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 ,

JOHN & CAROLYN PETERSON CHARITABLE FOUNDATION, INC.
411 EAST WISCONSIN AVENUE #2040
MILWAUKEE, WI 53202-4497

A Employer identification number 43-1974269

B Telephone number (see the instructions) 414-277-5000

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) ► $ 4,412,791.

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)				
	2 Ck ► [X] if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	42.	42.	N/A	
	4 Dividends and interest from securities	158,888.	158,888.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	33,991.			
	b Gross sales price for all assets on line 6a 1,294,334.				
	7 Capital gain net income (from Part IV, line 2)		33,991.		
	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/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	192,921.	192,921.		
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	8,500.	4,250.		4,250.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) SEE ST 1	5,277.	2,638.		2,639.
	b Accounting fees (attach sch)				
	c Other prof fees (attach sch) SEE ST 2	22,366.	22,366.		
	17 Interest				
	18 Taxes (attach schedule)(see instrs) SEE STM 3	3,732.	1,632.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 4	383.	363.		20.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	40,258.	31,249.		6,909.
	25 Contributions, gifts, grants paid PART XV	216,000.			216,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	256,258.	31,249.		222,909.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-63,337.			
	b **Net investment income** (if negative, enter -0-)		161,672.		
	c **Adjusted net income** (if negative, enter -0-)				

RECEIVED JUN 25 2012 OGDEN, UT IRS-OSC

SCANNED JUN 27 2012

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

		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing	1,514.	914.	914.
	2 Savings and temporary cash investments	155,880.	170,711.	170,711.
	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)			
	7 Other notes and loans receivable (attach sch) ►			
	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 (attach schedule) STATEMENT 5	177,395.	192,134.	194,296.
	b Investments — corporate stock (attach schedule) STATEMENT 6	1,951,566.	2,085,933.	2,460,638.
	c Investments — corporate bonds (attach schedule) STATEMENT 7	1,730,491.	1,503,817.	1,532,567.
	11 Investments – land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule) STATEMENT 8	50,000.	50,000.	53,665.
	14 Land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
	16 **Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)	4,066,846.	4,003,509.	4,412,791.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	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. ► [X]			
	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	4,066,846.	4,003,509.	
	30 **Total net assets or fund balances** (see instructions)	4,066,846.	4,003,509.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	4,066,846.	4,003,509.	

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	4,066,846.
2	Enter amount from Part I, line 27a	2	-63,337.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	4,003,509.
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	4,003,509.

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	SEE STATEMENT 9			
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				
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
	(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	
a				
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	33,991.
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	0.

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	213,415.	4,517,946.	0.047237
2009	216,143.	4,129,058.	0.052347
2008	187,450.	4,668,092.	0.040156
2007	102,500.	5,015,915.	0.020435
2006	224,059.	4,773,875.	0.046934

2	**Total** of line 1, column (d)	2	0.207109
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	0.041422
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	4,598,904.
5	Multiply line 4 by line 3	5	190,496.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,617.
7	Add lines 5 and 6	7	192,113.
8	Enter qualifying distributions from Part XII, line 4	8	222,909.

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 ► [X] and enter 1% of Part I, line 27b		1	1,617.
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	1,617.
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	1,617.
6 Credits/Payments			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a 1,950.		
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c 750.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d		7	2,700.
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	0.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►		10	1,083.
11 Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ► 1,083.	**Refunded** ►	11	0.

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 ► $ 0. **(2)** On foundation managers ► $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities.*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
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) ► WI			
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

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

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

Website address ► N/A

14 The books are in care of ► MICHAEL GUZNICZAK Telephone no ► 262-821-5378

Located at ► 1355 BARRINGTON WOODS DRIVE BROOKFIELD WI ZIP + 4 ► 53045

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

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

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	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__ .				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011)*		3b	N/A	
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)*

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)? **5b** N/A

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 (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
SEE STATEMENT 10		8,500.	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 ► 0

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

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

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

Part IX-A Summary of Direct Charitable Activities

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

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

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	4,477,634.
b Average of monthly cash balances		1b	191,304.
c Fair market value of all other assets (see instructions)		1c	
d Total (add lines 1a, b, and c)		1d	4,668,938.
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	4,668,938.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	70,034.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4		5	4,598,904.
6 Minimum investment return. Enter 5% of line 5		6	229,945.

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	229,945.
2a Tax on investment income for 2011 from Part VI, line 5	2a 1,617.		
b Income tax for 2011. (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b		2c	1,617.
3 Distributable amount before adjustments Subtract line 2c from line 1		3	228,328.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	228,328.
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	228,328.

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	222,909.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	222,909.
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	1,617.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	221,292.

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				228,328.
2 Undistributed income, if any, as of the end of 2011:				
a Enter amount for 2010 only			207,819.	
b Total for prior years. 20___, 20___, 20___		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► $ 222,909.				
a Applied to 2010, but not more than line 2a			207,819.	
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				15,090.
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).)*	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
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 instructions			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				213,238.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

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

JOHN PETERSON

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT 11				
Total			► **3a**	216,000.
b *Approved for future payment*				
Total			► **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	(e) Related or exempt function income (See instructions)
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	42.	
4 Dividends and interest from securities			14	158,888.	
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	33,991.	
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)				192,921.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 192,921.

(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
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

John J Peterson 6/21/12 ▶ 3 45 P

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
KENNETH M. SMITH	Kenneth M Smith	5/31/12		P00070004

Firm's name ▶ QUARLES & BRADY LLP Firm's EIN ▶ 39-0432630

Firm's address ▶ 411 E WISCONSIN AVE., STE 2350 MILWAUKEE, WI 53202-4426 Phone no (414) 277-5000

STATEMENT 1
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
QUARLES & BRADY LLP, ATTORNEY FEES	$ 5,277.	$ 2,638.		$ 2,639.
TOTAL	$ 5,277.	$ 2,638.		$ 2,639.

