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
MARKSBURY FAMILY FOUNDATION, INC.

A Employer identification number
26-4737208

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
2433 OLDE BRIDGE LANE

B Telephone number
859-333-2661

City or town, state, and ZIP code
LEXINGTON, KY 40513

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)* ▶$ 4,336,094.

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	4,030,708.			
	2	Check ▶☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	3,815.	3,815.		STATEMENT 1
	4	Dividends and interest from securities	55,871.	55,871.		STATEMENT 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	<29,589.>			
	b	Gross sales price for all assets on line 6a 1,049,261.				
	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	4,060,805.	59,686.	0.	
Operating and Administrative Expenses	13	Compensation of officers directors, trustees, etc	0.	0.	0.	0.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees				
	b	Accounting fees STMT 3	725.	363.	0.	362.
	c	Other professional fees				
	17	Interest				
	18	Taxes STMT 4	3,442.	1,366.	0.	0.
	19	Depreciation and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	4,167.	1,729.	0.	362.
	25	Contributions, gifts, grants paid	1,500,000.			1,500,000.
	26	**Total expenses and disbursements** Add lines 24 and 25	1,504,167.	1,729.	0.	1,500,362.
	27	Subtract line 26 from line 12:				
	a	Excess of revenue over expenses and disbursements	2,556,638.			
	b	**Net investment income** (if negative, enter -0-)		57,957.		
	c	**Adjusted net income** (if negative, enter -0-)			0.	

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Form **990-PF** (2011)

	Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of year amounts only	Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	3,872.	1,071.	1,071.
	2 Savings and temporary cash investments	1,717,946.	3,196,441.	3,196,441.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 5	153,771.	1,233,647.	1,137,006.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 6)	370.	1,576.	1,576.
	16 **Total assets** (to be completed by all filers)	1,875,959.	4,432,735.	4,336,094.
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 ▶ ☒ **and complete lines 27 through 31**			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	1,875,959.	4,432,735.	
	30 **Total net assets or fund balances**	1,875,959.	4,432,735.	
	31 **Total liabilities and net assets/fund balances**	1,875,959.	4,432,735.	

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	1,875,959.
2	Enter amount from Part I, line 27a	2	2,556,638.
3	Other increases not included in line 2 (itemize) ▶ PRIOR PERIOD ADJUSTMENT	3	138.
4	Add lines 1, 2, and 3	4	4,432,735.
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	4,432,735.

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 SCHEDULE ATTACHED	P	VARIOUS	VARIOUS
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	1,049,261.		1,078,850.	<29,589.>
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				<29,589.>
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 — <29,589.>

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	1,506,224.	243,772.	6.178823
2009	0.	2,126.	.000000
2008	0.	0.	.000000
2007			
2006			

2	Total of line 1, column (d)	2	6.178823
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	2.059608
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	1,942,972.
5	Multiply line 4 by line 3	5	4,001,761.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	580.
7	Add lines 5 and 6	7	4,002,341.
8	Enter qualifying distributions from Part XII, line 4	8	1,500,362.

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 ▶ ☐ and enter 1% of Part I, line 27b		1	1,159.
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	1,159.
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	1,159.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a 1,040.		
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	1,040.
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	119.
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** ▶	**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		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?	2		X
If "Yes," attach a detailed description of the activities			
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) ▶ KY			
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)*

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 ▶ THE ORGANIZATION Telephone no. ▶ 859-333-2661

Located at ▶ 2433 OLDE BRIDGE LANE, LEXINGTON, KY ZIP+4 ▶ 40513

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
DAVIS L. MARKSBURY, JR. 2433 OLDE BRIDGE LANE LEXINGTON, KY 40513	CHAIRMAN/EXECUTIVE DIR. 0.25	0.	0.	0.
BEVERLY E. MARKSBURY 2433 OLDE BRIDGE LANE LEXINGTON, KY 40513	TREASURER/SECRETARY 0.25	0.	0.	0.
LOGAN RENEE MARKSBURY 2433 OLDE BRIDGE LANE LEXINGTON, KY 40513	DIRECTOR 0.25	0.	0.	0.
DAVIS L. MARKSBURY, III 2433 OLDE BRIDGE LANE LEXINGTON, KY 40513	DIRECTOR 0.25	0.	0.	0.

