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 , 2011, and ending ,

Name of foundation: Two Red Roses Foundation Inc.

Number and street (or P.O. box number if mail is not delivered to street address): 4190 Corporate Court

Room/suite:

City or town: Palm Harbor | State: FL | ZIP code: 34683

A Employer identification number: 33-1093993

B Telephone number (see the instructions): (727) 943-2144

C If exemption application is pending, check here ► [ ]

D 1 Foreign organizations, check here ► [ ]

2 Foreign organizations meeting the 85% test, check here and attach computation ► [ ]

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

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

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

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► $ 58,298,047.

J Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) (Part I, column (d) must be on cash basis.)

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

	Line	(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 (att sch)	1,686,900.			
	2 Ck ► [X] if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	821.	821.	821.	
	4 Dividends and interest from securities	166,500.	166,500.	166,500.	
	5a Gross rents	434,400.	434,400.	434,400.	
	b Net rental income or (loss) 434,400.		L-6a Stmt		
	6a Net gain/(loss) from sale of assets not on line 10	2,417,483.			
	b Gross sales price for all assets on line 6a 73,835,752.				
	7 Capital gain net income (from Part IV, line 2)		2,417,483.		
	8 Net short-term capital gain			1,432,509.	
	9 Income modifications				
	10a Gross sales less returns and allowances 2,680.				
	b Less: Cost of goods sold 1,753.				
	c Gross profit/(loss) (att sch)	927.			
	11 Other income (attach schedule) sale of publication	728.			
	12 **Total.** Add lines 1 through 11	4,707,759.	3,019,204.	2,034,230.	
ADMINISTRATIVE OPERATING AND EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages	0.			
	15 Pension plans, employee benefits	0.			
	16a Legal fees (attach schedule) L-16a Stmt	11,661.			11,661.
	b Accounting fees (attach sch) L-16b Stmt	3,000.			3,000.
	c Other prof fees (attach sch) L-16c Stmt	57,681.			57,681.
	17 Interest	27,702.	27,702.	27,702.	
	18 Taxes (attach schedule)(see instrs) See Line 18 Stmt	530,711.	53,558.	53,558.	847.
	19 Depreciation (attach sch) and depletion	30,448.	30,448.	30,448.	
	20 Occupancy				
	21 Travel, conferences, and meetings	3,629.			3,629.
	22 Printing and publications	5,019.			5,019.
	23 Other expenses (attach schedule) See Line 23 Stmt	82,549.			82,549.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	752,400.	111,708.	111,708.	164,386.
	25 Contributions, gifts, grants paid				
	26 **Total expenses and disbursements.** Add lines 24 and 25	752,400.	111,708.	111,708.	164,386.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	3,955,359.			
	b **Net investment income** (if negative, enter -0-)		2,907,496.		
	c **Adjusted net income** (if negative, enter -0-)			1,922,522.	

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Part II Balance Sheets

Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions.)

