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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning

, and ending

Name of foundation <b>PEGGY AND STEVE FOSSETT FOUNDATION</b>		A Employer identification number <b>20-4521801</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>401 SOUTH LASALLE STREET</b>	Room/suite <b>200</b>	B Telephone number <b>312-786-5054</b>
City or town, state, and ZIP code <b>CHICAGO, IL 60605-1014</b>		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <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		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <b>\$ 18,615,087.</b> (Part I, column (d) must be on cash basis.)		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		380,419.		N/A	
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		114,936.	110,382.		STATEMENT 1
4 Dividends and interest from securities		253,744.	176,110.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-346,335.			
b Gross sales price for all assets on line 6a		7,134,587.			
7 Capital gain net income (from Part IV, line 2)			0.		
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		56,658.	-50,348.		STATEMENT 3
12 Total Add lines 1 through 11		459,422.	236,144.		
13 Compensation of officers, directors, trustees, etc		100,423.	0.		100,423.
14 Other employee salaries and wages		57,316.	0.		57,316.
15 Pension plans, employee benefits					
16a Legal fees STMT 4		43,200.	0.		43,200.
b Accounting fees STMT 5		11,025.	0.		11,025.
c Other professional fees					
17 Interest					
18 Taxes STMT 6		16,635.	3,934.		12,670.
19 Depreciation and depletion					
20 Occupancy		26,097.	0.		26,097.
21 Travel, conferences, and meetings		1,460.	0.		1,460.
22 Printing and publications					
23 Other expenses STMT 7		118,041.	94,858.		22,030.
24 Total operating and administrative expenses. Add lines 13 through 23		374,197.	98,792.		274,221.
25 Contributions, gifts, grants paid		944,500.			944,500.
26 Total expenses and disbursements. Add lines 24 and 25		1,318,697.	98,792.		1,218,721.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-859,275.			
b Net investment income (if negative, enter -0-)			137,352.		
c Adjusted net income (if negative, enter -0-)				N/A	

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	3,151,251.	4,456.	4,456.
	2 Savings and temporary cash investments		973,597.	973,597.
	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 8	12,522,905.	13,377,678.	11,199,924.
	c Investments - corporate bonds STMT 9	4,448,769.	4,891,078.	4,969,527.
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶ STATEMENT 10)	1,500,746.	1,467,583.	1,467,583.	
16 Total assets (to be completed by all filers)	21,623,671.	20,714,392.	18,615,087.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable	50,000.		
	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)	50,000.	0.		
Net Assets or Fund Balances	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	21,573,671.	20,714,392.		
30 Total net assets or fund balances	21,573,671.	20,714,392.		
31 Total liabilities and net assets/fund balances	21,623,671.	20,714,392.		

## 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	21,573,671.
2 Enter amount from Part I, line 27a	2	-859,275.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	20,714,396.
5 Decreases not included in line 2 (itemize) ▶ ROUNDING	5	4.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	20,714,392.

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**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 JP MORGAN CHASE - SEE STMT ATTACHED</b>	P	VARIOUS	VARIOUS
<b>b JP MORGAN CHASE - SEE STMT ATTACHED</b>	P	VARIOUS	VARIOUS
<b>c LAKOTA TRADING K-1 - SHORT TERM</b>	P	VARIOUS	VARIOUS
<b>d LAKOTA TRADING K-1 - LONG TERM</b>	P	VARIOUS	VARIOUS

(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 2,288,418.</b>		<b>2,119,376.</b>	<b>169,042.</b>
<b>b 4,835,984.</b>		<b>5,361,546.</b>	<b>-525,562.</b>
<b>c 6,620.</b>			<b>6,620.</b>
<b>d 3,565.</b>			<b>3,565.</b>

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
<b>a</b>			<b>169,042.</b>
<b>b</b>			<b>-525,562.</b>
<b>c</b>			<b>6,620.</b>
<b>d</b>			<b>3,565.</b>