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

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
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.

Form **990-PF** (2011)

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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	1,572,714.
b	Average of monthly cash balances		1b	398,409.
c	Fair market value of all other assets		1c	1,437.
d	**Total** (add lines 1a, b, and c)		1d	1,972,560.
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	1,972,560.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	29,588.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	1,942,972.
6	**Minimum investment return.** Enter 5% of line 5		6	97,149.

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	97,149.
2a	Tax on investment income for 2011 from Part VI, line 5	2a 1,159.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	1,159.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	95,990.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	95,990.
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	95,990.

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	1,500,362.
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	1,500,362.
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	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,500,362.

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				95,990.
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				
d From 2009				
e From 2010 1,495,945.				
f **Total** of lines 3a through e	1,495,945.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 1,500,362.				
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				95,990.
e Remaining amount distributed out of corpus	1,404,372.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	2,900,317.			
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	2,900,317.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010 1,495,945.				
e Excess from 2011 1,404,372.				

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).)

DAVIS L. MARKSBURY, JR.

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part 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*				
UNIVERSITY OF KENTUCKY WILLIAM B STURGILL DEVELOPMENT BLDG LEXINGTON, KY 40506-0015	NONE	501(C)(3) PUBLIC	DONATION TO THE DIGITAL VILLAGE PHASE II FUND	1,500,000.
Total			▶ 3a	1,500,000.
b *Approved for future payment* NONE				
Total			▶ 3b	0.

Form **990-PF** (2011)

123611 12-02-11

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	3,815.	
4 Dividends and interest from securities			14	55,871.	
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	<29,589.>	
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.		30,097.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 30,097.

(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).

123621
12-02-11

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 | Date 4/9/12 | 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
JENNIFER SHAH		4/6/12		P00448795

Firm's name ▶ DEAN DORTON ALLEN FORD, PLLC — Firm's EIN ▶ 27-3858252

Firm's address ▶ 106 W. VINE STREET, SUITE 600
LEXINGTON, KY 40507

Phone no. (859)255-2341

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2011

Name of the organization

MARKSBURY FAMILY FOUNDATION, INC.

Employer identification number

26-4737208

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

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

General Rule

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

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc , contributions of $5,000 or more during the year ▶ $ ____________

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

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

Name of organization	Employer identification number
MARKSBURY FAMILY FOUNDATION, INC.	26-4737208

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	EXSTREAM, INC. C/O DEAN DORTON ALLEN FORD, PLLC 106 WEST VINE STREET, SUITE 600 LEXINGTON, KY 40507	$ 9,819.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
2	MARKSBURY GIFTING TRUST, ATTN: PNC BANK, DE 1600 MARKET STREET, 4TH FLOOR PHILADELPHIA, PA 19103	$ 4,020,889.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Name of organization	Employer identification number
MARKSBURY FAMILY FOUNDATION, INC.	26-4737208

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization	Employer identification number
MARKSBURY FAMILY FOUNDATION, INC.	26-4737208

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

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

SOURCE	AMOUNT
FIDELITY ACCOUNT	3,739.
PNC MONEY MARKET	76.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	3,815.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FIDELITY ACCOUNT	55,871.	0.	55,871.
TOTAL TO FM 990-PF, PART I, LN 4	55,871.	0.	55,871.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	725.	363.	0.	362.
TO FORM 990-PF, PG 1, LN 16B	725.	363.	0.	362.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	1,366.	1,366.	0.	0.
EXCISE TAX	2,076.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 18	3,442.	1,366.	0.	0.

FORM 990-PF OTHER INVESTMENTS STATEMENT 5

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS	COST	1,233,647.	1,137,006.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,233,647.	1,137,006.