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets				
1	Cash — non-interest-bearing			
2	Savings and temporary cash investments	139,038.	117,880.	117,880.
3	Accounts receivable ►			
	Less: allowance for doubtful accounts ►			
4	Pledges receivable ►			
	Less: allowance for doubtful accounts ►			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)	6,038.		
7	Other notes and loans receivable (attach sch) ►			
	Less: allowance for doubtful accounts ►	0.		
8	Inventories for sale or use	36,530.	36,230.	36,230.
9	Prepaid expenses and deferred charges			
10a	Investments — U.S. and state government obligations (attach schedule)			
b	Investments — corporate stock (attach schedule) L-10b Stmt	20,302,760.	19,137,000.	19,137,000.
c	Investments — corporate bonds (attach schedule) L-10c Stmt	935,000.	957,500.	957,500.
11	Investments — land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
12	Investments — mortgage loans			
13	Investments — other (attach schedule)			
14	Land, buildings, and equipment: basis ► 1,118,109.			
	Less: accumulated depreciation (attach schedule) L-14 Stmt ► 161,363.	987,193.	956,746.	3,250,000.
15	Other assets (describe ► Art Collections)	33,279,478.	34,799,437.	34,799,437.
16	**Total assets** (to be completed by all filers — see the instructions. Also, see page 1, item I)	55,686,037.	56,004,793.	58,298,047.
Liabilities				
17	Accounts payable and accrued expenses	1,044,000.	511,200.	
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, & other disqualified persons	4,500,000.	3,300,000.	
21	Mortgages and other notes payable (attach schedule)	0.		
22	Other liabilities (describe ► Margin loan)	0.	4,775,754.	
23	**Total liabilities** (add lines 17 through 22)	5,544,000.	8,586,954.	
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			
28	Paid-in or capital surplus, or land, building, and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds	50,142,037.	47,417,839.	
30	**Total net assets or fund balances** (see instructions)	50,142,037.	47,417,839.	
31	**Total liabilities and net assets/fund balances** (see instructions)	55,686,037.	56,004,793.	

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	50,142,037.
2	Enter amount from Part I, line 27a	2	3,955,359.
3	Other increases not included in line 2 (itemize) ► unrealized loss on securities	3	-6,679,557.
4	Add lines 1, 2, and 3	4	47,417,839.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	47,417,839.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	Publicly traded securities-short term	P	various	various-s
b	publicly traded securities	P	various	various-l
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	56,229,438.		54,796,929.	1,432,509.
b	17,606,314.		16,621,340.	984,974.
c				
d				
e				

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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a	0.	0.	0.	1,432,509.
b	0.	0.	0.	984,974.
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	2,417,483.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8	3	1,432,509.

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 the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010	7,221,716.	21,005,839.	0.343796
2009	1,590,748.	13,162,802.	0.120852
2008	1,920,744.	19,248,429.	0.099787
2007	4,983,332.	18,045,535.	0.276153
2006	2,711,034.	10,963,045.	0.247288

2	**Total** of line 1, column (d)	2	1.087876
3	Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.217575
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	20,262,666.
5	Multiply line 4 by line 3	5	4,408,650.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	29,075.
7	Add lines 5 and 6	7	4,437,725.
8	Enter qualifying distributions from Part XII, line 4	8	1,221,253.

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)

1 a 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 instrs)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b			1	58,150.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	58,150.
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	58,150.
6 Credits/Payments:				
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	96,960.		
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	96,960.
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	38,810.
11 Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ► 20,000. **Refunded** ►			11	18,810.

Part VII-A Statements Regarding Activities

		Yes	No
1 a 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 the 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 ► $ ________ **(2)** On foundation managers ► $ ________			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ ________			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS?	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?	4b	X	
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, column (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ► FL - Florida			
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 ► tworedroses.com

14 The books are in care of ► Rodolfo Ciccarello Telephone no. ► (727) 943-2144

Located at ► 4190 Corporate ct Palm harbor FL ZIP + 4 ► 34683

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

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

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		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

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

				Yes	No
1 a	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)?		1b		X
	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 ► 20__ , 20__ , 20__ , 20__ .				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer 'No' and attach statement – see instructions.)		2b		X
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ► 20__ , 20__ , 20__ , 20__ .				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)* 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

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

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

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

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

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

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

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

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

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

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

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? 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 (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Rudy Ciccarello 1650 East Lake Drive Springs, FL 34688	President 20.00	0.	0.	0.
Jeffrey Sicilio 1053 Progress Court Palm Harbor FL 34683	Director-CIS 6.00	0.	0.	0.
Tom Magoulis, 1975 1053 Progress Court Palm Harbor FL 34683	Executive 5.00	0.	0.	0.
See Information about Officers, Directors, Trustees, Etc.		0.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ None

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

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

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 Manuscript in progress called 'So Various are the Forms it Assumes' on the Foundation's furniture collection. Photography by Alex Vertikoff and manuscript by David Cathers	49,855.
2 Repitina by Aurora Studios for various pieces including Gustav Heart Chandelier, Kipp Shade, Gustav Stickley Wine Holder and Roycroft desk	2,335.
3 Repitina by David Parsons for various items including Gustav Stickley Oak Desk and Eastwood Chair	2,600.
4 Restoration of Grueby Tulip Tiles and Grueby Lamp done by Ken Lay	3,415.