<b>2 Capital gain net income or (net capital loss)</b>	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	<b>2</b>	<b>-346,335.</b>
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):</b>	<div> <div>If gain, also enter in Part I, line 8, column (c).</div> <div>If (loss), enter -0- in Part I, line 8</div> </div>	<b>3</b>	<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))
2010	876,716.	20,084,784.	.043651
2009	1,001,055.	17,367,182.	.057641
2008	0.	14,736.	.000000
2007			
2006			

<b>2 Total of line 1, column (d)</b>	<b>2</b>	<b>.101292</b>
<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</b>	<b>3</b>	<b>.033764</b>
<b>4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5</b>	<b>4</b>	<b>19,785,000.</b>
<b>5 Multiply line 4 by line 3</b>	<b>5</b>	<b>668,021.</b>
<b>6 Enter 1% of net investment income (1% of Part I, line 27b)</b>	<b>6</b>	<b>1,374.</b>
<b>7 Add lines 5 and 6</b>	<b>7</b>	<b>669,395.</b>
<b>8 Enter qualifying distributions from Part XII, line 4</b>	<b>8</b>	<b>1,218,721.</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)		1	1,374.
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			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	1,374.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	1,374.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a 2,596.	7	2,596.
b Exempt foreign organizations - tax withheld at source	6b	8	
c Tax paid with application for extension of time to file (Form 8868)	6c	9	
d Backup withholding erroneously withheld	6d	10	1,222.
7 Total credits and payments. Add lines 6a through 6d		11	0.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached			
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax <input checked="" type="checkbox"/> 1,222. Refunded <input type="checkbox"/>			

**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
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		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"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
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"/> \$ 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) <input checked="" type="checkbox"/> IL		
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 2011 or the taxable year beginning in 2011 (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 make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	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>DAVID MAIER</b>	Telephone no. <b>312-786-5054</b>		
Located at <b>401 SOUTH LASALLE STREET, CHICAGO, IL</b>		ZIP+4 <b>60605</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 2011, 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 the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country				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 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 2011?		1c
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	<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 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 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 2011 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 2011.)	<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
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 2011?		4b

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**Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required** (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No**b** If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

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

N/A

☐ Yes ☐ No

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

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

6b

X

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

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

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
PEGGY V. FOSSETT	PRESIDENT			
401 SO LASALLE ST, SUITE 200				
CHICAGO, IL 60605	10.00	0.	0.	0.
DAVID MAIER	SECRETARY/TREASURER			
401 SO LASALLE ST, SUITE 200				
CHICAGO, IL 60605	40.00	100,423.	0.	0.
THOMAS VIEHLAND	DIRECTOR			
401 SO LASALLE ST, SUITE 200				
CHICAGO, IL 60605	0.25	0.	0.	0.
ABRAHAM J. STERN	DIRECTOR			
191 N. WACKER DRIVE, SUITE 1800				
CHICAGO, IL 60606	0.25	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
BRIAN SPAETH - 401 SO LASALLE ST, SUITE 200, CHICAGO, IL 60605	40.00	57,316.	0.	0.

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

0

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

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

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 N/A	
2	
3	
4	

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

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

	Amount
1 N/A	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3	0.

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**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>	16,670,932.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	2,290,362.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	1,125,000.
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	20,086,294.
<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>	20,086,294.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	301,294.
<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>	19,785,000.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	989,250.

**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>	989,250.
<b>2a</b>	Tax on investment income for 2011 from Part VI, line 5	<b>2a</b>	1,374.
<b>b</b>	Income tax for 2011. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	1,374.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	987,876.
<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>	987,876.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	987,876.

**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>	1,218,721.
<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>	1,218,721.
<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>	1,374.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	1,217,347.