STATEMENT 2
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MORGAN STANLEY, MANAGEMENT FEES	$ 22,366.	$ 22,366.		
TOTAL	$ 22,366.	$ 22,366.		$ 0.

STATEMENT 3
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX PAID	$ 2,100.			
FOREIGN TAX WITHELD	1,632.	$ 1,632.		
TOTAL	$ 3,732.	$ 1,632.		$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADR FEES	$ 363.	$ 363.		
FINANCIAL INSTITUITION FEE	20.			$ 20.
TOTAL	$ 383.	$ 363.		$ 20.

STATEMENT 5
FORM 990-PF, PART II, LINE 10A
INVESTMENTS - U.S. AND STATE GOVERNMENT OBLIGATIONS

U.S. GOVERNMENT OBLIGATIONS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
GOVERNMENT BONDS ACCOUNT 455	COST	$ 192,134.	$ 194,296.
		$ 192,134.	$ 194,296.
	TOTAL	$ 192,134.	$ 194,296.

STATEMENT 6
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
COMMON STOCK ACCOUNT 455	COST	$ 442,797.	$ 476,696.
EXCHANGE TRADED FUND ACCOUNT 455	COST	121,110.	125,557.
COMMON STOCK ACCOUNT 457	COST	379,933.	352,836.
COMMON STOCK ACCOUNT 458	COST	796,566.	1,117,140.
EXCHANGE TRADED FUND ACCOUNT 459	COST	83,264.	126,128.
PREFERRED STOCK ACCOUNT 459	COST	48,596.	50,490.
COMMON STOCK ACCOUNT 459	COST	58,668.	66,241.
UNIT INVESTMENT TRUSTS 459	COST	154,999.	145,550.
	TOTAL	$ 2,085,933.	$ 2,460,638.

STATEMENT 7
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS ACCOUNT 459	COST	$ 1,353,488.	$ 1,377,356.
CERTIFICATES OF DEPOSIT ACCOUNT 459	COST	150,329.	155,211.
	TOTAL	$ 1,503,817.	$ 1,532,567.

STATEMENT 8
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
OTHER PUBLICLY TRADED SECURITIES			
OTHER ACCOUNT 459	COST	$ 50,000.	$ 53,665.
	TOTAL	$ 50,000.	$ 53,665.

STATEMENT 9
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
1	MSSB 455 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
2	MSSB 455 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
3	MSSB 457 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
4	MSSB 457 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
5	MSSB 458 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
6	MSSB 459 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS
7	MSSB 459 SEE ATTACHED SCHEDULE	PURCHASED	VARIOUS	VARIOUS

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I)-(J)	(L) GAIN (LOSS)
1	301,481.		327,489.	-26,008.				$ -26,008.
2	265,054.		216,427.	48,627.				48,627.
3	35,041.		48,284.	-13,243.				-13,243.
4	149,938.		167,147.	-17,209.				-17,209.
5	64,136.		34,036.	30,100.				30,100.
6	124,375.		123,278.	1,097.				1,097.
7	354,309.		343,682.	10,627.				10,627.
							TOTAL	$ 33,991.

STATEMENT 10
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN-SATION	CONTRI-BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JOHN PETERSON 411 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202-4497	DIR/PRESIDENT 1.00	$ 0.	$ 0.	$ 0.
MARK L. PETERSON 411 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202-4497	DIR/VICE PRES 1.00	0.	0.	0.
ELINOR GUZNICZAK 411 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202-4497	DIR/SECRETARY 1.00	0.	0.	0.
MICHAEL J. GUZNICZAK 411 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202-4497	DIR/TREASURER 5.00	8,500.	0.	0.
RYIA R. PETERSON 411 EAST WISCONSIN AVENUE MILWAUKEE, WI 53202-4497	DIRECTOR 1.00	0.	0.	0.
	TOTAL	$ 8,500.	$ 0.	$ 0.

STATEMENT 11
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
FRIENDS OF WISCONSIN PUBLIC TELEVISION 821 UNIVERSITY AVENUE MADISON, WI 53706	NONE	PUBLIC	YOUNG ARTISTS	$ 15,000.
MADISON SYMPHONY ORCHESTRA 222 W. WASHINGTON AVE. MADISON, WI 53703	NONE	PUBLIC	CHARITABLE	10,000.
UW WAUKESHA FOUNDATION 1500 N. UNIVERSITY DR. WAUKESHA, WI 53188	NONE	PUBLIC	EDUCATION	30,000.
MADISON OPERA 3414 MONROE ST. MADISON, WI 53711	NONE	PUBLIC	CHARITABLE	25,000.
MADISON MUSEUM OF CONTEMPORY ART 227 STATE ST. MADISON, WI 53703	NONE	PUBLIC	CHARITABLE	25,000.
MADISON MUSIC COLLECTIVE PO BOX 2096 MADISON, WI 53701	NONE	PUBLIC	CHARITABLE	5,000.
FORWARD THEATER COMPANY PO BOX 14574 MADISON, WI 53708	NONE	PUBLIC	CHARITABLE	20,000.
MADISON YOUTH CHOIRS PO BOX 5233 MADISON, WI 53705	NONE	PUBLIC	CHARITABLE	5,000.
TOKEN CREEK FESTIVAL PO BOX 55142 MADISON, WI 53705	NONE	PUBLIC	CHARITABLE	5,000.
UW FOUNDATION SCHOOL OF MUSIC 1848 UNIVERSITY AVE MADISON, WI 53726	NONE	PUBLIC	PRO ARTE QUARTET	10,000.
UW FOUNDATION 1848 UNIVERSITY AVE MADISON, WI 53726	NONE	PUBLIC	TANDEM PRESS	25,000.
UW FOUNDATION 1848 UNIVERSITY AVE MADISON, WI 53726	NONE	PUBLIC	UNIVERSITY OPERA	15,000.

