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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2011

For calendar year 2011, or tax year beginning 01-01-2011 , and ending 12-31-2011

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
DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

A Employer identification number
22-2914177

Number and street (or P O box number if mail is not delivered to street address) Room/suite
RICHARDSON RD

B Telephone number (see page 10 of the instructions)
(716) 337-0223

City or town, state, and ZIP code
COLLINS, NY 14034

C If exemption application is pending, check here ☐

D 1. Foreign organizations, check here ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization ☑ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 2,908,535

J Accounting method ☑ Cash ☐ Accrual ☐ Other (specify) _
(Part I, column (d) must be on cash basis.)

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)				
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments	12,335	12,335		
	4	Dividends and interest from securities.	76,282	76,282		
	5a	Gross rents				
	b	Net rental income or (loss) ___				
	6a	Net gain or (loss) from sale of assets not on line 10				
	b	Gross sales price for all assets on line 6a ___				
	7	Capital gain net income (from Part IV, line 2) . . .		199,219		
	8	Net short-term capital gain			21,439	
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)	296	296		
	12	**Total.** Add lines 1 through 11	88,913	288,132	21,439	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc				
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule).				
	b	Accounting fees (attach schedule).	2,985	1,493		1,492
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see page 14 of the instructions)	1,443			
	19	Depreciation (attach schedule) and depletion . . .				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule).	21,781	21,640		141
	24	**Total operating and administrative expenses.** Add lines 13 through 23	26,209	23,133		1,633
	25	Contributions, gifts, grants paid.	111,500			111,500
	26	**Total expenses and disbursements.** Add lines 24 and 25	137,709	23,133		113,133
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-48,796			
	b	**Net investment income** (if negative, enter -0-)		264,999		
	c	**Adjusted net income** (if negative, enter -0-) . . .			21,439	

Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	10,066	6,866	6,866
	2 Savings and temporary cash investments	125,939	193,645	193,645
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶	44,339	40,508	40,508
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges	1,532	1,444	1,444
	10a Investments—U S and state government obligations (attach schedule)	41,153	41,548	46,381
	b Investments—corporate stock (attach schedule)	1,982,417	2,148,317	2,148,262
	c Investments—corporate bonds (attach schedule)	76,459		
	11 Investments—land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)	473,600	471,429	471,429
	16 **Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	2,755,505	2,903,757	2,908,535
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)		0	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☑ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	2,755,505	2,903,757	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see page 17 of the instructions)	2,755,505	2,903,757	
	31 **Total liabilities and net assets/fund balances** (see page 17 of the instructions)	2,755,505	2,903,757	

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	2,755,505
2	Enter amount from Part I, line 27a	2	-48,796
3	Other increases not included in line 2 (itemize) ▶	3	199,219
4	Add lines 1, 2, and 3	4	2,905,928
5	Decreases not included in line 2 (itemize) ▶	5	2,171
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,903,757

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	See Additional Data Table			
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	See Additional Data Table			
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
a	See Additional Data Table			
b				
c				
d				
e				

2	Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	199,219
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	21,439

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	127,648	2,839,897	0 044948
2009	140,156	2,642,091	0 053047
2008	121,812	2,798,877	0 043522
2007	126,649	3,344,808	0 037864
2006	125,993	3,271,095	0 038517

2	**Total** of line 1, column (d).	2	0 217898
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 043580
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.	4	2,930,576
5	Multiply line 4 by line 3.	5	127,715
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	2,650
7	Add lines 5 and 6.	7	130,365
8	Enter qualifying distributions from Part XII, line 4.	8	113,133

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 Date of ruling or determination letter ____________ **(attach copy of letter if necessary–see instructions)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	5,300
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	5,300
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	5,300
6	Credits/Payments				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	1,444		
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	1,444
8	Enter any **penalty** for underpayment of estimated tax Check here ☑ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	3,856
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 2012 estimated tax** ▶ 0	**Refunded** ▶		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?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6		No
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*	8b	Yes	
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 on page 27)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions)	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶PATRICIA REBMANN Telephone no ▶(716) 532-4531

Located at ▶RICHARDSON RD COLLINS NY ZIP+4 ▶14034

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ | 15 |

			Yes	No
16	At any time during calendar year 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		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 ▶

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ **Yes** ☑ **No**			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ **Yes** ☑ **No**			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ **Yes** ☑ **No**			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ **Yes** ☑ **No**			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ **Yes** ☑ **No**			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ **Yes** ☑ **No**			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c		No
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? ☐ **Yes** ☑ **No**			
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see page 20 of the instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ **Yes** ☑ **No**			
b	If "Yes," did it have excess business holdings in 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.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions) ☐ Yes ☑ No

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

b If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
See Additional Data Table				

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

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE".

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
NONE		
Total number of others receiving over $50,000 for professional services . . . . ▶		0

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

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See page 24 of the instructions	
3	
Total. Add lines 1 through 3. . . . . ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	2,289,160
b	Average of monthly cash balances	1b	169,618
c	Fair market value of all other assets (see page 24 of the instructions)	1c	516,426
d	**Total** (add lines 1a, b, and c)	1d	2,975,204
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	2,975,204
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	44,628
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,930,576
6	**Minimum investment return.** Enter 5% of line 5	6	146,529

Part XI **Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	146,529
2a	Tax on investment income for 2011 from Part VI, line 5	2a	5,300		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	5,300
3	Distributable amount before adjustments Subtract line 2c from line 1			3	141,229
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	141,229
6	Deduction from distributable amount (see page 25 of the instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	141,229

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	113,133
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	113,133
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	113,133

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

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				141,229
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only.				
b Total for prior years 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2011				
a From 2006.				
b From 2007.				
c From 2008.				
d From 2009.				
e From 2010. 50,826				
f **Total** of lines 3a through e.	50,826			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 113,133				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions).				
d Applied to 2011 distributable amount.				90,403
e Remaining amount distributed out of corpus	22,730			
5 Excess distributions carryover applied to 2011 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	50,826			50,826
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	22,730			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions				
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	22,730			
10 Analysis of line 9				
a Excess from 2007.				
b Excess from 2008.				
c Excess from 2009.				
d Excess from 2010.				
e Excess from 2011. 22,730				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling. . . . . . . ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2011	**(b)** 2010	**(c)** 2009	**(d)** 2008	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year—see page 27 of the instructions.)

1 Information Regarding Foundation Managers:

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

DANIEL GERNATT SR

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 page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year* See Additional Data Table				
Total . . . . ▶ **3a**				111,500
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	12,335	
4 Dividends and interest from securities			14	76,282	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				88,617	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 88,617

(See worksheet in line 13 instructions on page 28 to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No.	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) (See page 28 of the instructions)

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash.	1a(1)		No
(2) Other assets.	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
(3) Rental of facilities, equipment, or other assets.	1b(3)		No
(4) Reimbursement arrangements.	1b(4)		No
(5) Loans or loan guarantees.	1b(5)		No
(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line No	**(b)** Amount involved	**(c)** Name of noncharitable exempt organization	**(d)** Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?. . . . . ☐ Yes ☑ No

b If "Yes," complete the following schedule

(a) Name of organization	**(b)** Type of organization	**(c)** Description of relationship

Sign Here

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

****** | 2012-05-01 | ******

Signature of officer or trustee | Date | Title

Paid Preparer's Use Only

Preparer's Signature ▶ KENNETH S FRANK CPA	Date 2012-05-04	Check if self-employed ▶ ☐	PTIN
Firm's name ▶ RA MERCER & CO PC		Firm's EIN ▶	
Firm's address ▶ 12250 OLEAN RD BOX 218 SARDINIA, NY 14134		Phone no (716) 496-5028	

May the IRS discuss this return with the preparer shown above? See instructions . . . . . ▶ ☑ Yes ☐ No

Additional Data

Software ID:	
Software Version:	
EIN:	22-2914177
Name:	DANIEL & FLAVIA GERNATT FAMILY FOUNDATION
Part VI Line 7 - Tax Paid Original Return:	1444

Form 990PF - Special Condition Description:

Special Condition Description

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
MORGAN STANLEY SMITH BARNEY A/C 475-09880-18	P	2011-10-25	2011-12-19
MORGAN STANLEY SMITH BARNEY A/C 475-09880-18	P	1998-09-17	2011-01-18
MORGAN STANLEY SMITH BARNEY A/C 475-09887-11	P	2011-05-04	2011-09-02
MORGAN STANLEY SMITH BARNEY A/C 475-09887-11	P	2009-12-10	2011-05-03
MORGAN STANLEY SMITH BARNEY A/C 475-80578-16	P	2011-03-11	2011-05-02
MORGAN STANLEY SMITH BARNEY A/C 475-80578-16	P	2004-10-20	2011-05-16

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
234,034	0	214,410	19,624
92,245	0	66,071	26,174
11,967	0	10,572	1,395
595,173	0	498,606	96,567
1,908	0	1,488	420
149,352	0	94,313	55,039

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

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	
0	0	0	19,624
0	0	0	26,174
0	0	0	1,395
0	0	0	96,567
0	0	0	420
0	0	0	55,039

Form 990PF Part VIII Line 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
DANIEL GERNATT SR RICHARDSON RD COLLINS,NY 14034	TRUSTEE 1 00	0	0	0
DANIEL GERNATT JR RICHARDSON RD COLLINS,NY 14034	TRUSTEE 1 00	0	0	0
PATRICIA REBMANN RICHARDSON RD COLLINS,NY 14034	TRUSTEE 5 00	0	0	0
PHYLLIS ULMER RICHARDSON RD COLLINS,NY 14034	TRUSTEE 1 00	0	0	0
CYNTHIA PEGLOWSKI RICHARDSON RD COLLINS,NY 14034	TRUSTEE 1 00	0	0	0

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
ST JOSEPHS SCHOOLMAIN STREET GOWANDA,NY 14070		PUBLICCHARITY	TUITIONEDUCATIONALASSISTANCE	10,000
HEALTHY COMMUNITY ALLIANCE INC1 SCHOOL STREET GOWANDA,NY 14070		PUBLICCHARITY	BUILDINGACADEMY PLACEPROJECT	1,500
LOVE INC100 MEMORIAL DRIVE GOWANDA,NY 14070		PUBLICCHARITY	ASSISTANCE FORCHARITABLE-NEEDY FAMILIES	25,000
LOVE INC OF SPRINGVILLE NYPO BOX 156 SPRINGVILLE,NY 14141		PUBLICCHARITY	ASSISTANCE FORCHARITABLE-NEEDY FAMILIES	25,000
CATHOLIC CHARITIES OF BUFFALO NY525 WASHINGTON ST BUFFALO,NY 14203		PUBLICCHARITY	NEEDYCHARITABLE-FAMILIES	20,000
TRI-COUNTY CRISIS PREGNANCY CENTER17 S WATER STREET GOWANDA,NY 14070		PUBLICCHARITY	TO PREGNANTASSISTANCEWOMEN	3,000
ST VINCENT DEPAUL SOCIETY8462 LAKESHORE RD ANGOLA,NY 14006		PUBLICCHARITY	TO POOR ANDASSISTANCEHOMELESS	20,000
FRANCISCAN CENTER1910 SENECA ST BUFFALO,NY 14210		PUBLICCHARITY	HOMELESS YOUNGASSISTANCE TOMEN	2,000
CANISIUS COLLEGE2001 MAIN STREET BUFFALO,NY 14208		PUBLICCHARITY	TUITIONASSISTANCE	1,500
LITTLE PORTION FRIARY 1305 MAIN STREET BUFFALO,NY 14209		PUBLICCHARITY	ASSISTANCE TOHOMELESS	1,000
KNIGHTS OF COLUMBUS26 ERIE AVENUE GOWANDA,NY 14070		PUBLICCHARITY	ASSISTANCE TONEEDY	1,500
CHRIST THE KING SEMINARY 795 MAIN STREET BUFFALO,NY 14203		PUBLICCHARITY	ASSISTANCE TONEEDY	1,000
Total . . . . ▶ **3a**				111,500

TY 2011 Accounting Fees Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
R A MERCER & CO TAX PREPARATION	2,985	1,493		1,492

TY 2011 Investments Corporate Stock Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Name of Stock	End of Year Book Value	End of Year Fair Market Value
see attached statement	2,148,317	2,148,262

TY 2011 Investments Government Obligations Schedule

Name:	DANIEL & FLAVIA GERNATT FAMILY FOUNDATION
EIN:	22-2914177
US Government Securities - End of Year Book Value:	
US Government Securities - End of Year Fair Market Value:	
State & Local Government Securities - End of Year Book Value:	41,548
State & Local Government Securities - End of Year Fair Market Value:	46,381

TY 2011 Other Assets Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
CASH SURRENDER VALUE LIFE INSURANCE	473,600	471,429	471,429

TY 2011 Other Assets Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
CASH SURRENDER VALUE LIFE INSURANCE	473,600	471,429	471,429

TY 2011 Other Assets Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
CASH SURRENDER VALUE LIFE INSURANCE	473,600	471,429	471,429

TY 2011 Other Decreases Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Amount
DECREASE LIFE INSURANCE CASH VALUE	2,171

TY 2011 Other Expenses Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ADVERTISING	16			16
NYS FILING FEES	250	125		125
FOREIGN TAXES PAID	884	884		
INVESTMENT ADVISORY FEES	20,631	20,631		

TY 2011 Other Income Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
MISCELLANEOUS REBATES	296	296	

TY 2011 Other Increases Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Description	Amount
CAPITAL GAINS ON STOCK SALES	199,219

TY 2011 Taxes Schedule

Name: DANIEL & FLAVIA GERNATT FAMILY FOUNDATION

EIN: 22-2914177

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FEDERAL TAXES	1,443			

LEGAL NOTICE

The annual report of the Dan and Flavia Gernatt Family Foundation is available for inspection during regular business hours by any citizen who requests it within 180 days after April 26, 2012 at its principal office, Taylor Hollow Road, Collins, NY.

Daniel R. Gernatt Sr
Principal Manager

AFFIDAVIT OF PUBLICATION

State of New York)
) SS
County of Erie)

The undersigned is the billing supervisor of The SUN, a weekly newspaper published in the county of Erie, in the state of New York.

A notice regarding Legal Notice Annual Repor

was published in said newspaper commencing on: 4/26/12

and ending on: 4/26/12

The text of the notice as published in said newspaper is as set forth below, or in the annexed exhibit.

Linda Bridges

Sworn to before me on 30th day of April, 20 12.

Mary E. Granger

MARY E. GRANGER
Notary Public, State of New York
Qualified in Erie County
Commission Expires Sept. 3, 20 14

Dan & Flavia Gernatt Family Foundation
Form 990 Attachment-Investments- Part II - Balance Sheet
EIN: 22-2914177
For the year ended December 31, 2011

Morgan Stanley-statements attached	12/31/2011	12/31/2011
a/c 475-09880-18 507	cost	mkt value
money fund	6,539.00	6,539.00
common stocks	375,018.40	394,073.50
subtotal	**381,557.40**	**400,612.50**
a/c 475-09887-11 002		
cash	298.31	298.31
money fund	27,795.01	27,795.01
common stocks	323,236.15	360,823.86
exchange traded	158,158.76	163,043.15
mutual funds	803,341.56	762,870.76
subtotal	**1,312,829.79**	**1,314,831.09**
a/c 475-80578-16 002		
cash		
money fund	75,319.48	75,319.48
common stocks	36,102.64	59,086.39
preferred stocks	29,466.68	24,787.48
accrued int bonds/cd's	480.77	480.77
municipal bonds	41,066.80	45,900.60
subtotal	**182,436.37**	**205,574.72**
Sage Rutty-statement attached		
a/c 2624-7206		
cash	83,693.55	83,693.55
mutual funds	422,992.95	383,577.29
subtotal	**506,686.50**	**467,270.84**
HSBC Checking Account	**6,866.43**	**6,866.43**
grand totals	**2,390,376.49**	**2,395,155.58**
Reported on 990 Balance Sheet:		
cash/money funds - line 1	6,866.43	6,866.43
savings - line 2	193,645.35	193,645.35
municipal bonds 10.A	41,547.57	46,381.37
corporate stock line 10.B	2,148,317.14	2,148,262.43
grand totals	**2,390,376.49**	**2,395,155.58**

MorganStanley SmithBarney

Ref: 00000084 00002620

Reserved Client Statement
December 1 - December 31, 2011

L11000000084 311364AH01 SELFL031A
THE DANIEL & FLAVIA GERNATT
FAMILY FOUNDATION
PBG YPO
2698 GOWANDA ZOAR RD
GOWANDA NY 14070-9767

Account number 475-09880-18 507

Morgan Stanley Smith Barney LLC. Member SIPC.

415 COLUMBIA STREET
SUITE 3100
LAFAYETTE IN 47902
765-742-9085
Website: www.smithbarney.com

Reserved Client Service Center, 800-423-7248

Account carried by Citigroup Global Markets Inc. Member SIPC.

Account value

	Last period	This period	%
Money fund	$ 14,920.22	$ 6,539.00	1.63
Common stocks & options	373,377.50	394,073.50	98.37
Total value	**$ 388,297.72**	**$ 400,612.50**	**100.00**

Earnings summary

	This period		This year	
	Taxable	Non-taxable	Taxable	Non-taxable
Qualified dividends	$ 1,873.00	$ 0.00	$ 10,918.95	$ 0.00
Money fund earnings	.09	0.00	7.09	1.37
Total	**$ 1,873.09**	**$ 0.00**	**$ 10,926.04**	**$ 1.37**

Gain/loss summary

		This period	This year
Realized gain or (loss)		$ 946.15	$ 26,174.06 LT $ 19,624.32 ST
Unrealized gain or (loss) to date	19,055.10		

Cash, money fund, bank deposits

	This period	This year
Opening balance	**$ 14,920.22**	
Securities bought and other subtractions	(28,742.54)	
Securities sold and other additions	18,488.23	
Withdrawals	0.00	(7,423.01)
Dividends credited	1,873.00	
Money fund earnings reinvested	.09	
Closing balance	**$ 6,539.00**	

A free credit balance in any securities account may be paid to you on demand. Although properly accounted for, these funds may be used for business purposes.

Portfolio summary

	This period	This year
Beginning total value (excl. accr. int.)	**$ 388,297.72**	**$ 365,678.78**
Net security deposits/withdrawals	0.00	0.00
Net cash deposits/withdrawals	0.00	(7,423.01)
Beginning value net of deposits/withdrawals	**388,297.72**	**358,255.77**
Total value as of 12/30/2011 (excl. accr. int.)	**$ 400,612.50**	**$ 400,612.50**
Change in value	**$ 12,314 78**	**$ 42,356.73**

PORTFOLIO DETAILS

Your holdings are valued using the most current prices available to Citigroup Global Markets Inc. (CGMI). In most cases, these values are as of 12/31/11, but in some cases CGMI's sources are unable to provide timely information. To see the date of the most recent price update, please view your account online at www.smithbarney.com.

Securities purchased or sold are included or excluded in this section as of the trade-date. This section may include securities that have not settled as of this statement closing date. Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold.
Please Note: *unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.*

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
6,539.00	MORGAN STANLEY LIQUID ASSET FUND INC	$ 6,539 00		.01 %	$ .65
Total money fund		$ 6,539.00	$ 0.00		$ .65

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
500	AT&T INC	T	10/13/10	$ 14,269.40	$ 28.538	$ 30.24	$ 15,120.00	$ 850.60 LT		
100			03/23/11	2,807.78	28 077	30.24	3,024 00	216.22 ST		
100			09/16/11	2,869.78	28.697	30.24	3,024.00	154.22 ST		
700				**19,946.96**	**28.496**		**21,168.00**	**1,221.04**	**5 82**	**1,232.00**
-7	CALL T JAN 12 @ 30.00 AT&T INC 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/20/11	**-34 99** Short sale proceeds	.05	.39	**-273.00** Cost to close	**(238 01)** ST		
300	CHEVRON CORP	CVX	02/16/11	**29,009.64**	96 698	106.40	**31,920.00**	**2,910.36** ST	**3.045**	**972 00**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
-3	CALL CVX JAN 12 @ 105.00 CHEVRON CORP 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/20/11	**$ -590.98** Short sale proceeds	$ 1.97	$ 3.30	**$ -990.00** Cost to close	**($ 399 02)** ST		
200	COCA-COLA CO	KO	12/09/09	11,491.60	57.458	69.97	13,994.00	2,502.40 LT		
300			10/13/10	17,966.40	59.888	69.97	20,991.00	3,024 60 LT		
500				**29,458.00**	**58.916**		**34,985.00**	**5,527.00**	**2.686**	**940.00**
-5	CALL KO JAN 12 @ 70.00 COCA-COLA CO 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/20/11	**-215.74** Short sale proceeds	.431	.945	**-472.50** Cost to close	**(256.76)** ST		
500	E I DU PONT DE NEMOURS & CO	DD	02/14/11	27,228 20	54.456	45.78	22,890.00	(4,338.20) ST		
100			09/16/11	4,675.78	46.757	45.78	4,578.00	(97.78) ST		
600				**31,903.98**	**53.173**		**27,468.00**	**(4,435.98)**	**3.582**	**984.00**
-6	CALL DD JAN 12 @ 47 00 E I DU PONT DE NEMOURS & CO 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/20/11	**-287.99** Short sale proceeds	.48	.535	**-321.00** Cost to close	**(33.01)** ST		
400	GENERAL ELECTRIC CO	GE	02/07/11	8,340.80	20.852	17.91	7,164.00	(1,176.80) ST		
200			03/23/11	3,879.56	19.397	17.91	3,582.00	(297.56) ST		
100			09/16/11	1,618.80	16.188	17.91	1,791.00	172.20 ST		
700				**13,839.16**	**19.77**		**12,537.00**	**(1,302.16)**	**3.796**	**476 00**
-7	CALL GE FEB 12 @ 18.00 GENERAL ELECTRIC CO 100 SHS EXP: 02/18/2012 SHORT CALL Covered		12/20/11	**-240.72** Short sale proceeds	.343	.68	**-476 00** Cost to close	**(235.28)** ST		
500	HOME DEPOT INC	HD	02/14/11	18,796 55	37.593	42.04	21,020.00	2,223.45 ST		
100			03/23/11	3,639.60	36 396	42 04	4,204 00	564.40 ST		
100			09/16/11	3,467.78	34.677	42.04	4,204.00	736 22 ST		
700				**25,903.93**	**37.006**		**29,428.00**	**3,524.07**	**2.759**	**812 00**
-7	CALL HD FEB 12 @ 42.00 HOME DEPOT INC 100 SHS EXP: 02/18/2012 SHORT CALL Covered		12/16/11	**-614.79** Short sale proceeds	878	1.47	**-1,029.00** Cost to close	**(414.21)** ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
100	INTEL CORP	INTC	09/16/11	$ 2,187.80	$ 21.878	$ 24.25	$ 2,425.00	$ 237.20 ST		
400			11/07/11	9,653.32	24 133	24.25	9,700.00	46.68 ST		
500				**11,841.12**	**23.682**		**12,125.00**	**283.88**	**3.463**	**420.00**
-1	CALL INTC JAN 12 @ 26.00 INTEL CORP 100 SHS EXP: 01/21/2012 SHORT CALL Covered		10/20/11	**-44.99** Short sale proceeds	.45	.11	**-11.00** Cost to close	**33.99** ST		
-4	CALL INTC JAN 12 @ 25.00 INTEL CORP 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/20/11	**-111.99** Short sale proceeds	.28	.33	**-132.00** Cost to close	**(20.01)** ST		
400	JPMORGAN CHASE & CO	JPM	12/27/11	**13,282.00**	33.205	33.25	**13,300.00**	**18.00** ST	3 007	400.00
-4	CALL JPM JAN 12 @ 36.00 JPMORGAN CHASE & CO 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/27/11	-79.99 Short sale proceeds	20	.215	**-86 00** Cost to close	**(6.01)** ST		
200	JOHNSON & JOHNSON	JNJ	03/23/10	13,049.26	65.246	65 58	13,116.00	66.74 LT		
300			10/13/10	19,082.13	63.607	65.58	19,674.00	591.87 LT		
500				**32,131.39**	**64.263**		**32,790.00**	**658.61**	**3 476**	**1,140.00**
-5	CALL JNJ JAN 12 @ 67.50 JOHNSON & JOHNSON 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/20/11	**-41.89** Short sale proceeds	.083	.20	**-100.00** Cost to close	**(58.11)** ST		
200	KRAFT FOODS INC CLASS A	KFT	03/23/10	6,101.74	30.508	37 36	7,472.00	1,370 26 LT		
300			10/13/10	9,457.80	31.526	37.36	11,208.00	1,750.20 LT		
100			09/16/11	3,492.80	34 928	37.36	3,736.00	243.20 ST		
600				**19,052 34**	**31.754**		**22,416.00**	**3,363.66**	**3.104**	**696.00**
-6	CALL KFT JAN 12 @ 38.00 KRAFT FOODS INC CLASS A 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/20/11	**-53 99** Short sale proceeds	.09	.23	**-138.00** Cost to close	**(84.01)** ST		
400	MCDONALDS CORP	MCD	09/01/11	**36,243.84**	90.609	100.33	**40,132.00**	**3,888.16** ST	2.79	1,120.00

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
-4	CALL MCD JAN 12 @ 95.00 MCDONALDS CORP 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/12/11	$ -1,599.96 Short sale proceeds	$ 4.00	$ 5 575	$ -2,230.00 Cost to close	($ 630.04) ST		
500	MERCK & CO INC NEW	MRK	06/14/11	17,879 30	35.758	37.70	18,850.00	970.70 ST		
100			09/16/11	3,263.78	32.637	37.70	3,770.00	506.22 ST		
600				21,143.08	35.238		22,620.00	1,476.92	4.456	1,008.00
-6	CALL MRK JAN 12 @ 38.00 MERCK & CO INC NEW 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/16/11	-133.85 Short sale proceeds	.223	.51	-306.00 Cost to close	(172.15) ST		
600	PFIZER INC	PFE	12/20/11	12,777.54	21.295	21.64	12,984.00	206.46 ST	4.066	528.00
-6	CALL PFE JAN 12 @ 22.50 PFIZER INC 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/21/11	-89.93 Short sale proceeds	.149	.10	-60.00 Cost to close	29.93 ST		
400	PROCTER & GAMBLE CO	PG	02/07/11	25,811.24	64.528	66.71	26,684.00	872.76 ST	3.147	840.00
-4	CALL PG JAN 12 @ 67.50 PROCTER & GAMBLE CO 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/20/11	-110.51 Short sale proceeds	.276	.38	-152.00 Cost to close	(41 49) ST		
400	3M COMPANY	MMM	02/08/11	35,706.76	89.266	81.73	32,692.00	(3,014.76) ST	2.691	880.00
-4	CALL MMM JAN 12 @ 85.00 3M COMPANY 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/20/11	-143.99 Short sale proceeds	.36	.49	-196.00 Cost to close	(52.01) ST		
200	VERIZON COMMUNICATIONS	VZ	01/20/95	4,582.88	22.914	40.12	8,024.00	3,441.12* LT		
100			12/09/09	3,107.21	31.072	40.12	4,012.00	904.79 LT		
200			10/13/10	6,477.42	32.387	40.12	8,024.00	1,546.58 LT		
100			03/23/11	3,689.60	36.896	40.12	4,012.00	322.40 ST		
100			09/16/11	3,643.80	36.438	40.12	4,012.00	368.20 ST		
700				21,500 91	30.716		28,084.00	6,583.09	4.985	1,400 00

MorganStanley SmithBarney

Ref: 00000084 00002625

Reserved
Client Statement
December 1 - December 31, 2011

THE DANIEL & FLAVIA GERNATT *Account number 475-09880-18 507*

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
-7	CALL VZ JAN 12 @ 40.00 VERIZON COMMUNICATIONS 100 SHS EXP: 01/21/2012 SHORT CALL Covered		12/20/11	$ -137.19 Short sale proceeds	$ .196	$ .41	$ -287.00 Cost to close	($ 149.81) ST		
Total common stocks and options				$ 375,018 40			$ 394,073.50	$ 3,005.94 ST	3.51	
								$ 16,049.16 LT		$ 13,848.00
Total portfolio value				$ 381,557.40			$ 400,612.50	$ 3,005.94 ST	3.45	$ 13,848.65
								$ 16,049.16 LT		

*Based on information supplied by client or other financial institution, not verified by us.