**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.

Form 990-PF (2011)

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

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
<b>1</b> Distributable amount for 2011 from Part XI, line 7				987,876.
<b>2</b> Undistributed income, if any, as of the end of 2011				
<b>a</b> Enter amount for 2010 only			0.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2011:				
<b>a</b> From 2006				
<b>b</b> From 2007				
<b>c</b> From 2008				
<b>d</b> From 2009	10,700.			
<b>e</b> From 2010				
<b>f</b> Total of lines 3a through e	10,700.			
<b>4</b> Qualifying distributions for 2011 from Part XII, line 4: ▶ \$ 1,218,721.				
<b>a</b> Applied to 2010, 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 2011 distributable amount				987,876.
<b>e</b> Remaining amount distributed out of corpus	230,845.			
<b>5</b> Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<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	241,545.			
<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 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				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 2006 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	241,545.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2007				
<b>b</b> Excess from 2008				
<b>c</b> Excess from 2009	10,700.			
<b>d</b> Excess from 2010				
<b>e</b> Excess from 2011	230,845.			

**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 2011, 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.**

3 Subtract line 2d from line 2c  
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 instructions.)**

### 1 Information Regarding Foundation Managers:

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

**NONE**

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

NONE

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

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

DAVID MAIER, 312-786-5054

401 SOUTH LASALLE ST, SUITE 200, CHICAGO, IL 60605

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

WRITTEN

- c Any submission deadlines:

NONE

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

NONE

**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 Paid during the year</b>				
PUBLIC CHARITIES--SEE ATTACHED LIST	NONE	PUBLIC CHARITIES	GENERAL OPERATIONS	944,500.
<b>Total</b>			▶ <b>3a</b>	944,500.
<b>b Approved for future payment</b>				
NONE				
<b>Total</b>			▶ <b>3b</b>	0.



## Part XVII

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

- |  |       |     |
|--|-------|-----|
| <p><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?</p> <p><b>a</b> Transfers from the reporting foundation to a noncharitable exempt organization of:</p> <p>(1) Cash</p> <p>(2) Other assets</p> <p><b>b</b> Other transactions:</p> <p>(1) Sales of assets to a noncharitable exempt organization</p> <p>(2) Purchases of assets from a noncharitable exempt organization</p> <p>(3) Rental of facilities, equipment, or other assets</p> <p>(4) Reimbursement arrangements</p> <p>(5) Loans or loan guarantees</p> <p>(6) Performance of services or membership or fundraising solicitations</p> <p><b>c</b> Sharing of facilities, equipment, mailing lists, other assets, or paid employees</p> <p><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.</p> |       | Yes |
|  | 1a(1) |     |
|  | 1a(2) |     |
|  |       |     |
|  | 1b(1) |     |
|  | 1b(2) |     |
|  | 1b(3) |     |
|  | 1b(4) |     |
|  | 1b(5) |     |
|  | 1b(6) |     |
|  | 1c    |     |

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[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) is based on all information of which preparer has any knowledge.

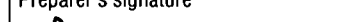
Signature of officer or trustee

Date ☒

Title

May the IRS discuss this return with the preparer shown below (see instr.)?

**Paid  
Preparer  
Use Only**

Print/Type preparer's name <b>JOHN K. FLAHERTY</b>	Preparer's signature 	Date <b>5/15/12</b>	Check <input type="checkbox"/> if self-employed	PTIN <b>P01338544</b>
Firm's name ▶ <b>JOHN K. FLAHERTY &amp; ASSOCIATES, LTD.</b>			Firm's EIN ▶ <b>36-3745114</b>	
Firm's address ▶ <b>111 W. JACKSON BLVD., SUITE 1300 CHICAGO, IL 60604</b>			Phone no. <b>312-341-0615</b>	

**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF).

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

**2011**

Name of the organization

Employer identification number

**PEGGY AND STEVE FOSSETT FOUNDATION**

**20-4521801**

Organization type (check one).

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)( ) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- ☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)**

Name of organization

Employer identification number

**PEGGY AND STEVE FOSSETT FOUNDATION****20-4521801****Part I Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<b>1</b>	<b>ESTATE OF J. STEPHEN FOSSETT</b> <b>401 S. LASALLE STREET SUITE 200</b> <b>CHICAGO, IL 60605</b>	\$ <b>380,419.</b>	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)



Employer identification number

20-4521801

[illegible]

Name of organization.

