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 , and ending

Name of foundation
JAMES AND MELANIE MCNAMARA
FAMILY FOUNDATION INC

A Employer identification number
26-1588831

Number and street (or P O box number if mail is not delivered to street address) Room/suite
2A MILLER FARM ROAD

B Telephone number
732-873-1419

City or town, state, and ZIP code
SOMERSET, NJ 08873-7300

C If exemption application is pending, check here ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

D 1. Foreign organizations, check here ☐
2. Foreign organizations meeting the 85% test, check here and attach computation ☐

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

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶$ 1,565,193.

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

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	0.		N/A	
	2 Check ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	29.	29.		STATEMENT 1
	4 Dividends and interest from securities	67,025.	66,441.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	<6,925.>			
	b Gross sales price for all assets on line 6a 364,218.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 Total Add lines 1 through 11	60,129.	66,470.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees				
	c Other professional fees STMT 3	11,489.	11,489.		0.
	17 Interest				
	18 Taxes STMT 4	239.	154.		85.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 5	286.	179.		107.
	24 Total operating and administrative expenses. Add lines 13 through 23	12,014.	11,822.		192.
	25 Contributions, gifts, grants paid	80,000.			80,000.
	26 Total expenses and disbursements Add lines 24 and 25	92,014.	11,822.		80,192.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<31,885.>			
	b Net investment income (if negative, enter -0-)		54,648.		
	c Adjusted net income (if negative, enter -0-)			N/A	

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12-02-11 LHA For Paperwork Reduction Act Notice, see instructions

Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	19,078.	16,824.	16,824.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 6	161,622.	167,630.	193,964.
	b Investments - corporate stock STMT 7	817,684.	941,816.	1,017,851.
	c Investments - corporate bonds STMT 8	516,896.	357,125.	336,554.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers)	1,515,280.	1,483,395.	1,565,193.
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			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	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 ▶ [X] and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds	1,005,125.	1,005,125.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	510,155.	478,270.	
	30 **Total net assets or fund balances**	1,515,280.	1,483,395.	
	31 **Total liabilities and net assets/fund balances**	1,515,280.	1,483,395.	

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	1,515,280.
2	Enter amount from Part I, line 27a	2	<31,885.>
3	Other increases not included in line 2 (itemize) ▶	3	0.
4	Add lines 1, 2, and 3	4	1,483,395.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,483,395.

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 ATTACHED STATEMENT A (PG. 3 OF 5)	P	VARIOUS	VARIOUS
b	SEE ATTACHED STATEMENT A (PG. 5 OF 5)	P	VARIOUS	VARIOUS
c	3,600 SHS OF SPD GOLD TRUST- RETURN OF			
d	PRINCIPAL	P	VARIOUS	VARIOUS
e	CAPITAL GAINS DIVIDENDS			

	(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	127,956.		128,539.	<583.>
b	235,376.		242,425.	<7,049.>
c				
d	179.		179.	0.
e	707.			707.

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				<583.>
b				<7,049.>
c				
d				0.
e				707.

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 — <6,925.>

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 — 3 — N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	84,082.	1,575,236.	.053377
2009	74,403.	1,512,595.	.049189
2008	35,241.	984,081.	.035811
2007	0.	82,504.	.000000
2006			

2	Total of line 1, column (d)	2	.138377
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	.034594
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	1,628,135.
5	Multiply line 4 by line 3	5	56,324.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	546.
7	Add lines 5 and 6	7	56,870.
8	Enter qualifying distributions from Part XII, line 4	8	80,192.

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b		1	546.
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	546.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-		5	546.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a 596.		
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	596.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10 **Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	50.
11 Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ 50.	**Refunded** ▶	11	0.

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		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
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		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	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		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NJ			
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	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? If "Yes" attach a schedule listing their names and addresses	10		X

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ A. DLUGASH C/O MARKS PANETH & SHRON Telephone no. ▶ 212-503-6360
Located at ▶ 622 3RD AVENUE, NEW YORK, NY ZIP+4 ▶ 10017

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

			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		X
	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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ 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 instructions)? N/A	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		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 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 ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ 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.)* N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b		X

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

			Yes	No
5a During the year did the foundation pay or incur any amount to:				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No			
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	N/A	5b		
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A	☐ Yes ☐ No			
If "Yes," attach the statement required by Regulations section 53 4945-5(d)				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b		X
If "Yes" to 6b, file Form 8870.				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No			
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	7b		

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
JAMES J. MCNAMARA JR. 2A MILLER FARM ROAD SOMERSET, NJ 08873	DIRECTOR 1.00	0.	0.	0.
MELANIE H. MCNAMARA 2A MILLER FARM ROAD SOMERSET, NJ 08873	DIRECTOR 1.00	0.	0.	0.
JAMES J. MCNAMARA SR. 2A MILLER FARM ROAD SOMERSET, NJ 08873	DIRECTOR 1.00	0.	0.	0.