STATEMENT 11 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUNDATION STATUS	PURPOSE OF GRANT	AMOUNT
HERITAGE MILITARY MUSIC FOUNDATION 504 S FOURTH STREET WATERTOWN, WI 53094		PUBLIC	GENERAL	$ 5,000.
MADISON BALLET, INC 160 WESTGATE MALL MADISON, WI 53711		PUBLIC	GENERAL	8,000.
ARTS WISCONSIN 111 KING STREET MADISON, WI 53703		PUBLIC	MADISON JAZZ JAM	8,000.
YMCA OF GREATER HIGH POINT 150 W HARTLEY DRIVE HIGH POINT, NC 27262		PUBLIC	GENERAL	5,000.
			TOTAL	$ 216,000.

Bonds

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

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

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

Government & government sponsored entity (GSE) bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
21,000	FEDERAL HOME LN MTG CRP GLOBAL	03/26/09	$ 23,145.94	$ 110.218	102.698	$ 21,566.58	($ 1,579.36)	LT		$ 0.00
	REFERENCE NOTES BK/ENTRY	3134A4QD9	$ 21,363.30	$ 101.73			$ 203.28	LT		$ 203.28
17,000	DTD 7/16/02	05/18/09	18,767.32	110.396	102.698	17,458.66	(1,308.66)	LT		0.00
	INT: 05.125% MATY: 07/15/2012		17,310.93	101.829			147.73	LT		147.73
38,000		01/22/10	41,728.94	109.813	102.698	39,025.24	(2,703.70)	LT		0.00
			38,829.54	102.183			195.70	LT		195.70
7,000		03/30/10	7,607.32	108.676	102.698	7,188.86	(418.46)	LT		0.00
			7,145.53	102.079			43 33	LT		43.33
83,000			91,249.52	109.90		**85,239.34**	(6,010.18)		**4.99**	**0.00**
			84,649.30	102.00	**1,961.45**		**590.04**		**4,253.75**	**590.04**
52,000	FEDERAL NATL MTG ASSN	08/27/10	52,414.96	100.798	101.40	52,728.00	313.04	LT		0.00
	MED TERMS NTS BK/ENTRY	31398AX31	52,230.36	100.443			497.64	LT		497.64
7,000	DTD 07/09/2010	01/28/11	7,055.65	100.795	101.40	7,098.00	42.35	ST		0.00
	INT: 01.250% MATY: 08/20/2013		7,035.91	100.513			62.09	ST		62.09
59,000			59,470.61	100.80		**59,826.00**	355.39		**1.232**	**0.00**
			59,266.27	100.50	**268.37**		**559.73**		**737.50**	**559.73**
48,000	US TREASURY NOTES SER E-2021	09/16/11	48,225.00	100.468	102.563	**49,230.24**	1,005.24	ST	**2.071**	0.00
	DTD 08/15/2011	912828RC6	**48,218.88**	100.456	**385.27**		**1,011.36**	ST	**1,020.00**	**1,011.36**
	INT: 02.125% MATY: 08/15/2021									
Total government & government sponsored entity (GSE) bonds			**$ 198,945.13**		**$ 2,615.09**	**$ 194,295.58**	**$ 1,073.45**	**ST**	**3.09**	**$ 0.00**
180,000			**$ 192,134.45**				**$ 1,087.68**	**LT**	**$ 6,011.25**	**$ 2,161.13**
Total portfolio value			**$ 759,221.87**			**$ 799,729.21**	**($ 5,301.27)**	**ST**	**2.46**	**$ 0.00**
							$ 45,808.61	**LT**	**$ 19,721.92**	**$ 2,161.13**

JOHN & CAROLYN PETERSON **Account number [redacted]-0455C-[redacted]**

Money fund

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

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated Income (annualized)
3,180.22	MORGAN STANLEY LIQUID ASSET FUND INC	$ 3,180.22		.01 %	$ .31
Total money fund		$ 3,180.22	$ 0.00		$ .31

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
6	ALLERGAN INC	AGN	09/22/11	$ 479.81	$ 79.968	$ 87.74	$ 526.44	$ 46.63 ST		
37			09/23/11	3,032.19	81.951	87.74	3,246.38	214.19 ST		
41			09/26/11	3,372.34	82.252	87.74	3,597.34	225.00 ST		
26			09/27/11	2,199.64	84.601	87.74	2,281.24	81.60 ST		
110				**9,083.98**	**82.582**		**9,651.40**	**567.42**	.227	22.00
13	AMAZON COM INC	AMZN	08/10/11	2,568.43	197.571	173.10	2,250.30	(318.13) ST		
8			08/30/11	1,655.80	206.975	173.10	1,384.80	(271.00) ST		
8			09/14/11	1,778.96	222.369	173.10	1,384.80	(394.16) ST		
29				**6,003.19**	**207.007**		**5,019.90**	**(983.29)**		
100	AMERICAN EXPRESS CO	AXP	05/24/11	5,064.59	50.645	47.17	4,717.00	(347.59) ST		
55			06/16/11	2,647.66	48.139	47.17	2,594.35	(53.31) ST		
181			06/22/11	9,048.37	49.991	47.17	8,537.77	(510.60) ST		
336				**16,760.62**	**49.883**		**15,849.12**	**(911.50)**	1.526	241.92
40	AMERICAN TOWER CORP-CLASS A	AMT	09/11/07	1,534.00	38.35	60.01	2,400.40	866.40 LT		
60			09/08/10	2,961.31	49.355	60 01	3,600.60	639.29 LT		
36			09/09/11	1,888.57	52.46	60.01	2,160.36	271.79 ST		
136				**6,383 88**	**46.94**		**8,161.36**	**1,777.48**		
22	APPLE INC	AAPL	12/02/08	1,964.52	89.296	405.00	8,910.00	6,945.48 LT		
27			12/03/08	2,532.95	93.813	405.00	10,935.00	8,402.05 LT		
49				**4,497.47**	**91.785**		**19,845.00**	**15,347.53**		
4	BAIDU INC SPON ADR RPTNG ORD SHS CL A	BIDU	08/30/11	583.75	145.937	116.47	465.88	(117.87) ST		
17			09/14/11	2,519.20	148.188	116.47	1,979.99	(539.21) ST		
21				**3,102.95**	**147.76**		**2,445.87**	**(657.08)**		