Employer identification number

**PEGGY AND STEVE FOSSETT FOUNDATION****20-4521801**

**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once) ▶ \$

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

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

SOURCE	AMOUNT
BURLING BANK	2.
JP MORGAN - CHECKING	7.
JP MORGAN - CUSTODY ACCOUNT	1,079.
JP MORGAN - FOREIGN INTEREST	7,450.
JP MORGAN - GOVERNMENT INTEREST	44,437.
JP MORGAN - INTEREST CORPORATE BONDS	56,158.
JP MORGAN - MUNICIPAL BOND INTEREST	4,554.
JP MORGAN - SAVINGS ACCOUNT	6,693.
JP MORGAN: LESS PURCHASED INTEREST	-5,444.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	114,936.

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

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
JP MORGAN	173,417.	0.	173,417.
NYX DIVIDENDS	2,693.	0.	2,693.
NYX NON DIVIDEND DISTRIBUTIONS	77,634.	0.	77,634.
TOTAL TO FM 990-PF, PART I, LN 4	253,744.	0.	253,744.

## FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
FROM K-1 MARATHON RACING - NONTAXABLE	-43,625.	-43,625.	
JPMORGAN - ORDINARY INCOME	406.	406.	
CHANGE IN UNREALIZED VALUES	100,736.	0.	
LAKOTA TRADING - BOOK/TAX DIFFERENCE	6,270.	0.	
LAKOTA TRADING - K-1 ORDINARY LOSS	-7,129.	-7,129.	
TOTAL TO FORM 990-PF, PART I, LINE 11	56,658.	-50,348.	

FORM 990-PF	LEGAL FEES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
LEGAL FEES	43,200.	0.		43,200.	
TO FM 990-PF, PG 1, LN 16A	43,200.	0.		43,200.	

FORM 990-PF	ACCOUNTING FEES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ACCOUNTING FEES	11,025.	0.		11,025.	
TO FORM 990-PF, PG 1, LN 16B	11,025.	0.		11,025.	

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAXES WITHHELD	3,934.	3,934.		0.	
ANNUAL REPORTING FEES	31.	0.		0.	
PAYROLL TAXES	12,670.	0.		12,670.	
TO FORM 990-PF, PG 1, LN 18	16,635.	3,934.		12,670.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
CUSTODY FEES	8,547.	8,547.		0.	
INVESTMENT MANAGEMENT FEES	87,375.	86,296.		0.	
UTILITIES	9,234.	0.		9,234.	
OFFICE SUPPLIES & EXPENSE	2,108.	0.		2,108.	
FROM K-1 - MARATHON RACING					
NON-DEDUCTIBLE EXP	74.	0.		0.	

PEGGY AND STEVE FOSSETT FOUNDATION

20-4521801

PAYROLL SERVICE	1,661.	0.	1,661.
BANK FEES	15.	15.	0.
POSTAGE & DELIVERIES	5,006.	0.	5,006.
MISCELLANEOUS EXPENSES	184.	0.	184.
MEALS & ENTERTAINMENT	160.	0.	160.
INSURANCE	3,677.	0.	3,677.
TO FORM 990-PF, PG 1, LN 23	118,041.	94,858.	22,030.

FORM 990-PF CORPORATE STOCK STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
JP MORGAN SECURITIES ACCOUNT	13,377,678.	11,199,924.
TOTAL TO FORM 990-PF, PART II, LINE 10B	13,377,678.	11,199,924.

FORM 990-PF CORPORATE BONDS STATEMENT 9

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
JP MORGAN SECURITIES ACCOUNT	4,891,078.	4,969,527.
TOTAL TO FORM 990-PF, PART II, LINE 10C	4,891,078.	4,969,527.

FORM 990-PF OTHER ASSETS STATEMENT 10

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
INVESTMENT/MARATHON RACING INC	1,500,746.	1,465,817.	1,465,817.
LEASE DEPOSIT	0.	1,766.	1,766.
TO FORM 990-PF, PART II, LINE 15	1,500,746.	1,467,583.	1,467,583.