FORM 990-PF OTHER ASSETS STATEMENT 6

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
DIVIDENDS RECEIVABLE	370.	1,576.	1,576.
TO FORM 990-PF, PART II, LINE 15	370.	1,576.	1,576.

Fidelity INVESTMENTS

2011 Informational Tax Reporting Statement.

MARKSBURY FAMILY FOUNDATION
Account No. **Z72-235920** Customer Service 800-544-4442
Recipient ID No. ****-***7208** Payer's Fed ID Number 04-3523567

Note: This information is not reported to the IRS. It may assist you in tax return preparation.

2011 Proceeds from Broker and Barter Exchange Transactions

Description (9) CUSIP	Date of Acquisition (1b)	Date of Sale or Exchange (1a) Type of Gain or Loss (8)	Quantity Event	Sales Price of Stocks, Bonds etc (2) §	Cost or Other Basis (3) æ	Gain/Loss (-)	Wash Sale Loss Disallowed (5)	**Federal Income Tax Withheld (4)**
ISHARES IBOXX $ INVESTOP INVESTMENT GRAD 464287242	12/14/10	01/18/11 Short-Term	30 000 Sale	3,261.85	3,233 08	28 77		
ISHARES TR DOW JONESSELECT DIVID INDEX F 464287168	12/14/10	01/18/11 Short-Term	200 000 Sale	10,021.47	10,009.13	12.34		
ISHARES TR MSCI ALL COUNTRY ASIA EX JAPA 464288182	01/18/11	08/30/11 Short-Term	100.000 Sale	5,500 96	6,394 73	-893.77		
	01/18/11	08/30/11 Short-Term	100 000 Sale	5,496 09	6,386 84	-890 75		
	01/18/11	08/30/11 Short-Term	100.000 Sale	5,500 99	6,386 90	-885.91		
	01/18/11	08/30/11 Short-Term	100 000 Sale	5,500 99	6,388 81	-887.82		
	01/18/11	08/30/11 Short-Term	100 000 Sale	5,500.99	6,389 50	-888 51		
	01/18/11	08/30/11 Short-Term	100 000 Sale	5,500.99	6,389.52	-888.53		
	01/18/11	08/30/11 Short-Term	200 000 Sale	11,002 00	12,779 20	-1,777 20		
	01/18/11	10/14/11 Short-Term	100 000 Sale	5,168 28	6,389 60	-1,221.32		
	01/18/11	10/14/11 Short-Term	300 000 Sale	15,504.84	19,169 40	-3,664 56		
	01/18/11	10/14/11 Short-Term	400.000 Sale	20,673.13	25,551 20	-4,878.07		
Sub Totals				**85,349.26**	**102,225.70 z**			
				Short-Term Losses		-16,876 44		
ISHARES TR MSCI EMERGING MKTS INDEX FD 464287234	12/14/10	08/30/11 Short-Term	200 000 Sale	8,322 06	9,420 00	-1,097 94	1,097 94	

*Our records indicate that you are an exempt recipient for 1099 reporting purposes This statement provided is based on IRS information reporting requirements for individuals as of the preparation date and is NOT furnished to the IRS. You may be subject to different income tax reporting requirements Please contact your tax advisor if you have any questions.

Fidelity INVESTMENTS

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Recipient ID No. ****-***7208** Payer's Fed ID Number 04-3523567

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2011 Proceeds from Broker and Barter Exchange Transactions