Ref: 00003127 00110414

MorganStanley
SmithBarney

Reserved
Client Statement
December 1 - December 31, 2011

JOHN & CAROLYN PETERSON ***Account number [redacted]-0455C-[redacted]***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
6	BOEING CO	BA	03/05/10	$ 403.31	$ 67.217	$ 73.35	$ 440.10	$ 36.79 LT		
41			03/10/10	2,844.93	69.388	73.35	3,007.35	162.42 LT		
30			04/29/11	2,391.38	79.712	73.35	2,200.50	(190.88) ST		
33			12/27/11	2,455.31	74.403	73.35	2,420.55	(34.76) ST		
110				**8,094.93**	**73.59**		**8,068.50**	**(26.43)**	**2.399**	**193.60**
133	CVS CAREMARK CORP	CVS	06/02/11	5,107.67	38.403	40.78	5,423.74	316.07 ST		
70			08/24/11	2,405.32	34.361	40.78	2,854.60	449.28 ST		
75			09/06/11	2,677.70	35.702	40.78	3,058.50	380.80 ST		
58			09/15/11	2,132.75	36.771	40.78	2,365.24	232.49 ST		
336				**12,323.44**	**36.677**		**13,702.08**	**1,378.64**	**1.593**	**218.40**
49	CAPITAL ONE FINL CORP	COF	04/13/09	898.62	18.339	42.29	2,072.21	1,173.59 LT		
44			06/21/10	1,919.68	43.629	42.29	1,860.76	(58.92) LT		
38			04/26/11	2,071.30	54.507	42.29	1,607.02	(464.28) ST		
46			09/15/11	1,980.71	43.058	42.29	1,945.34	(35.37) ST		
42			10/12/11	1,834.67	43.682	42.29	1,776.18	(58.49) ST		
79			11/09/11	3,508.22	44.407	42.29	3,340.91	(167.31) ST		
298				**12,213.20**	**40.984**		**12,602.42**	**389.22**	**.472**	**59.60**
134	CISCO SYS INC	CSCO	10/06/11	2,211.42	16.503	18.08	2,422.72	211.30 ST		
131			10/10/11	2,236.18	17.07	18.08	2,368.48	132.30 ST		
265				**4,447.60**	**16.783**		**4,791.20**	**343.60**	**1.327**	**63.60**
18.7795	CITIGROUP INC	C	01/03/11	916.67	49.011	26.31	494.09	(422.58) ST		
51.091			01/06/11	2,556.75	50.247	26.31	1,344.20	(1,212.55) ST		
66.1295			03/09/11	3,068.74	46.594	26.31	1,739.87	(1,328.87) ST		
109			10/18/11	3,197.66	29.336	26.31	2,867.79	(329.87) ST		
83			10/19/11	2,547.22	30.689	26.31	2,183.73	(363.49) ST		
96			10/31/11	3,106.70	32.361	26 31	2,525.76	(580.94) ST		
424				**15,393.74**	**36.306**		**11,155.44**	**(4,238.30)**	**.152**	**16.96**
45	COACH INC	COH	09/30/11	**2,349.26**	52.205	61.04	**2,746.80**	**397.54** ST	**1.474**	**40.50**
117	WALT DISNEY CO	DIS	03/09/10	3,893.38	33.276	37.50	4,387.50	494.12 LT		
40			03/01/11	1,729.75	43.243	37.50	1,500.00	(229.75) ST		
157				**5,623.13**	**35.816**		**5,887.50**	**264.37**	**1.60**	**94.20**
7	DIRECTV CL A	DTV	11/24/09	224.07	32.01	42.76	299.32	75.25 LT		
67			12/04/09	2,167.29	32.347	42.76	2,864.92	697.63 LT		
61			12/14/09	2,019.08	33.099	42.76	2,608.36	589.28 LT		
38			01/22/10	1,207.91	31.787	42.76	1,624.88	416.97 LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
47	DIRECTV CL A	DTV	09/17/10	$ 1,959.48	$ 41.691	$ 42.76	$ 2,009.72	$ 50.24 LT		
67			09/27/11	2,977.96	44.447	42.76	2,864.92	(113.04) ST		
287				**10,555.79**	**36.78**		**12,272.12**	**1,716.33**		
37	E I DU PONT DE NEMOURS & CO	DD	04/26/10	1,514.21	40.924	45.78	1,693.86	179.65 LT		
75			09/17/10	3,306.80	44.09	45.78	3,433.50	126.70 LT		
112				**4,821.01**	**43.045**		**5,127 36**	**306.35**	**3.582**	**183.68**
139	EMC CORP-MASS	EMC	04/20/11	3,905.73	28.098	21.54	2,994.06	(911.67) ST		
97			05/13/11	2,690.86	27.74	21.54	2,089.38	(601.48) ST		
63			10/18/11	1,506.16	23.907	21.54	1,357.02	(149.14) ST		
91			10/24/11	2,218.48	24.378	21.54	1,960.14	(258.34) ST		
390				**10,321.23**	**26.465**		**8,400.60**	**(1,920.63)**		
51	ENSCO PLC ADR	ESV	09/27/11	2,328.83	45.663	46.92	2,392.92	64.09 ST		
58			10/12/11	2,580.79	44.496	46.92	2,721.36	140.57 ST		
40			10/21/11	1,919.52	47.988	46.92	1,876.80	(42.72) ST		
149				**6,829.14**	**45.833**		**6,991.08**	**161.94**	**2.983**	**208.60**