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

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

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

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ▶	0.

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

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	1,595,073.
b	Average of monthly cash balances		1b	57,856.
c	Fair market value of all other assets		1c	
d	Total (add lines 1a, b, and c)		1d	1,652,929.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0.		
2	Acquisition indebtedness applicable to line 1 assets		2	0.
3	Subtract line 2 from line 1d		3	1,652,929.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	24,794.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	1,628,135.
6	**Minimum investment return** Enter 5% of line 5		6	81,407.

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

1	Minimum investment return from Part X, line 6		1	81,407.
2a	Tax on investment income for 2011 from Part VI, line 5	2a 546.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	546.
3	Distributable amount before adjustments Subtract line 2c from line 1		3	80,861.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	80,861.
6	Deduction from distributable amount (see instructions)		6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	80,861.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	80,192.
b	Program-related investments - total from Part IX-B	1b	0.
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	80,192.
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	5	546.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	79,646.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				80,861.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008 15,522.				
d From 2009				
e From 2010 7,276.				
f **Total** of lines 3a through e	22,798.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 80,192.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				80,192.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	669.			669.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	22,129.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	22,129.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008 14,853.				
c Excess from 2009				
d Excess from 2010 7,276.				
e Excess from 2011				

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

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

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

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

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

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part 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				
FRANKLIN TOWNSHIP FOOD BANK P.O BOX 333 SOMERSET, NJ 08875	NONE	501(C)(3)	GENERAL SUPPORT	7,500.
KEY LIFE NETWORK P.O BOX 945000 MAITLAND, FL 32794	NONE	501(C)(3)	GENERAL SUPPORT	7,500.
STAR 99.1 FM MISSION P.O BOX 9058 ZAREPHATH, NJ 08890	NONE	501(C)(3)	GENERAL SUPPORT	20,000.
THE CATHOLIC COMMUNITY OF SAINT MATTHIAS 168 J.F. KENNEDY BLVD SOMERSET, NJ 08873	NONE	501(C)(3)	GENERAL SUPPORT	5,000.
THE CATHOLIC COMMUNITY OF SAINT MATTHIAS 168 J.F. KENNEDY BLVD SOMERSET, NJ 08873	NONE	501(C)(3)	GENERAL SUPPORT	8,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	80,000.
b Approved for future payment NONE				
Total			▶ 3b	0.

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
	(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	29.	
4 Dividends and interest from securities			14	67,025.	
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			18	<6,925.>	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		60,129.	0.

13 **Total** Add line 12, columns (b), (d), and (e) 13 60,129.

(See worksheet in line 13 instructions 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 foundation's exempt purposes (other than by providing funds for such purposes).

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)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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
		N/A	

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

Signature of officer or trustee: [signature] Date: 5/14/12 Title: DIRECTOR

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed	PTIN
ALAN J. DLUGASH	[signature]	5-10-12		P00444136

Firm's name ▶ MARKS PANETH & SHRON LLP — Firm's EIN ▶ 11-3518842

Firm's address ▶ 622 THIRD AVENUE NEW YORK, NY 10017 — Phone no. 212-503-6360

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
THE CENTER FOR GREAT EXPECTATIONS 19 DELLWOOD LANE SOMERSET, NJ 08873	NONE	501(C)(3)	GENERAL SUPPORT	10,000.
FOCUS ON THE FAMILY 86050 EXPLORER DRIVE COLORADO SPRINGS, CO 80920	NONE	501(C)(3)	GENERAL SUPPORT	10,000.
THE JESUS FILM PROJECT 27631 LA PAZ ROAD, SUITE A LAGUNA NIGUEL, CA 92677	NONE	501(C)(3)	GENERAL SUPPORT	2,000.
THE RESOURCE CENTER FOR WOMEN AND THEIR FAMILIES 427 HOMESTEAD ROAD HILLSBOROUGH, NJ 08844	NONE	501(C)(3)	GENERAL SUPPORT	5,000.
TIM TEBOW'S WISH 15 PROGRAM- W15H 2220 COUNTRY ROAD 210 W, SUITE 108, PMB 317 JACKSONVILLE, FL 32259	NONE	501(C)(3)	GENERAL SUPPORT	5,000.
Total from continuation sheets				32,000.

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

SOURCE	AMOUNT
WELLS FARGO 6639	29.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	29.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
WELLS FARGO 6639	67,732.	707.	67,025.
TOTAL TO FM 990-PF, PART I, LN 4	67,732.	707.	67,025.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WELLS FARGO 6639- ADVISORY FEES	11,489.	11,489.		0.
TO FORM 990-PF, PG 1, LN 16C	11,489.	11,489.		0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WELLS FARGO 6639 (FOREIGN TAXES PAID)	154.	154.		0.
NJ ANNUAL REPORT	25.	0.		25.
NJ ANNUAL FILING FEE	60.	0.		60.
TO FORM 990-PF, PG 1, LN 18	239.	154.		85.