Part IX-B Summary of Program-Related Investments (see instructions)

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

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	23,256,573.
b	Average of monthly cash balances	1b	596,287.
c	Fair market value of all other assets (see instructions)	1c	1,870,000.
d	**Total** (add lines 1a, b, and c)	1d	25,722,860.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	5,151,625.
3	Subtract line 2 from line 1d	3	20,571,235.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	308,569.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	20,262,666.
6	**Minimum investment return.** Enter 5% of line 5	6	1,013,133.

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

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

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	164,386.
b	Program-related investments– total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	1,056,867.
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	1,221,253.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,221,253.

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				
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			0.	
b Total for prior years: 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2011:				
a From 2006 — 2,711,034.				
b From 2007 — 0.				
c From 2008 — 1,920,744.				
d From 2009 — 1,590,748.				
e From 2010 — 6,222,526.				
f Total of lines 3a through e	12,445,052.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► $ N/A				
a Applied to 2010, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2011 distributable amount				
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).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	12,445,052.			
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				
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 instructions			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) (see instructions)				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	2,711,034.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	9,734,018.			
10 Analysis of line 9:				
a Excess from 2007 — 0.				
b Excess from 2008 — 1,920,744.				
c Excess from 2009 — 1,590,748.				
d Excess from 2010 — 6,222,526.				
e Excess from 2011 — 0.				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ► 07/11/05

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

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	1,013,133.	788,825.	658,140.	962,421.	3,422,519.
b 85% of line 2a	861,163.	670,501.	559,419.	818,058.	2,909,141.
c Qualifying distributions from Part XII, line 4 for each year listed	1,221,253.	7,221,716.	1,590,748.	1,920,744.	11,954,461.
d Amounts included in line 2c not used directly for active conduct of exempt activities	0.	0.	0.	0.	N/A
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c.	1,221,253.	7,221,716.	1,590,748.	1,920,744.	11,954,461.
3 Complete 3a, b, or c for the alternative test relied upon:					
a 'Assets' alternative test — enter:					
(1) Value of all assets	51,229,039.	57,948,844.	55,283,815.	49,393,113.	213,854,811.
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)	35,326,622.	36,711,084.	29,836,315.	26,717,867.	128,591,888.
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)	1,686,900.	1,000.	23,910.	25,000.	1,736,810.
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)	0.	0.	0.	25,000.	25,000.
(3) Largest amount of support from an exempt organization	0.	0.	0.	0.	N/A
(4) Gross investment income	-4,094,754.	2,046,654.	6,071,814.	-824,172.	3,199,542.

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

Rodolfo Ciccarello

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.

n/a

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:

Two Red Roses Foundation
4190 Corporate Court
Palm Harbor FL 34683 (727) 943-2144

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

n/a

c Any submission deadlines:

n/a

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

n/a

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				
Total ▶ **3a**				
b Approved for future payment				
		n/a	n/a	
Total ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions)
1 Program service revenue:					
a n/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	821.	
4 Dividends and interest from securities			14	166,500.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property			16	434,400.	
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory		656,079.	18	1,761,404.	0.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory			18	927.	
11 Other revenue:					
a Catalog book sales			18	728.	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		656,079.		2,364,780.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 3,020,859.

(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). (See instructions.)
n/a	

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

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

b If 'Yes,' complete the following schedule.