14	EXPRESS SCRIPTS INC.COMMON	ESRX	07/08/10	651.76	46.554	44.69	625.66	(26.10) LT		
46			07/12/10	2,194.46	47.705	44.69	2,055.74	(138.72) LT		
58			08/02/11	3,029.99	52.241	44.69	2,592.02	(437.97) ST		
118				**5,876.21**	**49.798**		**5,273.42**	**(602.79)**		
59	EXXON MOBIL CORP	XOM	02/23/11	5,147.33	87.242	84.76	5,000.84	(146.49) ST		
64			04/04/11	5,414.99	84.609	84.76	5,424.64	9.65 ST		
61			04/05/11	5,205.03	85.328	84.76	5,170.36	(34.67) ST		
184				**15,767.35**	**85.692**		**15,595.84**	**(171.51)**	**2 218**	**345.92**
284	GENERAL ELECTRIC CO	GE	12/14/11	4,743.06	16.70	17.91	5,086.44	343.38 ST		
135			12/15/11	2,270.94	16.821	17.91	2,417.85	146.91 ST		
134			12/16/11	2,273.46	16.966	17.91	2,399.94	126.48 ST		
269			12/21/11	4,724.74	17.564	17.91	4,817.79	93.05 ST		
822				**14,012.20**	**17.046**		**14,722.02**	**709.82**	**3 796**	**558.96**
99	GENERAL MOTORS COMPANY	GM	10/21/11	2,353.12	23.768	20.27	2,006.73	(346.39) ST		
92			10/24/11	2,302.43	25.026	20.27	1,864.84	(437.59) ST		
191				**4,655.55**	**24.375**		**3,871.57**	**(783.98)**		
60	GILEAD SCIENCES INC	GILD	12/05/11	**2,397.17**	39.952	40.93	**2,455.80**	**58.63** ST		
4	GOOGLE INC CLASS A	GOOG	06/04/10	1,999.08	499.769	645.90	2,583.60	584.52 LT		
6			07/13/10	2,906.32	484.387	645.90	3,875.40	969.08 LT		
4			07/23/10	1,957.73	489.432	645.90	2,583.60	625.87 LT		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
4	GOOGLE INC	GOOG	09/20/10	$ 2,028.00	$ 507.001	$ 645.90	$ 2,583.60	$ 555.60 LT		
6	CLASS A		08/10/11	3,347.75	557.959	645.90	3,875.40	527.65 ST		
3			08/11/11	1,691.74	563.914	645.90	1,937.70	245.96 ST		
4			08/30/11	2,152.78	538.194	645.90	2,583.60	430.82 ST		
4			09/15/11	2,176.72	544.18	645.90	2,583.60	406.88 ST		
4			09/20/11	2,208.93	552.231	645.90	2,583.60	374.67 ST		
39				**20,469.05**	**524.847**		**25,190.10**	**4,721.05**		
16	HALLIBURTON CO HOLDINGS CO	HAL	04/21/11	809.47	50.592	34.51	552.16	(257.31) ST		
70			08/15/11	3,312.37	47.319	34.51	2,415.70	(896.67) ST		
68			08/30/11	2,892.92	42.543	34.51	2,346.68	(546.24) ST		
154				**7,014.76**	**45.55**		**5,314.54**	**(1,700.22)**	1.043	55.44
134	HOME DEPOT INC	HD	10/18/11	4,758.73	35.512	42.04	5,633.36	874.63 ST		
61			10/21/11	2,216.13	36.33	42.04	2,564.44	348.31 ST		
59			11/23/11	2,159.03	36.593	42.04	2,480.36	321.33 ST		
254				**9,133.89**	**35.96**		**10,678.16**	**1,544.27**	2.759	294.64
89	INTEL CORP	INTC	09/27/11	2,032.85	22.841	24.25	2,158.25	125.40 ST		
107			10/05/11	2,332.53	21.799	24.25	2,594.75	262.22 ST		
196				**4,365.38**	**22.272**		**4,753.00**	**387.62**	3.463	164.64
27	INTL BUSINESS MACHINES CORP	IBM	12/29/08	2,168.03	80.297	183.88	4,964.76	2,796.73 LT		
13			03/16/09	1,202.60	92.507	183.88	2,390.44	1,187.84 LT		
25			06/21/10	3,266.85	130.674	183.88	4,597.00	1,330.15 LT		
17			06/23/10	2,220.80	130.635	183.88	3,125.96	905.16 LT		
6			09/14/11	1,007.25	167.875	183.88	1,103.28	96.03 ST		
88				**9,865.53**	**112.108**		**16,181.44**	**6,315.91**	1.631	264.00
46	JPMORGAN CHASE & CO	JPM	04/14/10	2,172.25	47.222	33.25	1,529.50	(642.75) LT		
13			04/14/10	613.90	47.222	33.25	432.25	(181.65) LT		
132			04/15/10	6,309.49	47.799	33.25	4,389.00	(1,920.49) LT		
67			08/15/11	2,463.44	36.767	33 25	2,227.75	(235 69) ST		
59			08/29/11	2,204.09	37.357	33.25	1,961.75	(242.34) ST		
79			10/19/11	2,618.98	33.151	33.25	2,626.75	7.77 ST		
396				**16,382.15**	**41.369**		**13,167.00**	**(3,215.15)**	3.007	396.00
33	JOHNSON & JOHNSON	JNJ	05/03/11	2,185.34	66.222	65.58	2,164.14	(21.20) ST		
37			05/12/11	2,477.01	66.946	65.58	2,426.46	(50.55) ST		
43			06/29/11	2,856.40	66.427	65.58	2,819.94	(36.46) ST		
113				**7,518.75**	**66.538**		**7,410.54**	**(108.21)**	3.476	257.64