FORM 990-PF	OTHER EXPENSES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WELLS FARGO 6639- PROCEEDS EXPENSE	179.	179.		0.
OFFICE EXPENSE	107.	0.		107.
TO FORM 990-PF, PG 1, LN 23	286.	179.		107.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS			STATEMENT 6
DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
FIXED INCOME SECURITIES (SEE ATTACHED STATEMENT B, PG. 7OF12)	X		167,630.	193,964.
TOTAL U.S. GOVERNMENT OBLIGATIONS			167,630.	193,964.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			167,630.	193,964.

FORM 990-PF	CORPORATE STOCK	STATEMENT 7
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
STOCKS & OPTIONS (SEE ATTACHED STATEMENT B, PG. 4OF12)	450,199.	509,393.
MUTUAL FUNDS (SEE ATTACHED STATEMENT B, PG. 10OF12)	491,617.	508,458.
TOTAL TO FORM 990-PF, PART II, LINE 10B	941,816.	1,017,851.

FORM 990-PF CORPORATE BONDS STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
FIXED INCOME SECURITIES (SEE ATTACHED STATEMENT B, PG. 6OF12)	132,788.	130,905.
FOREIGN BONDS (SEE ATTACHED STATEMENT B, PG. 8OF12)	27,548.	27,456.
PREFERRED FIXED RATE (SEE ATTACHED STATEMENT B, PG. 12OF12)	196,789.	178,193.
TOTAL TO FORM 990-PF, PART II, LINE 10C	357,125.	336,554.

Realized Gain/Loss Detail

Short Term

Description	Noncovered	Share Quantity	Adjusted Price/ Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/ Original Cost	Gain or Loss Amount
ALCOA INC NOTES CALLABLE CPN 5 375% DUE 01/15/13 DTD 08/13/02 FC 01/15/03	X	25,000 00000	105.9450	08/12/10	06/28/11	26,872 75	26,486 25	386 50
INVESCO LIBOR ALPHA FD INSTL CLASS	X	5,611 67200	8 9100	05/28/10	02/10/11	50,505 04	50,000.00	505 04

Account Number: 2340-6639
JAMES AND MELANIE MCNAMARA
FAMILY FOUNDATION INC.

Realized Gain/Loss

Short Term *Continued*

Description	Noncovered	Share Quantity	Adjusted Price/ Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/ Original Cost	Gain or Loss Amount
	X	10 40300	8 9000	06/18/10	02/10/11	93 62	92 59	1 03
	X	10 41100	8 9100	07/16/10	02/10/11	93 70	92 76	0 94
	X	10 39600	8 9400	08/20/10	02/10/11	93 56	92 94	0 62
	X	10 40300	8.9500	09/17/10	02/10/11	93 62	93 11	0 51
	X	10 39900	8 9700	10/22/10	02/10/11	93 59	93 28	0 31
	X	10 40600	8 9800	11/19/10	02/10/11	93 65	93 45	0 20
	X	24.14600	8 9300	12/08/10	02/10/11	217 33	215.62	1.71
	X	10 49300	8 9600	01/21/11	02/10/11	94 45	94 02	0 43
Subtotal		**5,708.72900**				**51,378.56**	**50,867.77**	**510.79**
INVESCO SHORT-TERM BOND FUND CLASS Y	X	5,670 29373	8 8178	02/10/11	12/28/11	48,537 71	50,000 00	-1,462 29
	X	10 38391	8 7983	02/18/11	12/28/11	88 88	91 36	-2 48
	X	10 44945	8 7592	03/18/11	12/28/11	89 44	91 53	-2 09
	X	10 43409	8 7885	04/25/11	12/28/11	89 31	91 70	-2 39
	X	10.47710	8 7690	05/20/11	12/28/11	89 68	91.87	-2 19
	X	23 74172	8.7397	06/02/11	12/28/11	203 23	207.50	-4 27
	X	10 17200	8 7000	07/01/11	12/28/11	87 07	88 50	-1 43
	X	12 19400	8 7200	08/01/11	12/28/11	104 38	106 33	-1 95
	X	12.34300	8.6400	09/01/11	12/28/11	105.66	106 64	-0 98
	X	12 46200	8 5700	10/03/11	12/28/11	106.68	106.80	-0.12
	X	12 42200	8 6100	11/02/11	12/28/11	106 34	106 95	-0.61

Account Number: 2340-6639
JAMES AND MELANIE MCNAMARA
FAMILY FOUNDATION INC.