**Peggy Steve Fossett Foundation**

**2011**

**Contributions Made**

<b>Date</b>	<b>NAME / ADDRESS</b>	<b>STATUS</b>	<b>Purpose</b>	<b>AMOUNT</b>
03/22/2011	● Brentwood High School Alumni Association 1201 Hanley Industrial Court Brentwood, MO 63144-1911	Public Charities	General	\$5,000
04/01/2011	● Vail Valley Foundation General Fund P O Box 309 Vail, CO 81658	Public Charities	General	\$10,000
04/01/2011	● Vail Valley Foundation Education Fund P O Box 309 Vail, CO 81658	Public Charities	General	\$10,000
04/01/2011	● International Music Foundation 30 E Adams Street Suite 1206 Chicago, IL 60603	Public Charities	General	\$50,000
07/05/2011	● Steadman Philippon Research Institute 181 W Meadow Drive Suite 1000 Vail, CO 81657	Public Charities	General	\$50,000
07/05/2011	● Vail Valley Medical Center Foundation PO Box 1529 Vail, CO 81658-9912	Public Charities	General	\$25,000
07/05/2011	● Himalayan Cataract Project PO Box 55 Waterbury, VT 05676	Public Charities	General	\$20,000
07/05/2011	● Community Hospital Foundation PO Box HH Monterey, CA 93942	Public Charities	General	\$25,000
07/05/2011	● Big Sur Land Trust PO Box 221864 Carmel, CA 93922-9967	Public Charities	General	\$5,000
07/11/2011	● The Betty Ford Legacy Scholarship Fund 41990 Cook Street Palm Desert, CA 92211	Public Charities	General	\$10,000
07/11/2011	● Donald Danforth Plant Science Center 975 North Warson Rd St Louis, MO 63132	Public Charities	General	\$10,000
07/11/2011	● Betty Ford Alpine Gardens 183 Gore Creek Drive Vail, CO 81657	Public Charities	General	\$5,000
07/11/2011	● Experimental Aircraft Association PO Box 3086 Oshkosh, WI 54903-3086	Public Charities	General	\$10,000
07/11/2011	● National Aviation Hall of Fame PO Box 31096 Dayton, OH 45437	Public Charities	General	\$10,000
07/11/2011	● Ripon College PO Box 248 Ripon, WI 54971	Public Charities	General	\$2,500
07/18/2011	● The Art Institute of Chicago 111 S Michigan Ave Chicago, IL 60603	Public Charities	General	\$25,000
07/18/2011	● Chicago Public Library Foundation 20 North Michigan Ave Suite 204 Chicago, IL 60602	Public Charities	General	\$10,000
07/18/2011	● Chanty Navigator 139 Hamson Road Suite 201 Glen Rock, NJ 07452	Public Charities	General	\$1,000
07/18/2011	● Carmel Public Library Foundation 6th & Mission Streets PO Box 2042 Carmel, CA 93921-2042	Public Charities	General	\$5,000
07/18/2011	● Habitat for Humanity of Eagle & Lake Co 455 Nottingham Ranch Road Avon, CO 81620	Public Charities	General	\$5,000
08/15/2011	● Boys & Girls Clubs of Monterey 1332 LaSalle Ave PO Box 97	Public Charities	General	\$5,000