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
139	KRAFT FOODS INC CLASS A	KFT	09/06/11	$ 4,732.76	$ 34.048	$ 37.36	$ 5,193.04	$ 460.28 ST	3.104%	$ 161.24
14	MASTERCARD INC	MA	09/16/11	4,891.89	349.42	372.82	5,219.48	327.59 ST		
6			09/20/11	2,151.51	358.584	372.82	2,236.92	85.41 ST		
8			09/23/11	2,693.79	336.724	372.82	2,982.56	288.77 ST		
28				**9,737.19**	**347.757**		**10,438.96**	**701.77**	.16	16.80
10	MCDONALDS CORP	MCD	08/13/10	722.66	72.266	100.33	1,003.30	280.64 LT		
29			09/07/10	2,197.35	75.77	100.33	2,909.57	712.22 LT		
31			12/07/10	2,501.58	80.696	100.33	3,110.23	608.65 LT		
31			08/10/11	2,620.82	84.542	100.33	3,110.23	489.41 ST		
101				**8,042.41**	**79.628**		**10,133.33**	**2,090.92**	2.79	282.80
128	MERCK & CO INC NEW	MRK	12/20/11	**4,700.16**	36.72	37.70	**4,825.60**	**125.44** ST	4.456	215.04
93	METLIFE INC	MET	08/03/10	3,962.23	42.604	31.18	2,899.74	(1,062.49) LT		
120			09/01/10	4,720.16	39.334	31.18	3,741.60	(978.56) LT		
42			01/06/11	1,955.56	46.56	31.18	1,309.56	(646.00) ST		
76			03/02/11	3,329.43	43.808	31.18	2,369.68	(959.75) ST		
61			06/29/11	2,639.87	43.276	31.18	1,901.98	(737.89) ST		
392				**16,607.25**	**42.365**		**12,222.56**	**(4,384.69)**	2.373	290 08
196	MICROSOFT CORP	MSFT	07/08/11	5,225.16	26.659	25.96	5,088.16	(137.00) ST		
172			07/19/11	4,725.87	27.476	25.96	4,465.12	(260.75) ST		
122			08/04/11	3,232.41	26.495	25.96	3,167.12	(65.29) ST		
87			08/31/11	2,318.40	26.648	25.96	2,258.52	(59.88) ST		
577				**15,501.84**	**26.866**		**14,978.92**	**(522.92)**	3 081	461.60
33	MONSANTO CO NEW	MON	11/15/11	2,462.85	74.631	70.07	2,312.31	(150.54) ST		
31			11/30/11	2,250.49	72.596	70.07	2,172.17	(78.32) ST		
64				**4,713.34**	**73.646**		**4,484.48**	**(228.86)**	1.712	76.80
313	NEWS CORP CLASS A NEW	NWSA	07/21/11	5,158.62	16.481	17.84	5,583.92	425.30 ST		
327			08/12/11	5,301.95	16.213	17.84	5,833.68	531.73 ST		
142			08/24/11	2,363.08	16.641	17.84	2,533.28	170.20 ST		
782				**12,823.65**	**16.399**		**13,950.88**	**1,127.23**	1.065	148.58
51	NIKE INC CL B	NKE	11/23/11	4,659.84	91.369	96.37	4,914.87	255.03 ST		
23			12/13/11	2,206.50	95.934	96.37	2,216.51	10.01 ST		
74				**6,866.34**	**92.788**		**7,131.38**	**265.04**	1.494	106.56
11	ORACLE CORP	ORCL	11/16/09	251.24	22.84	25.65	282.15	30.91 LT		
107			11/25/09	2,407.92	22.503	25.65	2,744.55	336.63 LT		
141			02/10/10	3,267.11	23.171	25.65	3,616.65	349.54 LT		