TRANSACTION DETAILS *All transactions appearing are based on trade-date.*

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/12/11	Sold	CALL MCD JAN 12 @ 95.00 MCDONALDS CORP 100 SHS EXP 01/21/2012 COVERED OPEN CUSTOMER MorganStanley SmithBarney LLC acted as your agent in this transaction	-4	$ 4.00	$ 1,599.96
12/12/11	Bought	CALL MCD DEC 11 @ 92.50 MCDONALDS CORP 100 SHS EXP 12/17/2011 CLOSED CUSTOMER MorganStanley SmithBarney LLC acted as your agent in this transaction.	4	5.35	-2,140.00
12/19/11	Opt expire	CALL T DEC 11 @ 31.00 AT&T INC 100 SHS	7		0.00
12/19/11	Opt expire	CALL CVX DEC 11 @ 110 00 CHEVRON CORP 100 SHS	3		0.00

MorganStanley SmithBarney

Ref: 00000084 00002635

Reserved Client Statement
December 1 - December 31, 2011

L11000000084 311364AH01 SELFL031A
THE DANIEL & FLAVIA GERNATT
FAMILY FOUNDATION
2698 GOWANDA ZOAR RD
GOWANDA NY 14070-9767

Account number 475-09887-11 002

Morgan Stanley Smith Barney LLC. Member SIPC.

Your Financial Advisor
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Reserved Client Service Center: 800-423-7248
Branch Phone: 800 343 9743

Account carried by Citigroup Global Markets Inc. Member SIPC.

Account value

	Last period	This period	%
Cash balance	$ 38.93	**$ 298.31**	.02
Money fund	13,037.66	**27,795.01**	2.11
Common stocks & options	357,216.15	**360,823.86**	27.44
Exchange traded & closed end funds	166,016.99	**163,043.15**	12.40
Mutual funds	780,913.05	**762,870.76**	58.02
Unsettled purchases/sales	2,044.15	**0.00**	
Total value	**$ 1,319,266.93**	**$ 1,314,831.09**	**100.00**

Unsettled purchases/sales are reflected in the "Portfolio details" section.

Earnings summary

	This period		This year	
	Taxable	Non-taxable	Taxable	Non-taxable
Qualified dividends	$ 1,001.03	$ 0.00	$ 8,052 17	$ 0.00
Other dividends	8,945.75	0.00	25,838.83	0.00
Money fund earnings	.16	0.00	7.43	14.67
Cap. gains distributions-ST	828.96	0.00	828.96	0.00
Cap. gains distributions-LT	4,182.76	0.00	4,182.76	0.00
Total	**$ 14,958.66**	**$ 0.00**	**$ 38,910.15**	**$ 14.67**

Cash, money fund, bank deposits

	This period	This year
Opening balance	**$ 13,076.59**	
Securities bought and other subtractions	(1,996.78)	
Securities sold and other additions	0.00	
Prior transactions settling/cancelled	2,044.15	
Withdrawals	0.00	(13,099.39)
Dividends credited	9,946.78	
Money fund earnings reinvested	.16	
Capital gains distributions credited	5,011.72	
Other income credited	10.70	
Closing balance	**$ 28,093 32**	

A free credit balance in any securities account may be paid to you on demand Although properly accounted for, these funds may be used for business purposes.

Portfolio summary

	This period	This year
Beginning total value (excl. accr. int.)	**$ 1,319,266.93**	**$ 1,356,252.96**
Net security deposits/withdrawals	0.00	0.00
Net cash deposits/withdrawals	0.00	(13,099.39)
Beginning value net of deposits/withdrawals	**1,319,266.93**	**1,343,153.57**
Total value as of 12/30/2011 (excl. accr. int.)	**$ 1,314,831 09**	**$ 1,314,831.09**
Change in value	**($ 4,435.84)**	**($ 28,322.48)**

Additional summary information	This period	This year
Other income	$ 10.70	$ 279.52
FRGN tax withheld	0.00	61.84

Gain/loss summary		This period	This year
Realized gain or (loss)		$ 0.00	$ 96,566.42 LT $ 1,395.84 ST
Unrealized gain or (loss) to date	2,001.30		

SEPARATELY MANAGED ACCOUNTS

Consulting Group Investment Advisor Research (CG IAR) status codes (FL, AL or NL) may be shown for certain separately managed account managers. Please refer to "CG IAR Statuses in Investment Advisory Programs" at the end of this statement for a description of these status codes. All status codes represent the opinions of CG IAR and are not representations or guarantees of performance.

	Rating		Rating
Clearbridge Advisors - Dividend Strategy	AL	ClearBridge All Cap Value Portfolios	FL
ClearBridge Multi Cap Growth Portfolios	FL		

PORTFOLIO DETAILS

Your holdings are valued using the most current prices available to Citigroup Global Markets Inc. (CGMI). In most cases, these values are as of 12/31/11, but in some cases CGMI's sources are unable to provide timely information. To see the date of the most recent price update, please view your account online at www.smithbarney.com.

Securities purchased or sold are included or excluded in this section as of the trade-date. This section may include securities that have not settled as of this statement closing date Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold
Please Note: *unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.*

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
27,795 01	MORGAN STANLEY LIQUID ASSET FUND INC	$ 27,795.01		.01 %	$ 2.77
Total money fund		$ 27,795.01	$ 0.00		$ 2.77

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
36	COVIDIEN PLC	COV	12/10/09	$ 1,709.10	$ 47.475	$ 45 01	$ 1,620.36	($ 88 74) LT		
4			01/08/10	195.60	48.90	45.01	180.04	(15.56) LT		
1			02/08/10	49.42	49.42	45.01	45.01	(4.41) LT		
2			02/16/10	100.62	50.31	45.01	90.02	(10.60) LT		
2			02/22/10	100.70	50.35	45.01	90.02	(10.68) LT		
45				**2,155.44**	**47.899**		**2,025.45**	**(129.99)**	**1.999**	**40.50**
116	SEAGATE TECHNOLOGY PLC	STX	12/10/09	1,916.09	16.518	16.40	1,902.40	(13.69) LT		
13			01/08/10	232.44	17.88	16.40	213.20	(19.24) LT		
2			02/08/10	36.50	18.25	16.40	32.80	(3.70) LT		
71			08/18/10	793.19	11.171	16.40	1,164.40	371.21 LT		
98			08/23/10	1,074.12	10.96	16.40	1,607.20	533.08 LT		
300				**4,052.34**	**13.508**		**4,920.00**	**867.66**	**4.39**	**216.00**
18	ALLIED WORLD ASSURANCE CO HLDGS	AWH	12/10/09	833.37	46.298	62.93	1,132.74	299.37 LT		
3			01/08/10	136.50	45.50	62.93	188 79	52.29 LT		
1			01/22/10	45.28	45.28	62.93	62.93	17.65 LT		
1			02/16/10	45.86	45.86	62.93	62.93	17.07 LT		
1			02/22/10	46.10	46.10	62.93	62.93	16.83 LT		
11			05/11/10	481.36	43.76	62.93	692 23	210.87 LT		
35				**1,588.47**	**45.385**		**2,202.55**	**614.08**	**2.383**	**52.50**
139	WEATHERFORD INTERNATIONAL LTD -CHF	WFT	12/10/09	2,266.81	16.308	14.64	2,034.96	(231.85) LT		
42			01/22/10	752.22	17.909	14.64	614.88	(137.34) LT		
34			01/28/10	545.62	16.047	14.64	497.76	(47.86) LT		
47			02/08/10	707.82	15.06	14.64	688.08	(19.74) LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
21	WEATHERFORD INTERNATIONAL LTD.-CHF	WFT	02/16/10	$ 318 09	$ 15.147	$ 14.64	$ 307.44	($ 10.65) LT		
17			04/21/11	347.36	20 462	14 64	248 88	(98.98) ST		
15			05/04/11	303 42	20 228	14.64	219.60	(83 82) ST		
315				**5,241 84**	**16.641**		**4,611 60**	**(630.24)**		
124	TE CONNECTIVITY LTD-CHF	TEL	12/10/09	2,927.45	23.608	30 81	3,820.44	892.99 LT		
13			01/08/10	325.26	25.02	30.81	400.53	75.27 LT		
2			01/22/10	50 10	25.048	30 81	61 62	11.52 LT		
4			02/08/10	98.88	24 72	30.81	123 24	24.36 LT		
4			02/16/10	103 19	25 797	30.81	123.24	20 05 LT		
5			02/22/10	131 60	26.32	30.81	154 05	22.45 LT		
152				**3,636.48**	**23 924**		**4,683 12**	**1,046.64**	**2 336**	**109.44**
106	TYCO INTL LTD CHF	TYC	12/10/09	3,828.30	36 116	46.71	4,951.26	1,122 96 LT		
15			01/08/10	544 35	36.289	46 71	700 65	156.30 LT		
14			02/08/10	477.65	34 118	46 71	653 94	176 29 LT		
7			02/16/10	244 99	34 998	46.71	326.97	81 98 LT		
3			02/22/10	106.79	35.597	46 71	140 13	33.34 LT		
145				**5,202.08**	**35 876**		**6,772 95**	**1,570 87**	**2 14**	**145.00**
28	AMC NETWORKS INC-A	AMCX	12/10/09	665 47	23 766	37.58	1,052.24	386 77 LT		
4.25			01/08/10	101 63	23.912	37.58	159 72	58.09 LT		
1			01/22/10	23.61	23 61	37.58	37 58	13.97 LT		
2			02/08/10	45.97	22 985	37.58	75.16	29 19 LT		
1.75			02/16/10	42 67	24.382	37 58	65 77	23.10 LT		
37				**879.35**	**23 766**		**1,390 47**	**511.12**		
144	AT&T INC	T	12/10/09	3,991.11	27.716	30.24	4,354.56	363 45 LT		
33			01/08/10	891 94	27.028	30 24	997 92	105.98 LT		
17			01/22/10	432.96	25 468	30.24	514 08	81.12 LT		
8			02/08/10	200.30	25.038	30.24	241.92	41 62 LT		
11			02/16/10	278 37	25.306	30 24	332 64	54 27 LT		
19			02/22/10	475.57	25 03	30 24	574 56	98.99 LT		
14			03/07/11	391 01	27.929	30 24	423.36	32 35 ST		
246				**6,661.26**	**27.078**		**7,439 04**	**777.78**	**5 82**	**432.96**
32	ABBOTT LABORATORIES	ABT	12/10/09	1,729.21	54 038	56.23	1,799.36	70.15 LT		
6			01/08/10	329 33	54.888	56 23	337.38	8 05 LT		
2			01/22/10	109 74	54.868	56 23	112 46	2.72 LT		
2			02/08/10	107.30	53 647	56 23	112.46	5.16 LT		

THE DANIEL & FLAVIA GERNATT **Account number 475-09887-11 002**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
3	ABBOTT LABORATORIES	ABT	02/16/10	$ 163.74	$ 54.578	$ 56.23	$ 168.69	$ 4.95 LT		
4			02/22/10	217.36	54.34	56.23	224.92	7.56 LT		
4			11/09/10	201.46	50 363	56 23	224.92	23.46 LT		
2			11/23/10	94.18	47.09	56.23	112.46	18.28 LT		
55				**2,952 32**	**53.679**		**3,092.65**	**140.33**	**3.414**	**105.60**
37	AMERICAN ELECTRIC POWER CO INC	AEP	12/08/10	1,303.54	35.23	41.31	1,528.47	224.93 LT		
2			03/07/11	71.39	35.697	41.31	82.62	11.23 ST		
39				**1,374.93**	**35.255**		**1,611.09**	**236.16**	**4.55**	**73.32**
63	ANADARKO PETROLEUM CORP	APC	12/10/09	3,665.88	58.188	76.33	4,808.79	1,142.91 LT		
3			01/08/10	200.07	66.69	76.33	228.99	28.92 LT		
7			01/22/10	446.43	63.776	76.33	534.31	87.88 LT		
5			02/08/10	313.04	62.607	76.33	381.65	68.61 LT		
3			02/22/10	208.71	69 57	76 33	228.99	20.28 LT		
81				**4,834.13**	**59.681**		**6,182.73**	**1,348.60**	**.471**	**29.16**
139	APPLIED MATERIALS INC DELAWARE	AMAT	12/10/09	1,846.91	13.287	10.71	1,488.69	(358.22) LT		
13			01/08/10	188.31	14.485	10.71	139.23	(49.08) LT		
20			01/22/10	262.58	13.128	10.71	214.20	(48.38) LT		
16			02/08/10	194.21	12.138	10.71	171.36	(22.85) LT		
3			02/16/10	38.87	12.956	10.71	32.13	(6.74) LT		
16			02/22/10	199.94	12.496	10.71	171.36	(28.58) LT		
53			07/29/11	659.83	12.449	10.71	567.63	(92.20) ST		
260				**3,390.65**	**13.041**		**2,784.60**	**(606.05)**	**2.987**	**83 20**
77	AUTODESK INC	ADSK	12/10/09	1,809.38	23 498	30 33	2,335.41	526.03 LT		
12			02/08/10	277.56	23.13	30.33	363.96	86.40 LT		
35			08/10/11	1,004.28	28.693	30.33	1,061.55	57.27 ST		
124				**3,091.22**	**24 929**		**3,760.92**	**669.70**		
48	AUTOMATIC DATA PROCESSING INC.	ADP	01/26/05	1,931.99	39.41	54.01	2,592.48	660.49* LT		
9			01/08/10	380.75	42.305	54.01	486.09	105.34 LT		
4			01/22/10	164.78	41 196	54.01	216.04	51.26 LT		
4			02/08/10	161.87	40.468	54.01	216.04	54.17 LT		
3			02/16/10	123.81	41.27	54.01	162.03	38 22 LT		
4			02/22/10	166.43	41.608	54.01	216.04	49.61 LT		
3			11/09/10	136.56	45.521	54 01	162.03	25.47 LT		
12.5618	Reinvestments to date			464.17	36.95	54.01	678.46	214.29 LT		
87.5618				**3,530.36**	**40.318**		**4,729.21**	**1,198.85**	**2.925**	**138.35**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
21	BHP BILLITON PLC SPONSORED ADR	BBL	11/30/11	**$ 1,286.10**	$ 61.242	$ 58.39	**$ 1,226.19**	**($ 59.91)** ST	**3 459%**	**$ 42.42**
18	BAKER HUGHES INC	BHI	12/10/09	703.60	39.088	48.64	875.52	171.92 LT		
9			06/02/10	354.23	39.359	48.64	437.76	83.53 LT		
4			08/11/11	234.31	58.577	48 64	194.56	(39.75) ST		
31				**1,292.14**	**41.682**		**1,507.84**	**215.70**	**1.233**	**18.60**
12	BHP BILLITON LTD SPONS ADR	BHP	12/23/09	905.71	75.476	70.63	847.56	(58.15) LT		
1			01/22/10	73 47	73.465	70.63	70.63	(2.84) LT		
1			02/08/10	68.25	68.245	70.63	70.63	2.38 LT		
1			02/22/10	75.52	75 516	70.63	70.63	(4.89) LT		
15				**1,122.95**	**74.863**		**1,059.45**	**(63.50)**	**2 859**	**30.30**
67	BIOGEN IDEC INC	BIIB	12/10/09	**3,237.97**	48.328	110 05	**7,373 35**	**4,135.38** LT		
7	BLACKROCK INC	BLK	11/09/10	**1,163.93**	166.276	178.24	**1,247.68**	**83.75** LT	**3.085**	**38.50**
17	BOEING CO	BA	12/10/09	932.23	54.837	73.35	1,246.95	314.72 LT		
2			01/22/10	116.69	58.347	73 35	146.70	30.01 LT		
16			09/21/10	1,028.00	64.25	73.35	1,173.60	145.60 LT		
35				**2,076.92**	**59.341**		**2,567.25**	**490.33**	**2 399**	**61.60**
86	BRISTOL MYERS SQUIBB CO	BMY	12/10/09	2,198.77	25.567	35.24	3,030.64	831.87 LT		
15			01/08/10	371.68	24.778	35.24	528.60	156.92 LT		
5			01/22/10	122.73	24.546	35.24	176.20	53.47 LT		
3			02/08/10	72.14	24.048	35.24	105.72	33.58 LT		
7			02/16/10	169.31	24.187	35.24	246.68	77.37 LT		
4			02/22/10	98.83	24.707	35.24	140.96	42.13 LT		
7			11/10/10	183 59	26.227	35.24	246.68	63 09 LT		
1			12/06/10	25 83	25.83	35.24	35.24	9.41 LT		
5			01/19/11	128.96	25 791	35.24	176.20	47.24 ST		
133				**3,371 84**	**25.352**		**4,686.92**	**1,315.08**	**3.859**	**180.88**
73	BROADCOM CORP CL A	BRCM	12/10/09	2,275.78 *R*	31.495	29.36	2,143.28	(132.50) LT		
13			01/08/10	395.46 *R*	30.74	29.36	381.68	(13.78) LT		
8			01/22/10	226.21 *R*	28.596	29.36	234.88	8 67 LT		
2			02/08/10	57 22 *R*	28.928	29 36	58.72	1.50 LT		
4			02/22/10	124.42 *R*	31 426	29.36	117.44	(6.98) LT		
11			05/03/11	384.10	34.918	29.36	322.96	(61.14) ST		
3			05/10/11	100.74	33.581	29.36	88.08	(12.66) ST		
114				**3,563.93**	**31 263**		**3,347.04**	**(216.89)**	**1.226**	**41.04**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
112	CABLEVISION SYSTEMS CORP	CVC	12/10/09	$ 1,757.96	$ 15.696	$ 14.22	$ 1,592.64	($ 165 32) LT		
17	CABLEVISION NY GROUP CL A		01/08/10	268 49	15.793	14.22	241 74	(26.75) LT		
4			01/22/10	62 37	15 592	14 22	56 88	(5.49) LT		
8			02/08/10	121.43	15 178	14 22	113 76	(7.67) LT		
7			02/16/10	112.72	16.102	14 22	99.54	(13 18) LT		
148				**2,322 97**	**15.696**		**2,104.56**	**(218 41)**	**4 219**	**88 80**
23	CARNIVAL CORP (PAIRED STOCK)	CCL	12/10/09	738.27	32 098	32 64	750 72	12.45 LT		
2			01/08/10	66.10	33 048	32 64	65 28	(.82) LT		
1			02/08/10	33 33	33.327	32.64	32.64	(.69) LT		
2			02/16/10	66 96	33 478	32.64	65 28	(1.68) LT		
1			02/22/10	34.25	34 246	32 64	32 64	(1.61) LT		
11			06/25/10	356 51	32.41	32 64	359.04	2.53 LT		
16			11/02/11	542.39	33.899	32.64	522.24	(20 15) ST		
56				**1,837.81**	**32,818**		**1,827.84**	**(9.97)**	**3 063**	**56.00**
14	CHEVRON CORP	CVX	11/04/10	**1,179.36**	84 24	106.40	**1,489.60**	**310.24** LT	**3.045**	**45.36**
40	CHUBB CORP	CB	12/10/09	1,933 09	48.327	69.22	2,768.80	835 71 LT		
6			01/08/10	291.95	48.658	69.22	415 32	123.37 LT		
2			01/22/10	96.38	48 19	69.22	138.44	42.06 LT		
2			02/16/10	99.68	49 838	69.22	138 44	38 76 LT		
1			02/22/10	51 11	51.11	69.22	69.22	18 11 LT		
51				**2,472 21**	**48 475**		**3,530 22**	**1,058.01**	**2 253**	**79 56**
78	CISCO SYS INC	CSCO	12/10/09	1,860.30	23.85	18 08	1,410.24	(450.06) LT		
10			01/08/10	245 78	24.577	18.08	180.80	(64.98) LT		
6			01/22/10	138 30	23.049	18.08	108 48	(29 82) LT		
1			02/08/10	23.71	23 709	18 08	18 08	(5.63) LT		
5			02/16/10	119.75	23 95	18 08	90.40	(29 35) LT		
5			02/22/10	122 25	24,449	18.08	90.40	(31 85) LT		
85			05/03/11	1,477 13	17.378	18 08	1,536 80	59.67 ST		
18			07/01/11	285.43	15 857	18 08	325 44	40.01 ST		
208				**4,272.65**	**20,542**		**3,760 64**	**(512.01)**	**1.327**	**49 92**
33	CITRIX SYSTEMS INC	CTXS	10/14/10	1,935 19	58.642	60.72	2,003 76	68.57 LT		
2			07/27/11	143 81	71 906	60 72	121 44	(22.37) ST		
35				**2,079.00**	**59 40**		**2,125 20**	**46 20**		
281	COMCAST CORP CL A - SPL	CMCSK	12/10/09	4,689 61	16.689	23.56	6,620.36	1,930 75 LT		
62			01/08/10	1,000 56	16 138	23 56	1,460 72	460.16 LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
31	COMCAST CORP CL A - SPL	CMCSK	01/22/10	$ 474.86	$ 15.318	$ 23.56	$ 730.36	$ 255.50 LT		
34			02/08/10	494 63	14.548	23.56	801.04	306 41 LT		
21			02/16/10	311 83	14.849	23 56	494 76	182 93 LT		
11			02/22/10	168.37	15 306	23.56	259 16	90.79 LT		
50			05/13/11	1,187.61	23 752	23.56	1,178 00	(9.61) ST		
15			09/26/11	317 09	21 139	23.56	353.40	36 31 ST		
505				**8,644 56**	**17.118**		**11,897.80**	**3,253 24**	**1.91**	**227 25**
11	CONOCOPHILLIPS	COP	12/10/09	559 11	50.828	72 87	801 57	242 46 LT		
13			12/30/09	661.45	50.88	72.87	947 31	285.86 LT		
3			01/08/10	158.96	52 988	72.87	218.61	59.65 LT		
1			01/22/10	50 92	50 918	72.87	72.87	21.95 LT		
4			02/08/10	190 20	47.549	72 87	291.48	101 28 LT		
3			02/22/10	146 39	48 797	72.87	218 61	72.22 LT		
9			03/02/11	703.07	78 119	72 87	655 83	(47.24) ST		
6			05/03/11	445 85	74 308	72.87	437.22	(8.63) ST		
50				**2,915 95**	**58.319**		**3,643.50**	**727 55**	**3 622**	**132 00**
13	CREE INC	CREE	12/10/09	672 88	51.76	22 04	286.52	(386 36) LT		
2			02/08/10	112.86	56 43	22 04	44.08	(68 78) LT		
2			05/25/10	123.31	61 654	22.04	44 08	(79.23) LT		
14			08/05/10	979 65	69.975	22.04	308.56	(671 09) LT		
34			09/16/10	1,738.50	51.132	22.04	749.36	(989 14) LT		
5			10/20/10	244 86	48.972	22 04	110.20	(134 66) LT		
6			03/23/11	271.46	45 243	22 04	132 24	(139.22) ST		
22			04/20/11	861.16	39 143	22.04	484.88	(376.28) ST		
4			06/16/11	143.38	35 845	22.04	88.16	(55 22) ST		
102				**5,148 06**	**50.471**		**2,248.08**	**(2,899 98)**		
19	DEERE & CO	DE	12/10/09	992 70	52 247	77 35	1,469 65	476.95 LT		
2			01/08/10	114.85	57 426	77 35	154 70	39.85 LT		
3			01/22/10	160 34	53 446	77.35	232.05	71.71 LT		
4			02/08/10	196 87	49.218	77.35	309.40	112.53 LT		
28				**1,464 76**	**52.313**		**2,165 80**	**701 04**	**2.12**	**45 92**
27	DEVON ENERGY CORP NEW	DVN	12/10/09	1,725.52	63 908	62 00	1,674 00	(51.52) LT		
1			01/22/10	69.71	69 71	62.00	62.00	(7.71) LT		
2			02/08/10	132.94	66 47	62.00	124.00	(8 94) LT		
1			02/16/10	69 13	69.13	62 00	62.00	(7.13) LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1	DEVON ENERGY CORP NEW	DVN	02/22/10	$ 70.41	$ 70.41	$ 62 00	$ 62.00	($ 8.41) LT		
6			11/02/11	391 65	65 275	62 00	372 00	(19 65) ST		
38				**2,459.36**	**64.72**		**2,356 00**	**(103.36)**	**1.096**	**25.84**
32	WALT DISNEY CO	DIS	12/10/09	1,003.08	31.346	37.50	1,200.00	196 92 LT		
6			01/08/10	190 25	31.708	37.50	225.00	34 75 LT		
4			01/22/10	120.47	30 118	37 50	150 00	29.53 LT		
2			02/08/10	59.33	29 667	37.50	75 00	15.67 LT		
2			02/16/10	60 94	30.468	37.50	75 00	14.06 LT		
1			02/22/10	31.17	31.167	37 50	37 50	6 33 LT		
39			12/23/11	1,463 08	37.514	37.50	1,462.50	(58) ST		
86				**2,928 32**	**34.05**		**3,225.00**	**296 68**	**1.60**	**51 60**
41	DIRECTV CL A	DTV	12/10/09	1,345.96	32 828	42 76	1,753 16	407.20 LT		
5			01/08/10	170.04	34 008	42.76	213 80	43.76 LT		
7			01/22/10	220 06	31.437	42 76	299 32	79.26 LT		
3			02/08/10	91 31	30.436	42 76	128 28	36 97 LT		
2			02/16/10	61 80	30 898	42.76	85.52	23 72 LT		
58				**1,889 17**	**32 572**		**2,480.08**	**590.91**		
29	DOLBY LABORATORIES INC CLASS A	DLB	12/10/09	1,295.37	44 668	30.51	884.79	(410 58) LT		
3			01/22/10	143.70	47 90	30 51	91.53	(52.17) LT		
2			02/22/10	105.78	52.89	30 51	61 02	(44.76) LT		
10			02/04/11	563 18	56.318	30.51	305.10	(258.08) ST		
4			04/06/11	196.03	49.008	30.51	122.04	(73 99) ST		
3			04/12/11	150 18	50 058	30.51	91.53	(58 65) ST		
3			04/15/11	141.26	47.088	30 51	91 53	(49.73) ST		
26			08/05/11	807.40	31.054	30.51	793 26	(14.14) ST		
80				**3,402.90**	**42.536**		**2,440 80**	**(962.10)**		
19	DOVER CORP	DOV	12/10/09	777 67	40.93	58.05	1,102.95	325 28 LT		
1			01/08/10	44.66	44 66	58.05	58.05	13.39 LT		
2			02/08/10	82.50	41 25	58 05	116.10	33.60 LT		
22				**904.83**	**41 129**		**1,277.10**	**372.27**	**2.17**	**27.72**
38	E I DU PONT DE NEMOURS & CO	DD	12/10/09	1,206.44	31.748	45 78	1,739.64	533.20 LT		
4			01/08/10	135 91	33.977	45 78	183.12	47.21 LT		
4			01/22/10	130 87	32.718	45.78	183.12	52 25 LT		
2			02/08/10	64.60	32 298	45.78	91.56	26 96 LT		
4			02/16/10	130.78	32 696	45.78	183.12	52.34 LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
25	E I DU PONT DE NEMOURS & CO	DD	07/05/11	$ 1,362 04	$ 54.481	$ 45.78	$ 1,144.50	($ 217.54) ST		
15			09/26/11	610.07	40.671	45.78	686.70	76.63 ST		
92				**3,640.71**	**39.573**		**4,211.76**	**571.05**	**3.582**	**150.88**
55	EBAY INC	EBAY	12/10/09	1,235.69	22 467	30 33	1,668 15	432.46 LT		
16			12/21/09	366.24	22.89	30.33	485.28	119.04 LT		
10			01/08/10	235.45	23.545	30.33	303.30	67 85 LT		
8			02/08/10	180.37	22.546	30.33	242.64	62.27 LT		
8			02/16/10	179.50	22.438	30.33	242.64	63.14 LT		
2			02/22/10	46.78	23.388	30.33	60.66	13.88 LT		
99				**2,244.03**	**22.667**		**3,002.67**	**758.64**		
10	EMCOR GROUP INC	EME	08/25/10	**225.38**	22 538	26.81	**268.10**	**42.72** LT	**745**	**2.00**
30	EMERSON ELECTRIC CO	EMR	12/10/09	1,248 21	41.607	46.59	1,397.70	149 49 LT		
7			01/08/10	306.80	43.829	46.59	326.13	19 33 LT		
5			01/22/10	212.03	42.406	46.59	232.95	20.92 LT		
1			02/22/10	48.38	48.376	46 59	46.59	(1.79) LT		
3			05/04/11	167.55	55.85	46.59	139.77	(27.78) ST		
46				**1,982.97**	**43.108**		**2,143.14**	**160.17**	**3.434**	**73.60**
40	ERICSSON L M TEL CO CL B	ERIC	12/21/09	366.32	9.158	10.13	405.20	38.88 LT		
5	ADR NEW -USD-		01/08/10	48 89	9.778	10.13	50.65	1.76 LT		
1			01/22/10	9.83	9.828	10.13	10.13	.30 LT		
102			01/25/10	1,000.42	9.808	10.13	1,033.26	32.84 LT		
8			02/08/10	77.18	9 648	10.13	81 04	3.86 LT		
4			02/16/10	40.39	10.097	10.13	40.52	.13 LT		
13			02/22/10	130.47	10.036	10.13	131.69	1.22 LT		
21			07/22/11	275.82	13.134	10.13	212.73	(63.09) ST		
194				**1,949.32**	**10.048**		**1,965.22**	**15.90**	**2.546**	**50.05**
23	EXXON MOBIL CORP	XOM	01/11/94	376.97	16.18	84.76	1,949.48	1,572.51* LT		
5			01/08/10	346.28	69 256	84.76	423.80	77.52 LT		
3			01/22/10	199.01	66.338	84.76	254.28	55.27 LT		
1			02/08/10	64.66	64.658	84.76	84.76	20.10 LT		
2			02/16/10	132.65	66.327	84.76	169.52	36.87 LT		
3			02/22/10	196.97	65.657	84.76	254 28	57.31 LT		
22			03/08/10	1,466.09	66.64	84.76	1,864.72	398.63 LT		
6			08/04/11	448.29	74.715	84.76	508.56	60.27 ST		
65				**3,230.92**	**49.706**		**5,509.40**	**2,278.48**	**2.218**	**122.20**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
22	FIRST REPUBLIC BANK	FRC	07/01/11	**$ 689 99**	$ 31 363	$ 30.61	**$ 673.42**	**($ 16 57)** ST		
63	FLUOR CORP NEW	FLR	12/10/09	2,539.47	40 309	50.25	3,165.75	626.28 LT		
10			02/08/10	426.14	42.614	50.25	502 50	76.36 LT		
1			02/16/10	45.56	45 557	50 25	50 25	4.69 LT		
2			02/22/10	93.18	46 588	50 25	100 50	7.32 LT		
10			08/10/11	540.22	54 022	50.25	502.50	(37 72) ST		
14			10/04/11	646 22	46.158	50 25	703 50	57.28 ST		
100				**4,290 79**	**42.908**		**5,025 00**	**734 21**	**995**	**50 00**
138	FOREST LABORATORIES INC	FRX	12/10/09	4,303 94	31.188	30.26	4,175.88	(128.06) LT		
21			01/08/10	647 22	30.82	30.26	635.46	(11 76) LT		
11			01/22/10	324.83	29 53	30.26	332.86	8 03 LT		
6			02/08/10	173 10	28 85	30 26	181 56	8.46 LT		
7			02/16/10	206.42	29 488	30.26	211.82	5.40 LT		
11			02/22/10	323.59	29 417	30 26	332 86	9.27 LT		
4			05/11/10	109 05	27 262	30 26	121 04	11.99 LT		
198				**6,088 15**	**30.748**		**5,991 48**	**(96 67)**		
9	FRANKLIN RESOURCES INC	BEN	12/10/09	979 47	108.83	96 06	864 54	(114 93) LT		
2			01/08/10	214 66	107.33	96.06	192.12	(22.54) LT		
1			01/22/10	101 27	101.268	96.06	96.06	(5 21) LT		
1			02/08/10	97.13	97 129	96.06	96.06	(1 07) LT		
1			02/22/10	101.91	101 91	96.06	96.06	(5 85) LT		
1			05/04/11	127.87	127 87	96.06	96.06	(31.81) ST		
15				**1,622.31**	**108.154**		**1,440 90**	**(181.41)**	**1 124**	**16.20**
36	FREEPORT MCMORAN COPPER & GOLD CL B	FCX	02/05/10	1,223.18	33 977	36 79	1,324 44	101.26 LT		
2			02/22/10	77 26	38.632	36 79	73 58	(3.68) LT		
3			03/10/11	141 57	47.191	36.79	110.37	(31.20) ST		
12			09/28/11	398 83	33.235	36.79	441.48	42 65 ST		
53				**1,840 84**	**34 733**		**1,949.87**	**109 03**	**2 718**	**53 00**
31	GAP INC DELAWARE	GPS	12/10/09	654.36	21 108	18.55	575.05	(79.31) LT		
8			01/08/10	162.72	20 34	18.55	148.40	(14.32) LT		
5			01/22/10	94.40	18.88	18 55	92 75	(1.65) LT		
2			02/16/10	39.48	19 738	18.55	37.10	(2.38) LT		
2			02/22/10	39 54	19.77	18 55	37 10	(2.44) LT		
8			05/03/11	183 28	22.91	18 55	148 40	(34.88) ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
7	GAP INC DELAWARE	GPS	07/27/11	$ 135.06	$ 19 294	$ 18 55	$ 129 85	($ 5 21) ST		
63				**1,308.84**	**20.775**		**1,168.65**	**(140 19)**	**2 425**	**28.35**
27	GENERAL ELECTRIC CO	GE	11/10/10	447.43	16.571	17 91	483 57	36.14 LT		
2			11/17/10	31.56	15 78	17.91	35 82	4.26 LT		
2			11/23/10	31 52	15 76	17 91	35 82	4.30 LT		
27			12/10/10	477 40	17 681	17 91	483 57	6.17 LT		
8			10/20/11	131 83	16 479	17 91	143 28	11.45 ST		
22.5058	Reinvestments to date			332 06	14 754	17 91	403 08	71.02 LT		
88.5058				**1,451.80**	**16 403**		**1,585 14**	**133 34**	**3 796**	**60 18**
25	GENERAL MILLS INC	GIS	12/10/09	858 66	34 346	40 41	1,010.25	151 59 LT		
8			01/08/10	281 96	35 244	40.41	323 28	41 32 LT		
2			01/22/10	71 31	35 655	40.41	80.82	9 51 LT		
4			02/08/10	137.64	34.409	40.41	161 64	24.00 LT		
2			02/16/10	70.50	35.25	40.41	80.82	10 32 LT		
2			02/22/10	72 42	36.21	40.41	80.82	8 40 LT		
4			11/17/10	142.60	35.65	40.41	161.64	19 04 LT		
1			11/23/10	35 14	35.14	40.41	40.41	5.27 LT		
48				**1,670.23**	**34.796**		**1,939.68**	**269 45**	**3.019**	**58 56**
23	GLAXOSMITHKLINE PLC SP ADR	GSK	01/19/10	968.32	42.10	45.63	1,049 49	81 17 LT		
1			01/22/10	40.83	40 828	45.63	45 63	4 80 LT		
2			02/08/10	76.26	38.128	45 63	91 26	15 00 LT		
1			02/16/10	39.26	39.26	45 63	45 63	6.37 LT		
3			02/22/10	112.07	37 357	45 63	136 89	24.82 LT		
30				**1,236.74**	**41 225**		**1,368 90**	**132.16**	**4 834**	**66.18**
5	GREENHILL & CO INC	GHL	07/15/11	256 86	51 371	36 37	181.85	(75.01) ST		
2			07/21/11	95.99	47.997	36 37	72 74	(23.25) ST		
2			07/25/11	95.85	47 924	36 37	72 74	(23.11) ST		
4			07/26/11	191 97	47 993	36 37	145.48	(46.49) ST		
3			07/27/11	141 24	47 081	36.37	109 11	(32 13) ST		
16				**781 91**	**48 869**		**581 92**	**(199 99)**	**4 949**	**28 80**
22	HALLIBURTON CO HOLDINGS CO	HAL	12/30/09	658 24	29 92	34.51	759.22	100 98 LT		
5			01/22/10	156 99	31 397	34.51	172.55	15 56 LT		
8			02/08/10	225 84	28 23	34.51	276.08	50 24 LT		
2			02/22/10	62 34	31.168	34.51	69.02	6 68 LT		
6			08/10/11	262 63	43 772	34.51	207.06	(55 57) ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
3	HALLIBURTON CO HOLDINGS CO	HAL	08/23/11	$ 118 01	$ 39.335	$ 34.51	$ 103 53	($ 14.48) ST		
8			10/17/11	278.20	34 775	34.51	276 08	(2.12) ST		
8			10/17/11	278.20	34 775	34.51	276.08	(2.12) ST		
8			10/18/11	281.39	35 173	34 51	276.08	(5 31) ST		
70				**2,321 84**	**33.169**		**2,415 70**	**93 86**	**1.043**	**25.20**
62	H J HEINZ CO	HNZ	12/10/09	2,644 17	42.648	54.04	3,350.48	706.31 LT		
12			01/08/10	507 46	42.288	54 04	648.48	141.02 LT		
2			01/22/10	84 16	42.078	54 04	108.08	23 92 LT		
3			02/16/10	133.44	44.478	54.04	162.12	28 68 LT		
1			02/22/10	46.02	46 02	54.04	54 04	8.02 LT		
80				**3,415.25**	**42.691**		**4,323 20**	**907.95**	**3 552**	**153.60**
22	HESS CORP	HES	12/10/09	1,226.64	55 756	56 80	1,249 60	22 96 LT		
2			01/22/10	118 97	59.486	56 80	113.60	(5 37) LT		
2			02/08/10	114 32	57.157	56.80	113.60	(72) LT		
1			02/16/10	60 48	60.48	56 80	56.80	(3.68) LT		
2			02/22/10	120 88	60.44	56.80	113.60	(7.28) LT		
7			06/10/10	362 65	51 806	56.80	397.60	34.95 LT		
4			07/27/11	281.56	70 395	56.80	227.20	(54.38) ST		
10			08/18/11	550.99	55 098	56.80	568 00	17.01 ST		
50				**2,836.51**	**56 73**		**2,840 00**	**3.49**	**.704**	**20.00**
50	HOME DEPOT INC	HD	12/10/09	1,396 85	27.937	42 04	2,102.00	705.15 LT		
7			01/08/10	202 56	28.937	42 04	294.28	91 72 LT		
3			01/22/10	83 39	27.798	42.04	126.12	42 73 LT		
2			02/16/10	58 89	29.447	42.04	84.08	25 19 LT		
2			02/22/10	60.84	30.418	42.04	84.08	23.24 LT		
5			05/04/11	186.05	37 21	42.04	210.20	24.15 ST		
45			06/13/11	1,512 89	33 619	42.04	1,891 80	378.91 ST		
30			08/09/11	876 62	29.22	42 04	1,261.20	384.58 ST		
144				**4,378.09**	**30.403**		**6,053.76**	**1,675 67**	**2 759**	**167 04**
29	HONEYWELL INTL INC	HON	12/10/09	1,168 91	40.307	54 35	1,576.15	407 24 LT		
4			01/08/10	168 19	42.047	54.35	217.40	49.21 LT		
4			01/22/10	160.71	40 178	54 35	217 40	56.69 LT		
4			02/08/10	148.00	37 00	54 35	217 40	69.40 LT		
1			02/16/10	38.94	38.94	54.35	54 35	15.41 LT		