**Peggy Steve Fossett Foundation**

**2011**

**Contributions Made**

08/15/2011	Seaside, CA 93955 ● Bright Future Foundation PO Box 2558 Avon, CA 81620	Public Charities	General	\$5,000
08/15/2011	● Chicago Meals on Wheels 121 N. LaSalle #100 Chicago, IL 60602	Public Charities	General	\$5,000
08/15/2011	● Community Human Services PO Box 3076 Monterey, CA 93942	Public Charities	General	\$5,000
08/15/2011	● Crow Canyon Archaeological Center 23390 Road K Cortez, CO 81321	Public Charities	General	\$5,000
08/15/2011	● Food Bank for Monterey County 815 W Market St #5 Salinas, CA 93901	Public Charities	General	\$5,000
08/15/2011	● Greater Chicago Food Depository 4100 W Ann Lane Place Chicago, IL 60632	Public Charities	General	\$5,000
08/18/2011	● Lakeview Pantry 3831 N Broadway Chicago, IL 60613	Public Charities	General	\$5,000
08/18/2011	● Meals on Wheels of the Monterey Peninsula 700 Jewell Ave Pacific Grove, CA 93950	Public Charities	General	\$5,000
08/18/2011	● Monterey Bay Aquarium 866 Cannery Row Monterey, CA 93940-1023	Public Charities	General	\$5,000
08/18/2011	● Scripps Institute of Oceanography 9500 Gilman Drive # 0210 LaJolla, CA 92093	Public Charities	General	\$10,000
08/18/2011	● SOS Outreach PO Box 2020 Avon, CO 81620	Public Charities	General	\$5,000
08/18/2011	● Vail Mountain Rescue PO Box 1597 Vail, CO 81658	Public Charities	General	\$5,000
08/18/2011	● The Field Museum of Natural History 1400 S Lake Shore Drive Chicago, IL 60605	Public Charities	General	\$25,000
08/18/2011	● Vail Valley Salvation Army PO Box 2183 Edwards, CO 81632	Public Charities	General	\$5,000
08/23/2011	● Salvation Army of the Monterey Peninsula 1491 Contra Costa St Seaside, CA 93955	Public Charities	General	\$5,000
08/29/2011	● Wildwood Historical Society PO Box 125 Grover, MO 63040	Public Charities	General	\$50,000
08/29/2011	● Youth Foundation PO Box 2761 Edwards, CO 81632	Public Charities	General	\$5,000
08/29/2011	● YWCA of Monterey County 457 Webster St Monterey, CA 93940	Public Charities	General	\$5,000
08/29/2011	● Walking Mountains PO Box 9469 82 E Beaver Creek Blvd #202 Avon, CO 81620	Public Charities	General	\$5,000
09/20/2011	● Chicago Area Council, BSA 1218 West Adams Chicago, IL 60607	Public Charities	General	\$100,000
09/20/2011	● The Museum of Flight 9404 East Marginal Way South Seattle, WA 98108	Public Charities	General	\$100,000
09/27/2011	● Adler Planetarium 1300 S Lakeshore Drive Chicago, IL 60605	Public Charities	General	\$100,000

**Peggy Steve Fossett Foundation**

**2011**

**Contributions Made**

09/29/2011	● Aero Club of Northern California 2500 Cunningham Avenue San Jose, CA 95148	Public Charities	General	\$2,500
09/29/2011	● Mono County Search and Rescue PO Box 1954 Mammoth Lakes, CA 93546	Public Charities	General	\$5,000
09/29/2011	● SOAR 244 E Pearson St. Suite 102 Chicago, IL 60611	Public Charities	General	\$2,500
10/11/2011	● Wings Over the Rockies Air & Space Museum 7711 East Academy Boulevard Denver, CO 81657	Public Charities	General	\$50,000
10/11/2011	● Vilar Performing Arts Center PO Box 3822 Avon, CO 81620	Public Charities	General	\$32,500
10/11/2011	● Washington University One Brookings Drive St Louis, MO 631330	Public Charities	General	\$25,000
10/31/2011	● Mercy Home for Boys and Girls 1140 W Jackson Blvd Chicago, IL 60607	Public Charities	General	\$5,000
10/31/2011	● Carmel Highlands Volunteer Firefighters 73 Fern Canyon Road Carmel, CA 93923	Public Charities	General	\$2,500
10/31/2011	● SPCA of Monterey County 1002 Highway 68 PO Box 3058 Monterey, CA 93942	Public Charities	General	\$1,000
12/05/2011	● The Peggy Notebaert Nature Museum 2430 N Cannon Drive Chicago, IL 60614	Public Charities	General	\$5,000
12/06/2011	● Bravo Colorado Music Festival 953 S Frontage Road Vail, CO 81657	Public Charities	General	\$41,000
12/19/2011	● Bravo! Vail Valley Music Festival 2771 N Frontage Road W Suite C Vail, CO 81657	Public Charities	General	\$9,000
<b>Total</b>				<b>\$944,500.00</b>





