXH	5/25/06	2,400	9.72	23,328.00	85,366.26	(62,038.26)
GENERAL MOTORS COMPANY COM	GM	3/8/11	1,500	20.18	30,270.00	48,531.77	(18,261.77)
GOLDMAN SACHS GROUP INC COM	GS	7/29/10	330	94.55	31,201.50	50,045.54	(18,844.04)
GOOGLE INC CL A	GOOG	1/8/09	130	515.04	66,955.20	47,931.65	19,023.55
HYATT HOTELS CORP COM CL A	H	6/14/11	900	31.37	28,233.00	35,877.35	(7,644.35)

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# MONTHLY STATEMENT

## HOLDINGS DETAIL (continued)

### STOCKS

Investment Description	Symbol/ CUSIP	Purchase Date	Quantity	Closing Price	Market Value	Cost Basis	Unrealized Gain/(Loss)
INTL SPEEDWAY CORP. COM (ISCA)	ISCA	1/11/11	1,900	22.84	43,396.00	50,336.53	(6,940.53)
JOHNSON CTLS INC COM	JCI	5/31/11	1,300	26.37	34,281.00	48,663.31	(14,382.31)
MFA FINANCIAL INC REITS	MFA	2/17/09	3,000	7.02	21,060.00	17,037.79	4,022.21
MICROSOFT CORP COM	MSFT	5/23/06	3,000	24.89	74,670.00	76,842.98	(2,172.98)
NEUSTAR INC COM	NSR	11/7/08	3,000	25.14	75,420.00	51,405.58	24,014.42
REINSURANCE GROUP AMER INC COM	RGA	5/9/08	1,200	45.95	55,140.00	60,610.04	(5,470.04)
SYNAPTICS INC COM	SYNA	11/3/10	1,800	23.90	43,020.00	52,703.88	(9,683.88)
TEVA PHARMACEUTICAL INDS LTD ADR	TEVA	6/28/06	1,400	37.22	52,108.00	58,045.02	(5,937.02)
THE TRAVELERS COMPANIES INC COM	TRV	3/25/09	1,500	48.73	73,095.00	61,188.43	11,906.57
THERMO FISHER SCIENTIFIC COM	TMO	4/30/09	1,200	50.64	60,768.00	47,251.88	13,516.12
TYCO INTL LTD COM	TYC	10/16/07	1,400	40.75	57,050.00	60,074.42	(3,024.42)
UNITED PARCEL SERVICE CL B	UPS	2/24/11	500	63.15	31,575.00	36,682.24	(5,107.24)
VODAFONE GROUP PLC ADR	VOD	2/2/10	2,600	25.66	66,716.00	57,512.72	9,203.28

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# MONTHLY STATEMENT

## HOLDINGS DETAIL (continued)

### STOCKS

Investment Description	Symbol/ CUSIP	Purchase Date	Quantity	Closing Price	Market Value	Cost Basis	Unrealized Gain/(Loss)
WASTE MANAGEMENT INC COM	WM	7/17/07	1,500	32.56	48,840.00	53,803.32	(4,963.32)
<b>TOTAL STOCKS</b>					<b>\$1,820,512.38</b>	<b>\$2,030,249.91</b>	<b>\$(209,737.53)</b>

### TOTAL STOCKS- LONG POSITION

\$1,820,512.38

1,820,512.38

### OTHER HOLDINGS

Investment Description	Symbol/ CUSIP	Purchase Date	Quantity	Closing Price	Market Value	Cost Basis	Unrealized Gain/(Loss)
TALON INTERNATIONAL SELECT NSA	-	10/1/07	273,399.82	\$1.00	\$273,399.82	\$30,854.79	\$242,545.03
TALON TOTAL RETURN LP NSA	-	10/1/07	860,178.97	1.00	860,178.97	209,364.00	650,814.97
<b>TOTAL OTHER HOLDINGS</b>					<b>\$1,133,578.79</b>	<b>\$240,218.79</b>	<b>\$893,360.00</b>

### TOTAL HOLDINGS

\$4,411,305.96

\$3,134,999.70

\$711,644.97

### TOTAL ACCOUNT VALUE

\$4,411,305.96