THE DANIEL & FLAVIA GERNATT — Account number 475-09887-11 002

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1	HONEYWELL INTL INC	HON	02/22/10	$ 40.27	$ 40 27	$ 54.35	$ 54.35	$ 14 08 LT		
43				**1,725 02**	**40 117**		**2,337 05**	**612 03**	**2 741**	**64 07**
49	HUMAN GENOME SCIENCES INC	HGSI	02/28/11	1,225 00	24.999	7 39	362 11	(862.89) ST		
13			07/26/11	277 53	21.348	7 39	96 07	(181.46) ST		
64			08/02/11	1 258.46	19.663	7.39	472 96	(785.50) ST		
36			08/22/11	500.26	13.896	7 39	266.04	(234 22) ST		
162				**3,261 25**	**20 131**		**1,197.18**	**(2,064.07)**		
45	IMMUNOGEN INC	IMGN	10/14/10	332 57	7 39	11.58	521.10	188 53 LT		
23			10/18/10	178 69	7.769	11.58	266 34	87 65 LT		
32			10/19/10	246.25	7.695	11 58	370 56	124.31 LT		
12			08/04/11	135.24	11 27	11 58	138 96	3.72 ST		
112				**892.75**	**7.971**		**1,296 96**	**404 21**		
84	INTEL CORP	INTC	12/10/09	1,688.99	20 107	24.25	2,037.00	348.01 LT		
11			01/08/10	229 02	20 82	24.25	266.75	37.73 LT		
4			01/22/10	79 88	19 969	24.25	97 00	17 12 LT		
6			02/08/10	116.99	19.498	24 25	145 50	28 51 LT		
6			02/22/10	125 45	20.908	24 25	145 50	20.05 LT		
13			05/03/11	301.83	23 218	24 25	315 25	13.42 ST		
124				**2,542.16**	**20 501**		**3,007.00**	**464 84**	**3 463**	**104.16**
44	INTERNATIONAL PAPER CO	IP	05/06/11	1,412.44	32.101	29.60	1,302.40	(110 04) ST		
31			06/16/11	836 26	26 976	29.60	917.60	81 34 ST		
31			08/05/11	802 73	25.894	29 60	917 60	114.87 ST		
26			08/10/11	644 33	24.782	29 60	769 60	125.27 ST		
132				**3,695 76**	**27.998**		**3,907.20**	**211.44**	**3.547**	**138.60**
74	ISIS PHARMACEUTICALS	ISIS	10/14/10	639.03	8 635	7.21	533 54	(105.49) LT		
56			10/19/10	524.81	9 371	7.21	403.76	(121 05) LT		
12			05/04/11	109.17	9 097	7 21	86.52	(22 65) ST		
142				**1,273 01**	**8.965**		**1,023 82**	**(249.19)**		
33	JPMORGAN CHASE & CO	JPM	12/10/09	1,353 94	41.028	33 25	1,097 25	(256.69) LT		
4			01/08/10	177 87	44 468	33.25	133 00	(44.87) LT		
16			01/22/10	624.59	39.037	33 25	532 00	(92.59) LT		
6			02/08/10	226.55	37.757	33.25	199 50	(27 05) LT		
3			02/16/10	120 23	40 078	33.25	99.75	(20 48) LT		
3			02/22/10	123.35	41.117	33 25	99.75	(23.60) LT		
17			11/18/10	670 82	39.46	33 25	565 25	(105.57) LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
6	JPMORGAN CHASE & CO	JPM	11/24/10	$ 226 44	$ 37.74	$ 33.25	$ 199.50	($ 26.94) LT		
12			12/16/10	478.48	39.873	33.25	399.00	(79.48) LT		
14			08/09/11	507.85	36.275	33.25	465.50	(42.35) ST		
20			10/20/11	651.60	32 58	33.25	665.00	13.40 ST		
134				**5,161.72**	**38.52**		**4,455 50**	**(706.22)**	**3.007**	**134.00**
10	JACOBS ENGINEERING GROUP INC	JEC	12/10/09	346.10	34.61	40.58	405.80	59.70 LT		
1			02/08/10	36.38	36.38	40.58	40.58	4.20 LT		
3			05/03/11	144.00	47.999	40 58	121.74	(22.26) ST		
1			05/04/11	47 32	47.32	40.58	40.58	(6.74) ST		
15				**573 80**	**38.253**		**608.70**	**34.90**		
40	JOHNSON & JOHNSON	JNJ	10/30/07	2,638.27	65.00	65.58	2,623.20	(15.07)*LT		
13			01/08/10	831 20	63.938	65.58	852.54	21.34 LT		
4			01/22/10	253.20	63.30	65.58	262.32	9.12 LT		
2			02/08/10	125.51	62.757	65.58	131.16	5.65 LT		
5			02/16/10	317.89	63.577	65.58	327.90	10.01 LT		
6			02/22/10	381.11	63.518	65.58	393.48	12.37 LT		
10			11/18/10	635 56	63.556	65.58	655.80	20.24 LT		
3			11/30/10	184 77	61.59	65.58	196.74	11 97 LT		
2			12/06/10	124.58	62.29	65.58	131.16	6.58 LT		
8.4169	Reinvestments to date			492.13	58.469	65.58	551.98	59.85 LT		
93 4169				**5,984.22**	**64 059**		**6,126.28**	**142.06**	**3 476**	**212 99**
42	JOHNSON CONTROLS INC	JCI	11/16/11	**1,323.58**	31 513	31.26	**1,312.92**	**(10.66)** ST	**2.303**	**30.24**
13	JONES LANG LASALLE INC	JLL	12/10/09	696.54	53.58	61.26	796.38	99.84 LT		
1			01/22/10	58.06	58.06	61.26	61.26	3.20 LT		
6			05/03/11	589.56	98.26	61.26	367.56	(222.00) ST		
7			11/22/11	409.50	58.50	61.26	428.82	19.32 ST		
27				**1,753 66**	**64.95**		**1,654.02**	**(99.64)**	**.489**	**8.10**
6	KLA-TENCOR CORP	KLAC	09/26/11	236.66	39.443	48.25	289.50	52.84 ST		
9			09/27/11	363.79	40 421	48.25	434.25	70.46 ST		
6			09/29/11	234.60	39 099	48.25	289.50	54.90 ST		
21				**835.05**	**39.764**		**1,013.25**	**178.20**	**2.901**	**29.40**
117	KEYCORP -NEW	KEY	12/10/09	685.16	5.856	7.69	899.73	214.57 LT		
6			01/08/10	38.39	6.398	7.69	46.14	7.75 LT		
5			02/16/10	34.59	6.918	7.69	38.45	3 86 LT		
9			02/22/10	62.80	6.978	7.69	69.21	6.41 LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
11	KEYCORP -NEW	KEY	05/04/11	$ 95 00	$ 8 636	$ 7.69	$ 84 59	($ 10 41) ST		
148				**915 94**	**6.189**		**1,138 12**	**222.18**	**1 56**	**17 76**
23	KIMBERLY CLARK CORP	KMB	06/25/03	1,205 92	51.58	73 56	1,691 88	485 96* LT		
6			01/08/10	373.79	62 298	73 56	441 36	67.57 LT		
2			01/22/10	120.96	60 478	73 56	147.12	26.16 LT		
1			02/08/10	59.15	59 154	73.56	73 56	14.41 LT		
4			02/16/10	236.27	59.067	73.56	294.24	57.97 LT		
2			02/22/10	119 87	59 937	73.56	147 12	27 25 LT		
4			11/11/10	248.61	62.153	73 56	294 24	45 63 LT		
1			12/07/10	61 99	61.99	73 56	73 56	11.57 LT		
10			04/01/11	654.36	65.436	73.56	735.60	81.24 ST		
10.7991	Reinvestments to date			603.40	55.875	73 56	794.38	190.98 LT		
63 7991				**3,684.32**	**57 749**		**4,693.06**	**1,008 74**	**3 806**	**178.64**
42	L 3 COMMUNICATIONS HLDGS INC	LLL	12/10/09	3,430 22	81 672	66.68	2,800.56	(629 66) LT		
2			01/08/10	174 84	87.42	66 68	133 36	(41.48) LT		
3			01/22/10	256 35	85.45	66 68	200 04	(56 31) LT		
2			02/16/10	174.75	87.376	66 68	133 36	(41.39) LT		
1			02/22/10	91 78	91.78	66.68	66.68	(25.10) LT		
12			05/03/11	984.07	82 006	66 68	800 16	(183.91) ST		
62				**5,112.01**	**82 452**		**4,134.16**	**(977 85)**	**2 699**	**111.60**
29	LIBERTY MEDIA CORP LIBERTY CAP CL A	LMCA	12/10/09	671.31	23 148	78.05	2,263.45	1,592 14 LT		
3			01/08/10	75 78	25 26	78.05	234.15	158 37 LT		
3			01/22/10	73 68	24.56	78.05	234 15	160 47 LT		
35				**820.77**	**23.451**		**2,731 75**	**1,910 98**		
117	LIBERTY MEDIA HLDG CORP INTERACTIVE SER A	LINTA	12/10/09	1,256 35	10.738	16.215	1,897 16	640.81 LT		
10			01/08/10	115.10	11.51	16.215	162.15	47.05 LT		
13			01/22/10	140.22	10.786	16 215	210.80	70 58 LT		
7			02/08/10	73.99	10 57	16.215	113.51	39 52 LT		
6			02/16/10	65.87	10.978	16.215	97.29	31.42 LT		
3			02/22/10	34 17	11.39	16 215	48 65	14.48 LT		
156				**1,685 70**	**10.806**		**2,529 56**	**843.86**		
30	MATTEL INC DE	MAT	12/10/09	594.60	19.82	27 76	832 80	238.20 LT		
5			01/08/10	98 85	19.77	27 76	138.80	39.95 LT		
1			01/22/10	20.01	20 006	27.76	27.76	7.75 LT		
2			02/22/10	43.28	21.64	27.76	55.52	12 24 LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
11	MATTEL INC DE	MAT	10/19/10	$ 252 43	$ 22 948	$ 27 76	$ 305 36	$ 52 93 LT		
22			10/22/10	508 60	23.118	27 76	610 72	102 12 LT		
4			05/04/11	106 84	26.71	27.76	111.04	4 20 ST		
75				**1,624 61**	**21 661**		**2,082 00**	**457 39**	**3.314**	**69 00**
9	MCDONALDS CORP	MCD	03/08/10	585 34	65 038	100.33	902 97	317.63 LT		
7			07/27/10	494 31	70.616	100.33	702.31	208 00 LT		
16				**1,079 65**	**67.478**		**1,605.28**	**525.63**	**2.79**	**44.80**
58	MERCK & CO INC NEW	MRK	12/10/09	2,178 96	37.568	37.70	2,186.60	7 64 LT		
8			01/08/10	300.32	37.54	37.70	301.60	1.28 LT		
4			02/08/10	147 47	36.868	37.70	150 80	3.33 LT		
2			02/16/10	75.21	37.606	37 70	75.40	.19 LT		
6			02/22/10	222.83	37.138	37.70	226.20	3.37 LT		
12			05/03/11	435.22	36.268	37 70	452.40	17.18 ST		
90				**3,360.01**	**37 333**		**3,393.00**	**32.99**	**4.456**	**151.20**
30	METLIFE INC	MET	03/02/11	1,341.00	44 70	31.18	935.40	(405 60) ST		
3			07/13/11	126 99	42 328	31 18	93.54	(33.45) ST		
4			08/04/11	151 07	37.768	31 18	124.72	(26 35) ST		
37				**1,619 06**	**43 758**		**1,153 66**	**(465 40)**	**2.373**	**27.38**
120	MICROSOFT CORP	MSFT	12/10/09	3,587.97	29 899	25 96	3,115 20	(472 77) LT		
17			01/08/10	523.38	30 786	25 96	441 32	(82.06) LT		
10			01/22/10	290 17	29.017	25 96	259.60	(30 57) LT		
14			02/08/10	389 86	27 847	25.96	363 44	(26 42) LT		
9			02/16/10	254 78	28 309	25.96	233 64	(21 14) LT		
8			02/22/10	230.54	28.816	25.96	207 68	(22.86) LT		
47			10/22/10	1,191 82	25.357	25.96	1,220 12	28 30 LT		
11			03/07/11	283 91	25.81	25.96	285 56	1 65 ST		
29			07/01/11	750 80	25.889	25.96	752 84	2.04 ST		
265				**7,503.23**	**28.314**		**6,879 40**	**(623.83)**	**3.081**	**212 00**
16	MORGAN STANLEY	MS	12/10/09	483.20	30.20	15.13	242.08	(241.12) LT		
3			12/31/09	88.93	29.643	15.13	45 39	(43.54) LT		
4			01/08/10	128.51	32.127	15.13	60.52	(67.99) LT		
7			01/13/10	217.53	31 076	15 13	105.91	(111.62) LT		
19			01/21/10	563.67	29 667	15 13	287.47	(276.20) LT		
18			01/21/10	534.01	29.667	15 13	272.34	(261.67) LT		
5			01/22/10	137.94	27.587	15 13	75.65	(62 29) LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
4	MORGAN STANLEY	MS	02/08/10	$ 106 68	$ 26.72	$ 15 13	$ 60.52	($ 46.36) LT		
2			02/16/10	55.74	27.87	15.13	30.26	(25.48) LT		
5			02/22/10	138 25	27.65	15 13	75.65	(62.60) LT		
13			04/09/10	401 73	30.902	15.13	196.69	(205.04) LT		
15			10/20/10	381 70	25.446	15 13	226.95	(154.75) LT		
16			05/03/11	410 98	25.686	15.13	242 08	(168 90) ST		
127				**3,649 07**	**28 733**		**1,921 51**	**(1,727 56)**	**1.321**	**25 40**
25	NATIONAL OILWELL VARCO INC	NOV	12/10/09	1,096 20	43.848	67.99	1,699.75	603.55 LT		
1			01/08/10	46.83	46 826	67.99	67 99	21 16 LT		
5			01/22/10	214.37	42 874	67 99	339 95	125 58 LT		
2			02/08/10	83.74	41 867	67 99	135 98	52 24 LT		
1			02/16/10	44.07	44,068	67 99	67.99	23 92 LT		
2			02/22/10	89.36	44 677	67 99	135 98	46 62 LT		
36				**1,574 57**	**43 738**		**2,447.64**	**873 07**	**705**	**17.28**
42	NEXTERA ENERGY INC	NEE	12/10/09	2,303 95	54.856	60 88	2,556.96	253.01 LT		
8			01/08/10	419.98	52.498	60.88	487.04	67.06 LT		
8			01/22/10	387 57	48.446	60.88	487.04	99.47 LT		
2			02/08/10	94 22	47.108	60.88	121.76	27.54 LT		
7			02/16/10	322.82	46.117	60.88	426.16	103 34 LT		
3			02/22/10	141 20	47 068	60.88	182 64	41 44 LT		
8			01/06/11	417.04	52 13	60.88	487 04	70 00 ST		
78				**4,086.78**	**52 395**		**4,748.64**	**661.86**	**3.613**	**171 60**
4	NOBLE ENERGY INC	NBL	06/29/10	242.04	60 511	94 39	377 56	135 52 LT		
5			06/30/10	302.20	60 44	94 39	471.95	169 75 LT		
2			07/01/10	121.43	60 713	94 39	188.78	67.35 LT		
5			07/02/10	310.81	62.162	94 39	471.95	161 14 LT		
16				**976.48**	**61.03**		**1,510.24**	**533.76**	**932**	**14.08**
27	NORTHROP GRUMMAN CORP	NOC	12/10/09	1,332 87	49.365	58 48	1,578.96	246.09 LT		
3			01/08/10	155 30	51.766	58 48	175.44	20.14 LT		
2			01/22/10	101 02	50.51	58.48	116.96	15.94 LT		
1			02/22/10	56 02	56.02	58.48	58 48	2.46 LT		
6			05/03/11	388.77	64.795	58.48	350 88	(37.89) ST		
39				**2,033 98**	**52 153**		**2,280 72**	**246.74**	**3.419**	**78 00**
35	NOVARTIS AG ADR	NVS	12/10/09	1,895 90	54 168	57.17	2,000 95	105 05 LT		
6			01/08/10	313.49	52 248	57.17	343.02	29 53 LT		