MorganStanley SmithBarney

Ref: 00003127 00110418

Reserved Client Statement
December 1 - December 31, 2011

JOHN & CAROLYN PETERSON *Account number [redacted]-0455C-[redacted]*

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
96	ORACLE CORP	ORCL	07/23/10	$ 2,349.94	$ 24.478	$ 25.65	$ 2,462.40	$ 112.46 LT		
355				**8,276.21**	**23.313**		**9,105.75**	**829.54**	**.935**	**85.20**
92	PNC FINANCIAL SERVICES GROUP	PNC	10/19/11	**4,751.16**	51.643	57.67	**5,305.64**	**554.48** ST	**2.427**	**128.80**
257	PFIZER INC	PFE	03/15/11	5,075.31	19.748	21.64	5,561.48	486.17 ST		
134			05/03/11	2,703.42	20.174	21.64	2,899.76	196.34 ST		
391				**7,778.73**	**19.894**		**8,461.24**	**682.51**	**4.066**	**344.08**
66	PHILIP MORRIS INTL INC	PM	08/23/11	4,602.08	69.728	78.48	5,179.68	577.60 ST		
36			10/21/11	2,518.02	69.944	78.48	2,825.28	307.26 ST		
102				**7,120.10**	**69.805**		**8,004.96**	**884.86**	**3.924**	**314.16**
20	PRECISION CASTPARTS CORP	PCP	12/07/09	2,222.04	111.102	164.79	3,295.80	1,073.76 LT		
25			12/21/09	2,834.22	113.368	164.79	4,119.75	1,285.53 LT		
14			01/22/10	1,498.86	107.061	164.79	2,307.06	808.20 LT		
59				**6,555.12**	**111.104**		**9,722.61**	**3,167.49**	**.072**	**7.08**
38	PROCTER & GAMBLE CO	PG	05/13/11	**2,543.50**	66.934	66.71	**2,534.98**	**(8.52)** ST	**3.147**	**79.80**
55	QUALCOMM INC	QCOM	01/06/11	2,882.36	52.406	54.70	3,008.50	126.14 ST		
44			01/27/11	2,402.06	54.592	54.70	2,406.80	4.74 ST		
54			04/14/11	2,841.60	52.622	54.70	2,953.80	112.20 ST		
34			11/14/11	1,936.32	56.95	54.70	1,859.80	(76.52) ST		
50			11/17/11	2,791.10	55.822	54.70	2,735.00	(56.10) ST		
237				**12,853.44**	**54.234**		**12,963.90**	**110.46**	**1.572**	**203.82**
36	SCHLUMBERGER LTD	SLB	04/30/10	2,585.25	71.812	68.31	2,459.16	(126.09) LT		
49			06/10/10	2,853.91	58.243	68.31	3,347.19	493.28 LT		
38			06/21/10	2,298.87	60.496	68.31	2,595.78	296.91 LT		
27			06/03/11	2,268.65	84.023	68.31	1,844.37	(424.28) ST		
57			08/04/11	4,722.25	82.846	68.31	3,893.67	(828.58) ST		
207				**14,728.93**	**71.154**		**14,140.17**	**(588.76)**	**1.463**	**207.00**
10	UNION PACIFIC CORP	UNP	03/11/09	366.67	36.667	105.94	1,059.40	692.73 LT		
75			03/24/09	3,198.47	42.646	105.94	7,945.50	4,747.03 LT		
24			08/03/09	1,449.04	60.376	105.94	2,542.56	1,093.52 LT		
109				**5,014.18**	**46.002**		**11,547.46**	**6,533.28**	**2 265**	**261.60**
3	UNITED PARCEL SERVICE CL B	UPS	09/22/10	203.08	67.693	73.19	219.57	16.49 LT		
34			10/05/10	2,318.52	68.191	73.19	2,488.46	169.94 LT		
38			10/14/10	2,617.19	68.873	73.19	2,781.22	164.03 LT		
75				**5,138.79**	**68.517**		**5,489.25**	**350.46**	**2.841**	**156.00**

MorganStanley SmithBarney

Reserved Client Statement
December 1 - December 31, 2011

Ref: 00003127 00110419

JOHN & CAROLYN PETERSON *Account number [redacted]-0455C-[redacted]*

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
54	UNITED TECHNOLOGIES CORP	UTX	11/06/08	$ 2,721.22	$ 50.392	$ 73.09	$ 3,946.86	$ 1,225.64 LT		
20			11/10/08	1,047.82	52.391	73.09	1,461.80	413.98 LT		
31			10/14/10	2,285.57	73.728	73.09	2,265.79	(19.78) LT		
37			08/12/11	2,635.13	71.219	73.09	2,704.33	69.20 ST		
142				**8,689.74**	**61.195**		**10,378.78**	**1,689.04**	**2.626**	**272.64**
13	UNITEDHEALTH GROUP INC	UNH	05/04/11	642.45	49.419	50.68	658.84	16.39 ST		
47			06/02/11	2,312.64	49.205	50.68	2,381.96	69.32 ST		
45			06/21/11	2,341.41	52.031	50.68	2,280.60	(60.81) ST		
105				**5,296.50**	**50.443**		**5,321.40**	**24.90**	**1.282**	**68.25**
78	VIACOM INC NEW CLASS B	VIAB	05/05/11	3,926.01	50.333	45.41	3,541.98	(384.03) ST		
47			07/08/11	2,436.67	51.844	45.41	2,134.27	(302.40) ST		
125				**6,362.68**	**50.901**		**5,676.25**	**(686.43)**	**2.202**	**125.00**
45	WELLPOINT INC	WLP	03/16/11	3,006.69	66.815	66.25	2,981.25	(25.44) ST		
35			04/14/11	2,431.63	69.475	66.25	2,318.75	(112.88) ST		
31			04/26/11	2,262.43	72.981	66.25	2,053.75	(208.68) ST		
111				**7,700.75**	**69.376**		**7,353.75**	**(347.00)**	**1.509**	**111.00**
Total common stocks and options				**$ 442,797.32**			**$ 476,696.47**	**($ 5,668.20) ST**	**1.63**	
								$ 39,567.35 LT		**$ 7,804.23**