Realized Gain/Loss

Short Term *Continued*

Description	Noncovered	Share Quantity	Adjusted Price/ Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/ Original Cost	Gain or Loss Amount
	X	0 00100	8 6100	11/14/11	12/28/11	0 00	0 01	-0 01
	X	11 19300	8 5500	12/01/11	12/28/11	95 83	95 70	0 13
Subtotal		**5,806.56700**				**49,704.21**	**51,184.89**	**-1,480.68**
TOTAL SHORT TERM GAINS OR LOSSES FOR COVERED SECURITIES						**$0.00**	**$0.00**	**$0.00**
TOTAL SHORT TERM GAINS OR LOSSES FOR NONCOVERED SECURITIES						**$127,955.52**	**$128,538.91**	**-$583.39**

Long Term

Description	Noncovered	Share Quantity	Adjusted Price/ Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/ Original Cost	Gain or Loss Amount
ANHEUSER-BUSCH COS INC NOTES CPN 6 000% DUE 04/15/11 DTD 04/16/01 FC 10/15/01	X	25,000 00000	105 0090	05/27/08	04/15/11	25,000 00	26,252 25	-1,252 25
CAMPBELL SOUP CO NOTES CALLABLE CPN 6 750% DUE 02/15/11 DTD 02/21/01 FC 08/15/01	X	25,000 00000	106 7800	05/27/08	02/15/11	25,000 00	26,695.00	-1,695 00
CONAGRA FOODS INC NOTES CALLABLE CPN 6 750% DUE 09/15/11 DTD 09/10/01 FC 03/15/02	X	10,000 00000	105 6630	05/27/08	09/15/11	10,000 00	10,566 30	-566 30
DOVER CORP NOTES CALLABLE CPN 6.500% DUE 02/15/11 DTD 02/12/01 FC 08/15/01	X	25,000 00000	105.2660	05/27/08	02/15/11	25,000 00	26,316 50	-1,316 50

Account Number: 2340-6639
JAMES AND MELANIE MCNAMARA
FAMILY FOUNDATION INC.

Realized Gain/Loss

Long Term *Continued*

Description	Noncovered	Share Quantity	Adjusted Price/ Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/ Original Cost	Gain or Loss Amount
FLORIDA POWER CORP 1ST MTG BOND CALL @ MAKE WHOLE +30BP CPN 6 650% DUE 07/15/11 DTD 07/18/01 FC 01/15/02	X	25,000 00000	106 8570	05/27/08	07/15/11	25,000 00	26,714 25	-1,714 25
JPMORGAN TRUST I HIGHBRIDGE STATISTICAL MKT NEUTRAL FD SELECT CL	X	1,852.99600	16 1900	06/20/08	10/28/11	27,535 51	30,000 00	-2,464 49
	X	0 05000	16 2400	07/03/08	10/28/11	0 74	0 82	-0 08
	X	0 35100	15 9800	10/03/08	10/28/11	5 21	5 61	-0 40
	X	3 67600	16 4600	12/24/08	10/28/11	54 62	60 51	-5 89
	X	599 88000	16 6700	01/09/09	10/28/11	8,914 22	10,000 00	-1,085 78
	X	619 96300	16 1300	09/28/09	10/28/11	9,212 67	10,000 00	-787 33
Subtotal		**3,076 91600**				**45,722.97**	**50,066.94**	**-4,343.97**
LOOMIS SAYLES FDS II STRATEGIC INCOME FD CL A	X	662 25200	10 9000	01/09/09	02/18/11	10,000 00	7,218.55	2,781 45
SPDR BARCLAYS CAP ETF SHORT TERM CREDIT BOND	X	500 00000	34 9800	07/16/10	10/17/11	18,935 64	17,490 00	1,445 64
TOYOTA MOTOR CREDIT CORP SENIOR NOTES CPN 5 450% DUE 05/18/11 DTD 05/18/06 FC 11/18/06	X	25,000 00000	102 4210	10/17/08	05/18/11	25,000 00	25,605 25	-605 25

Account Number. 2340-6639
JAMES AND MELANIE MCNAMARA
FAMILY FOUNDATION INC.

Realized Gain/Loss

Long Term *Continued*

Description	Noncovered	Share Quantity	Adjusted Price/ Original Price	Date Acquired	Close Date	Proceeds	Adjusted Cost/ Original Cost	Gain or Loss Amount
VERIZON PENNSYLVANIA GLOBAL NOTES CALLABLE CPN 5 650% DUE 11/15/11 DTD 11/13/01 FC 05/15/02	X	25,000 00000	102.0010	05/27/08	04/27/11	25,717 50	25,500 25	217 25
TOTAL LONG TERM GAINS OR LOSSES FOR COVERED SECURITIES						**$0.00**	**$0 00**	**$0.00**
TOTAL LONG TERM GAINS OR LOSSES FOR NONCOVERED SECURITIES						**$235,376.11**	**$242,425.29**	**-$7,049.18**

JAMES AND MELANIE MCNAMARA
FAMILY FOUNDATION INC

EIN#: 26-1588831

DECEMBER 1 - DECEMBER 31, 2011
ACCOUNT NUMBER 2340-6639

Portfolio detail

Cash and Sweep Balances

DESCRIPTION	ANNUAL PERCENTAGE YIELD EARNED*	CURRENT MARKET VALUE	ESTIMATED ANNUAL INCOME
Cash	0 00	187 50	0 00
BANK DEPOSIT SWEEP Interest Period 12/01/11 - 12/31/11	0 04	16,636 62	6 65
Total Cash and Sweep Balances		**$16,824.12**	**$6.65**