THE DANIEL & FLAVIA GERNATT **Account number 475-09887-11 002**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
1	NOVARTIS AG ADR	NVS	02/08/10	$ 53 16	$ 53.176	$ 57.17	$ 57 17	$ 3 99 LT		
2			02/16/10	108 62	54.31	57.17	114 34	5 72 LT		
2			02/22/10	109 53	54.764	57.17	114 34	4.81 LT		
46				**2,480 72**	**53.929**		**2,629.82**	**149.10**	**3.507**	**92 23**
63	NUCOR CORP	NUE	12/10/09	2,645.88	41.998	39.57	2,492.91	(152.97) LT		
4			12/23/09	184 24	46 059	39.57	158.28	(25.96) LT		
3			01/08/10	150 51	50.168	39.57	118.71	(31.80) LT		
11			01/22/10	487.61	44.328	39.57	435 27	(52.34) LT		
12			02/08/10	477 24	39.769	39.57	474.84	(2.40) LT		
2			02/22/10	88.01	44.007	39.57	79.14	(8.87) LT		
9			02/07/11	435 79	48.42	39 57	356.13	(79.66) ST		
9			05/04/11	408 94	45.438	39 57	356.13	(52.81) ST		
13			07/28/11	511.48	39.344	39 57	514.41	2.93 ST		
126				**5,389.70**	**42.775**		**4,985.82**	**(403.88)**	**3 689**	**183.96**
19	OSHKOSH TRUCK CORP	OSK	12/20/10	657.02	34.579	21.38	406.22	(250.80) LT		
7			01/21/11	252.88	36.125	21.38	149.66	(103.22) ST		
13			04/28/11	421.59	32.429	21 38	277.94	(143.65) ST		
3			05/04/11	91.07	30.357	21 38	64.14	(26.93) ST		
42				**1,422.56**	**33 87**		**897.96**	**(524 60)**		
21	PPG INDUSTRIES INC	PPG	12/10/09	1,234.96	58.808	83 49	1,753.29	518.33 LT		
5			01/08/10	307.34	61 468	83.49	417.45	110.11 LT		
2			01/22/10	120.62	60.31	83 49	166.98	46.36 LT		
3			02/08/10	173.67	57.89	83 49	250.47	76.80 LT		
1			02/16/10	61.25	61 25	83.49	83.49	22.24 LT		
2			02/22/10	124.44	62 22	83 49	166.98	42.54 LT		
2			09/26/11	139.35	69.675	83 49	166.98	27.63 ST		
36				**2,161.63**	**60 045**		**3,005 64**	**844 01**	**2 73**	**82.08**
61	PALL CORP	PLL	12/10/09	2,073.82	33 997	57 15	3,486.15	1,412.33 LT		
7			02/08/10	235.34	33 62	57 15	400.05	164 71 LT		
12			09/08/11	536.60	44.716	57 15	685.80	149.20 ST		
80				**2,845.76**	**35.572**		**4,572.00**	**1,726.24**	**1 224**	**56.00**
14	PEBBLEBROOK HOTEL TRUST	PEB	07/23/10	239.78	17 127	19 18	268.52	28.74 LT		
33			05/03/11	696.39	21 102	19 18	632.94	(63 45) ST		
47				**936.17**	**19 919**		**901.46**	**(34 71)**	**2.502**	**22.56**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
40	PEOPLES UNITED FINCL INC	PBCT	01/07/11	$ 567 56	$ 14.188	$ 12 85	$ 514.00	($ 53.56) ST		
103			01/10/11	1,441 66	13.996	12.85	1,323 55	(118 11) ST		
3			01/19/11	42 21	14.071	12.85	38 55	(3.66) ST		
19			03/07/11	239.30	12.594	12.85	244 15	4.85 ST		
165				**2,290.73**	**13 883**		**2,120 25**	**(170 48)**	**4.902**	**103 95**
10	PEPSICO INC	PEP	12/10/09	618.57	61 857	66 35	663.50	44 93 LT		
6			01/08/10	363 63	60 605	66 35	398.10	34 47 LT		
2			01/22/10	121 22	60.608	66 35	132.70	11.48 LT		
2			02/08/10	118.51	59.256	66 35	132.70	14.19 LT		
1			02/16/10	61 21	61.21	66.35	66.35	5.14 LT		
1			02/22/10	62 62	62 618	66.35	66 35	3 73 LT		
22				**1,345.76**	**61 171**		**1,459.70**	**113 94**	**3.104**	**45 32**
16	PFIZER INC	PFE	12/04/06	402.01	24 67	21 64	346 24	(55 77)*LT		
5			01/08/10	92.93	18 586	21.64	108 20	15 27 LT		
5			02/08/10	89.63	17.926	21.64	108 20	18 57 LT		
4			02/16/10	70 71	17 677	21 64	86.56	15.85 LT		
3			02/22/10	53.97	17.988	21 64	64.92	10.95 LT		
33			07/05/11	684 91	20.754	21.64	714.12	29.21 ST		
36 9746	Reinvestments to date			643 19	17.395	21.64	800 13	156.94 LT		
102.9746				**2,037 35**	**19.785**		**2,228 37**	**191 02**	**4.066**	**90.62**
7	PLANTRONICS INC NEW	PLT	08/16/11	**231.36**	33 05	35.64	**249 48**	**18 12** ST	**.561**	**1.40**
36	PROCTER & GAMBLE CO	PG	09/17/98	1,388.04	37 88	66.71	2,401 56	1,013 52* LT		
7			01/08/10	421.53	60.218	66 71	466 97	45 44 LT		
2			01/22/10	121.20	60 599	66 71	133 42	12 22 LT		
2			02/16/10	125 57	62 786	66.71	133 42	7.85 LT		
2			02/22/10	127 14	63.568	66 71	133.42	6.28 LT		
7			07/27/10	439.18	62.74	66 71	466.97	27.79 LT		
4			09/21/10	245 76	61.438	66.71	266.84	21 08 LT		
1			10/22/10	63 28	63.28	66.71	66.71	3.43 LT		
2			12/03/10	124 52	62 26	66.71	133.42	8 90 LT		
1			12/07/10	62.17	62 17	66.71	66.71	4 54 LT		
4			03/07/11	246.74	61 685	66 71	266 84	20 10 ST		
10 5865	*Reinvestments to date*			602.68	56 929	66.71	706.23	103 55 LT		
78.5865				**3,967.81**	**50.49**		**5,242 51**	**1,274 70**	**3 147**	**165 03**
27	QUALCOMM INC	QCOM	08/10/11	**1,298 65**	48 098	54 70	**1,476.90**	**178 25** ST	**1.572**	**23 22**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
17	RAYTHEON COMPANY NEW	RTN	12/10/09	$ 884.48	$ 52.028	$ 48.38	$ 822.46	($ 62.02) LT		
6			01/08/10	313.44	52.24	48 38	290 28	(23.16) LT		
1			02/08/10	53.12	53 118	48 38	48 38	(4.74) LT		
2			02/16/10	108.86	54.428	48 38	96 76	(12.10) LT		
1			02/22/10	56 09	56.088	48 38	48 38	(7.71) LT		
13			09/21/10	609 66	46.897	48 38	628 94	19.28 LT		
3			11/09/10	145 50	48.498	48.38	145.14	(36) LT		
1			11/15/10	46 50	46.50	48.38	48.38	1.88 LT		
44				**2,217.65**	**50 401**		**2,128.72**	**(88 93)**	**3.555**	**75.68**
105	SAFEWAY INC NEW	SWY	12/10/09	2,239 65	21.33	21.04	2,209.20	(30 45) LT		
16			01/08/10	336.59	21.037	21.04	336.64	05 LT		
3			02/16/10	68.18	22.727	21.04	63.12	(5.06) LT		
1			02/22/10	23.85	23 846	21.04	21.04	(2 81) LT		
23			05/03/11	555.40	24 147	21 04	483.92	(71 48) ST		
12			07/21/11	262.75	21 896	21 04	252 48	(10.27) ST		
160				**3,486 42**	**21.79**		**3,366.40**	**(120.02)**	**2.756**	**92.80**
45	SANDISK CORP	SNDK	12/10/09	1,018 26	22.628	49.21	2,214.45	1,196.19 LT		
3			02/16/10	82.04	27.346	49 21	147 63	65.59 LT		
3			08/30/10	103 42	34.473	49 21	147 63	44.21 LT		
31			10/27/10	1,167 63	37.665	49 21	1,525 51	357.88 LT		
82				**2,371 35**	**28.919**		**4,035.22**	**1,663.87**		
16	SCHLUMBERGER LTD	SLB	12/10/09	981 87	61.367	68.31	1,092.96	111 09 LT		
2			01/22/10	130.88	65.437	68.31	136.62	5 74 LT		
2			02/08/10	125.07	62.537	68.31	136.62	11 55 LT		
1			02/16/10	65.67	65 674	68.31	68.31	2 64 LT		
4			02/22/10	242.02	60 504	68.31	273 24	31.22 LT		
4			06/02/10	219 97	54 993	68 31	273 24	53.27 LT		
29				**1,765 48**	**60 879**		**1,980.99**	**215.51**	**1 463**	**29 00**
4	SOTHEBYS DELAWARE	BID	10/19/11	124 87	31.218	28 53	114 12	(10.75) ST		
4			10/21/11	128 15	32.037	28 53	114 12	(14.03) ST		
8				**253 02**	**31.628**		**228.24**	**(24.78)**	**1.121**	**2 56**
7	SOUTHWESTERN ENERGY CO DEL	SWN	08/11/11	260 05	37.149	31.94	223 58	(36.47) ST		
10			08/12/11	380 81	38.08	31.94	319.40	(61 41) ST		
7			08/18/11	255 72	36.531	31.94	223.58	(32 14) ST		
24				**896.58**	**37.358**		**766.56**	**(130 02)**		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
81	SPECTRA ENERGY CORP	SE	12/10/09	$ 1,626.25	$ 20.077	$ 30.75	$ 2,490.75	$ 864.50 LT		
8			01/08/10	167.50	20.937	30.75	246.00	78.50 LT		
4			02/08/10	83.35	20.837	30.75	123.00	39.65 LT		
5			02/16/10	106.64	21.328	30.75	153.75	47.11 LT		
4			02/22/10	86.72	21.68	30.75	123.00	36.28 LT		
102				**2,070.46**	**20 299**		**3,136.50**	**1,066.04**	**3.642**	**114.24**
180	STAPLES INC	SPLS	07/13/11	**2,787.10**	15.483	13.89	**2,500.20**	**(286.90)** ST	**2.879**	**72.00**
15	SYMANTEC CORP	SYMC	03/09/11	275.85	18.39	15.65	234.75	(41.10) ST		
15			03/11/11	271.34	18.089	15.65	234.75	(36.59) ST		
6			05/03/11	117.36	19.56	15.65	93.90	(23.46) ST		
14			05/13/11	280.70	20.05	15.65	219 10	(61.60) ST		
14			05/18/11	274.73	19.623	15.65	219.10	(55.63) ST		
64				**1,219.98**	**19.062**		**1,001 60**	**(218.38)**		
63	TEXAS INSTRUMENTS INC	TXN	12/10/09	1,631.45	25.896	29 11	1,833 93	202.48 LT		
11			01/08/10	288.61	26 237	29.11	320.21	31.60 LT		
13			01/22/10	301.31	23 178	29.11	378.43	77.12 LT		
3			02/08/10	69.71	23.238	29.11	87.33	17.62 LT		
6			02/22/10	149 27	24.878	29.11	174.66	25.39 LT		
54			10/05/11	1,480.25	27.412	29.11	1,571.94	91.69 ST		
150				**3,920.60**	**26.137**		**4,366.50**	**445.90**	**2.335**	**102.00**
21	3M COMPANY	MMM	08/30/06	1,523.55	71.54	81.73	1,716.33	192.78* LT		
1			01/08/10	84.04	84.036	81.73	81.73	(2.31) LT		
1			01/22/10	81.94	81.938	81.73	81 73	(.21) LT		
3			02/08/10	233.26	77 752	81.73	245.19	11.93 LT		
1			02/16/10	80.34	80.337	81 73	81.73	1.39 LT		
2			02/22/10	161 93	80.967	81.73	163.46	1.53 LT		
3			11/04/10	261.47	87.157	81.73	245.19	(16.28) LT		
1			12/13/10	84.50	84.50	81.73	81.73	(2 77) LT		
5			07/05/11	481.26	96.252	81.73	408.65	(72 61) ST		
7			09/26/11	516.47	73.781	81.73	572.11	55.64 ST		
6.1406	Reinvestments to date			409.73	66.724	81.73	501.87	92.14 LT		
51.1406				**3,918.49**	**76.622**		**4,179.72**	**261.23**	**2.691**	**112.51**
39	TIME WARNER INC	TWX	03/08/10	1,195.34	30 649	36.14	1,409.46	214.12 LT		
2			10/22/10	63.10	31.55	36.14	72.28	9.18 LT		
1			11/19/10	30.41	30.412	36.14	36.14	5.73 LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
35	TIME WARNER INC	TWX	05/13/11	$ 1,267 08	$ 36.202	$ 36.14	$ 1,264.90	($ 2 18) ST		
4			09/26/11	120 60	30.149	36 14	144 56	23.96 ST		
81				**2,676 53**	**33.044**		**2,927 34**	**250.81**	**2 60**	**76 14**
16	TOTAL S.A SPONS ADR	TOT	12/10/09	1,002.50	62 656	51.11	817.76	(184.74) LT		
1			01/08/10	66.07	66 066	51.11	51 11	(14 96) LT		
3			01/22/10	181.28	60.427	51.11	153.33	(27.95) LT		
3			02/08/10	166.31	55.438	51.11	153.33	(12 98) LT		
2			02/22/10	116 49	58.247	51 11	102.22	(14 27) LT		
28			07/27/10	1,398.57	49.948	51 11	1,431 08	32.51 LT		
1			09/22/10	51.10	51 10	51 11	51 11	.01 LT		
2			11/24/10	101.50	50.75	51.11	102 22	.72 LT		
1			11/29/10	48.89	48 89	51.11	51.11	2 22 LT		
57				**3,132 71**	**54 96**		**2,913.27**	**(219 44)**	**5.272**	**153.62**
49	TRAVELERS COMPANIES INC	TRV	12/10/09	2,483 74	50.688	59 17	2,899.33	415.59 LT		
14			01/08/10	677.98	48.427	59 17	828 38	150.40 LT		
1			01/22/10	48 62	48 617	59 17	59.17	10.55 LT		
3			02/16/10	154.37	51 458	59 17	177.51	23 14 LT		
1			02/22/10	53.11	53 107	59.17	59 17	6.06 LT		
2			12/10/10	109.12	54.561	59.17	118.34	9 22 LT		
11			08/26/11	519.13	47.193	59.17	650.87	131 74 ST		
81				**4,046 07**	**49.951**		**4,792.77**	**746 70**	**2.771**	**132 84**
26	US BANCORP DEL NEW	USB	12/08/10	649 24	24.97	27 05	703 30	54.06 LT		
20			12/16/10	520.38	26 019	27 05	541 00	20.62 LT		
10			12/20/10	261.90	26.19	27.05	270 50	8 60 LT		
10			12/21/10	263.20	26 32	27.05	270.50	7 30 LT		
14			01/03/11	379.54	27.11	27.05	378.70	(84) ST		
10			01/04/11	268 10	26.81	27.05	270.50	2.40 ST		
11			01/21/11	296 01	26.91	27 05	297 55	1.54 ST		
11			05/03/11	283 57	25.779	27 05	297 55	13.98 ST		
112				**2,921 94**	**26 089**		**3,029 60**	**107.66**	**1 848**	**56.00**
57	UNILEVER PLC SPONS ADR NEW	UL	12/10/09	1,721.83	30 207	33.52	1,910 64	188 81 LT		
6			01/08/10	186.72	31 12	33.52	201.12	14.40 LT		
2			01/22/10	62.00	30.997	33.52	67.04	5 04 LT		
5			02/08/10	144 99	28.998	33.52	167.60	22 61 LT		
3			02/16/10	88 49	29.497	33.52	100 56	12.07 LT		

THE DANIEL & FLAVIA GERNATT ***Account number 475-09887-11 002***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
3	UNILEVER PLC SPONS ADR NEW	UL	02/22/10	$ 90.08	$ 30.027	$ 33.52	$ 100.56	$ 10.48 LT		
4			08/02/11	126.17	31.542	33.52	134.08	7.91 ST		
80				**2,420.28**	**30.254**		**2,681.60**	**261.32**	**3.699**	**99.20**
27	UNITED PARCEL SERVICE CL B	UPS	12/10/09	1,550.01	57.408	73.19	1,976.13	426.12 LT		
3			01/08/10	180.41	60.136	73.19	219.57	39.16 LT		
2			01/22/10	117.83	58.917	73.19	146.38	28.55 LT		
1			02/08/10	56.81	56.81	73.19	73.19	16.38 LT		
2			02/16/10	114.72	57.36	73.19	146.38	31.66 LT		
2			02/22/10	116.06	58.03	73.19	146.38	30.32 LT		
2			11/11/10	135.98	67.99	73.19	146.38	10.40 LT		
13			08/10/11	817.99	62.922	73.19	951.47	133.48 ST		
52				**3,089.81**	**59.419**		**3,805.88**	**716.07**	**2.841**	**108.16**
8	UNITED STATES STEEL CORP NEW	X	12/21/09	406.69	50.836	26.46	211.68	(195.01) LT		
7			12/24/09	391.65	55.949	26.46	185.22	(206.43) LT		
2			01/22/10	110.98	55.49	26.46	52.92	(58.06) LT		
7			01/26/10	357.95	51.136	26.46	185.22	(172.73) LT		
7			02/02/10	336.00	48.00	26.46	185.22	(150.78) LT		
4			02/08/10	177.56	44.39	26.46	105.84	(71.72) LT		
3			02/22/10	162.33	54.11	26.46	79.38	(82.95) LT		
10			05/03/11	474.58	47.458	26.46	264.60	(209.98) ST		
7			07/28/11	283.94	40.563	26.46	185.22	(98.72) ST		
55				**2,701.68**	**49.121**		**1,455.30**	**(1,246.38)**	**.755**	**11.00**
6	UNITED TECHNOLOGIES CORP	UTX	12/10/09	406.91	67.818	73.09	438.54	31.63 LT		
3			01/08/10	211.22	70.408	73.09	219.27	8.05 LT		
2			01/22/10	138.92	69.46	73.09	146.18	7.26 LT		
3			02/08/10	197.24	65.746	73.09	219.27	22.03 LT		
2			02/16/10	132.47	66.236	73.09	146.18	13.71 LT		
1			02/22/10	68.62	68.618	73.09	73.09	4.47 LT		
17				**1,155.38**	**67.964**		**1,242.53**	**87.15**	**2.626**	**32.64**
121	UNITEDHEALTH GROUP INC	UNH	12/10/09	3,651.31	30.176	50.68	6,132.28	2,480.97 LT		
3			01/08/10	97.59	32.529	50.68	152.04	54.45 LT		
9			02/08/10	293.30	32.588	50.68	456.12	162.82 LT		
20			02/16/10	630.12	31.506	50.68	1,013.60	383.48 LT		
5			02/22/10	165.44	33.088	50.68	253.40	87.96 LT		
158				**4,837.76**	**30.619**		**8,007.44**	**3,169.68**	**1.282**	**102.70**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
22	VERIZON COMMUNICATIONS	VZ	01/20/95	$ 515.88	$ 23.449	$ 40.12	$ 882.64	$ 366.76* LT		
14			01/08/10	414.95	29.639	40.12	561.68	146.73 LT		
4			01/22/10	114.28	28.57	40.12	160 48	46.20 LT		
8			02/08/10	213.48	26.685	40.12	320.96	107.48 LT		
4			02/16/10	109.46	27.365	40.12	160.48	51.02 LT		
6			02/22/10	163.14	27.19	40.12	240.72	77.58 LT		
37.6068	Reinvestments to date			1,081.27	28.751	40.12	1,508.78	427.51 LT		
95.6068				**2,612.46**	**27.325**		**3,835.74**	**1,223.28**	**4.985**	**191.21**
26	VERTEX PHARMACEUTICALS INC	VRTX	12/10/09	1,043.85	40.148	33.21	863.46	(180.39) LT		
6			01/08/10	244 20	40.699	33.21	199.26	(44.94) LT		
1			01/22/10	40.16	40.157	33 21	33.21	(6.95) LT		
6			02/08/10	223.48	37.246	33.21	199.26	(24.22) LT		
2			02/22/10	79.46	39.729	33.21	66.42	(13 04) LT		
7			02/11/11	267 14	38.162	33.21	232.47	(34.67) ST		
3			06/09/11	146.29	48.762	33 21	99.63	(46.66) ST		
3			08/10/11	128.53	42.844	33.21	99.63	(28.90) ST		
54				**2,173.11**	**40.243**		**1,793.34**	**(379 77)**		
63	VODAFONE GROUP PLC SPONS ADR NEW	VOD	12/10/09	1,450 80	23.028	28.03	1,765.89	315.09 LT		
14			01/08/10	308.67	22.048	28 03	392.42	83.75 LT		
4			01/22/10	86.55	21 638	28.03	112.12	25.57 LT		
5			02/16/10	110.84	22.168	28.03	140.15	29.31 LT		
6			02/22/10	132.10	22.017	28.03	168.18	36.08 LT		
92				**2,088 96**	**22.706**		**2,578.76**	**489.80**	**5.148**	**132 76**
40	WAL-MART STORES INC	WMT	12/10/09	2,183.92	54.598	59.76	2,390.40	206.48 LT		
8			01/08/10	425.10	53.138	59.76	478.08	52.98 LT		
1			01/22/10	53.24	53.238	59.76	59.76	6.52 LT		
1			02/08/10	53 16	53.156	59.76	59.76	6.60 LT		
3			02/16/10	160.92	53.64	59.76	179.28	18.36 LT		
3			02/22/10	161.64	53.88	59.76	179 28	17.64 LT		
2			09/23/10	107.22	53.61	59.76	119.52	12.30 LT		
2			11/04/10	110 80	55.397	59.76	119.52	8.72 LT		
1			11/12/10	54.25	54.25	59 76	59.76	5.51 LT		
1			01/03/11	54.17	54.17	59.76	59.76	5.59 ST		
4			03/07/11	207.86	51.964	59.76	239.04	31.18 ST		
66				**3,572.28**	**54.125**		**3,944.16**	**371.88**	**2.443**	**96.36**

THE DANIEL & FLAVIA GERNATT **Account number 475-09887-11 002**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
93	WASTE MGMT INC DEL	WM	12/10/09	$ 3,095.83	$ 33 288	$ 32 71	$ 3,042 03	($ 53.80) LT		
11			01/08/10	376 09	34.19	32 71	359 81	(16.28) LT		
6			01/22/10	198 53	33.088	32 71	196 26	(2.27) LT		
7			02/08/10	220 95	31.564	32.71	228 97	8.02 LT		
2			02/16/10	65.74	32 868	32.71	65 42	(.32) LT		
6			02/22/10	200 27	33 378	32.71	196 26	(4 01) LT		
4			11/04/10	143.25	35.812	32.71	130 84	(12 41) LT		
3			11/12/10	104.85	34 95	32 71	98.13	(6 72) LT		
132				**4,405.51**	**33 375**		**4,317.72**	**(87.79)**	**4 157**	**179 52**
7	WEYERHAEUSER CO	WY	12/10/09	289.10 *R*	41.30	18 67	130.69	(158 41) LT		
3			01/08/10	131 40	43 80	18 67	56 01	(75.39) LT		
4			01/22/10	166 16	41.54	18 67	74 68	(91.48) LT		
3			02/08/10	118 45	39.484	18 67	56 01	(62.44) LT		
2			02/16/10	80 90	40 45	18.67	37.34	(43.56) LT		
3			02/22/10	124 18	41 392	18.67	56.01	(68 17) LT		
95			07/22/10	1,476.26 *R*	15 54	18.67	1,773.65	297 39 LT		
15			08/02/11	284.99	18.999	18.67	280.05	(4 94) ST		
132				**2,671.44**	**20 238**		**2,464 44**	**(207.00)**	**3.213**	**79 20**
45	WISCONSIN ENERGY CORP HLDG CO	WEC	08/10/11	1,297 86	28.841	34 96	1,573.20	275.34 ST		
16			12/02/11	533 70	33.356	34 96	559 36	25.66 ST		
61				**1,831 56**	**30.026**		**2,132 56**	**301.00**	**3.432**	**73.20**
Total common stocks and options				**$ 323,236.15**			**$ 360,823 86**	**($ 4,362.17) ST**	**2.39**	
								$ 41,949.88 LT		**$ 8,627.19**

THE DANIEL & FLAVIA GERNATT ***Account number 475-09887-11 002***

Exchange traded & closed end funds

Citi Investment Research & Analysis (CIRA) ratings may be shown for certain closed-end funds Because the research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating CIRA closed-end fund recommendations include an investment rating and a risk rating The Investment Rating code (1,2, 3) is based upon CIRA's expectation of the security's performance relative to its peer group of closed-end funds. The Risk Rating (L, M, H or S) represents the fund's expected risk, taking into account the quality and liquidity of the underlying securities, financial leverage and foreign currency exposure Please refer to the end of this statement for a guide describing CIRA stock and closed-end fund ratings in further detail.

Closed end investment companies are grouped below by portfolio designations Gain/Loss is provided to assist in tax preparation. It is not intended to calculate investment returns or performance.

Consulting Group Investment Advisor Research (CG IAR) status codes (FL, AL or NL) may be shown for certain exchange-traded funds Please refer to "CG IAR Statuses in Investment Advisory Programs" at the end of this statement for a description of these status codes. All status codes represent the opinions of CG IAR and are not representations or guarantees of performance

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,417	ISHARES MSCI EMERGING MKTS	EEM	12/10/09	$ 58,221.70	$ 41 088	$ 37.94	$ 53,760 98	($ 4,460.72) LT		
175	INDEX FD		01/08/10	7,550.64	43.146	37.94	6,639 50	(911 14) LT		
237	Equity portfolio **Rating** CG RESEARCH AL		01/22/10	9,425 25	39.769	37.94	8,991.78	(433.47) LT		
233			02/08/10	8,613 31	36.967	37 94	8,840 02	226.71 LT		
147			02/22/10	5,809.15	39 518	37.94	5,577 18	(231 97) LT		
2,209				**89,620 05**	**40.57**		**83,809.46**	**(5,810 59)**	**2 129**	**1,784 87**
25	ISHARES COHEN & STEERS REALTY	ICF	09/01/09	1,100 00	44.00	70 22	1,755 50	655.50 LT		
100	MAJORS		09/22/09	5,188.20	51 882	70 22	7,022 00	1,833.80 LT		
100	Equity portfolio **Rating** CG RESEARCH AL		10/01/09	4 664 40	46 644	70.22	7,022.00	2,357 60 LT		
80			12/10/09	4,001 28	50.016	70 22	5,617 60	1,616 32 LT		
38			01/08/10	1,982 84	52 18	70 22	2,668 36	685.52 LT		
23			01/22/10	1.151.75	50 076	70.22	1,615.06	463.31 LT		
22			02/08/10	1,066 01	48.455	70.22	1,544.84	478 83 LT		
19			02/16/10	949 81	49 99	70 22	1,334 18	384.37 LT		
5			02/22/10	260.75	52 15	70 22	351 10	90.35 LT		
74			05/03/11	5,436 04	73 46	70.22	5,196.28	(239.76) ST		
1 7769	Reinvestments to date			87.28	49.119	70.22	124 77	37.49 LT		
487 7769				**25,888.36**	**53 074**		**34,251 69**	**8,363.33**	**2 969**	**1,017 01**
286	ISHARES BARCLAYS US AGGR BOND	AGG	12/10/09	29,969.23	104 787	110.25	31,531.50	1,562 27 LT		
54	FD		01/08/10	5,601 34	103.728	110 25	5,953.50	352.16 LT		
8	Taxable bond portfolio **Rating:** CG RESEARCH : AL		01/22/10	836 70	104 588	110 25	882 00	45.30 LT		
6			02/08/10	627.17	104 528	110.25	661 50	34.33 LT		
28			02/16/10	2,916.41	104.157	110.25	3,087.00	170 59 LT		

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
26	ISHARES BARCLAYS US AGGR BOND	AGG	02/22/10	$ 2,699 50	$ 103.827	$ 110 25	$ 2,866.50	$ 167.00 LT		
408	FD Taxable bond portfolio			42,650.35	104.535		44,982.00	2,331.65	2.861	1,287.24
Total closed end fund equity allocation							$ 118,061.15			
Total closed end fund taxable bond allocation							$ 44,982.00			
Total exchange traded funds and closed end funds				$ 158,158.76			$ 163,043.15	($ 239.76) ST $ 5,124.15 LT	2.50	$ 4,089.12

Mutual funds

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Certain mutual funds may not be transferable to other broker-dealers. For further information, please refer to the fund's Prospectus or call your Financial Advisor.