PEGGY AND STEVE FOSSETT FDN  
Account Number: W 00929-00-5

## Capital Gain and Loss Schedule

### Transactions

Description	Cusip	Units	Date Acquired	Date Sold	Sales Price	Tax Cost Basis	Gain/Loss	Ordinary Income*
Long Term Non Covered								
NYSE EURONEXT	629491101	50,000.000	09/03/07	02/11/11	1,891,178.64	2,446,149	-554,970	
TYCO INTERNATIONAL LTD	H89128104	1,500.000	10/02/09	03/02/11	67,408.70	50,460.00	16,948.70	
BANK OF NEW YORK MELLON CORP	064058100	2,320.000	07/17/09	03/02/11	69,806.75	67,856.98	1,949.77	
CORNING INC	219350105	3,070.000	07/17/09	03/02/11	68,929.07	50,654.39	18,274.68	
EOG RESOURCES INC	26875P101	450.000	07/17/09	03/02/11	47,667.22	31,513.50	16,153.72	
HESS CORP	42809H107	1,200.000	10/02/09	03/02/11	101,105.50	62,178.00	38,927.50	
INTEL CORP	458140100	2,920.000	07/17/09	03/02/11	62,867.55	53,815.02	9,052.53	
INTERNATIONAL PAPER CO	460146103	3,520.000	07/17/09	03/02/11	93,818.51	57,329.18	36,489.33	
LOWES COMPANIES INC	548661107	2,350.000	07/17/09	03/02/11	59,873.79	48,128.00	11,745.79	
APACHE CORP	037411105	1,180.000	Various	06/01/11	142,620.44	102,646.52	39,973.92	
KOHL'S CORP	500255104	2,510.000	Various	06/01/11	133,052.55	124,810.46	8,242.09	
NYSE EURONEXT	629491101	30,000.000	09/03/07	06/01/11	1,067,484.47	1,332,000	-264,516	
WALMART STORES INC	931142103	2,320.000	Various	06/01/11	125,855.03	117,269.60	8,585.43	
FHLB 1.5% 12/30/16	3133714S2	200,000.000	09/21/10	09/30/11	200,000.00	200,000.00	.00	
FHLB	3133714E3	42,857.140	09/29/10	10/03/11	42,857.14	42,857.14	.00	
1% DEC 30 2014								
DTD 09/30/2010								
STEP CPN								
US TREAS 2.375% 03/31/16	912828KT6	100,000.000	Various	10/12/11	105,890.63	97,869.14	7,615.98	405.51
US TREAS 2.375% 03/31/16	912828KT6	100,000.000	05/17/10	10/26/11	106,484.38	99,015.63	7,468.75	
AMAZON COM INC	023135106	1,000.000	09/03/07	11/16/11	214,987.87	80,872.50	134,115.37	
STAPLES INC	855030102	9,120.000	Various	11/16/11	134,096.07	195,815.39	-61,719.32	

\* O indicates Ordinary Income Gain/Loss

F indicates Foreign Exchange Gain/Loss on Capital transactions



PEGGY AND STEVE FOSSETT FDN  
Account Number: W 00929-00-5

## Capital Gain and Loss Schedule

### Transactions

Description	Cusip	Units	Date Acquired	Date Sold	Sales Price	Tax Cost Basis	Gain/Loss	Ordinary Income*
Long Term Non Covered FHLB 1% 11/23/16	313371MZ6	100,000,000	11/01/10	11/23/11	100,000.00	99,900.00	100.00	
					4,835,984.31	5,361,140	-525,562	405.61
Total Long Term Non Covered								0

\* O indicates Ordinary Income Gain/Loss      F indicates Foreign Exchange Gain/Loss on Capital transactions