Stocks, options & ETFs

Stocks and ETFs

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
ANNALY CAPITAL MANAGEMNT INC REIT NLY Acquired 07/01/11	1,000	18 15	18,150 00	15 9600	15,960 00	-2,190 00	2,280 00	14 28
AT & T INC T Acquired 09/02/10 nc	500	27 22	13,613 65	30 2400	15,120 00	1,506 35	880 00	5 82

Stocks, options & ETFs

Stocks and ETFs 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 (%)
CLAYMORE GUGGENHEIM ET BULLETSHARES 2013 CORPORATE BOND BSCD								
Acquired 10/27/10 nc	500	20.86	10,430 00		10,360 00	-70.00		
Acquired 07/01/11	500	20 94	10,470 00		10,360 00	-110 00		
Total	**1,000**		**$20,900.00**	**20.7200**	**$20,720.00**	**-$180.00**	**$285.00**	**1.38**
CLAYMORE GUGGENHEIM ET BULLETSHARES 2012 CORPORATE BOND BSCC								
Acquired 09/21/10 nc	2,000	20.58	41,160 00		41,060 00	-100.00		
Acquired 07/25/11	600	20 64	12,387.60		12,318 00	-69.60		
Acquired 07/25/11	400	20 66	8,264.00		8,212 00	-52 00		
Total	**3,000**		**$61,811.60**	**20.5300**	**$61,590.00**	**-$221.60**	**$588.00**	**0.95**
DUKE ENERGY CORP DUK								
Acquired 04/06/10 nc	1,000	16 43	16,436 00	22 0000	22,000 00	5,564 00	1,000 00	4 54
FRONTIER COMMUNICATIONS CORP FTR								
Acquired 09/21/10 nc	1,000	7 99 8 12	7,993 64 8,126.00	5 1500	5,150.00	-2,843 64	750 00	14 56
GENERAL ELECTRIC COMPANY GE								
Acquired 07/28/08 nc	500	28 38	14,190 00		8,955 00	-5,235 00		
Acquired 05/13/09 nc	500	12 89	6,448.90		8,955 00	2,506 10		
Total	**1,000**		**$20,638.90**	**17.9100**	**$17,910.00**	**-$2,728.90**	**$680.00**	**3.80**
ISHARES TR ET DOW JONES EPAC SELECT DIVIDEND INDEX FD IDV								
Acquired 08/26/11	500	31 53	15,766 00	29.6900	14,845 00	-921 00	812 00	5 46

DECEMBER 1 - DECEMBER 31, 2011
ACCOUNT NUMBER 2340-6639

Stocks, options & ETFs

Stocks and ETFs 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 (%)
JPMORGAN CHASE & CO ETN ALERIAN MLP INDEX ETN BASED ON WAP AMJ								
Acquired 09/28/09 nc	800	24 81	19,854 40		31,176 00	11,321 60		
Acquired 09/28/09 nc	200	24 82	4,964 00		7,794 00	2,830 00		
Total	**1,000**		**$24,818.40**	**38.9700**	**$38,970.00**	**$14,151.60**	**$1,905.00**	**4.89**
NATIONAL GRID PLC SPON ADR NEW NGG								
Acquired 07/16/10 nc	1,000	37 57	37,574 00	48 4800	48,480 00	10,906 00	2,997 00	6 18
NEXTERA ENERGY INC NEE								
Acquired 04/06/10 nc	500	49 09	24,548 15	60 8800	30,440 00	5,891 85	1,100 00	3 61
PITNEY BOWES INC PBI								
Acquired 08/27/10 nc	1,000	19 50	19,500 00	18 5400	18,540 00	-960.00	1,480 00	7 98
PLUM CREEK TIMBER CO INC DEPOSITARY UNIT PCL								
Acquired 08/26/11	400	36 17	14,470 16		14,624 00	153 84		
Acquired 09/08/11	100	36 49	3,649 54		3,656 00	6 46		
Total	**500**		**$18,119.70**	**36.5600**	**$18,280.00**	**$160.30**	**$840.00**	**4.60**
SPDR BARCLAYS CAP ET I/T CREDIT BOND ITR								
Acquired 03/26/09 nc	1,000	29 40	29,400 00		33,210 00	3,810 00		
Acquired 09/28/09 nc	400	32 27	12,908 00		13,284 00	376 00		
Acquired 09/28/09 nc	100	32 25	3,225 00		3,321 00	96 00		
Acquired 11/03/09 nc	500	31 91	15,958 00		16,605 00	647 00		
Total	**2,000**		**$61,491.00**	**33.2100**	**$66,420.00**	**$4,929.00**	**$2,258.00**	**3.40**
SPDR DB INTL GOVT ET INFLATION PROTECTED BOND WIP								
Acquired 05/28/10 nc	400	51 94	20,776 56	56 7500	22,700 00	1,923 44	1,054.80	4 64