Consulting Group Investment Advisor Research (CG IAR) status codes (FL, AL or NL) may be shown for certain mutual funds. Please refer to "CG IAR Statuses in Investment Advisory Programs" at the end of this statement for a description of these status codes. All status codes represent the opinions of CG IAR and are not representations or guarantees of performance.
Yield is the current distribution annualized, divided by the fund's net asset value at the end of the statement period. Distributions may consist of income, capital gains or the return of capital. Distributions and current dividend for funds are based upon information provided by an outside vendor and are not verified by us. ***"Tax-Based Cost vs. Current Value"*** *is being provided for information purposes only.* ***"Cash Distributions (since inception)"*** *when shown, may reflect distributions on positions no longer held in the account, and may not reflect all distributions received in cash due to but not limited to the following. Investments made prior to 1/1/89, asset transfers, recent activity and certain adjustments made in your account.* ***"Total Purchases vs. Current Value"*** *is provided to assist you in comparing your* ***"Total purchases"*** *excluding reinvested distributions, with the current value of the fund's shares in your account.* ***"Fund Value Increase/Decrease"*** *reflects the difference between your total purchases and the current value of the fund's shares, plus cash distributions since inception.*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	**Net Value Increase/ Decrease**	Yield	Anticipated income (annualized)
26,138	INVESCO AIM ATST PREMIER PORTFOLIO MONEY MKT INSTL CL **Rating:** CG RESEARCH : AL	IPPXX				$ 1.00	$ 26,138.00			.10%	$ 26.13
9,508.901	EATON VANCE FLOATING RATE FUND CL I **Rating:** CG RESEARCH . AL	EIBLX	05/03/11	86,531 00	9.10	8.81	83,773.42	(2,757.58) ST		4.279	3,584.85
	Cash distributions (since inception)								1,992.44		

Mutual funds *continued*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
	EATON VANCE FLOATING RATE FUND CL I	EIBLX									
	Total Purchases vs. Current Value			$ 86,531.00			$ 83,773 42		($ 2,757.58)		
	Fund Value Increase/Decrease								(765.14)		
5,020 627	FRANKLIN REAL RETURN FD ADVISOR CL **Rating:** CG RESEARCH : AL	FARRX	05/03/11	57,687 00	11.49	10.78	54,122.36	(3,564.64) ST		4.684	2,535.41
	Cash distributions (since inception)								1,897.78		
	Total Purchases vs. Current Value			57,687.00			54,122 36		(3,564.64)		
	Fund Value Increase/Decrease								(1,666.86)		
16,611 518	GOLDMAN SACHS ABSOLUTE RETURN TRACKER CLASS I **Rating.** CG RESEARCH : AL	GJRTX	05/03/11	158,640.00	9.55	8.90	147,842.51	(10,797.49) ST		.247	365.45
	Cash distributions (since inception)								1,877.10		
	Total Purchases vs. Current Value			158,640.00			147,842.51		(10,797.49)		
	Fund Value Increase/Decrease								(8,920.39)		
1,142.561	ING GLOBAL REAL ESTATE FD	IGLIX	12/10/09	16,921.33	14.81	15.00	17,138 42	217.09 LT			
174.713	CL I		01/08/10	2,584.00	14.79	15.00	2,620.70	36.70 LT			
113.506	**Rating:** CG RESEARCH : FL		01/22/10	1,580.00	13.92	15.00	1,702.59	122.59 LT			
87.847			02/08/10	1,171.00	13.33	15.00	1,317.71	146.71 LT			
89.257			02/16/10	1,238.00	13.87	15.00	1,338.86	100 86 LT			
64.996			02/22/10	908.00	13.97	15.00	974.94	66.94 LT			
389.822			05/03/11	6,779.00	17.39	15.00	5,847 33	(931.67) ST			
2,062.702				**31,181.33**	**15 117**		**30,940 55**	**(240.78)**		4.326	1,338.69
	Cash distributions (since inception)								2,394.01		
	Total Purchases vs Current Value			31,181.33			30,940.55		(240 78)		
	Fund Value Increase/Decrease								2,153 23		
3,271.733	JPMORGAN HIGHBRIDGE DYNAMIC COMMODITIES STRATEGY SELECT CL **Rating:** CG RESEARCH : AL	HDCSX	05/03/11	72,109.00	22.04	17.13	56,044.79	(16,064.21) ST			
	Cash distributions (since inception)								3,031.00		
	Total Purchases vs. Current Value			72,109.00			56,044.79		(16,064.21)		
	Fund Value Increase/Decrease								(13,033.21)		
3,071 936	LAZARD EMERGING MKTS EQUITY	LZEMX	12/10/09	55,663.49	18.12	16.80	51,608.52	(4,054.97) LT			
496.842	PORT INST'L SHS		01/08/10	9,281.00	18.68	16.80	8,346.95	(934.05) LT			
379.637	**Rating:** CG RESEARCH : FL		01/22/10	6,693.00	17.63	16 80	6,377.90	(315.10) LT			
431.758			02/08/10	7,219.00	16.72	16.80	7,253.53	34.53 LT			

Mutual funds *continued*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
234 648	LAZARD EMERGING MKTS EQUITY	LZEMX	02/16/10	$ 4,104 00	$ 17 49	$ 16.80	$ 3,942.09	($ 161.91) LT			
209 407	PORT INST'L SHS		02/22/10	3,673.00	17.54	16.80	3,518 04	(154.96) LT			
4,824 228				**86,633 49**	**17 958**		**81,047 03**	**(5,586 46)**		**1.505**	**1,220 52**
	Cash distributions (since inception)								9,536.77		
	Total Purchases vs Current Value			86,633 49			81,047 03		(5,586 46)		
	Fund Value Increase/Decrease								3,950 31		
2,951.425	METROPOLITAN WEST TOTAL	MWTIX	12/10/09	29,337 17	9.94	10.37	30 606.28	1 269 11 LT			
484 148	RETURN BOND FUND CLASS I		01/08/10	4,856 00	10 03	10.37	5,020.61	164.61 LT			
73 84	Rating, CG RESEARCH FL		01/22/10	748 00	10 13	10.37	765 72	17.72 LT			
53 162			02/08/10	538.00	10 12	10.37	551 29	13 29 LT			
264.95			02/16/10	2,878.00	10 10	10.37	2,954 93	76 93 LT			
276.763			02/22/10	2,787 00	10.07	10 37	2,870 03	83.03 LT			
4,124.288				**41,144 17**	**9 976**		**42,768 86**	**1,624 69**		**4 628**	**1,979.65**
	Cash distributions (since inception)								5,450 57		
	Total Purchases vs Current Value			41,144 17			42,768.86		1,624 69		
	Fund Value Increase/Decrease								7,075.26		
1,467 67	OPPENHEIMER INTERNATIONAL BOND	OIBYX	12/10/09	9,666.62	6 60	6.20	9,099 55	(587 07) LT			
1,188.117	FD CL Y		01/08/10	7,699.00	6 48	6.20	7,366 33	(332 67) LT			
274.103	Rating: CG RESEARCH : AL		01/22/10	1,757 00	6.41	6 20	1,699.44	(57.56) LT			
254 603			02/08/10	1,604 00	6.30	6 20	1,578.54	(25 46) LT			
507 717			02/16/10	3,224 00	6.35	6 20	3 147.85	(76.15) LT			
549 367			02/22/10	3,472 00	6 32	6.20	3,406 08	(65.92) LT			
4,241.577				**27,442.62**	**6 47**		**26,297 79**	**(1,144 83)**		**4.354**	**1,145 22**
	Cash distributions (since inception)								5,476 84		
	Total Purchases vs. Current Value			27,442 62			26,297 79		(1,144 83)		
	Fund Value Increase/Decrease								4,332 01		
6,484 622	PIMCO EMERGING LOCAL BOND FUND CL P Rating CG RESEARCH AL	PELPX	05/03/11	**72,109 00**	11.12	10 05	**65,170 45**	**(6,938 55)** ST		**5 184**	**3,378 48**
	Cash distributions (since inception)								1,972.61		
	Total Purchases vs Current Value			72,109.00			65,170 45		(6,938 55)		
	Fund Value Increase/Decrease								(4,965 74)		
1,370.817	PIMCO LOW DURATION FUND CL P Rating: CG RESEARCH : FL	PLDPX	05/03/11	**14,421 00**	10 52	10 29	**14,105 71**	**(315 29)** ST		2.05	289 24
	Cash distributions (since inception)								222 92		

Mutual funds *continued*

Number of shares	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Net Value Increase/ Decrease	Yield	Anticipated income (annualized)
	PIMCO LOW DURATION FUND CL P	PLDPX									
	Total Purchases vs. Current Value			$ 14,421.00			$ 14,105.71		($ 315.29)		
	Fund Value Increase/Decrease								(92.37)		
2,174.406	RYDEX SGI MANAGED FUTURES STRATEGY FUND CLASS H Rating: CG RESEARCH : AL	RYMFX	05/03/11	57,687.00	26.53	23.94	52,055.28	(5,631.72) ST		2.393	1,245.93
	Total Purchases vs. Current Value			57,687.00			52,055 28		(5,631.72)		
	Fund Value Increase/Decrease								(5,631.72)		
2,144.113	WASHINGTON MUTUAL INVESTORS FUND CLASS F Rating: CG RESEARCH : AL	WSHFX	12/10/09	52,830.95	24.64	28.32	60,721.28	7,890.33 LT			
274.95			01/08/10	6,882.00	25.03	28 32	7,786.58	904 58 LT			
116.129			01/22/10	2,808.00	24.18	28.32	3,288.77	480.77 LT			
154.293			02/08/10	3,612.00	23.41	28.32	4,369.58	757.58 LT			
141.711			02/16/10	3,428.00	24.19	28.32	4,013.26	585.26 LT			
84.2			02/22/10	2,057.00	24.43	28 32	2,384.54	327 54 LT			
2,915.396				71,617.95	24 565		82,564.01	10,946.06		2.192	1,810 46
	Cash distributions (since inception)								4,355.72		
	Total Purchases vs. Current Value			71,617.95			82,564.01		10,946 06		
	Fund Value Increase/Decrease								15,301.78		
Total mutual funds (Tax based)				$ 777,203.56			$ 762,870.76	($ 47,001.15) ST		2.48	
								$ 6,530.35 LT			$ 18,920.03
Total Fund Value Increase/Decrease									($ 2,262.84)		
Total portfolio value				$ 1,286,393.48			$ 1,314,532.78	($ 51,603.08) ST		2.40	$ 31,639.11
								$ 53,604.38 LT			

*Based on information supplied by client or other financial institution, not verified by us.

R The basis for this tax lot has been adjusted due to a reclassification of income.

MorganStanley SmithBarney

Ref: 00000084 00002666

Reserved Client Statement
December 1 - December 31, 2011

THE DANIEL & FLAVIA GERNATT   Account number 475-09887-11 002

TRANSACTION DETAILS
All transactions appearing are based on trade-date.

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/02/11	Bought	WISCONSIN ENERGY CORP HLDG CO MorganStanley SmithBarney LLC acted as your agent in this transaction.	16	$ 33.356	$ -533.70
12/23/11	Bought	WALT DISNEY CO MorganStanley SmithBarney LLC acted as your agent in this transaction.	39	37.5149	-1,463.08
Total securities bought and other subtractions					**$ -1,996.78**
Total securities sold and other additions					**$ 0.00**

Money fund activity

Opening money fund balance **$ 13,037.66**

All transactions are traded at $1.00 per share.

Date	Activity	Description	Amount
12/01/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	38.93
12/02/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	937.01
12/05/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	2,083.41
12/06/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	111.96
12/07/11	Redemption	MORGAN STANLEY LIQUID ASSET FUND INC	-277.24
12/09/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	1,930.25
12/12/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	83.65
12/13/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	462.51
12/14/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	53.25
12/15/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	110.43
12/16/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	219.82
12/19/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	282.74
12/20/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	660.39
12/22/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	38.69
12/27/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	2,709.32
12/28/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	135.32
12/30/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	5,176 75
		MONEY FUND EARNINGS REINVESTED (SEE DETAILS UNDER EARNINGS DETAILS)	.16
		Closing balance	**$ 27,795 01**

MorganStanley SmithBarney

Ref: 00000084 00002673

Reserved Client Statement
December 1 - December 31, 2011

L11000000084 311364AH01 SELFL031A
THE DANIEL & FLAVIA GERNATT
FAMILY FOUNDATION
2698 GOWANDA ZOAR RD
GOWANDA NY 14070-9767

Account number 475-80578-16 002

Morgan Stanley Smith Barney LLC. Member SIPC.
Your Financial Advisor
Jessica Rebmann
415 COLUMBIA STREET
SUITE 3100
LAFAYETTE IN 47902
765 420 8420
Email: jessica.e.rebmann@mssb.com
Website: www smithbarney.com

Reserved Client Service Center: 800-423-7248
Branch Phone: 800 343 9743

Account carried by Citigroup Global Markets Inc. Member SIPC.

Account value

	Last period	This period	%
Money fund	$ 74,654.26	$ 75,319.48	36.64
Accrued money fund dividends	.02	0.00	
Common stocks & options	58,517.22	59,086.39	28.74
Preferred stocks	24,823.30	24,787 48	12.06
Accrued interest on bonds/CDs	911.27	480.77	.23
Municipal bonds	45,420.80	45,900.60	22.33
Total value	**$ 204,326.87**	**$ 205,574.72**	**100.00**
Total value (excluding accrued interest)	$ 203,415.56	$ 205,093.95	

Cash, money fund, bank deposits

	This period	This year
Opening balance	**$ 74,654.26**	
Deposits	0.00	81.69
Withdrawals	0.00	(85,081.69)
Interest credited	664.60	
Money fund earnings reinvested	.62	
Closing balance	**$ 75,319.48**	

A free credit balance in any securities account may be paid to you on demand. Although properly accounted for, these funds may be used for business purposes.

Earnings summary

	This period		This year	
	Taxable	Non-taxable	Taxable	Non-taxable
Interest	$ 664.60	$ 0.00	$ 8,846.06	$ 0.00
Qualified dividends	0.00	0.00	1,803.86	0.00
Money fund earnings	.62	0.00	2.74	0.00
Total	**$ 665 22**	**$ 0.00**	**$ 10,652.66**	**$ 0 00**

Portfolio summary

	This period	This year
Beginning total value (excl. accr. int.)	**$ 203,415.58**	**$ 258,757.85**
Net security deposits/withdrawals	0.00	0.00
Net cash deposits/withdrawals	0.00	(85,000.00)
Beginning value net of deposits/withdrawals	**203,415.58**	**173,757.85**
Total value as of 12/30/2011 (excl. accr int.)	**$ 205,093.95**	**$ 205,093.95**
Change in value	**$ 1,678.37**	**$ 31,336.10**

Gain/loss summary

		This period	This year
Original Realized gain or (loss)		$ 0.00	$ 55,038.49 LT $ 419.53 ST
Adjusted Realized gain or (loss)		0.00	55,038.49 LT 419.53 ST
Capital gain or (loss) (realized)		0.00	55,458.02
Unrealized gain or (loss) to date	23,138.35		

PORTFOLIO DETAILS

Your holdings are valued using the most current prices available to Citigroup Global Markets Inc. (CGMI). In most cases, these values are as of 12/31/11, but in some cases CGMI's sources are unable to provide timely information. To see the date of the most recent price update, please view your account online at www.smithbarney.com.

Securities purchased or sold are included or excluded in this section as of the trade-date. This section may include securities that have not settled as of this statement closing date. Please see the "Unsettled Purchases/Sales" section for more information. Dividend yield is the estimated annual income, assuming the current dividend, divided by the security's market price at the end of the statement period. We do not guarantee the accuracy of the prices reflected on the statement nor do these prices represent levels at which securities can be bought or sold.
Please Note: *unrealized gain/(loss) is being shown for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.*

Money fund

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below $1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated income (annualized)
75,319.48	MORGAN STANLEY LIQUID ASSET FUND INC	$ 75,319.48		.01 %	$ 7.53
Total money fund		$ 75,319.48	$ 0.00		$ 7.53

Common stocks & options

Citi Investment Research & Analysis (CIRA), Morgan Stanley & Co. LLC (Morgan Stanley) and Standard & Poor's equity research ratings may be shown for certain securities. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. Because the applicable research report for each company contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. Where a particular company is covered by both CIRA and Morgan Stanley, you can and should view both research reports. CIRA's equity research ratings are (1) (Buy), (2) (Neutral) and (3) (Sell). For ease of comparison, Morgan Stanley and Standard & Poor's equity research ratings have been normalized to a 1 (Buy), 2 (Hold), and 3 (Sell). Please refer to the end of this statement for a summary guide describing CIRA, Morgan Stanley and Standard & Poor's ratings. Morgan Stanley Smith Barney does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared by Standard & Poor's.

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
500	COLGATE PALMOLIVE CO	CL	09/19/03	$ 27,788.64	$ 54.70	$ 92 39	$ 46,195.00	$ 18,406.36* LT		
100	**Rating:** Citigroup . 2 Morgan Stanley : 1 S&P : 2		01/26/05	5,112.52	50.07	92.39	9,239.00	4,126.48* LT		
22.617	Reinvestments to date			1,773.41	78.41	92.39	2,089.58	316.17 LT		
16.9154	Reinvestments to date			1,428.07	84.424	92.39	1,562.81	134.74 ST		
639 5324				**36,102.64**	**56.452**		**59,086.39**	**22,983.75**	**2.511**	**1,483.72**
Total common stocks and options				**$ 36,102.64**			**$ 59,086.39**	**$ 134.74 ST**	**2.51**	
								$ 22,849.01 LT		**$ 1,483.72**

Preferred stocks

The credit rating from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
1,000	MORGAN STANLEY CP TR IV 6.25% PFD Rated BB+ Next call on 01/29/12	MWG	05/14/07	$ 25,224.83	$ 24.76	$ 20.76	$ 20,760.00	($ 4,464.83)*LT		
114.0307	Reinvestments to date			2,457.21	21.548	20.76	2,367.28	(89.93) LT		
79.9713	Reinvestments to date			1,784.64	22.316	20.76	1,660.20	(124.44) ST		
1,194.002				**29,466.68**	**24.679**		**24,787.48**	**(4,679.20)**	**7.526**	**1,865.63**
Total preferred stocks				**$ 29,466.68**			**$ 24,787.48**	**($ 124.44) ST**	**7.52**	
								($ 4,554.76) LT		**$ 1,865.63**

Bonds

Unrealized gains & losses have been adjusted to account for the accretion of OID (original issue discount), the amortization of premium, and/or the accretion of market discount.

Call features shown indicate the next regularly scheduled call date and price. Your holdings may be subject to other redemption features including sinking funds or extraordinary calls.

The credit rating from Moody's Investors Service and Standard & Poor's may be shown for certain securities. All credit ratings represent the "opinions" of the provider and are not representations or guarantees of performance. Your Financial Advisor will be pleased to provide you with further information or assistance in interpreting these credit ratings.

Municipal bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
20,000	NEW YORK N Y FOR PRIOR ISSUES	12/16/10	$ 20,606.00	$ 103.00	116 90	$ 23,380.00	$ 2,774.00	LT	5.685	$ 0 00
	U/T TXBLE B/E GO	64966JAS5	$ 20,553.20	$ 102.766	$ 110.77		$ 2,826.80	LT	$ 1,329.20	$ 2,826 80
	DD 12/21/10 F/C 6/1/11									
	INT: 06 646% MATY' 12/01/2031									
	Rating: AA2/AA									
	Next call on 12/01/20 @ 100.000									
20,000	NASSAU CNTY N Y TAXABLE-GEN	12/16/10	20,556.40	102.782	112 603	22,520.60	1,964.20	LT	6.571	0.00
	U/T TXBLE B/E GO	63165TFX8	20,513.60	102.568	370.00		2,007.00	LT	1,480.00	2,007.00
	DD 12/16/10 F/C 4/1/11									
	INT: 07.400% MATY' 10/01/2035									
	Rating: A1/A+									
	Next call on 10/01/20 @ 100.000									
Total municipal bonds			$ 41,162.40		$ 480.77	$ 45,900.60	$ 0.00	ST	6.12	$ 0.00
40,000			$ 41,066.80				$ 4,833.80	LT	$ 2,809.20	$ 4,833.80
Total portfolio value			$ 181,955.60			$ 205,093.95	$ 10.30	ST	3.00	$ 0.00
							$ 23,128.05	LT	$ 6,166.08	$ 4,833.80

**Based on information supplied by client or other financial institution, not verified by us.*

TRANSACTION DETAILS

All transactions appearing are based on trade-date

Money fund activity

Opening money fund balance $ 74,654.26

Date	Activity	Description	Amount
12/02/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	664.60

All transactions are traded at $1.00 per share.

Date	Activity	Description	Amount
		MONEY FUND EARNINGS REINVESTED (SEE DETAILS UNDER EARNINGS DETAILS)	.62
		Closing balance	$ 75,319.48

SageRutty And Company, Inc
Comprehensive Financial Services • Established 1915

SNAPSHOT

[redacted]

DAN AND FLAVIA GERNATT
FAMILY FOUNDATION

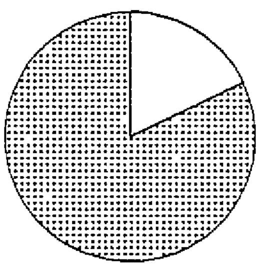
DECEMBER 1 - DECEMBER 31, 2011
ACCOUNT NUMBER: 2624-7206

Progress summary

	THIS PERIOD	THIS YEAR
Opening value	**$464,306.13**	**$487,790.08**
Income earned	5,365.83	22,942 65
Change in value	-2,401 12	-43,461 89
Closing value	**$467,270.84**	**$467,270.84**

Portfolio summary

CURRENT



	ASSET TYPE	PREVIOUS VALUE ON NOV 30	%	CURRENT VALUE ON DEC 31	%	ESTIMATED ANN. INCOME
ASSETS	Cash and sweep balances	80,169.03	17.27	83,693 55	17 91	15
	Stocks, options & ETFs	0.00	0.00	0 00	0 00	0
	Fixed income securities	0 00	0.00	0 00	0 00	0
	Mutual funds	384,137.10	82.73	383,577 29	82.09	20,179
	Asset value	**$464,306.13**	**100%**	**$467,270.84**	**100%**	**$20,194**

DAN AND FLAVIA GERNATT
FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2011
ACCOUNT NUMBER 2624-7206

Portfolio detail

Cash and Sweep Balances

Bank Deposit Sweep - Consists of monies held at Wells Fargo Bank, N A and (if amounts exceed $250,000) at one or more other Wells Fargo affiliated banks These assets are not covered by SIPC, but are instead eligible for FDIC insurance of up to $250,000 per depositor, per institution, in accordance with FDIC rules For additional information on the Bank Deposit Sweep for your account, please contact Your Registered Representative

DESCRIPTION	ANNUAL PERCENTAGE YIELD EARNED*	CURRENT MARKET VALUE	ESTIMATED ANNUAL INCOME
Cash	0.00	4,964.42	0 00
BANK DEPOSIT SWEEP	0 02	78,729.13	15.74
Interest Period 12/01/11 - 12/31/11			
Total Cash and Sweep Balances		**$83,693.55**	**$15.74**

* APYE measures the total amount of the interest paid on an account based on the interest rate and the frequency of the compounding during the interest period. The annual percentage yield earned is expressed as an annualized rate, based on a 365 day year.

Mutual Funds

Mutual fund shares are priced at net asset value Estimated Annual Income and Yield refer to Dividends and Interest Income only, and typically do not reflect Total return.

Open End Mutual Funds

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
FRANKLIN HIGH INCOME FUND CLASS A FHAIX								
Acquired 03/17/08 nc	21,935.60200	1.91	41,897 00	1 9400	42,555 06	658 06	3,158 72	7.42
FRANKLIN INCOME FUND CLASS A FKINX								
Acquired 03/17/08 nc	71,012 28800	2.36	167,589.00		149,125.09	-18,463.91		
Reinvestments nc	56 43000	1.51	85.21		119.21	34.00		
Total	**71,068.71800**		**$167,674.21**	**2.1000**	**$149,244.30**	**-$18,429.91**	**$9,807.48**	**6.57**
FRANKLIN INVS SECS TR REAL RETURN FD CL A FRRAX								
Acquired 03/17/08 nc	5,718.47100	10.99	62,846.00	10.7600	61,530 74	-1,315.26	2,727.71	4.43

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Comprehensive Financial Services • Established 1915

DAN AND FLAVIA GERNATT
FAMILY FOUNDATION

DECEMBER 1 - DECEMBER 31, 2011
ACCOUNT NUMBER 2624-7206

Mutual Funds

Open End Mutual Funds continued

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
MUTUAL SERIES FD INC GLOBAL DISCOVERY FD CL A TEDIX								
Acquired 03/17/08 nc	1,453.74700	28.82	41,897 00		39,454.68	-2,442.32		
Reinvestments nc	93 93000	24.33	2,285 45		2,549 27	263.82		
Total	**1,547.67700**		**$44,182.45**	**27.1400**	**$42,003.95**	**-$2,178.50**	**$718.12**	**1.71**
TEMPLETON GLOBAL BOND FUND CL A TPINX								
Acquired 03/17/08 nc	4,513.27400	12.43	56,106 00		56,009.69	-96 31		
Acquired 03/17/08 nc	550.90300	12.18	6,710 00		6,836.74	126 74		
Reinvestments nc	32.52600	12.30	400 07		403.65	3 58		
Total	**5,096.70300**		**$63,216.07**	**12.4100**	**$63,250.08**	**$34.01**	**$3,058.02**	**4.83**
TEMPLETON FUNDS INC FOREIGN FUND CL A TEMFX								
Acquired 10/30/07 nc	1,124 02700	13 56	15,242.71		6,654.23	-8,588 48		
Reinvestments nc	3,097.79100	9 01	27,934 51		18,338.93	-9,595 58		
Total	**4,221.81800**		**$43,177.22**	**5.9200**	**$24,993.16**	**-$18,184.06**	**$709.26**	**2.84**
Total Open End Mutual Funds			**$422,992.95**		**$383,577.29**	**-$39,415.66**	**$20,179.31**	**5.26**
Total Mutual Funds			**$422,992.95**		**$383,577.29**	**-$39,415.66**	**$20,179.31**	**5.26**

nc Cost information for this tax lot is not covered by IRS reporting requirements Unless indicated, cost for all other lots will be reported to the IRS

Activity detail

DATE	ACCOUNT TYPE	TRANSACTION	QUANTITY	DESCRIPTION	PRICE	AMOUNT	CASH AND SWEEP BALANCES
12/01				BEGINNING BALANCE			80,169.03
12/01	Cash	CHECK ISSUED		CHK ISS #RC088608343		-1,441.24	78,727 79
12/02	Cash	DIVIDEND		FRANKLIN INVS SECS TR REAL RETURN FD CL A 120211 5,718.47100		113.23	78,841.02

MorganStanley SmithBarney

Ref 00003046 00025501

2011 Year End Summary

M11000003046 311381AA01 WEB00086A
THE DANIEL & FLAVIA GERNATT
475
002
FAMILY FOUNDATION
2698 GOWANDA ZOAR RD
GOWANDA NY 14070-9767

Account Number 475-80578-16 002

We are pleased to provide you with this overview of the year's activity in your account. This information will help you understand the performance of your investments and manage your account with the assistance of your Financial Advisor.