PEGGY AND STEVE FOSSETT FDN  
Account Number: W 00929-00-5

## Capital Gain and Loss Schedule

### Transactions

Description	Cusip	Units	Date Acquired	Date Sold	Sales Price	Tax Cost Basis	Gain/Loss	Ordinary Income*
Short Term Non Covered								
TYCO INTERNATIONAL LTD	H89128104	3,300.000	Various	03/02/11	148,299.15	125,243.96	23,055.19	
CORNING INC	219350105	1,900.000	05/17/10	03/02/11	42,659.69	34,466.00	8,193.69	
EOG RESOURCES INC	28875P101	700.000	05/17/10	03/02/11	74,149.01	73,115.00	1,034.01	
HESS CORP	42809H107	2,300.000	Various	03/02/11	193,785.53	126,477.08	67,308.45	
HONEYWELL INTERNATIONAL INC	438516106	1,100.000	06/11/10	03/02/11	61,070.38	45,146.75	15,923.63	
INTERNATIONAL PAPER CO	460146103	5,400.000	Various	03/02/11	143,926.13	132,475.74	11,450.39	
KRAFT FOODS INC CLASS A	50075N104	6,300.000	Various	03/02/11	197,411.74	188,818.87	8,592.87	
LOWES COMPANIES INC	548661107	5,200.000	Various	03/02/11	132,486.69	125,704.73	6,781.96	
APACHE CORP	037411105	900.000	06/14/10	06/01/11	108,778.30	86,255.91	22,522.39	
KOHL'S CORP	500255104	1,200.000	06/14/10	06/01/11	63,610.77	62,898.84	711.93	
WALMART STORES INC	931142103	1,200.000	06/14/10	06/01/11	65,097.43	61,679.88	3,417.55	
FHLB 1.75% 12/17/14	313371YF7	100,000.000	11/29/10	06/17/11	100,000.00	100,000.00	.00	
FHLB 1.6% 12/30/13	313372B52	100,000.000	12/16/10	06/30/11	100,000.00	100,000.00	.00	
FHLB 1 1/2% DEC 30 2016 DTD 12/30/20	313371ZA7	15,384.620	12/01/10	07/01/11	15,384.62	15,376.93	7.69	
FHLB 1% DEC 30 2014 DTD 09/30/2010	3133714E3	57,142.860	09/29/10	07/01/11	57,142.86	57,142.86	.00	
FHLB 1.5% 12/15/14	313371X76	100,000.000	11/23/10	07/07/11	100,000.00	100,000.00	.00	
FFCB 2.44% 11/23/16	31331JYJ6	100,000.000	06/01/11	08/15/11	100,000.00	100,000.00	.00	
FHLB 1.4% 12/30/14	313374B33	100,000.000	06/21/11	09/30/11	100,000.00	100,000.00	.00	
FHLB 1.75% 06/30/15	3133747L8	100,000.000	06/15/11	09/30/11	100,000.00	100,000.00	.00	
FHLB	313371ZA7	84,615.380	12/01/10	10/03/11	84,615.38	84,573.07	42.31	
1 1/2% DEC 30 2016								
DTD 12/30/2010								
STEP CPN								
FHLB 1.23% 11/24/14	313371NR3	100,000.000	11/08/10	10/26/11	100,000.00	100,000.00	.00	

\* O indicates Ordinary Income Gain/Loss

F indicates Foreign Exchange Gain/Loss on Capital transactions

J.P.Morgan

PEGGY AND STEVE FOSSETT FDN  
Account Number: W 00929-00-5

## Capital Gain and Loss Schedule

### Transactions

Description	Cusip	Units	Date Acquired	Date Sold	Sales Price	Tax Cost Basis	Gain/Loss	Ordinary Income*
Short Term Non Covered								
FHLB 1% 10/27/15	313374LX6	100,000.000	07/13/11	10/27/11	100,000.00	100,000.00	.00	
FHLB 1.45% 11/04/14	313374RE2	100,000.000	07/07/11	11/04/11	100,000.00	100,000.00	.00	
<b>Total Short Term Non Covered</b>					<b>2,288,417.68</b>	<b>2,119,375.62</b>	<b>169,042.06</b>	

\* O indicates Ordinary Income Gain/Loss      F indicates Foreign Exchange Gain/Loss on Capital transactions