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Stocks, options & ETFs

Stocks and ETFs 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 (%)
SPDR GOLD TRUST ET GLD Acquired 02/06/09 nc	300	89 60	26,881 32	151 9900	45,597 00	18,715 68	N/A	N/A
TRANSCANADA CORP TRP Acquired 10/27/10 nc	500	36 66	18,333 40	43 6700	21,835 00	3,501 60	823 50	3 77
VANGUARD INDUSTRIALS ET VIS Acquired 08/26/11	400	57 11	22,847 00	62 0890	24,835 60	1,988 60	486 80	1 96
Total Stocks and ETFs			**$450,199.32** **$450,331.68**		**$509,392.60**	**$59,193.28**	**$20,220.10**	**3.97**
Total Stocks, options & ETFs			**$450,199.32**		**$509,392.60**	**$59,193.28**	**$20,220.10**	**3.97**

Fixed Income Securities

Corporate Bonds

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ACCRUED INTEREST	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
CREDIT SUISSE FB USA INC ^ GLOBAL NOTES CALLABLE CPN 6 500% DUE 01/15/12 DTD 01/11/02 FC 07/15/02 Moody AA1 , S&P A+ CUSIP 22541LAC7 Acquired 09/08/08 nc	20,000	103 96	20,793.80	100 2180	20,043 60	-750 20	595 83	1,300.00	6 48

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Fixed Income Securities

Corporate Bonds continued

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ACCRUED INTEREST	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
DAYTON HUDSON CORP ^ DEBS NON CALL LIFE CPN 8 600% DUE 01/15/12 DTD 01/15/92 FC 07/15/92 Moody A2 , S&P A+ CUSIP 239753BK1 Acquired 09/08/08 nc	18,000	110 62	19,911 96	100 2840	18,051 12	-1,860 84	709 50	1,548 00	8 57
DUKE ENERGY CORP ^ NOTES SEMI-ANNUAL PAY CPN 6 250% DUE 01/15/12 DTD 01/14/02 FC 07/15/02 Moody A3 , S&P A- CUSIP 264399DW3 Acquired 09/08/08 nc	15,000	105 27	15,791 70	100 2310	15,034 65	-757 05	429 69	937 50	6 23
ABBOTT LABORATORIES NOTES CALLABLE CPN 5 150% DUE 11/30/12 DTD 11/09/07 FC 05/30/08 Moody A1 , S&P AA CUSIP 002819AA8 Acquired 05/27/08 nc	25,000	103 77	25,944 75	104 4080	26,102 00	157 25	N/A	1,287 50	4 93
E I DU PONT DE NEMOURS NOTES CPN 5.000% DUE 01/15/13 DTD 12/03/07 FC 07/15/08 Moody A2 , S&P A CUSIP 263534BS7 Acquired 09/08/08 nc	9,000	101 47	9,132 57	104 5510	9,409 59	277 02	206 25	450 00	4 78

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Fixed Income Securities

Corporate Bonds continued

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ACCRUED INTEREST	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
BOEING CO GLOBAL NOTESS CALABLE CPN 5 125% DUE 02/15/13 DTD 02/11/03 FC 08/15/03 Moody A2 , S&P A CUSIP 097023AT2 Acquired 05/27/08 nc	15,000	103 33	15,500 70	105 0070	15,751 05	250 35	288 28	768 75	4 88
WYETH NOTES - CPN LINKED TO WYETH CREDIT RATING CPN 5.500% DUE 03/15/13 DTD 02/14/03 FC 09/15/03 Moody A1 , S&P AA CUSIP 983024AA8 Acquired 05/27/08 nc	25,000	102 85	25,712 50	106 0530	26,513 25	800 75	401.04	1,375 00	5 18
Total Corporate Bonds	**127,000**		**$132,787.98**		**$130,905.26**	**-$1,882.72**	**$2,630.59**	**$7,666.75**	**5.86**

Government Bonds

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ACCRUED INTEREST	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
US INFL INDX NTS CPN 2 000% DUE 01/15/14 DTD 01/15/04 FC 07/15/04 Moody AAA , S&P NR DEC FACTOR 1 22556000 CUSIP 912828BW9 Acquired 12/01/08 nc	50,000	111 95 91 04	55,979 23 53,884 73	105 9140	64,901 98	8,922 75	559 50	1,225 56	1 88