If you have questions about your Year End Summary, call toll-free Monday through Friday, 9:00 a.m. to 5:00 p.m. EST., 1-800-727-1099

Your Financial Advisor

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MORGANSTANLEY SMITHBARNEY LLC
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LAFAYETTE IN 47902
Branch Office 765 420 8420
Email jessica e rebmann@mssb com

MorganStanley
SmithBarney

Ref 00003046 00025502

2011 Year End Summary

Account Number 475-80578-16 002

Value of your portfolio

Description		Amount
Money funds		$ 75,319 48
Accrued bond / CD interest		480 77
Common stocks & options		59,086 39
Preferred stocks		24,787 48
Municipal bonds		45,900 60
Value of your account on 12/31/11		**$ 205,574.72**
Value of your account on 12/31/10	**$ 260,216.89**	

Earnings summary 2011

Description	Amount
Interest *	$ 8,846 06
Dividends **	2 74
Qualified Dividends	1,803 86
Total	**$ 10,652 66**

**If you received accrued interest or interest exempt from Federal income tax, they are included in this amount*
***If you received money funds earnings, capital gain distributions or dividends exempt from Federal income tax, they are included in this amount*

Ref 00003046 00025503

MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-80578-16 002

Details of Earnings 2011

Interest

Interest amounts include accrued interest received and interest exempt from Federal income tax

Reference number	Description	Interest	Alternative minimum tax
140000100	06050XCK70B0 BANK AMER CORP SUB INTERNOTES TRANCHE # SM BK/ENTRY1 DTD 9/13/2001 DUE 09/15/2011 RATE 6 150	$ 4,612 50	
140000200	31395HJ680B0 FREDDIE MAC SER 2877 CL BB DUE 04/15/2034 RATE 5 250	21 90	
140000300	617462205000 MORGAN STANLEY CP TR IV 6 25% PFD	1,784 64	
140000400	63165TFX80B0 NASSAU CNTY N Y TAXABLE-GEN U/T TXBLE B/E GO DD 12/16/10 F/C 4/1/11 DUE 10/01/2035 RATE 7 400	1,171 66	
140000500	64966JAS50B0 NEW YORK N Y FOR PRIOR ISSUES U/T TXBLE B/E GO DD 12/21/10 F/C 6/1/11 DUE 12/01/2031 RATE 6 646	1,255 36	
Totals		**$ 8,846 06**	

MorganStanley SmithBarney

Ref 00003046 00025504

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-80578-16 002

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 1

Amounts displayed for dividends include dividend reinvestments, money fund earnings, accrued dividends received and dividends exempt from Federal income tax
"Total dividends" includes both Qualified and non-qualified dividends received
"Total capital gain distributions" is a total of long term capital gain distributions, Unrecaptured Sec 1250 gain and Section 1202 gain

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160000100	194162103000 COLGATE PALMOLIVE CO	$ 1,428 07	$ 1,428 07					
160000200	30231G102000 EXXON MOBIL CORP	375 79	375 79					
160000300	616980108000 MORGAN STANLEY LIQUID ASSET FUND INC	2 37						
160000400	714992955000 WESTERN ASSET MONEY MARKET FUND CLASS A	37						
Totals		**$ 1,806 60**	**$ 1,803 86**					

Details of Short Term Gain (Loss) 2011

This section shows your sales of securities during the year The "Sale Proceeds" column excludes any accrued income you may have received In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor
For additional information regarding this section see enclosed brochure

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000020	5 9682	EXXON MOBIL CORP	06/11/10	04/29/11	$ 523 10	$ 368 24	$ 154 86	$ 0 00
						$ 368 24	**$ 154 86**	$ 0 00
	6 0361		09/13/10		529 05	370 86	158 19	0 00
						370 86	**158 19**	0 00
	5 1556		12/13/10		451 88	373 52	78 36	0 00
						373 52	**78 36**	0 00
	3 9395		03/11/11		345 28	319 49	25 79	0 00
						319 49	**25 79**	0 00

2011 YEAR END SUMMARY

Ref 00003046 00025505

MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-80578-16 002

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
125000030	6942	EXXON MOBIL CORP	03/11/11	05/02/11	$ 58 63	$ 56 30	$ 2 33	$ 0 00
		LIQUIDATION OF FRACTIONAL SHS				**$ 56 30**	**$ 2 33**	$ 0 00
Total						$ 1,488 41	$ 419 53	$ 0 00
					$ 1,907 94	**$ 1,488 41**	**$ 419 53**	$ 0 00

Details of Long Term Gain (Loss) 2011

This section shows your sales of securities during the year The "Sale Proceeds" column excludes any accrued income you may have received In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor
For additional information regarding this section see enclosed brochure

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
125000010	75,000	BANK AMER CORP SUB INTERNOTES	09/07/01	09/15/11	$ 75,000 00	$ 75,000 00 [e]	$ 0 00	$ 0 00
		TRANCHE # SM BK/ENTRY1				**$ 75,000 00**	**$ 0 00**	$ 0 00
		DTD 9/13/2001						
		DUE 09/15/2011 RATE 6 150						
125000020	620	EXXON MOBIL CORP	01/11/94	04/29/11	54,341 61	10,161 88 [e]	44,179 73	0 00
						10,161 88	**44,179 73**	0 00
	200		02/18/03		17,529 55	6,960 17 [e]	10,569 38	0 00
						6,960 17	**10,569 38**	0 00
	5 9272		09/11/09		519 51	420 00	99 51	0 00
						420 00	**99 51**	0 00
	5 7952		12/11/09		507 94	422 49	85 45	0 00
						422 49	**85 45**	0 00
	5 1782		03/11/10		453 86	349 32	104 54	0 00
						349 32	**104 54**	0 00
125000040	1,000	FREDDIE MAC	10/20/04	05/16/11	1,000 00	1,000 12 [e]	(12)	0 00
		SER 2877 CL BB				**1,000 12**	**(12)**	0 00
		DUE 04/15/2034 RATE 5 250						
Total						$ 94,313 98	$ 55,038 49	$ 0 00
					$ 149,352 47	**$ 94,313 98**	**$ 55,038 49**	$ 0 00

[e] *Based on information supplied by Client or other financial institution, not verified by us*

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref 00003046 00025506

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-80578-16 002

Details of Deposits and Withdrawals 2011

This section reflects any deposits or withdrawals made to your account during the year.

Deposits

Reference number	Date	Description	Amount
210000100	06/14/11	LATE PAYMENT FEE FOR 5 DAYS FROM 04/21 THRU 05/22 @ 8 375 AVERAGE BALANCE 70,225 82	$ 81 69
Total			**$ 81 69**

Withdrawals

Reference number	Date	Description	Referral number	Amount
220000100	04/29/11	MONEY TRANSFER 04/29/11MH THRU HSBC BANK USA HSBC BANK U SA BUFFALO NY THE DANIEL & FLAVIA GERNATT FA MILY FOUNDATION REFERENCE # 48251574		$ 75,000 00
220000300	11/22/11	AUTOMATIC FUNDS TRANSFER HSBC BANK A/C# XXXXX0977 2011 Year End Grants Distrib		10,000 00
220000200	05/27/11	LATE PAYMENT FEE FOR 5 DAYS FROM 04/21 THRU 05/22 @ 8 375 AVERAGE BALANCE 70,225 82		$ 81 69
Total				**$ 85,081 69**

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref 00001927 00017266

2011 Year End Summary

M11000001927 311381AA01 WEB00086A
THE DANIEL & FLAVIA GERNATT
475 FAMILY FOUNDATION
507 PBG YPO
2698 GOWANDA ZOAR RD
GOWANDA NY 14070-9767

Account Number 475-09880-18 507

We are pleased to provide you with this overview of the year's activity in your account. This information will help you understand the performance of your investments and manage your account with the assistance of your Financial Advisor.

Your Financial Advisor

MORGANSTANLEY SMITHBARNEY LLC
415 COLUMBIA STREET
SUITE 3100
LAFAYETTE IN 47902
Branch Office 765-742-9085

If you have questions about your Year End Summary, call toll-free Monday through Friday, 9:00 a.m. to 5:00 p.m. EST., 1-800-727-1099

MorganStanley SmithBarney

Ref 00001927 00017267

2011 Year End Summary

Account Number 475-09880-18 507

Value of your portfolio

Description	Amount
Money funds	$ 6,539 00
Common stocks & options	394,073 50
Value of your account on 12/31/11	**$ 400,612.50**
Value of your account on 12/31/10	**$ 365,678.78**

Earnings summary 2011

Description	Amount
Dividends **	$ 7 09
Qualified Dividends	10,918 95
Total	**$ 10,926 04**

***If you received money funds earnings, capital gain distributions or dividends exempt from Federal income tax, they are included in this amount*

Additional summary information 2011

Description	Amount
12-B1 Rebate Payments	$ 1 37
Total Additional Income	**$ 1 37**

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref 00001927 00017268

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Earnings 2011

Dividends and Distributions, Section 1

Amounts displayed for dividends include dividend reinvestments, money fund earnings, accrued dividends received and dividends exempt from Federal income tax
"Total dividends" includes both Qualified and non-qualified dividends received
"Total capital gain distributions" is a total of long term capital gain distributions, Unrecaptured Sec 1250 gain and Section 1202 gain

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160000100	00206R102000 AT&T INC	$ 1,032 00	$ 1,032 00					
160000200	149123101000 CATERPILLAR INC	268 00	268 00					
160000300	166764100000 CHEVRON CORP	711 00	711 00					
160000400	191216100000 COCA-COLA CO	940 00	940 00					
160000500	263534109000 E I DU PONT DE NEMOURS & CO	656 00	656 00					
160000600	369604103000 GENERAL ELECTRIC CO	236 00	236 00					
160000700	437076102000 HOME DEPOT INC	628 00	628 00					
160000800	458140100000 INTEL CORP	307 20	307 20					
160000900	478160104000 JOHNSON & JOHNSON	1,125 00	1,125 00					
160001000	50075N104000 KRAFT FOODS INC CLASS A	609 00	609 00					
160001100	580135101000 MCDONALDS CORP	768 00	768 00					
160001200	58933Y105000 MERCK & CO INC NEW	570 00	570 00					
160001300	616980108000 MORGAN STANLEY LIQUID ASSET FUND INC	71						
160001400	714992955000 WESTERN ASSET MONEY MARKET FUND CLASS A	6 38						

MorganStanley SmithBarney

Ref 00001927 00017269

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 1

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160001500	717081103000 PFIZER INC	$ 380 00	$ 380 00					
160001600	742718109000 PROCTER & GAMBLE CO	630 00	630 00					
160001700	88579Y101000 3M COMPANY	880 00	880 00					
160001800	92343V104000 VERIZON COMMUNICATIONS	1,178 75	1,178 75					
Totals		**$ 10,926 04**	**$ 10,918 95**					

Details of Additional Summary Information 2011

12-B1 Rebate Payments

The following details show how we derived 12-B1 rebate payments

Reference number	Description	Amount	Federal Income tax withheld	NRA tax withheld
246000100	MORGAN STANLEY LIQUID ASSET FUND INC	$ 1 37		
Totals		**$ 1 37**		

Details of Short Term Gain (Loss) 2011

This section shows your sales of securities during the year The "Sale Proceeds" column excludes any accrued income you may have received In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000010	-5	CALL T JAN 11 @ 30 00 AT&T INC 100 SHS	11/23/10	01/24/11	29 99			29 99
125000020	-5	CALL T MAR 11 @ 29 00 AT&T INC 100 SHS	01/26/11	03/21/11	254 99			254 99

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref 00001927 00017270

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000030	-6	CALL T MAY 11 @ 29 00 AT&T INC 100 SHS EXP 05/21/2011	03/23/11	04/04/11	$ 119 99	$ 1,062 00	($ 942 01)	
125000040	-6	CALL T MAY 11 @ 30 00 AT&T INC 100 SHS EXP 05/21/2011	04/04/11	05/18/11	582 94	684 00	(101 06)	
125000050	-6	CALL T JUN 11 @ 31 00 AT&T INC 100 SHS	05/18/11	06/20/11	383 99			383 99
125000060	-6	CALL T AUG 11 @ 32 00 AT&T INC 100 SHS EXP 08/20/2011	06/22/11	07/25/11	179 99	24 00		155 99
125000070	-6	CALL T SEP 11 @ 31 00 AT&T INC 100 SHS EXP 09/17/2011	07/25/11	09/06/11	159 23	12 00		147 23
125000080	-6	CALL T OCT 11 @ 29 00 AT&T INC 100 SHS EXP 10/22/2011	09/07/11	10/21/11	251 99	42 00		209 99
125000090	-1	CALL T OCT 11 @ 30 00 AT&T INC 100 SHS	09/16/11	10/24/11	21 99			21 99
125000100	-7	CALL T DEC 11 @ 31 00 AT&T INC 100 SHS	10/25/11	12/19/11	20 99			20 99
125000110	300	BOEING CO MorganStanley SmithBarney LLC acted as your agent in this transaction	10/13/10	01/26/11	21,084 43	21,590 55	(506 12)	
125000120	-3	CALL BA JAN 11 @ 65 00 BOEING CO 100 SHS EXP 01/22/2011	11/23/10	01/11/11	671 98	1,290 00	(618 02)	

Ref 00001927 00017271

MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000130	-2	CALL BA JAN 11 @ 75 00 BOEING CO 100 SHS	10/13/10	01/24/11	497 35			497 35
125000140	-3	CALL BA FEB 11 @ 67 50 BOEING CO 100 SHS EXP 02/19/2011	01/11/11	01/26/11	899 98	990 00	(90 02)	
125000160	200	CATERPILLAR INC MorganStanley SmithBarney LLC acted as your agent in this transaction	10/13/10	09/15/11	17,254 92	16,181 20		1,073 72
125000170	-2	CALL CAT JAN 11 @ 75 00 CATERPILLAR INC 100 SHS EXP 01/22/2011	11/02/10	01/10/11	1,491 05	3,746 02	(2,254 97)	
125000180	-2	CALL CAT MAY 11 @ 85 00 CATERPILLAR INC 100 SHS EXP 05/21/2011	01/10/11	04/12/11	2,230 78	4,340 00	(2,109 22)	
125000190	-2	CALL CAT AUG 11 @ 90 00 CATERPILLAR INC 100 SHS	04/12/11	08/22/11	3,649 92			3,649 92
125000200	200	CHEVRON CORP ACCOUNT ASSIGNED OCC CALL 03-19-11 89412770 OPTION PREMIUM -1,107 30	10/13/10	02/11/11	18,553 30	16,687 80		1,865 50
125000210	-3	CALL CVX MAR 11 @ 100 00 CHEVRON CORP 100 SHS EXP 03/19/2011	02/16/11	03/17/11	215 99	660 00	(444 01)	
125000220	-3	CALL CVX APR 11 @ 105 00 CHEVRON CORP 100 SHS EXP 04/16/2011	03/17/11	04/15/11	434 99	354 00		80 99
125000230	-3	CALL CVX MAY 11 @ 110 00 CHEVRON CORP 100 SHS	04/15/11	05/23/11	302 99			302 99

Ref 00001927 00017272

MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000240	-3	CALL CVX JUL 11 @ 105 00 CHEVRON CORP 100 SHS EXP 07/16/2011	05/24/11	07/15/11	$ 662 98	$ 270 00		$ 392 98
125000250	-3	CALL CVX AUG 11 @ 110 00 CHEVRON CORP 100 SHS	07/15/11	08/22/11	299 99			299 99
125000260	-3	CALL CVX OCT 11 @ 100 00 CHEVRON CORP 100 SHS EXP 10/22/2011	08/23/11	10/20/11	974 98	868 47		106 51
125000270	-3	CALL CVX DEC 11 @ 110 00 CHEVRON CORP 100 SHS	10/20/11	12/19/11	455 99			455 99
125000280	-3	CALL KO JAN 11 @ 65 00 COCA-COLA CO 100 SHS	11/18/10	01/24/11	254 99			254 99
125000290	-2	CALL KO JAN 11 @ 62 50 COCA-COLA CO 100 SHS EXP 01/22/2011	11/15/10	01/18/11	343 99	228 00		115 99
125000300	-2	CALL KO FEB 11 @ 65 00 COCA-COLA CO 100 SHS	01/18/11	02/22/11	113 99			113 99
125000310	-3 -2	CALL KO MAR 11 @ 65 00 COCA-COLA CO 100 SHS EXP 03/19/2011	01/26/11 02/23/11	03/10/11	140 99 90 01	186 00 124 00	(45 01) (33 99)	
125000320	-5	CALL KO MAY 11 @ 67 50 COCA-COLA CO 100 SHS EXP 05/21/2011	03/10/11	05/19/11	379 99	600 00	(220 01)	
125000330	-5	CALL KO JUN 11 @ 70 00 COCA-COLA CO 100 SHS EXP 06/18/2011	05/19/11	06/01/11	184 99	37 20		147 79

MorganStanley SmithBarney

Ref 00001927 00017273

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000340	-5	CALL KO AUG 11 @ 70 00 COCA-COLA CO 100 SHS	06/01/11	08/22/11	214 99			214 99
125000350	-5	CALL KO OCT 11 @ 72 50 COCA-COLA CO 100 SHS	08/23/11	10/24/11	289 99			289 99
125000360	-5	CALL KO DEC 11 @ 72 50 COCA-COLA CO 100 SHS	10/25/11	12/19/11	79 99			79 99
125000370	200 100	E I DU PONT DE NEMOURS & CO ACCOUNT ASSIGNED OCC CALL 03-19-11 84665730 OPTION PREMIUM -407 99	06/11/10 10/13/10	02/10/11	10,271 80 5,135 90	7,471 10 4,682 91		2,800 70 452 99
125000380	200	E I DU PONT DE NEMOURS & CO ACCOUNT ASSIGNED OCC CALL 04-16-11 83046910 OPTION PREMIUM -1,169 97	10/13/10	02/10/11	10,769 78	9,365 82		1,403 96
125000390	-3	CALL DD JAN 11 @ 49 00 E I DU PONT DE NEMOURS & CO 100 SHS	11/23/10	01/24/11	179 99			179 99
125000400	-2	CALL DD JAN 11 @ 45 00 E I DU PONT DE NEMOURS & CO 100 SHS EXP 01/22/2011	11/08/10	01/10/11	761 38	800 00	(38 62)	
125000410	-2	CALL DD FEB 11 @ 46 00 E I DU PONT DE NEMOURS & CO 100 SHS EXP 02/19/2011	01/10/11	02/10/11	675 62	1,574 78	(899 16)	
125000420	-5	CALL DD MAR 11 @ 55 00 E I DU PONT DE NEMOURS & CO 100 SHS	02/14/11	03/21/11	513 39			513 39
125000430	-5	CALL DD MAY 11 @ 55 00 E I DU PONT DE NEMOURS & CO 100 SHS	03/23/11	05/23/11	559 98			559 98
125000440	-5	CALL DD JUL 11 @ 52 50 E I DU PONT DE NEMOURS & CO 100 SHS EXP 07/16/2011	05/24/11	07/13/11	638 53	1,145 00	(506 47)	

Ref 00001927 00017274

MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000450	-5	CALL DD AUG 11 @ 52 50 E I DU PONT DE NEMOURS & CO 100 SHS	07/13/11	08/22/11	1,503 27			1,503 27
125000460	-1	CALL DD OCT 11 @ 50 00 E I DU PONT DE NEMOURS & CO 100 SHS EXP 10/22/2011	09/16/11	09/23/11	57 99	8 00		49 99
125000470	-1	CALL DD OCT 11 @ 45 00 E I DU PONT DE NEMOURS & CO 100 SHS EXP 10/22/2011	09/28/11	10/21/11	47 30	14 41		32 89
125000480	-5	CALL DD OCT 11 @ 47 00 E I DU PONT DE NEMOURS & CO 100 SHS	08/23/11	10/24/11	884 98			884 98
125000490	-6	CALL DD DEC 11 @ 49 00 E I DU PONT DE NEMOURS & CO 100 SHS	10/25/11	12/19/11	407 99			407 99
125000500	-4	CALL GE MAR 11 @ 21 00 GENERAL ELECTRIC CO 100 SHS	02/07/11	03/21/11	175 99			175 99
125000510	-6	CALL GE MAY 11 @ 21 00 GENERAL ELECTRIC CO 100 SHS EXP 05/21/2011	03/23/11	05/13/11	137 99	12 00		125 99
125000520	-6	CALL GE JUN 11 @ 21 00 GENERAL ELECTRIC CO 100 SHS EXP 06/18/2011	05/13/11	06/01/11	90 05	12 00		78 05
125000530	-6	CALL GE AUG 11 @ 21 00 GENERAL ELECTRIC CO 100 SHS EXP 08/20/2011	06/01/11	07/20/11	101 99	24 00		77 99
125000540	-6	CALL GE SEP 11 @ 18 00 GENERAL ELECTRIC CO 100 SHS EXP 09/17/2011	08/04/11	08/26/11	144 11	15 30		128 81

MorganStanley SmithBarney

Ref 00001927 00017275

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000550	-6	CALL GE SEP 11 @ 20 00 GENERAL ELECTRIC CO 100 SHS EXP 09/17/2011	07/25/11	08/04/11	$ 161 99	$ 35 04		$ 126 95
125000560	-6 -1	CALL GE OCT 11 @ 17 00 GENERAL ELECTRIC CO 100 SHS	08/26/11 09/16/11	10/24/11	173 93 31 39			173 93 31 39
125000570	-7	CALL GE DEC 11 @ 18 00 GENERAL ELECTRIC CO 100 SHS	10/25/11	12/19/11	76 99			76 99
125000580	300 200	HOME DEPOT INC ACCOUNT ASSIGNED OCC CALL 02-19-11 84326860 OPTION PREMIUM -759 98	02/23/10 10/13/10	02/08/11	10,655 79 7,103 86	9,264 63 6,286 00		1,391 16 817 86
125000590	-5	CALL HD JAN 11 @ 33 00 HOME DEPOT INC 100 SHS EXP 01/22/2011	11/23/10	01/12/11	157 04	1,014 75	(857 71)	
125000600	-5	CALL HD MAR 11 @ 39 00 HOME DEPOT INC 100 SHS	02/14/11	03/21/11	189 99			189 99
125000610	-6	CALL HD MAY 11 @ 38 00 HOME DEPOT INC 100 SHS	03/23/11	05/23/11	371 99			371 99
125000620	-6	CALL HD JUL 11 @ 36 00 HOME DEPOT INC 100 SHS	06/06/11	07/18/11	155 99			155 99
125000630	-6	CALL HD JUL 11 @ 38 00 HOME DEPOT INC 100 SHS EXP 07/16/2011	05/24/11	06/06/11	221 99	30 00		191 99
125000640	-6	CALL HD SEP 11 @ 34 00 HOME DEPOT INC 100 SHS EXP 09/17/2011	08/08/11	09/16/11	131 99	557 52	(425 53)	

MorganStanley SmithBarney

Ref 00001927 00017276

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000650	-6	CALL HD SEP 11 @ 37 00 HOME DEPOT INC 100 SHS EXP 09/17/2011	07/19/11	08/08/11	$ 454 67	$ 36 00		$ 418 67
125000660	-1	CALL HD OCT 11 @ 36 00 HOME DEPOT INC 100 SHS EXP 10/22/2011	09/16/11	10/21/11	63 99	55 22		8 77
125000670	-6	CALL HD OCT 11 @ 37 00 HOME DEPOT INC 100 SHS	09/16/11	10/24/11	245 99			245 99
125000680	-7	CALL HD DEC 11 @ 40 00 HOME DEPOT INC 100 SHS EXP 12/17/2011	10/25/11	12/16/11	167 99	273 00	(105 01)	
125000700	-1	CALL INTC JAN 11 @ 21 00 INTEL CORP 100 SHS	10/12/10	01/24/11	51 99			51 99
125000710	-1	CALL INTC JAN 11 @ 22 50 INTEL CORP 100 SHS	11/19/10	01/24/11	29 99			29 99
125000720	-3	CALL INTC FEB 11 @ 21 00 INTEL CORP 100 SHS EXP 02/19/2011	12/15/10	02/02/11	299 99	189 00		110 99
125000730	-2 -3	CALL INTC MAR 11 @ 22 00 INTEL CORP 100 SHS	01/26/11 02/02/11	03/21/11	89 99 102 02			89 99 102 02
125000740	-5	CALL INTC MAY 11 @ 21 00 INTEL CORP 100 SHS EXP 05/21/2011	03/23/11	04/25/11	179 99	520 00	(340 01)	
125000750	-5	CALL INTC JUN 11 @ 22 00 INTEL CORP 100 SHS	04/25/11	06/20/11	274 99			274 99

Ref 00001927 00017277

MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000760	-5	CALL INTC AUG 11 @ 22 00 INTEL CORP 100 SHS EXP 08/20/2011	06/22/11	08/01/11	$ 274 99	$ 343 10	($ 68 11)	
125000770	-5	CALL INTC SEP 11 @ 23 00 INTEL CORP 100 SHS EXP 09/17/2011	08/01/11	08/18/11	234 99	25 00		209 99
125000780	-5	CALL INTC OCT 11 @ 21 00 INTEL CORP 100 SHS EXP 10/22/2011	08/23/11	10/17/11	215 44	1,155 00	(939 56)	
125000790	-1	CALL INTC OCT 11 @ 23 00 INTEL CORP 100 SHS EXP 10/22/2011	09/16/11	10/20/11	42 64	65 00	(22 36)	
125000800	-4	CALL INTC DEC 11 @ 26 00 INTEL CORP 100 SHS	11/07/11	12/19/11	71 99			71 99
125000810	-2 -3	CALL JNJ JAN 11 @ 65 00 JOHNSON & JOHNSON 100 SHS	10/13/10 11/23/10	01/24/11	205 99 122 99			205 99 122 99
125000820	-5	CALL JNJ MAR 11 @ 62 50 JOHNSON & JOHNSON 100 SHS	01/26/11	03/21/11	159 99			159 99
125000830	-5	CALL JNJ MAY 11 @ 60 00 JOHNSON & JOHNSON 100 SHS EXP 05/21/2011	03/23/11	05/02/11	349 99	3,100 00	(2,750 01)	
125000840	-5	CALL JNJ JUL 11 @ 65 00 JOHNSON & JOHNSON 100 SHS EXP 07/16/2011	05/02/11	07/13/11	932 78	1,388 25	(455 47)	
125000850	-5	CALL JNJ AUG 11 @ 67 50 JOHNSON & JOHNSON 100 SHS EXP 08/20/2011	07/13/11	07/27/11	689 98	95 00		594 98

Ref 00001927 00017278

MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000860	-5	CALL JNJ SEP 11 @ 67 50 JOHNSON & JOHNSON 100 SHS	07/28/11	09/19/11	201 10			201 10
125000870	-5	CALL JNJ OCT 11 @ 67 50 JOHNSON & JOHNSON 100 SHS	09/20/11	10/24/11	143 24			143 24
125000880	-5	CALL JNJ DEC 11 @ 67 50 JOHNSON & JOHNSON 100 SHS	10/25/11	12/19/11	159 99			159 99
125000890	-5	CALL KFT JAN 11 @ 32 00 KRAFT FOODS INC CLASS A 100 SHS	11/23/10	01/24/11	79 99			79 99
125000900	-5	CALL KFT MAR 11 @ 32 00 KRAFT FOODS INC CLASS A 100 SHS	01/26/11	03/21/11	129 99			129 99
125000910	-5	CALL KFT MAY 11 @ 32 00 KRAFT FOODS INC CLASS A 100 SHS EXP 05/21/2011	03/23/11	05/10/11	114 99	1,139 75	(1,024 76)	
125000920	-5	CALL KFT JUN 11 @ 33 00 KRAFT FOODS INC CLASS A 100 SHS EXP 06/18/2011	05/10/11	06/15/11	716 08	580 00		136 08
125000930	-5	CALL KFT JUL 11 @ 34 00 KRAFT FOODS INC CLASS A 100 SHS EXP 07/16/2011	06/15/11	07/12/11	245 69	800 00	(554 31)	
125000940	-5	CALL KFT AUG 11 @ 35 00 KRAFT FOODS INC CLASS A 100 SHS	07/12/11	08/22/11	501 34			501 34
125000950	-5	CALL KFT OCT 11 @ 35 00 KRAFT FOODS INC CLASS A 100 SHS EXP 10/22/2011	08/23/11	10/21/11	251 29	38 20		213 09
125000960	-1	CALL KFT OCT 11 @ 36 00 KRAFT FOODS INC CLASS A 100 SHS	09/16/11	10/24/11	27 99			27 99