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

Sign Here

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

[signature] 8/10/12 President

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Firm's name ►			Firm's EIN ►	
Firm's address ►			Phone no	

Supporting Statement of:

Form 990-PF, p1/Line 1(a)

Description	Amount
Cash Contributions	1,200,000.
Non-cash contributions	486,900.
Total	1,686,900.

Form 990-PF Part I, Line 6a

Net Gain or Loss From Sale of Assets

2011

Name: Two Red Roses Foundation Inc.

Employer Identification Number: 33-1093993

Asset Information:

Description of Property: Sales of publicly traded securities
Date Acquired: various
How Acquired: Purchased
Date Sold: various
Name of Buyer:
Sales Price: 73,835,752.
Cost or other basis (do not reduce by depreciation): 71,418,269.
Sales Expense:
Valuation Method:
Total Gain (Loss): 2,417,483.
Accumulation Depreciation:

Description of Property:
Date Acquired:
How Acquired:
Date Sold:
Name of Buyer:
Sales Price:
Cost or other basis (do not reduce by depreciation)
Sales Expense:
Valuation Method:
Total Gain (Loss):
Accumulation Depreciation:

Description of Property:
Date Acquired:
How Acquired:
Date Sold:
Name of Buyer:
Sales Price:
Cost or other basis (do not reduce by depreciation)
Sales Expense:
Valuation Method:
Total Gain (Loss):
Accumulation Depreciation:

Description of Property:
Date Acquired:
How Acquired:
Date Sold:
Name of Buyer:
Sales Price:
Cost or other basis (do not reduce by depreciation)
Sales Expense:
Valuation Method:
Total Gain (Loss):
Accumulation Depreciation:

Description of Property:
Date Acquired:
How Acquired:
Date Sold:
Name of Buyer:
Sales Price:
Cost or other basis (do not reduce by depreciation)
Sales Expense:
Valuation Method:
Total Gain (Loss):
Accumulation Depreciation:

Description of Property:
Date Acquired:
How Acquired:
Date Sold:
Name of Buyer:
Sales Price:
Cost or other basis (do not reduce by depreciation)
Sales Expense:
Valuation Method:
Total Gain (Loss):
Accumulation Depreciation:

Description of Property:
Date Acquired:
How Acquired:
Date Sold:
Name of Buyer:
Sales Price:
Cost or other basis (do not reduce by depreciation)
Sales Expense:
Valuation Method:
Total Gain (Loss):
Accumulation Depreciation:

Description of Property:
Date Acquired:
How Acquired:
Date Sold:
Name of Buyer:
Sales Price:
Cost or other basis (do not reduce by depreciation)
Sales Expense:
Valuation Method:
Total Gain (Loss):
Accumulation Depreciation:

Form 990-PF
Part II, Lines 20b, and 21b

Loans, Mortagages, and Other Notes Payable

2011

Name: Two Red Roses Foundation Inc.

Employer Identification Number: 33-1093993

Lender Information

Loan Payable Type 1

Lender Name Rodolfo Ciccarello   Lenders Title President

Check Box, if Lender is a Business ☐

Relationship of Lender   Borrower's Security None

Purchase Terms   Repayment Terms Demand

Purpose of Loan Purchase of art/ antiques   Description of Consideration

Original Amount 4,500,000.   Beginning Year Balance 4,500,000.   Year End Balance .. 3,300,000.

FMV of Consideration   Date of Note 04/30/10

Maturity Date various   Interest Rate 0.00

Loan Payable Type

Lender Name   Lenders Title

Check Box, if Lender is a Business ☐

Relationship of Lender   Borrower's Security

Purchase Terms   Repayment Terms

Purpose of Loan   Description of Consideration

Original Amount   Beginning Year Balance   Year End Balance ..