Description (9) CUSIP	Date of Acquisition (1b)	Date of Sale or Exchange (1a) Type of Gain or Loss (8)	Quantity Event	Sales Price of Stocks, Bonds etc (2) §	Cost or Other Basis (3) æ	Gain/Loss (-)	Wash Sale Loss Disallowed (5)	**Federal Income Tax Withheld (4)**
ISHARES TR MSCI EMERGING MKTS INDEX FD 464287234	01/18/11	08/30/11 Short-Term	1,100 000 Sale	45,771 33	52,622 79	-6,851 46	6,851 46	
	02/10/11	09/27/11 Short-Term	1,300.000 Sale	49,672 04	54,513 97	-4,841 93		
	09/22/11	09/27/11 Short-Term	200 000 Sale	7,641 85	7,163 78	478 07		
Sub Totals				**111,407.28**	**123,720.54 z**			
				· Short-Term Gains		478 07		
				Short-Term Losses		-12,791 33		
				Short-Term Disallowed Losses			7,949 40	
ISHARES TR RUSSELL 1000 INDEX FD 464287622	01/18/11	08/30/11 Short-Term	560 000 Sale	37,469 44	40,246 08	-2,776 64		
	01/18/11	12/08/11 Short-Term	675 000 Sale	46,541.23	48,510.90	-1,969 67		
	01/18/11	12/08/11 Short-Term	415 000 Sale	28,614 52	29,825 22	-1,210 70		
	04/11/11	12/08/11 Short-Term	10 000 Sale	689 51	740 70	-51 19		
Sub Totals				**113,314.70**	**119,322.90 z**			
				Short-Term Losses		-6,008 20		
ISHARES TR RUSSELL 2000 INDEX FD 464287655	12/14/10	08/30/11 Short-Term	80 000 Sale	5,763.18	6,209 52	-446 34		
	01/18/11	08/30/11 Short-Term	220 000 Sale	15,848 76	17,630 78	-1,782 02		
	01/18/11	08/30/11 Short-Term	180 000 Sale	12,967.31	14,425 18	-1,457 87		
Sub Totals				**34,579.25**	**38,265.48 z**			
				Short-Term Losses		-3,686 23		

*Our records indicate that you are an exempt recipient for 1099 reporting purposes This statement provided is based on IRS information reporting requirements for individuals as of the preparation date and is NOT furnished to the IRS. You may be subject to different income tax reporting requirements Please contact your tax advisor if you have any questions.

2011 Informational Tax Reporting Statement

MARKSBURY FAMILY FOUNDATION

Account No **Z72-235920** Customer Service 800-544-4442
Recipient ID No. ****-***7208** Payer's Fed ID Number 04-3523567

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2011 Proceeds from Broker and Barter Exchange Transactions

Description (9) CUSIP	Date of Acquisition (1b)	Date of Sale or Exchange (1a) Type of Gain or Loss (8)	Quantity Event	Sales Price of Stocks, Bonds etc (2) §	Cost or Other Basis (3) æ	Gain/Loss (-)	Wash Sale Loss Disallowed (5)	**Federal Income Tax Withheld (4)**
ISHARES TR S&P U S PFD STK INDEX FD 464288687	12/14/10	08/30/11 Short-Term	25.000 Sale	938 78	977 64	-38 86		
	12/14/10	08/30/11 Short-Term	175 000 Sale	6,606.75	6,843.49	-236.74		
	01/18/11	08/30/11 Short-Term	900 000 Sale	33,977 58	35,105.58	-1,128 00		
	01/18/11	08/30/11 Short-Term	1,000.000 Sale	37,752.88	39,013 06	-1,260.18		
Sub Totals				**79,275.99**	**81,939.77 z**			
				Short-Term Losses		-2,663 78		
POWERSHARES EXCH TRADED FD TR II PREFERR 73936T565	12/14/10	01/18/11 Short-Term	700 000 Sale	9,814 26	9,995 55	-181 29		
POWERSHARES INTER DVD ACHIEV POWERSHARES 73935X716	12/14/10	04/11/11 Short-Term	100.000 Sale	1,642.77	1,548 00	94.77		
	12/14/10	08/30/11 Short-Term	600.000 Sale	8,947.45	9,287 97	-340 52		
	01/18/11	08/30/11 Short-Term	300 000 Sale	4,473.72	4,729.95	-256 23		
	01/18/11	08/30/11 Short-Term	600 000 Sale	8,947 45	9,439 44	-491 99		
	01/18/11	08/30/11 Short-Term	2,100 000 Sale	31,289 39	33,038 04	-1,748 65		
Sub Totals				**55,300.78**	**58,043.40 z**			
				Short-Term Gains		94.77		
				Short-Term Losses		-2,837 39		
POWERSHARES QQQ TR UNIT SER 1 73935A104	08/08/11	08/30/11 Short-Term	300 000 Sale	16,347.73	15,692 03	655.70		

*Our records indicate that you are an exempt recipient for 1099 reporting purposes This statement provided is based on IRS information reporting requirements for individuals as of the preparation date and is NOT furnished to the IRS You may be subject to different income tax reporting requirements. Please contact your tax advisor if you have any questions.