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Fixed Income Securities

Government Bonds continued

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ACCRUED INTEREST	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
US TREASURY INFLATION INDEXED CPN 1 875% DUE 07/15/15 DTD 07/15/05 FC 01/15/06 Moody AAA , S&P NR DEC FACTOR 1 16422000 CUSIP 912828EA4 Acquired 04/24/09 nc	50,000	118 65 102 04	59,326 74 55,625 24	110 2970	64,204 98	4,878 24	498 27	1,091 45	1 69
US INFL INDX NTS CPN 2 500% DUE 07/15/16 DTD 07/15/06 FC 01/15/07 Moody AAA , S&P NR DEC FACTOR 1 12131000 CUSIP 912828FL9 Acquired 10/31/08 nc	50,000	104 64 93 10	52,323 99 50,495 49	115 6800	64,856 57	12,532 58	639 88	1,401 63	2 16
Total Government Bonds	**150,000**		**$167,629.96** **$160,005.46**		**$193,963.53**	**$26,333.57**	**$1,697.65**	**$3,718.64**	**1.92**

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Fixed Income Securities

Foreign Bonds

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ACCRUED INTEREST	ANNUAL INCOME	ANNUAL YIELD (%)
PHILLIPS ELECTRONICS NV DEBENTURE NON CALL LIFE CPN 7 250% DUE 08/15/13 DTD 08/15/93 FC 02/15/94 Moody A3 , S&P A- CUSIP 718448AB9 Acquired 09/08/08 nc	25,000	110 19	27,547 75	109 8250	27,456 25	-91 50	679 69	1,812 50	6 60
Total Foreign Bonds	**25,000**		**$27,547.75**		**$27,456.25**	**-$91.50**	**$679.69**	**$1,812.50**	**6.60**
Total Fixed Income Securities			**$327,965.69** **$320,341.19**		**$352,325.04**	**$24,359.35**	**$5,007.93**	**$13,197.89**	**3.75**

Mutual Funds

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 (%)
AMERICAN CENTURY QUANTITATIVE EQUITY FDS EQTY MKT NEUTRAL FD INVS ALHIX Acquired 10/28/11 nc	2,854 42400	10 51	30,000 00	10 6400	30,371.07	371 07	N/A	N/A
CAPITAL INCOME BLDR CLASS F1 CIBFX Acquired 07/09/08 nc	393.86900	55 58	21,891 21		19,386 23	-2,504 98		
Reinvestments nc	78 82300	45 74	3,605 89		3,879 67	273 78		
Total	**472.69200**		**$25,497.10**	**49.2200**	**$23,265.90**	**-$2,231.20**	**$875.89**	**3.76**

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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 (%)
FIDELITY ADVISOR II FLTG RATE HIGH INCOME FD CL I FFRIX								
Acquired 05/28/08 nc	3,711 55900	9 43	35,000 00		35,742 28	742 28		
Acquired 07/07/08 nc	1,600 85400	9 37	15,000 00		15,416 24	416 24		
Reinvestments nc	724 15000	9 16	6,638 14		6,973 58	335 44		
Total	**6,036.56300**		**$56,638.14**	**9.6300**	**$58,132.10**	**$1,493.96**	**$1,949.80**	**3.35**
FORUM FDS ABSOLUTE STRATEGIES FD INSTL SHS ASFIX								
Acquired 02/04/10 nc	3,809 52400	10 50	40,000 00		42,095 20	2,095 20		
Acquired 08/27/10 nc	942 50700	10 61	10,000 00		10,414 73	414 73		
Reinvestments nc	48 35400	10 90	527 11		534 32	7 21		
Total	**4,800.38500**		**$50,527.11**	**11.0500**	**$53,044.25**	**$2,517.14**	**$177.61**	**0.33**
FRANKLIN INVS SEC TR ADJUSTABLE US GOVERNMENT FUND CL ADVISOR FAGZX								
Acquired 08/03/09 nc	5,567 84800	8 98	50,000 00		49,331 08	-668 92		
Acquired 09/28/09 nc	2,780 82300	8 99	25,000 00		24,638 12	-361 88		
Reinvestments nc	466.36800	8 91	4,157 81		4,132 04	-25 77		
Total	**8,815.03900**		**$79,157.81**	**8.8600**	**$78,101.24**	**-$1,056.57**	**$1,666.04**	**2.13**
LOOMIS SAYLES STRATEGIC INCOME FUND CL-Y NEZYX								
Acquired 01/09/09 nc	5,233 42400	10 89	57,007 21		75,099 58	18,092 37		
Reinvestments nc	1,271 01200	13 59	17,284 60		18,239 07	954 47		
Total	**6,504.43600**		**$74,291.81**	**14.3500**	**$93,338.65**	**$19,046.84**	**$6,231.24**	**6.68**
PIMCO UNCONSTRAINED BD FUND CL INSTITUTIONAL PFIUX								
Acquired 03/29/11 nc	5,376 34400	11 16	60,000 00		58,548 33	-1,451 67		
Reinvestments nc	106.39300	10 98	1,168 79		1,158 67	-10 12		
Total	**5,482.73700**		**$61,168.79**	**10.8900**	**$59,707.00**	**-$1,461.79**	**$1,129.44**	**1.89**