FMV of Consideration   Date of Note

Maturity Date   Interest Rate

Loan Payable Type

Lender Name   Lenders Title

Check Box, if Lender is a Business ☐

Relationship of Lender   Borrower's Security

Purchase Terms   Repayment Terms

Purpose of Loan   Description of Consideration

Original Amount   Beginning Year Balance   Year End Balance ..

FMV of Consideration   Date of Note

Maturity Date   Interest Rate

Loan Payable Type

Lender Name   Lenders Title

Check Box, if Lender is a Business ☐

Relationship of Lender   Borrower's Security

Purchase Terms   Repayment Terms

Purpose of Loan   Description of Consideration

Original Amount   Beginning Year Balance   Year End Balance ..

FMV of Consideration   Date of Note

Maturity Date   Interest Rate

Form 990-PF, Page 1, Part I, Line 18
Line 18 Stmt

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
federal excise tax	847.			847.
UBIT	476,306.			
Fl Dept Rev	28,000.	28,000.	28,000.	
Property tax	25,558.	25,558.	25,558.	
Total	530,711.	53,558.	53,558.	847.

Form 990-PF, Page 1, Part I, Line 23
Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Freight	3,771.			3,771.
Supplies	276.			276.
Computer	732.			732.
Restoration	18,469.			18,469.
Gen & administrative	7,585.			7,585.
Insurance	51,716.			51,716.
Total	82,549.			82,549.

Form 990-PF, Page 6, Part VIII, Line 1
Information about Officers, Directors, Trustees, Etc.

(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
Person [X] Business [ ] Anne Bomhardt 1053 Progress Court Palm Harbor FL 34683	Finance Dir. 4.00	0.	0.	0.
Person [X] Business [ ]				
Total		0.	0.	0.

Form 990-PF, Page 1, Part I
Line 16a - Legal Fees

Name of Provider	**Type of Service Provided**	**Amount Paid Per Books**	**Net Investment Income**	**Adjusted Net Income**	**Disbursements for Charitable Purposes**
Arnold & Burguieres	legal contract matters	11,661.			11,661.

Form 990-PF, Page 1, Part I Continued

Line 16a - Legal Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Total		11,661.			11,661.

Form 990-PF, Page 1, Part I

Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Baumann Raymondo	Tax preparation	3,000.			3,000.
Total		3,000.			3,000.

Form 990-PF, Page 1, Part I

Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Susan Montgomery	Museum exhibit;scholar	863.			863.
David Cathers	Consulting research	24,667.			24,667.
Alex Vertikoff	publication/ photos	25,189.			25,189.
Martin Eidelberg	publication/ research	1,577.			1,577.
Kim Schultz	publication/ manuscrip	2,385.			2,385.
Jerry Cohen	appraisal	3,000.			3,000.
Total		57,681.			57,681.

Form 990-PF, Page 2, Part II, Line 10b

L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year Book Value	End of Year Fair Market Value
Citigroup	5,262,000.	5,262,000.
Dell	1,463,000.	1,463,000.
Ford	4,304,000.	4,304,000.
General Motors	8,108,000.	8,108,000.
Total	19,137,000.	19,137,000.

Form 990-PF, Page 2, Part II, Line 10c
L- 10c Stmt

Line 10c - Investments - Corporate Bonds:	End of Year Book Value	End of Year Fair Market Value
MGM Mirage	957,500.	957,500.
Total	957,500.	957,500.

Form 990-PF, Page 2, Part II, Line 14
L-14 Stmt

Line 14b - Description of Land, Buildings, and Equipment	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Building 1/ 1053 Progress Ct	145,357.	18,790.	126,567.
Building 2/ 1053 Progress Ct	153,871.	19,891.	133,980.
Building 3/ 1053 Progress Ct	219,580.	28,385.	191,195.
Building 4/ 4190 Corporate Ct	563,842.	72,888.	490,954.
Gallery display	26,419.	20,279.	6,140.
Hurricane shutters	9,040.	1,130.	7,910.
Total	1,118,109.	161,363.	956,746.