Fidelity INVESTMENTS

2011 Informational Tax Reporting Statement

MARKSBURY FAMILY FOUNDATION Account No. **Z72-235920** Customer Service 800-544-4442
Recipient ID No ****-***7208** Payer's Fed ID Number 04-3523567

Note: This information is not reported to the IRS. It may assist you in tax return preparation.

2011 Proceeds from Broker and Barter Exchange Transactions

Description (9) CUSIP	Date of Acquisition (1b)	Date of Sale or Exchange (1a) Type of Gain or Loss (8)	Quantity Event	Sales Price of Stocks, Bonds etc (2) §	Cost or Other Basis (3) æ	Gain/Loss (-)	Wash Sale Loss Disallowed (5)	**Federal Income Tax Withheld (4)**
POWERSHARES QQQ TR UNIT SER 1 73935A104	08/08/11	09/14/11 Short-Term	400.000 Sale	22,196 74	20,922 71	1,274 03		
	08/08/11	09/14/11 Short-Term	300.000 Sale	16,647 56	15,688 80	958.76		
	09/22/11	10/06/11 Short-Term	1,000.000 Sale	54,365.70	53,754.95	610 75		
Sub Totals				**109,557.73**	**106,058.49 z**			
				Short-Term Gains		3,499 24		
SPDR INDEX SHS FDS S&P INTL DIVIDEND ETF 78463X772	12/14/10	01/18/11 Short-Term	100.000 Sale	5,691 94	5,614 95	76 99		
SPDR S&P 500 ETF TRUST UNIT SER 1 S&P 78462F103	12/14/10	04/11/11 Short-Term	50.000 Sale	6,643.42	6,262 95	380 47		
	09/22/11	09/27/11 Short-Term	400.000 Sale	47,386 71	45,368.35	2,018 36		
	09/22/11	09/27/11 Short-Term	400.000 Sale	47,386.71	45,364 00	2,022.71		
	09/22/11	09/27/11 Short-Term	200.000 Sale	23,693 35	22,682 00	1,011 35		
	10/03/11	10/06/11 Short-Term	100 000 Sale	11,499.28	11,316 89	182 39		
	10/03/11	10/06/11 Short-Term	500 000 Sale	57,496.42	56,589 95	906 47		
	10/03/11	10/06/11 Short-Term	400 000 Sale	45,997 14	45,266 40	730.74		
Sub Totals				**240,103.03**	**232,850.54 z**			
				Short-Term Gains		7,252 49		
SPDR SER TR BARCLAYS CAP LONG TERM CORPO 78464A367	12/14/10	04/26/11 Short-Term	100 000 Sale	3,572.66	3,588 45	-15.79		

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Fidelity INVESTMENTS

2011 Informational Tax Reporting Statement

MARKSBURY FAMILY FOUNDATION
Account No **Z72-235920** Customer Service 800-544-4442
Recipient ID No. ****-***7208** Payer's Fed ID Number 04-3523567

Note: This information is not reported to the IRS. It may assist you in tax return preparation.