2011 YEAR END SUMMARY

Ref 00001927 00017279

MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000970	-6	CALL KFT DEC 11 @ 37 00 KRAFT FOODS INC CLASS A 100 SHS	10/25/11	12/19/11	131 87			131 87
125000980	200 200	MCDONALDS CORP ACCOUNT ASSIGNED OCC CALL 09-17-11 85695190 OPTION PREMIUM -967 58	08/31/10 10/13/10	08/29/11	17,483 46 17,483 46	14,623 58 15,193 60		2,859 88 2,289 86
125000990	-4	CALL MCD JAN 11 @ 85 00 MCDONALDS CORP 100 SHS	11/23/10	01/24/11	87 99			87 99
125001000	-4	CALL MCD MAR 11 @ 80 00 MCDONALDS CORP 100 SHS	01/26/11	03/21/11	87 99			87 99
125001010	-4	CALL MCD MAY 11 @ 75 00 MCDONALDS CORP 100 SHS EXP 05/21/2011	03/23/11	05/09/11	623 98	1,940 00	(1,316 02)	
125001020	-4	CALL MCD JUN 11 @ 77 50 MCDONALDS CORP 100 SHS EXP 06/18/2011	05/09/11	05/25/11	1,059 97	2,180 00	(1,120 03)	
125001030	-4	CALL MCD JUL 11 @ 82 50 MCDONALDS CORP 100 SHS EXP 07/16/2011	05/25/11	07/12/11	640 06	1,300 00	(659 94)	
125001040	-4	CALL MCD OCT 11 @ 87 50 MCDONALDS CORP 100 SHS EXP 10/22/2011	09/01/11	10/20/11	1,914 44	706 36		1,208 08
125001050	-4	CALL MCD DEC 11 @ 92 50 MCDONALDS CORP 100 SHS EXP 12/17/2011	10/20/11	12/12/11	480 75	2,140 00	(1,659 25)	
125001060	200 100	MERCK & CO INC NEW ACCOUNT ASSIGNED OCC CALL 06-18-11 82945160 OPTION PREMIUM -1,067 97	10/13/10 03/23/11	06/10/11	7,355 85 3,677 93	7,453 60 3,255 78	(97 75)	 422 15

2011 YEAR END SUMMARY

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MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125001070	-5	CALL MRK JAN 11 @ 37 00 MERCK & CO INC NEW 100 SHS	11/23/10	01/24/11	195 44			195 44
125001080	-5	CALL MRK MAR 11 @ 35 00 MERCK & CO INC NEW 100 SHS EXP 03/19/2011	01/26/11	02/23/11	129 99	15 00		114 99
125001090	-6	CALL MRK MAY 11 @ 34 00 MERCK & CO INC NEW 100 SHS EXP 05/21/2011	03/23/11	05/09/11	263 99	1,523 76	(1,259 77)	
125001100	-5	CALL MRK JUL 11 @ 37 00 MERCK & CO INC NEW 100 SHS	06/14/11	07/18/11	112 84			112 84
125001110	-5	CALL MRK SEP 11 @ 36 00 MERCK & CO INC NEW 100 SHS EXP 09/17/2011	07/19/11	08/18/11	354 99	20 00		334 99
125001120	-5 -1	CALL MRK OCT 11 @ 34 00 MERCK & CO INC NEW 100 SHS	08/23/11 09/16/11	10/24/11	222 79 33 99			222 79 33 99
125001130	-6	CALL MRK DEC 11 @ 36 00 MERCK & CO INC NEW 100 SHS EXP 12/17/2011	10/25/11	12/16/11	65 99	270 00	(204 01)	
125001140	200	PFIZER INC ACCOUNT ASSIGNED OCC CALL 02-19-11 87107360 OPTION PREMIUM -190 98	10/13/10	02/01/11	3,676 32	3,549 60		126 72
125001150	500 100 100	PFIZER INC ACCOUNT ASSIGNED OCC CALL 12-17-11 83434200 OPTION PREMIUM -181 99	02/03/11 03/23/11 09/16/11	12/16/11	10,129 80 2,025 96 2,025 96	9,526 75 1,984 90 1,833 80		603 05 41 06 192 16
125001160	-2	CALL PFE JAN 11 @ 17 50 PFIZER INC 100 SHS EXP 01/22/2011	11/23/10	01/12/11	33 99	180 00	(146 01)	

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125001170	-5	CALL PFE MAR 11 @ 20 00 PFIZER INC 100 SHS EXP 03/19/2011	02/03/11	03/18/11	$ 94 94	$ 100 00	($ 5 06)	
125001180	-5	CALL PFE APR 11 @ 21 00 PFIZER INC 100 SHS	03/18/11	04/18/11	89 99			89 99
125001190	-1	CALL PFE MAY 11 @ 21 00 PFIZER INC 100 SHS	03/23/11	05/23/11	21 99			21 99
125001200	-5	CALL PFE JUN 11 @ 21 00 PFIZER INC 100 SHS	04/19/11	06/20/11	139 99			139 99
125001210	-1	CALL PFE JUL 11 @ 21 00 PFIZER INC 100 SHS	05/24/11	07/18/11	38 99			38 99
125001220	-5	CALL PFE AUG 11 @ 21 00 PFIZER INC 100 SHS EXP 08/20/2011	06/22/11	07/27/11	174 99	25 00		149 99
125001230	-1	CALL PFE SEP 11 @ 19 00 PFIZER INC 100 SHS	08/04/11	09/19/11	19 05			19 05
125001240	-5	CALL PFE SEP 11 @ 20 00 PFIZER INC 100 SHS EXP 09/17/2011	07/28/11	08/26/11	175 00	25 00		150 00
125001250	-1	CALL PFE SEP 11 @ 21 00 PFIZER INC 100 SHS EXP 09/17/2011	07/19/11	08/04/11	16 99	4 00		12 99
125001260	-5	CALL PFE OCT 11 @ 19 00	08/26/11	10/21/11	209 79	25 00		184 79
	-1	PFIZER INC	09/20/11		20 99	5 00		15 99
	-1	100 SHS EXP 10/22/2011	09/28/11		8 95	5 00		3 95

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2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125001270	-1	CALL PFE OCT 11 @ 20 00 PFIZER INC 100 SHS EXP 10/22/2011	09/16/11	09/22/11	$ 5 99	$ 3 00		$ 2 99
125001280	300	PROCTER & GAMBLE CO ACCOUNT ASSIGNED OCC CALL 01-22-11 85969810 OPTION PREMIUM -254 99	10/13/10	01/18/11	19,652 62	18,801 00		851 62
125001290	-4	CALL PG MAR 11 @ 65 00 PROCTER & GAMBLE CO 100 SHS	02/07/11	03/21/11	363 99			363 99
125001300	-4	CALL PG MAY 11 @ 62 50 PROCTER & GAMBLE CO 100 SHS EXP 05/21/2011	03/23/11	04/26/11	231 99	632 00	(400 01)	
125001310	-4	CALL PG JUN 11 @ 65 00 PROCTER & GAMBLE CO 100 SHS	04/26/11	06/20/11	243 99			243 99
125001320	-4	CALL PG AUG 11 @ 67 50 PROCTER & GAMBLE CO 100 SHS EXP 08/20/2011	06/22/11	07/25/11	91 99	28 00		63 99
125001330	-4	CALL PG OCT 11 @ 65 00 PROCTER & GAMBLE CO 100 SHS EXP 10/22/2011	09/28/11	10/21/11	239 99	384 00	(144 01)	
125001340	-4	CALL PG OCT 11 @ 67 50 PROCTER & GAMBLE CO 100 SHS EXP 10/22/2011	07/25/11	09/23/11	143 99	9 20		134 79
125001350	-4	CALL PG DEC 11 @ 70 00 PROCTER & GAMBLE CO 100 SHS	10/25/11	12/19/11	59 99			59 99
125001360	-4	CALL MMM MAR 11 @ 90 00 3M COMPANY 100 SHS	02/08/11	03/21/11	543 98			543 98

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MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125001370	-4	CALL MMM MAY 11 @ 95 00 3M COMPANY 100 SHS EXP 05/21/2011	03/23/11	05/16/11	$ 639 98	$ 440 00		$ 199 98
125001380	-4	CALL MMM JUL 11 @ 95 00 3M COMPANY 100 SHS EXP 07/16/2011	06/07/11	07/15/11	244 47	197 84		46 63
125001390	-4	CALL MMM JUL 11 @ 100 00 3M COMPANY 100 SHS EXP 07/16/2011	05/16/11	06/06/11	358 31	36 76		321 55
125001400	-4	CALL MMM AUG 11 @ 97 50 3M COMPANY 100 SHS EXP 08/20/2011	07/15/11	07/27/11	539 98	28 00		511 98
125001410	-4	CALL MMM SEP 11 @ 90 00 3M COMPANY 100 SHS EXP 09/17/2011	07/28/11	09/06/11	665 64	12 00		653 64
125001420	-4	CALL MMM OCT 11 @ 82 50 3M COMPANY 100 SHS	09/07/11	10/24/11	758 86			758 86
125001430	-4	CALL MMM DEC 11 @ 82 50 3M COMPANY 100 SHS	10/25/11	12/19/11	511 99			511 99
125001440	-3	CALL VZ JAN 11 @ 31 00 VERIZON COMMUNICATIONS 100 SHS EXP 01/22/2011	10/04/10	01/03/11	683 98	1,617 36	(933 38)	
125001450	-2	CALL VZ JAN 11 @ 34 00 VERIZON COMMUNICATIONS 100 SHS EXP 01/22/2011	11/23/10	01/03/11	41 99	484 00	(442 01)	
125001460	-5	CALL VZ MAR 11 @ 35 00 VERIZON COMMUNICATIONS 100 SHS EXP 03/19/2011	01/03/11	03/18/11	854 98	260 00		594 98

2011 YEAR END SUMMARY

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2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125001470	-5	CALL VZ APR 11 @ 36 00 VERIZON COMMUNICATIONS 100 SHS EXP 04/16/2011	03/18/11	04/04/11	$ 224 99	$ 1,300 00	($ 1,075 01)	
125001480	-1 -5	CALL VZ MAY 11 @ 38 00 VERIZON COMMUNICATIONS 100 SHS	03/23/11 04/04/11	05/23/11	47 99 554 98			47 99 554 98
125001490	-6	CALL VZ JUL 11 @ 38 00 VERIZON COMMUNICATIONS 100 SHS EXP 07/16/2011	05/24/11	06/23/11	197 99	20 34		177 65
125001500	-6	CALL VZ AUG 11 @ 37 00 VERIZON COMMUNICATIONS 100 SHS	06/23/11	08/22/11	191 99			191 99
125001510	-6	CALL VZ OCT 11 @ 37 00 VERIZON COMMUNICATIONS 100 SHS EXP 10/22/2011	08/23/11	10/21/11	395 99	177 54		218 45
125001520	-1	CALL VZ OCT 11 @ 38 00 VERIZON COMMUNICATIONS 100 SHS	09/16/11	10/24/11	21 99			21 99
125001530	-7	CALL VZ DEC 11 @ 39 00 VERIZON COMMUNICATIONS 100 SHS	10/25/11	12/19/11	100 37			100 37
Total					**$ 234,034 11**	**$ 214,409 79**	**($ 25,813 79)**	**$ 45,438 11**

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2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Long Term Gain (Loss) 2011

This section shows your sales of securities during the year The "Sale Proceeds" column excludes any accrued income you may have received In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000110	200	BOEING CO	12/09/09	01/26/11	$ 14,056 29	$ 11,073 20		$ 2,983 09
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000150	200	CATERPILLAR INC	12/09/09	01/14/11	18,175 78	11,219 42		6,956 36
		ACCOUNT ASSIGNED						
		OCC CALL 01-22-11 87802880						
		OPTION PREMIUM -176 09						
125000200	195	CHEVRON CORP	09/21/01	02/11/11	18,089 47	8,220 08		9,869 39 C
	5	ACCOUNT ASSIGNED	09/11/09		463 83	359 20		104 63
		OCC CALL 03-19-11 89412770						
		OPTION PREMIUM -1,107 30						
125000690	300	INTEL CORP	12/09/09	11/02/11	7,085 86	5,920 53		1,165 33
	100	ACCOUNT ASSIGNED	09/13/10		2,361 95	1,825 00		536 95
	100	OCC CALL 11-19-11 85524470	10/13/10		2,361 95	1,963 00		398 95
		OPTION PREMIUM -809 98						
125001060	300	MERCK & CO INC NEW	12/09/09	06/10/11	11,033 78	10,946 40		87 38
		ACCOUNT ASSIGNED						
		OCC CALL 06-18-11 82945160						
		OPTION PREMIUM -1,067 97						
125001140	200	PFIZER INC	12/04/06	02/01/11	3,676 32	5,025 18	(1,348 86) C	
	100	ACCOUNT ASSIGNED	12/09/09		1,838 16	1,807 71		30 45
		OCC CALL 02-19-11 87107360						
		OPTION PREMIUM -190 98						
125001280	200	PROCTER & GAMBLE CO	09/17/98	01/18/11	13,101 74	7,711 35		5,390 39 C
		ACCOUNT ASSIGNED						
		OCC CALL 01-22-11 85969810						
		OPTION PREMIUM -254 99						
Total					**$ 92,245 13**	**$ 66,071 07**	**($ 1,348 86)**	**$ 27,522 92**

C *Based on information supplied by Client or other financial institution, not verified by us*

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref 00001927 00017286

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09880-18 507

Details of Deposits and Withdrawals 2011

This section reflects any deposits or withdrawals made to your account during the year.

Withdrawals

Reference number	Date	Description	Referral number	Amount
220000100	01/21/11	INVESTMENT AND MGMT SERVICES FROM 01/01/11 TO 03/31/11		$ 1,803 33
220000200	04/15/11	INVESTMENT AND MGMT SERVICES FROM 04/01/11 TO 06/30/11		$ 1,868 38
220000300	07/15/11	INVESTMENT AND MGMT SERVICES FROM 07/01/11 TO 09/30/11		1,933 00
220000400	10/21/11	INVESTMENT AND MGMT SERVICES FROM 10/01/11 TO 12/31/11		1,818 30
Total				**$ 7,423 01**

Ref 00001933 00017331

MorganStanley SmithBarney

2011 Year End Summary

M11000001933 311381AA01 WEB00086A
THE DANIEL & FLAVIA GERNATT
475 FAMILY FOUNDATION
002 2698 GOWANDA ZOAR RD
GOWANDA NY 14070-9767

Account Number 475-09887-11 002

We are pleased to provide you with this overview of the year's activity in your account. This information will help you understand the performance of your investments and manage your account with the assistance of your Financial Advisor.

Your Financial Advisor

Jessica Rebmann
MORGANSTANLEY SMITHBARNEY LLC
415 COLUMBIA STREET
SUITE 3100
LAFAYETTE IN 47902
Branch Office 765 420 8420
Email jessica e rebmann@mssb com

If you have questions about your Year End Summary, call toll-free Monday through Friday, 9:00 a.m. to 5:00 p.m. EST., 1-800-727-1099

Ref 00001933 00017332

MorganStanley SmithBarney

2011 Year End Summary

Account Number 475-09887-11 002

Value of your portfolio

Description	Amount
Combined account balance	$ 298 31
Money funds	27,795 01
Mutual funds	762,870 76
Common stocks & options	360,823 86
Closed end funds	163,043 15
Value of your account on 12/31/11	**$ 1,314,831.09**
Value of your account on 12/31/10	**$ 1,356,252.96**

Earnings summary 2011

Description	Amount
Dividends **	$ 25,124 01
Qualified Dividends	15,329 59
Total	**$ 40,453 60**

***If you received money funds earnings, capital gain distributions or dividends exempt from Federal income tax, they are included in this amount*

Additional summary information 2011

Description	Amount
12-B1 Rebate Payments	$ 294 19
Total Additional Income	**$ 294 19**

Summary of miscellaneous tax withheld 2011

The following taxes have been withheld in compliance with U S federal, state or foreign regulations

Description	Amount
Foreign tax paid	$ 715 98
Total	**$ 715 98**

MorganStanley SmithBarney

Ref 00001933 00017333

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Earnings 2011

Dividends and Distributions, Section 1

Amounts displayed for dividends include dividend reinvestments, money fund earnings, accrued dividends received and dividends exempt from Federal income tax
"Total dividends" includes both Qualified and non-qualified dividends received
"Total capital gain distributions" is a total of long term capital gain distributions, Unrecaptured Sec 1250 gain and Section 1202 gain

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160000100	G2554F105001 *** COVIDIEN PLC DUBLIN-USD	$ 9 00	$ 9 00					
160000200	G2554F113001 *** COVIDIEN PLC	28 13	28 13					
160000300	G7945M107001 *** SEAGATE TECHNOLOGY PLC	178 38	178 38					
160000400	H01531104001 *** ALLIED WORLD ASSURANCE CO HLDGS	26 26	26 26					
160000500	H84989104001 *** TE CONNECTIVITY LTD-CHF	82 08	82 08					
160000600	H8912P106001 *** TYCO ELECTRONICS LTD	24 32	24 32					
160000700	H89128104001 *** TYCO INTL LTD CHF	143 04	143 04					
160000800	00142W868000 INVESCO AIM ATST PREMIER PORTFOLIO MONEY MKT INSTL CL	5 42						
160000900	00206R102000 AT&T INC	456 66	456 66					
160001000	002824100000 ABBOTT LABORATORIES	103 40	103 40					
160001100	025537101000 AMERICAN ELECTRIC POWER CO INC	71 23	71 23					
160001200	032511107000 ANADARKO PETROLEUM CORP	33 84	33 84					
160001300	035710409000 ANNALY CAPITAL MANAGEMENT INC A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	272 19			12 13			

2011 YEAR END SUMMARY

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2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 1

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160001400	037411105000 APACHE CORP	$ 30	$ 30					
160001500	038222105000 APPLIED MATERIALS INC DELAWARE	72 65	72 65					
160001600	053015103000 AUTOMATIC DATA PROCESSING INC	126 08	126 08					
160001700	057224107000 BAKER HUGHES INC	20 10	20 10					
160001800	060505104000 BANK OF AMERICA CORP	2 06	2 06					
160001900	064058100000 BANK NEW YORK MELLON CORP	7 74	7 74					
160002000	088606108001 *** BHP BILLITON LTD SPONS ADR	30 30	30 30					
160002100	091929638000 BLACKROCK HIGH YIELD BOND PORT INSTL CL	1,488 89						
160002200	09247X101000 BLACKROCK INC	38 52	38 52					
160002300	097023105000 BOEING CO	58 80	58 80					
160002400	110122108000 BRISTOL MYERS SQUIBB CO	173 91	173 91					
160002600	12686C109000 CABLEVISION SYSTEMS CORP CABLEVISION NY GROUP CL A	88 73	88 73					
160002700	143658300001 *** CARNIVAL CORP (PAIRED STOCK)	44 00	44 00					
160002800	166764100000 CHEVRON CORP	44 70	44 70					
160002900	171232101000 CHUBB CORP	78 54	78 54					
160003000	17275R102000 CISCO SYS INC	31 26	31 26					

Ref 00001933 00017335

MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 1

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160003100	172967424000 CITIGROUP INC	$ 49	$ 49					
160003200	20030N200000 COMCAST CORP CL A - SPL	203 02	203 02					
160003300	20825C104000 CONOCOPHILLIPS	122 10	122 10					
160003400	244199105000 DEERE & CO	48 86	48 86					
160003500	25179M103000 DEVON ENERGY CORP NEW	22 46	22 46					
160003600	25271C102000 DIAMOND OFFSHORE DRILLING INC	24 50	24 50					
160003700	254687106000 WALT DISNEY CO	22 80	22 80					
160003800	260003108000 DOVER CORP	25 96	25 96					
160003900	263534109000 E I DU PONT DE NEMOURS & CO	117 26	117 26					
160004000	277907200000 EATON VANCE INCOME FUND OF BOSTON CLASS I	1,736 16						
160004100	277911491000 EATON VANCE FLOATING RATE FUND CL I A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	2,225 95						
160004200	29084Q100000 EMCOR GROUP INC	50	50					
160004300	291011104000 EMERSON ELECTRIC CO	75 67	75 67					
160004400	294821608001 *** ERICSSON L M TEL CO CL B ADR NEW -USD- THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT	78 16	78 16					

2011 YEAR END SUMMARY

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MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 1

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160004500	30231G102000 EXXON MOBIL CORP	$ 119 63	$ 119 63					
160004600	343412102000 FLUOR CORP NEW	42 75	42 75					
160004700	353612716000 FRANKLIN REAL RETURN FD ADVISOR CL A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	1,897 78	56 22					
160004800	354613101000 FRANKLIN RESOURCES INC	48 55	48 55					
160004900	35671D857000 FREEPORT MCMORAN COPPER & GOLD CL B	63 75	63 75					
160005000	364760108000 GAP INC DELAWARE	23 59	23 59					
160005100	367829884000 NATIXIS FDS GATEWAY FUND CL Y A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	110 19	110 19					
160005200	369604103000 GENERAL ELECTRIC CO	87 30	87 30					
160005300	370334104000 GENERAL MILLS INC	56 16	56 16					
160005400	37733W105001 *** GLAXOSMITHKLINE PLC SP ADR	65 10	65 10					
160005500	38145N220000 GOLDMAN SACHS ABSOLUTE RETURN TRACKER CLASS I A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	144 39	144 39	250 96	1,481 75			
160005600	395259104000 GREENHILL & CO INC	14 40	14 40					
160005700	406216101000 HALLIBURTON CO HOLDINGS CO	21 87	21 87					

2011 YEAR END SUMMARY

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MorganStanley
SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 1

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160005800	423074103000 H J HEINZ CO	$ 170 88	$ 170 88					
160005900	42809H107000 HESS CORP	17 20	17 20					
160006000	437076102000 HOME DEPOT INC	122 26	122 26					
160006100	438516106000 HONEYWELL INTL INC	60 91	60 91					
160006200	44980Q302000 ING GLOBAL REAL ESTATE FD CL I THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	477 17	413 58					
160006300	458140100000 INTEL CORP	94 66	94 66					
160006400	459200101000 INTL BUSINESS MACHINES CORP	43 70	43 70					
160006500	460146103000 INTERNATIONAL PAPER CO	80 85	80 85					
160006600	464287226000 ISHARES BARCLAYS US AGGR BOND FD	1,345 07		102 80	34 16			
160006700	464287234000 ISHARES MSCI EMERGING MKTS INDEX FD THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	2,099 84	1,924 42					

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MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 1

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160006800	464287564000 ISHARES COHEN & STEERS REALTY MAJORS A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	$ 981 41	$ 17 71					
160006900	46625H100000 JPMORGAN CHASE & CO	128 30	128 30					
160007000	478160104000 JOHNSON & JOHNSON	210 20	210 20					
160007100	48020Q107000 JONES LANG LASALLE INC	6 00	6 00					
160007200	48121A670000 JPMORGAN HIGHBRIDGE DYNAMIC COMMODITIES STRATEGY SELECT CL	2,693 39		135 32	202 29			
160007300	482480100000 KLA-TENCOR CORP	7 35	7 35					
160007400	493267108000 KEYCORP -NEW	14 69	14 69					
160007500	494368103000 KIMBERLY CLARK CORP	162 49	162 49					
160007600	502424104000 L 3 COMMUNICATIONS HLDGS INC	106 20	106 20					
160007700	52106N889000 LAZARD EMERGING MKTS EQUITY PORT INST'L SHS THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	3,095 06	2,537 92		2,547 64			
160007800	574599106000 MASCO CORP DE	4 58	4 58					
160007900	577081102000 MATTEL INC DE	68 08	68 08					

2011 YEAR END SUMMARY

MorganStanley SmithBarney

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THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 1

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160008000	580135101000 MCDONALDS CORP	$ 78 91	$ 78 91					
160008100	58933Y105000 MERCK & CO INC NEW	127 68	127 68					
160008200	59156R108000 METLIFE INC	27 38	27 38					
160008300	592905509000 METROPOLITAN WEST TOTAL RETURN BOND FUND CLASS I	2,058 62		195 49	148 06			
160008400	594918104000 MICROSOFT CORP	178 76	178 76					
160008500	616980108000 MORGAN STANLEY LIQUID ASSET FUND INC	2 36						
160008600	617446448000 MORGAN STANLEY	23 80	23 80					
160008700	637071101000 NATIONAL OILWELL VARCO INC	17 85	17 85					
160008800	65339F101000 NEXTERA ENERGY INC	171 60	171 60					
160008900	655044105000 NOBLE ENERGY INC	12 80	12 80					
160009000	666807102000 NORTHROP GRUMMAN CORP	74 01	74 01					
160009100	66987V109001 *** NOVARTIS AG ADR THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT	108 71	108 71					
160009200	670346105000 NUCOR CORP	158 78	158 78					
160009300	682680103000 ONEOK INC NEW	38 48	38 48					
160009400	68380T509000 OPPENHEIMER INTERNATIONAL BOND FD CL Y	2,029 49						

MorganStanley SmithBarney

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2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 1

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160009500	693506107000 PPG INDUSTRIES INC	$ 77 98	$ 77 98					
160009600	696429307000 PALL CORP	53 90	53 90					
160009700	701094104000 PARKER-HANNIFIN CORP	10 62	10 62					
160009800	70509V100000 PEBBLEBROOK HOTEL TRUST A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	14 64						
160009900	712704105000 PEOPLES UNITED FINCL INC	100 60	100 60					
160010000	713448108000 PEPSICO INC	66 82	66 82					
160010100	714992955000 WESTERN ASSET MONEY MARKET FUND CLASS A	5 07						
160010200	717081103000 PFIZER INC	69 16	69 16					
160010300	72201M396000 PIMCO EMERGING LOCAL BOND FUND CL P	2,207 41						
160010400	72201M669000 PIMCO LOW DURATION FUND CL P A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	251 54	4 15		15			
160010500	727493108000 PLANTRONICS INC NEW	70	70					
160010600	742718109000 PROCTER & GAMBLE CO	159 72	159 72					
160010700	747525103000 QUALCOMM INC	11 62	11 62					
160010800	755111507000 RAYTHEON COMPANY NEW	116 55	116 55					
160010900	786514208000 SAFEWAY INC NEW	74 66	74 66					

MorganStanley SmithBarney

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2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 1

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160011000	806857108001 *** SCHLUMBERGER LTD	$ 29 52	$ 29 52					
160011100	835898107000 SOTHEBYS DELAWARE	64	64					
160011200	844030106000 SOUTHERN UNION COMPANY	20 40	20 40					
160011300	847560109000 SPECTRA ENERGY CORP	110 46	110 46					
160011400	855030102000 STAPLES INC	18 00	18 00					
160011500	882508104000 TEXAS INSTRUMENTS INC	66 32	66 32					
160011600	885215566000 THORNBURG INTERNATIONAL VALUE FUND CL I THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	138 17	138 17					
160011700	88579Y101000 3M COMPANY	95 47	95 47					
160011800	887317303000 TIME WARNER INC	65 11	65 11					
160011900	89151E109001 *** TOTAL S A SPONS ADR THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT	135 21	135 21					
160012000	89417E109000 TRAVELERS COMPANIES INC	130 04	130 04					
160012100	902973304000 US BANCORP DEL NEW	43 93	43 93					
160012200	904767704001 *** UNILEVER PLC SPONS ADR NEW	96 77	96 77					
160012300	911312106000 UNITED PARCEL SERVICE CL B	94 64	94 64					

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MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 1