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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 (%)
RYDEX SERIES - LONG SHORT INTEREST RATE STRATEGY FUND CLASS I RYBVX								
Acquired 10/28/11 nc	1,723 39500	23 21	40,000.00	23 6800	40,809 99	809 99	N/A	N/A
RYDEX SER FDS LONG/SHORT COMM STRAT FD H CL RYLFX								
Acquired 08/27/10 nc	1,291 99000	23 19 23 22	29,966.78 30,000 00		31,046 51	1,079 73		
Reinvestments nc	174.89900	24 98 24 98	4,369 40 4,369 40		4,202 83	-166 57		
Total	**1,466.88900**		**$34,336.18** **$34,369.40**	**24.0300**	**$35,249.34**	**$913.16**	**$1,943.62**	**5.51**
RYDEX SERIES FUNDS MANAGED FUTURES STRATEGY CL H RYMFX								
Acquired 02/04/10 nc	1,522.07000	26 28	40,000 00	23 9400	36,438 35	-3,561 65	N/A	N/A
Total Open End Mutual Funds			**$491,616.94** **$491,650.16**		**$508,457.89**	**$16,840.95**	**$13,973.64**	**2.75**
Total Mutual Funds			**$491,616.94** **$491,650.16**		**$508,457.89**	**$16,840.95**	**$13,973.64**	**2.75**

DECEMBER 1 - DECEMBER 31, 2011
ACCOUNT NUMBER 2340-6639

Preferreds/Fixed Rate Cap Securities

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
AEGON N V FLOATING RAT NON-CUM PERPETUAL PFD CALL STARTING 12/15/10 AEB								
Acquired 05/06/08 nc	1,000	20 32	20,320 00		15,950 00	-4,370 00		
Acquired 11/25/09 nc	300	14.99	4,499 97		4,785 00	285 03		
Acquired 11/25/09 nc	200	14 98	2,997 00		3,190 00	193 00		
Total	**1,500**		**$27,816.97**	**15.9500**	**$23,925.00**	**-$3,891.97**	**$1,516.50**	**6.34**
GS FLT RT NON-CUM PFD PERPETUAL CALLABLE 4/25/10 GS'A								
Acquired 10/22/09 nc	542	21 23	11,509 37		9,035 14	-2,474 23		
Acquired 10/22/09 nc	458	21 25	9,732 50		7,634 86	-2,097 64		
Acquired 11/17/09 nc	500	20 40	10,203 00		8,335 00	-1,868 00		
Total	**1,500**		**$31,444.87**	**16.6700**	**$25,005.00**	**-$6,439.87**	**$1,437.00**	**5.75**
HSBC USA INC SER F PFD PERPETUAL CALLABLE 4/7/10 HBA'F								
Acquired 05/31/11	1,000	23 19	23,199 90		15,300 00	-7,899 90		
Acquired 07/25/11	500	22 32	11,164 95		7,650 00	-3,514 95		
Total	**1,500**		**$34,364.85**	**15.3000**	**$22,950.00**	**-$11,414.85**	**$1,341.00**	**5.84**
METLIFE FLTG RATE PERPETUAL PFD CALLABLE 6/15/10 MET'A								
Acquired 05/06/08 nc	1,000	21 19	21,190 00		22,000 00	810 00		
Acquired 11/17/09 nc	500	21 14	10,572 50		11,000 00	427 50		
Total	**1,500**		**$31,762.50**	**22.0000**	**$33,000.00**	**$1,237.50**	**$1,516.50**	**4.60**
PRUDENTIAL FIN INC PFD SERIES CPI DUE 04/10/2018 PFK								
Acquired 04/06/10 nc	1,000	24 84	24,840 00		27,000 00	2,160 00		
Acquired 04/06/10 nc	500	24 84	12,420 00		13,500 00	1,080 00		
Total	**1,500**		**$37,260.00**	**27.0000**	**$40,500.00**	**$3,240.00**	**$2,350.50**	**5.80**

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Preferreds/Fixed Rate Cap Securities

DESCRIPTION	QUANTITY	ADJ PRICE/ ORIG PRICE	ADJ COST/ ORIG COST	CURRENT PRICE	CURRENT MARKET VALUE	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	ESTIMATED ANNUAL YIELD (%)
US BANCORP FLT PFD PERPETUAL SERIES B CALL STARTING 04/15/2011 USB'H								
Acquired 04/06/10 nc	1,300	22 75	29,587 87		28,438 28	-1,149 59		
Acquired 04/06/10 nc	200	22 76	4,552 00		4,375 12	-176 88		
Total	**1,500**		**$34,139.87**	**21.8756**	**$32,813.40**	**-$1,326.47**	**$1,341.00**	**4.09**
Total Preferreds/Fixed Rate Cap Securities			**$196,789.06**		**$178,193.40**	**-$18,595.66**	**$9,502.50**	**5.33**