2011 Proceeds from Broker and Barter Exchange Transactions

Description (9) CUSIP	Date of Acquisition (1b)	Date of Sale or Exchange (1a) Type of Gain or Loss (8)	Quantity Event	Sales Price of Stocks, Bonds etc (2) §	Cost or Other Basis (3) æ	Gain/Loss (-)	Wash Sale Loss Disallowed (5)	**Federal Income Tax Withheld (4)**
SPDR SER TR BARCLAYS CAP LONG TERM CORPO 78464A367	01/18/11	04/26/11 Short-Term	100 000 Sale	3,572 66	3,523 95	48.71		
	01/18/11	04/26/11 Short-Term	700 000 Sale	25,008 59	24,615 50	393 09		
	01/18/11	04/26/11 Short-Term	900 000 Sale	32,153 90	31,680 00	473.90		
Sub Totals				**64,307.81**	**63,407.90 z**			
				Short-Term Gains		915.70		
				Short-Term Losses		-15 79		
SPDR SER TR BARCLAYSCAP CONV SECS ETF 78464A359	12/14/10	01/18/11 Short-Term	100.000 Sale	4,179.91	4,104.98	74.93		
	12/14/10	01/18/11 Short-Term	100 000 Sale	4,172 36	4,104 97	67.39		
Sub Totals				**8,352.27**	**8,209.95 z**			
				Short-Term Gains		142.32		
SPDR SER TR BARCLAYSCAP HIGH YIELD BD ET 78464A417	12/14/10	01/18/11 Short-Term	200.000 Sale	8,024 29	7,993 55	30.74		
SPDR SER TR S&P DIVID ETF 78464A763	12/14/10	08/30/11 Short-Term	100 000 Sale	5,112 95	5,203 48	-90 53		
	12/14/10	08/30/11 Short-Term	100.000 Sale	5,116.90	5,203 47	-86 57		
	01/18/11	08/30/11 Short-Term	900 000 Sale	46,052 11	47,171 47	-1,119 36		
Sub Totals				**56,281.96**	**57,578.42 z**			
				Short-Term Losses		-1,296 46		
VANGUARD TAX-MANAGEDINTL FD MSCI EAFE ET 921943858	12/14/10	08/30/11 Short-Term	100 000 Sale	3,315 33	3,708 89	-393 56		

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2011 Proceeds from Broker and Barter Exchange Transactions

Description (9) CUSIP	Date of Acquisition (1b)	Date of Sale or Exchange (1a) Type of Gain or Loss (8)	Quantity Event	Sales Price of Stocks, Bonds etc (2) §	Cost or Other Basis (3) æ	Gain/Loss (-)	Wash Sale Loss Disallowed (5)	**Federal Income Tax Withheld (4)**
VANGUARD TAX-MANAGEDINTL FD MSCI EAFE ET 921943858	12/14/10	08/30/11 Short-Term	200 000 Sale	6,624 96	7,401 96	-777 00		
Sub Totals				**9,940.29**	**11,110.85 z**			
				Short-Term Losses		-1,170 56		
WISDOMTREE EMERG MKTS EQUITY INCOME FUND 97717W315	12/14/10	08/30/11 Short-Term	100.000 Sale	5,605 18	5,844 15	-238.97		
	01/18/11	08/30/11 Short-Term	600.000 Sale	33,631.11	36,012 81	-2,381 70		
Sub Totals				**39,236.29**	**41,856.96 z**			
				Short-Term Losses		-2,620 67		
WISDOMTREE TR EMERGING MKTS SMALLCAP DIV 97717W281	12/14/10	01/18/11 Short-Term	100.000 Sale	5,440.95	5,362 94	78 01		
TOTALS				**1,049,261.40**	**1,086,800.10 z**			**0.00**
SHORT-TERM TOTALS				**1,049,261.40**	**1,086,800.10 z**			
				Gains		12,609.44	TOTAL LOSS 29,589	
				Losses		-50,148.14		
				Disallowed Losses			7,949 40	
LONG-TERM TOTALS				**0.00**	**0.00 z**			
				Gains		0 00		
				Losses		0 00		
				Disallowed Losses			0 00	

§ Gross proceeds less commissions
æ Cost or other basis provided may include adjustments including but not limited to· dividend reinvestment, return of capital/principal, wash sale loss disallowed, amortization, accretion, acquisition premium, bond premium, market discount, market premium, and option premium
z Totals of Cost or Other Basis include all tax lots with known basis Totals do not include tax lots with unknown basis

Amortization, accretion, and similar adjustments to cost basis are not provided for short-term instruments, unit investment trusts, or securities of foreign issuers

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