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160012400	912909108000 UNITED STATES STEEL CORP NEW	$ 9 80	$ 9 80					
160012500	913017109000 UNITED TECHNOLOGIES CORP	35 11	35 11					
160012600	91324P102000 UNITEDHEALTH GROUP INC	107 54	107 54					
160012700	92343V104000 VERIZON COMMUNICATIONS	200 31	200 31					
160012800	92857W209001 *** VODAFONE GROUP PLC SPONS ADR NEW	138 19	138 19					
160012900	931142103000 WAL-MART STORES INC	90 72	90 72					
160013000	939330403000 WASHINGTON MUTUAL INVESTORS FUND CLASS F A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	1,985 09	1,985 09					
160013100	94106L109000 WASTE MGMT INC DEL	179 52	179 52					
160013200	962166104000 WEYERHAEUSER CO A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED				79 80			
160013300	976657106000 WISCONSIN ENERGY CORP HLDG CO	11 70	11 70					
Totals		**$ 35,263 05**	**$ 15,329 59**	**$ 684 57**	**$ 4,505 98**			

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MorganStanley SmithBarney

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THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 2

Amounts displayed for dividends include dividend reinvestments, money fund earnings, accrued dividends received and dividends exempt from Federal income tax

Reference number	Description	Nondividend distributions	Foreign tax paid	Cash liquidation distributions	Non cash liquidation distributions	Investment expense	NRA Withholding
160002500	111320107000 BROADCOM CORP CL A A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	$ 39 78					
160004100	277911491000 EATON VANCE FLOATING RATE FUND CL I A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	72 86					
160004400	294821608001 *** ERICSSON L M TEL CO CL B ADR NEW -USD- THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT		11 72				
160006200	44980Q302000 ING GLOBAL REAL ESTATE FD CL I THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	385 55	31 56				
160006700	464287234000 ISHARES MSCI EMERGING MKTS INDEX FD THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED		315 24				

Details of Earnings 2011 - *continued*

Dividends and Distributions, Section 2

Reference number	Description	Nondividend distributions	Foreign tax paid	Cash liquidation distributions	Non cash liquidation distributions	Investment expense	NRA Withholding
160007700	52106N889000 LAZARD EMERGING MKTS EQUITY PORT INST'L SHS THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED		$ 290 85				
160009100	66987V109001 *** NOVARTIS AG ADR THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT		16 31				
160011600	885215566000 THORNBURG INTERNATIONAL VALUE FUND CL I THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED		16 49				
160011900	89151E109001 *** TOTAL S A SPONS ADR THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT		33 81				
Totals		**$ 498 19**	**$ 715 98**				

Details of Additional Summary Information 2011

12-B1 Rebate Payments

The following details show how we derived 12-B1 rebate payments

Reference number	Description	Amount	Federal Income tax withheld	NRA tax withheld
246000100	MORGAN STANLEY LIQUID ASSET FUND INC	$ 5 04		

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MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Additional Summary Information 2011 - *continued*

12-B1 Rebate Payments - (continued)

Reference number	Description	Amount	Federal Income tax withheld	NRA tax withheld
246000200	WESTERN ASSET MONEY MARKET FUND CLASS A	$ 9 63		
246000300	RYDEX SGI MANAGED FUTURES STRATEGY FUND CLASS H	78 62		
246000400	WASHINGTON MUTUAL INVESTORS FUND CLASS F A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED	200 90		
Totals		**$ 294 19**		

Details of Short Term Gain (Loss) 2011

This section shows your sales of securities during the year The "Sale Proceeds" column excludes any accrued income you may have received In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000040	12	ANNALY CAPITAL MANAGEMENT INC	11/10/10	09/12/11	$ 211 99	$ 214 67	($ 2 68)	
	9	MorganStanley SmithBarney LLC	05/04/11		158 98	161 26	(2 28)	
		acted as your agent						
		in this transaction						
125000050	5	ANNALY CAPITAL MANAGEMENT INC	05/04/11	10/04/11	74 81	89 59	(14 78)	
	60	MorganStanley SmithBarney LLC	07/12/11		897 67	1,082 33	(184 66)	
		acted as your agent						
		in this transaction						
125000060	2	APACHE CORP	07/21/11	11/02/11	195 04	256 18	(61 14)	
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction						
125000110	10	BANK NEW YORK MELLON CORP	08/24/10	03/11/11	289 99	243 60		46 39
	10	MorganStanley SmithBarney LLC	08/25/10		289 99	240 80		49 19
	10	acted as your agent	08/26/10		289 99	241 80		48 19
	14	in this transaction	08/27/10		405 98	343 49		62 49
	9		08/30/10		260 99	220 54		40 45
	10		08/31/10		289 99	241 84		48 15

2011 YEAR END SUMMARY

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MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
	9		09/01/10		$ 260 99	$ 224 37		$ 36 62
	14		09/02/10		405 96	351 54		54 42
125000170	2	CHEVRON CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	11/04/10	05/03/11	211 61	168 48		43 13
125000180	3	CITIGROUP INC REVSPLT 05/06/11 172967101000	04/06/11	05/06/11	13 26	13 86	(60)	
125000190	15	CITIGROUP INC	04/06/11	11/22/11	369 08	693 00	(323 92)	
	4	MorganStanley SmithBarney LLC acted as your agent in this transaction	07/28/11		98 42	155 23	(56 81)	
125000200	7	CITRIX SYSTEMS INC MorganStanley SmithBarney LLC acted as your agent in this transaction	10/14/10	05/03/11	565 94	410 50		155 44
125000340	5	GENZYME CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	02/22/10	02/17/11	376 56	279 80		96 76
125000350	5	W W GRAINGER INC MorganStanley SmithBarney LLC acted as your agent in this transaction	08/18/11	10/28/11	865 02	649 66		215 36
125000430	2	HUNTINGTON INGALLS INDUSTRIAL MorganStanley SmithBarney LLC acted as your agent	05/03/11	05/11/11	77 50	81 08	(3 58)	
125000440	19	IMMUNOGEN INC	10/18/10	05/03/11	250 87	147 61		103 26
	10	MorganStanley SmithBarney LLC	10/20/10		132 04	78 77		53 27
	5	acted as your agent	10/21/10		66 02	39 41		26 61
	1	in this transaction	10/22/10		13 20	7 97		5 23
	11		10/26/10		145 24	88 07		57 17
	8		11/08/10		105 63	63 37		42 26
125000580	9	MASCO CORP DE MorganStanley SmithBarney LLC acted as your agent in this transaction	01/03/11	09/01/11	77 69	117 54	(39 85)	

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MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Short Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000590	1	MASCO CORP DE	01/03/11	09/02/11	$ 8 04	$ 13 06	($ 5 02)	
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000600	10	MASCO CORP DE	01/03/11	09/06/11	76 81	130 59	(53 78)	
	1	MorganStanley SmithBarney LLC	05/04/11		7 68	13 27	(5 59)	
		acted as your agent in this transaction						
125000670	5	ONEOK INC NEW	12/08/10	05/03/11	347 34	268 25		79 09
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000680	17	ONEOK INC NEW	12/08/10	07/06/11	1,281 86	912 04		369 82
	15	MorganStanley SmithBarney LLC	12/09/10		1,131 06	812 18		318 88
		acted as your agent in this transaction						
125000780	21	SOUTHERN UNION COMPANY	05/11/10	05/10/11	609 02	493 34		115 68
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000790	1	SOUTHERN UNION COMPANY	11/10/10	05/20/11	29 06	24 78		4 28
	1	MorganStanley SmithBarney LLC	12/10/10		29 06	24 36		4 70
	28	acted as your agent	01/07/11		813 63	698 76		114 87
		in this transaction						
125000830	11	TOLL BROS INC	01/03/11	09/01/11	184 61	215 16	(30 55)	
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000840	2	TOLL BROS INC	01/03/11	09/02/11	32 51	39 12	(6 61)	
	1	MorganStanley SmithBarney LLC	05/04/11		16 25	20 27	(4 02)	
		acted as your agent in this transaction						
Total					**$ 11,967 38**	**$ 10,571 54**	**($ 795 87)**	**$ 2,191 71**

Ref 00001933 00017348

MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Long Term Gain (Loss) 2011

This section shows your sales of securities during the year The "Sale Proceeds" column excludes any accrued income you may have received In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000010	91	SEAGATE TECHNOLOGY PLC	12/10/09	05/03/11	$ 1,573 53	$ 1,503 14		$ 70 39
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000020	23	AT&T INC	12/10/09	10/31/11	676 72	637 47		39 25
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000030	52	ANADARKO PETROLEUM CORP	12/10/09	05/03/11	4,068 19	3,025 80		1,042 39
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000040	146	ANNALY CAPITAL MANAGEMENT INC	12/10/09	09/12/11	2,579 15	2,713 85	(134 70)	
	11	MorganStanley SmithBarney LLC	01/08/10		194 32	192 47		1 85
	5	acted as your agent	01/22/10		88 33	85 84		2 49
	12	in this transaction	02/16/10		211 99	208 30		3 69
125000070	10	AUTODESK INC	12/10/09	05/03/11	439 71	234 99		204 72
	3	MorganStanley SmithBarney LLC	01/08/10		131 91	78 81		53 10
	7	acted as your agent	01/22/10		307 80	175 91		131 89
		in this transaction						
125000080	12	BAKER HUGHES INC	12/10/09	05/03/11	875 12	469 06		406 06
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000090	5	BAKER HUGHES INC	12/10/09	08/03/11	358 53	195 44		163 09
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000100	59	BANK OF AMERICA CORP	12/10/09	08/09/11	406 80	896 56	(489 76)	
	6	MorganStanley SmithBarney LLC	01/08/10		41 37	100 56	(59 19)	
	22	acted as your agent	01/22/10		151 69	325 79	(174 10)	
	9	in this transaction	02/08/10		62 05	130 94	(68 89)	
	7		02/16/10		48 26	106 89	(58 63)	

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MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Long Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000120	1,050 714	BARON PARTNERS FUND	12/10/09	05/03/11	$ 23,430.92	$ 16,002.37		$ 7,428.55
	89 944	CONFIRM #500011230298475	01/08/10		2,005.75	1,458.00		547.75
	80	MorganStanley SmithBarney LLC	01/22/10		1,784.00	1,228.00		556.00
	98 229	acted as your agent	02/08/10		2,190.51	1,442.00		748.51
	62 614		02/16/10		1,396.29	958.00		438.29
	33 587		02/22/10		748.99	529.00		219.99
125000130	22	BIOGEN IDEC INC	12/10/09	05/03/11	2,150.44	1,063.22		1,087.22
	1	MorganStanley SmithBarney LLC	01/08/10		97.75	53.91		43.84
	4	acted as your agent	01/22/10		390.99	212.76		178.23
	2	in this transaction	02/08/10		195.49	106.36		89.13
	1		02/16/10		97.75	55.24		42.51
	5		02/22/10		488.74	278.20		210.54
125000140	2,935 586	BLACKROCK HIGH YIELD BOND PORT	09/30/09	05/03/11	23,249.84	19,609.71		3,640.13
	25 712	INSTL CL	11/02/09		203.64	174.07		29.57
	27 412	CONFIRM #500011230248835	12/01/09		217.10	186.95		30.15
	3,208 721	MorganStanley SmithBarney LLC	12/10/09		25,413.07	22,076.00		3,337.07
	33 571		01/04/10		265.88	235.00		30.88
	555 895		01/08/10		4,402.69	4,008.00		394.69
	236 835		01/22/10		1,875.73	1,691.00		184.73
	201 983		02/08/10		1,599.71	1,426.00		173.71
	576 429		02/16/10		4,565.32	4,035.00		530.32
	364 698		02/22/10		2,888.41	2,593.00		295.41
125000150	969 501	BLACKROCK GLOBAL ALLOCATION FD	12/10/09	05/03/11	20,078.36	17,625.53		2,452.83
	133 624	INC CL INSTITUTIONAL	01/08/10		2,767.35	2,456.00		311.35
	54 938	CONFIRM #500011230294953	01/22/10		1,137.77	979.00		158.77
	62 594	MorganStanley SmithBarney LLC	02/08/10		1,296.32	1,081.00		215.32
	65 912		02/16/10		1,365.04	1,164.00		201.04
	58 691		02/22/10		1,215.49	1,040.00		175.49
125000160	25	CABLEVISION SYSTEMS CORP	02/16/10	05/03/11	879.05	554.96		324.09
	4	CABLEVISION NY GROUP CL A	02/22/10		140.65	92.44		48.21
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000210	9	DEERE & CO	12/10/09	05/03/11	854.73	470.22		384.51
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction						

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref 00001933 00017350

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Long Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000220	20	DIAMOND OFFSHORE DRILLING INC	12/10/09	03/02/11	$ 1,546 74	$ 1,925 40	($ 378 66)	
	3	MorganStanley SmithBarney LLC	01/22/10		232 01	284 41	(52 40)	
	2	acted as your agent	02/08/10		154 67	177 35	(22 68)	
	2	in this transaction	02/16/10		154 67	175 94	(21 27)	
	1		02/22/10		77 34	88 74	(11 40)	
125000230	10	WALT DISNEY CO	12/10/09	05/03/11	429 20	313 46		115 74
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction						
125000240	3	DIRECTV CL A	12/10/09	02/10/11	130 49	98 48		32 01
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction						
125000250	13	E I DU PONT DE NEMOURS & CO	12/10/09	05/03/11	719 82	412 73		307 09
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction						
125000260	7,915 005	EATON VANCE INCOME FUND OF	12/10/09	05/03/11	47,410 88	43,453 38		3,957 50
	960 213	BOSTON CLASS I	01/08/10		5,751 68	5,406 00		345 68
	276 744	CONFIRM #500011230251201	01/22/10		1,657 70	1,547 00		110 70
	239 421	MorganStanley SmithBarney LLC	02/08/10		1,434 13	1,324 00		110 13
	753 832		02/16/10		4,515 45	4,131 00		384 45
	468 468		02/22/10		2,806 12	2,600 00		206 12
125000270	21	EBAY INC	12/10/09	05/03/11	701 68	471 81		229 87
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction						
125000280	31	EMERSON ELECTRIC CO	12/10/09	05/03/11	1,795 50	1,289 82		505 68
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction						
125000290	24	ERICSSON L M TEL CO CL B	12/10/09	05/03/11	359 30	228 40		130 90
	15	ADR NEW -USD-	12/21/09		224 57	137 37		87 20
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000300	11	EXXON MOBIL CORP	01/11/94	05/03/11	939 47	180 29		759 18 C
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction						

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref 00001933 00017351

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Long Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000310	14	FLUOR CORP NEW	12/10/09	05/03/11	$ 947 92	$ 564 33		$ 383 59
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000320	704 341	NATIXIS FDS GATEWAY FUND CL Y	12/10/09	05/03/11	18,960 86	17,749 40		1,211 46
	95 244	CONFIRM #500011230298467	01/08/10		2,563 97	2,423 00		140 97
	29 337	MorganStanley SmithBarney LLC	01/22/10		789 75	734 00		55 75
	29 947	acted as your agent	02/08/10		806 17	737 00		69 17
	49 84		02/16/10		1,341 69	1,249 00		92 69
	41 193		02/22/10		1,108 92	1,036 00		72 92
125000330	48	GENERAL ELECTRIC CO	03/17/09	11/29/11	716 64	470 93		245 71 C
	22	MorganStanley SmithBarney LLC acted as your agent in this transaction	07/28/09		328 46	270 38		58 08
125000340	87	GENZYME CORP	12/10/09	02/17/11	6,552 12	4,302 89		2,249 23
	4	MorganStanley SmithBarney LLC	01/08/10		301 25	214 92		86 33
	1	acted as your agent	01/22/10		75 31	54 31		21 00
	1	in this transaction	02/08/10		75 31	54 51		20 80
	4		02/16/10		301 25	222 23		79 02
125000360	19	HALLIBURTON CO HOLDINGS CO	12/10/09	05/03/11	911 07	537 29		373 78
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000370	12	HALLIBURTON CO HOLDINGS CO	12/10/09	07/18/11	633 80	339 34		294 46
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000380	5	HALLIBURTON CO HOLDINGS CO	12/30/09	08/03/11	261 08	149 60		111 48
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000390	16	H J HEINZ CO	12/10/09	07/05/11	855 10	682 37		172 73
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000400	7	HESS CORP	12/10/09	05/03/11	560 62	390 29		170 33
		MorganStanley SmithBarney LLC acted as your agent in this transaction						

MorganStanley SmithBarney

Ref 00001933 00017352

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Long Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000410	6	HONEYWELL INTL INC	12/10/09	05/03/11	$ 368 88	$ 241 84		$ 127 04
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction						
125000420	4091	HUNTINGTON INGALLS	12/10/09	03/31/11	16 34	12 94		3 40
	0455	INDUSTRIAL	01/08/10		1 82	1 51		31
	0303	RECORD 03/30/11 PAY 03/30/11	01/22/10		1 21	98		23
	0151	FROM 666807102000 (SPINOFF)	02/22/10		60	54		06
125000430	4 0909	HUNTINGTON INGALLS	12/10/09	05/11/11	158 52	129 42		29 10
	4545	INDUSTRIAL	01/08/10		17 61	15 08		2 53
	303	MorganStanley SmithBarney LLC	01/22/10		11 74	9 81		1 93
	1516	acted as your agent	02/22/10		5 87	5 44		43
125000450	11	INTL BUSINESS MACHINES CORP	12/10/09	03/16/11	1,711 32	1,420 42		290 90
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction						
125000460	9	INTL BUSINESS MACHINES CORP	12/10/09	09/07/11	1,501 29	1,162 16		339 13
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction						
125000470	3	INTL BUSINESS MACHINES CORP	01/08/10	10/11/11	553 95	391 61		162 34
	1	MorganStanley SmithBarney LLC	01/22/10		184 65	125 77		58 88
	1	acted as your agent	02/08/10		184 65	122 49		62 16
	1	in this transaction	02/16/10		184 65	125 17		59 48
	2		02/22/10		369 31	254 46		114 85
125000480	47	ISHARES BARCLAYS US AGGR BOND FD	12/10/09	05/03/11	4,994 31	4,925 01		69 30
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000490	694	ISHARES MSCI EMERGING MKTS INDEX FD	12/10/09	05/03/11	33,874 45	28,515 07		5,359 38
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000500	865 663	IVY ASSET STRATEGY FUND CLASS	12/10/09	05/03/11	23,234 39	19,261 00		3,973 39
	77 625	I	01/08/10		2,083 45	1,804 00		279 45
	73 848	CONFIRM #500011230295471	01/22/10		1,982 08	1,618 00		364 08
	36 026	MorganStanley SmithBarney LLC	02/08/10		966 94	776 00		190 94
	50 705		02/16/10		1,360 92	1,115 00		245 92
	58 679		02/22/10		1,574 95	1,288 00		286 95

MorganStanley SmithBarney

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2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Long Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000510	16	JPMORGAN CHASE & CO MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	11/22/11	$ 473 70	$ 656 46	($ 182 76)	
125000520	40	JPMORGAN CHASE & CO MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	11/29/11	1,145 87	1,641 14	(495 27)	
125000530	30	JOHNSON & JOHNSON MorganStanley SmithBarney LLC acted as your agent in this transaction	10/30/07	01/25/11	1,831 89	1,978 70	(146 81) C	
125000540	58	LAWSON SOFTWARE INC NEW	12/10/09	04/26/11	644 95	354 18		290 77
	7	MorganStanley SmithBarney LLC	01/08/10		77 84	44 87		32 97
	6	acted as your agent	01/22/10		66 72	37 26		29 46
	7	in this transaction	02/08/10		77 84	40 53		37 31
	2		02/16/10		22 24	12 00		10 24
	5		02/22/10		55 59	30 30		25 29
125000550	1,236 44	LAZARD EMERGING MKTS EQUITY PORT INST'L SHS CONFIRM #50001123026671 2 MorganStanley SmithBarney LLC	12/10/09	05/03/11	27,337 69	22,404 29		4,933 40
125000560	21	LIBERTY MEDIA HLDG CORP CAP SER A MorganStanley SmithBarney LLC acted as your agent	12/10/09	02/04/11	1,480 80	486 12		994 68
125000570	32 795	MADISON SQUARE GARDEN INC	12/10/09	03/30/11	885 31	583 65		301 66
	4 2236	MorganStanley SmithBarney LLC	01/08/10		114 02	75 63		38 39
	9938	acted as your agent	01/22/10		26 83	17 57		9 26
	1 9876	in this transaction	02/08/10		53 65	34 43		19 22
125000610	14	MCDONALDS CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	01/19/11	1,049 84	856 05		193 79
125000620	2	MCDONALDS CORP	12/10/09	09/09/11	170 02	122 29		47 73
	3	MorganStanley SmithBarney LLC	01/08/10		255 04	185 48		69 56
	2	acted as your agent	02/16/10		170 02	128 10		41 92
	1	in this transaction	02/22/10		85 01	64 82		20 19
	13		03/08/10		1,105 16	845 50		259 66

2011 YEAR END SUMMARY

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MorganStanley SmithBarney

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Long Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000630	508 102	METROPOLITAN WEST TOTAL RETURN BOND FUND CLASS I CONFIRM #500011230298459 MorganStanley SmithBarney LLC	12/10/09	05/03/11	$ 5,335 07	$ 5,050 53		$ 284 54
125000640	20	MICROSOFT CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	10/31/11	536 02	598 00	(61 98)	
125000650	15	NATIONAL OILWELL VARCO INC MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	05/03/11	1,090 25	657 72		432 53
125000660	2,157 865	NUVEEN TRADEWINDS GLOBAL ALL	12/10/09	05/03/11	65,879 62	52,371 37		13,508 25
	228 002	CAP FUND CLASS I	01/08/10		6,960 90	5,773 00		1,187 90
	139 068	CONFIRM #500011230294912	01/22/10		4,245 75	3,371 00		874 75
	148 949	MorganStanley SmithBarney LLC	02/08/10		4,547 41	3,472 00		1,075 41
	120 792		02/16/10		3,687 78	2,928 00		759 78
	138 119		02/22/10		4,216 77	3,348 00		868 77
125000690	5,828 088	OPPENHEIMER INTERNATIONAL BOND FD CL Y CONFIRM #500011230295661 MorganStanley SmithBarney LLC	12/10/09	05/03/11	39,572 72	38,465 38		1,107 34
125000700	11	PPG INDUSTRIES INC MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	01/19/11	911 15	646 89		264 26
125000710	15	PALL CORP	12/10/09	05/03/11	861 05	509 96		351 09
	2	MorganStanley SmithBarney LLC	01/08/10		114 81	74 82		39 99
	5	acted as your agent	01/22/10		287 01	180 88		106 13
	1	in this transaction	02/16/10		57 40	35 76		21 64
	1		02/22/10		57 40	38 95		18 45
125000720	2	PARKER-HANNIFIN CORP	01/08/10	05/03/11	185 30	112 04		73 26
	1	MorganStanley SmithBarney LLC acted as your agent in this transaction	02/16/10		92 65	57 04		35 61
125000730	13	PARKER-HANNIFIN CORP	12/10/09	06/17/11	1,114 29	698 28		416 01
	1	MorganStanley SmithBarney LLC acted as your agent in this transaction	02/08/10		85 71	54 76		30 95

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref 00001933 00017355

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Long Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000740	24	PEPSICO INC	12/10/09	03/07/11	$ 1,522 62	$ 1,484 57		$ 38 05
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000750	26	RAYTHEON COMPANY NEW	12/10/09	11/29/11	1,139 28	1,352 73	(213 45)	
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000760	10	SANDISK CORP	12/10/09	05/03/11	474 41	226 28		248 13
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000770	8	SCHLUMBERGER LTD	12/10/09	01/13/11	676 46	490 94		185 52
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000790	3	SOUTHERN UNION COMPANY	05/11/10	05/20/11	87 17	70 48		16 69
	8	MorganStanley SmithBarney LLC	05/12/10		232 46	191 00		41 46
	5	acted as your agent	05/13/10		145 29	120 02		25 27
	15	in this transaction	05/14/10		435 87	349 87		86 00
125000800	9	SPECTRA ENERGY CORP	12/10/09	05/02/11	258 15	180 69		77 46
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000810	13	TEXAS INSTRUMENTS INC	12/10/09	05/03/11	450 60	336 65		113 95
		MorganStanley SmithBarney LLC acted as your agent in this transaction						
125000820	1,789 803	THORNBURG INTERNATIONAL VALUE	12/10/09	05/03/11	56,128 22	44,798 78		11,329 44
	195 734	FUND CL I	01/08/10		6,138 22	5,093 00		1,045 22
	115 601	CONFIRM #500011230266282	01/22/10		3,625 25	2,875 00		750 25
	180 23	MorganStanley SmithBarney LLC	02/08/10		5,652 01	4,230 00		1,422 01
	93 284		02/16/10		2,925 39	2,264 00		661 39
	90 057		02/22/10		2,824 18	2,210 00		614 18
125000850	7	TOTAL S A SPONS ADR	12/10/09	05/03/11	440 30	438 59		1 71
		MorganStanley SmithBarney LLC acted as your agent in this transaction						

MorganStanley SmithBarney

Ref 00001933 00017356

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Long Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000860	13	TRAVELERS COMPANIES INC MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	03/22/11	$ 761 02	$ 658 95		$ 102 07
125000870	5	TRAVELERS COMPANIES INC MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	03/23/11	292 49	253 44		39 05
125000880	9	TRAVELERS COMPANIES INC MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	03/24/11	526 84	456 20		70 64
125000890	8	UNITED TECHNOLOGIES CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	03/07/11	656 72	542 54		114 18
125000900	86	UNITEDHEALTH GROUP INC MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	05/03/11	4,264 66	2,595 14		1,669 52
125000910	13	VERIZON COMMUNICATIONS MorganStanley SmithBarney LLC acted as your agent in this transaction	01/20/95	05/03/11	491 81	304 84		186 97 C
125000920	16	VERTEX PHARMACEUTICALS INC MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	05/03/11	869 26	642 37		226 89
125000930	12	VODAFONE GROUP PLC SPONS ADR NEW MorganStanley SmithBarney LLC acted as your agent	12/10/09	05/03/11	340 07	276 34		63 73

MorganStanley SmithBarney

Ref 00001933 00017357

2011 Year End Summary

THE DANIEL & FLAVIA GERNATT

Account Number 475-09887-11 002

Details of Long Term Gain (Loss) 2011 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000940	34	WEYERHAEUSER CO MorganStanley SmithBarney LLC acted as your agent in this transaction	12/10/09	05/03/11	$ 758 93	$ 1,404 18 R	($ 645 25)	
Total					**$ 595,172 62**	**$ 498,606 20**	**($ 3,217 20)**	**$ 99,783 62**

C *Based on information supplied by Client or other financial institution, not verified by us*

R *The basis for this tax lot has been adjusted due to a reclassification of income*

Details of Deposits and Withdrawals 2011

This section reflects any deposits or withdrawals made to your account during the year.

Withdrawals

Reference number	Date	Description	Referral number	Amount
220000100	01/21/11	CONSULTING & ADVISORY SERVICES FROM 01/01/11 TO 03/31/11		$ 3,282 73
220000200	02/04/11	VODAFONE GROUP PLC SPONS ADR NEW ADR FEE OF 01000 PER SHR RECORD 11/19/10 PAY 02/04/11		$ 1 04
220000300	04/08/11	NOVARTIS AG ADR ADR FEE OF 00350 PER SHR RECORD 02/28/11 PAY 04/08/11		16
220000400	04/15/11	CONSULTING & ADVISORY SERVICES FROM 04/01/11 TO 06/30/11		3,353 91
220000500	05/03/11	ERICSSON L M TEL CO CL B ADR NEW -USD- ADR FEE OF 00350 PER SHR RECORD 04/18/11 PAY 05/03/11		74
220000600	07/15/11	CONSULTING & ADVISORY SERVICES FROM 07/01/11 TO 09/30/11		3,405 17
220000700	08/05/11	VODAFONE GROUP PLC SPONS ADR NEW ADR FEE OF 02000 PER SHR RECORD 06/03/11 PAY 08/05/11		1 84
220000800	10/21/11	CONSULTING & ADVISORY SERVICES FROM 10/01/11 TO 12/31/11		3,053 80
Total				**$ 13,099 39**

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