JOHN & CAROLYN PETERSON **Account number [redacted]-0455C-[redacted]**

Exchange traded & closed end funds

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

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

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

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
220	ISHARES IBOXX $ INVESTOP	LQD	08/05/09	$ 22,557.92	$ 102.536	$ 113.76	$ 25,027.20	$ 2,469.28 LT		
44	INVESTMENT GRADE CORP FD FD		12/30/09	4,590.29	104.324	113.76	5,005.44	415.15 LT		
108	Taxable bond portfolio		01/22/10	11,403.14	105.584	113.76	12,286.08	882.94 LT		
246	**Rating:** CG RESEARCH : AL		07/12/10	26,598.75	108.125	113.76	27,984.96	1,386.21 LT		
242			08/08/11	27,106.42	112.01	113.76	27,529.92	423.50 ST		
110			10/10/11	12,230.98	111.19	113.76	12,513.60	282.62 ST		
970				**104,487.50**	**107.719**		**110,347.20**	**5,859.70**	**4.389**	**4,844.18**
427	ISHARES S&P U.S PREFERRED STK INDEX FD Taxable bond portfolio **Rating:** CG RESEARCH : AL	PFF	01/05/11	**16,622.38**	38.928	35.62	**15,209.74**	**(1,412.64)** ST	**6.982**	**1,061.95**
Total closed end fund taxable bond allocation							**$ 125,556.94**			
Total exchange traded funds and closed end funds				**$ 121,109.88**			**$ 125,556.94**	**($ 706.52)** ST	**4.70**	
								$ 5,153.58 LT		**$ 5,906.13**

JOHN & CAROLYN PETERSON *Account number* [redacted]-0457C-[redacted]

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
145	SEADRILL LTD	SDRL	03/30/11	$ 5,323.99	$ 36.717	$ 33.18	$ 4,811.10	($ 512.89) ST		
89			08/31/11	2,906.23	32.654	33.18	2,953.02	46.79 ST		
234				**8,230.22**	**35.172**		**7,764.12**	**(466.10)**	**9.162**	**711.36**
31	ALLIANZ SE ADR	AZSEY	02/25/05	390.03	12.581	9.47	293.57	(96.46)*LT		
15			04/27/05	179.66	11.977	9.47	142.05	(37.61)*LT		
32			04/28/05	380.60	11.893	9.47	303.04	(77.56)*LT		
16			05/24/05	188.58	11.786	9.47	151.52	(37.06)*LT		
50			05/25/05	590.20	11.804	9.47	473.50	(116.70)*LT		
48			12/04/06	934.56	19.47	9.47	454.56	(480.00)*LT		
55			05/24/07	1,207.13	21.947	9.47	520.85	(686.28)*LT		
285			09/06/07	6,050.55	21.23	9.47	2,698.95	(3,351.60) LT		
110			01/22/10	1,254.00	11.40	9.47	1,041.70	(212.30) LT		
177			09/15/10	1,982.61	11.201	9.47	1,676.19	(306.42) LT		
819				**13,157.92**	**16.066**		**7,755.93**	**(5,401 99)**	**5.10**	**395.58**
143	AMERICA MOVIL S.A.B DE CV SER L SPONS ADR	AMX	11/02/11	**3,616.01**	25.286	22.60	**3,231.80**	**(384.21)** ST	**1.265**	**40.90**
87	ASAHI KASEI CORP ADR	AHKSY	05/25/07	1,119.14	12.863	12.05	1,048.35	(70.79)*LT		
115			06/11/07	1,525.33	13.263	12.05	1,385.75	(139.58)*LT		
100			09/06/07	1,517.00	15.17	12.05	1,205.00	(312.00) LT		
175			01/22/10	1,862.00	10.64	12.05	2,108.75	246.75 LT		
477				**6,023.47**	**12.628**		**5,747.85**	**(275.62)**	**2.033**	**116.87**
81	BASF SE COMMON STOCK	BASFY	01/22/10	**4,593.27**	56.707	69.73	**5,648.13**	**1,054.86** LT	**3.288**	**185.73**
11	BNP PARIBAS SPON ADR	BNPQY	03/19/07	571.23	51.93	19.65	216.15	(355.08)*LT		
125			09/06/07	6,368.75	50.95	19.65	2,456.25	(3,912.50) LT		
20			01/22/10	726.87	36.343	19.65	393.00	(333.87) LT		
63			05/06/11	2,491.52	39.547	19.65	1,237.95	(1,253.57) ST		
219				**10,158.37**	**46.385**		**4,303.35**	**(5,855.02)**	**5.633**	**242.43**
148	BANCO BILBAO VIZCAYA-SP ADR	BBVA	09/17/10	1,938.53	13.098	8.57	1,268.36	(670.17) LT		
212			05/06/11	2,531.47	11.94	8.57	1,816.84	(714.63) ST		
360				**4,470.00**	**12.417**		**3,085.20**	**(1,384.80)**	**5.904**	**182.16**
97	BAYER A G SPONSORED ADR	BAYRY	09/15/11	5,283.61	54.47	63.80	6,188.60	904.99 ST		
48			10/20/11	2,851.79	59.412	63.80	3,062.40	210.61 ST		
145				**8,135.40**	**56.106**		**9,251.00**	**1,115.60**	**2.523**	**233.45**
75	BHP BILLITON LTD SPONS ADR	BHP	03/17/09	3,080.76	41.076	70.63	5,297.25	2,216.49 LT		
28			10/11/10	2,263.40	80.835	70.63	1,977.64	(285.76) LT		

MorganStanley SmithBarney

Ref: 00003127 00110434

Reserved Client Statement

December 1 - December 31, 2011

JOHN & CAROLYN PETERSON *Account number [redacted]-0457C-[redacted]*

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
24	BHP BILLITON LTD SPONS	BHP	08/31/11	$ 2,049.59	$ 85.399	$ 70.63	$ 1,695.12	($ 354.47) ST		
127	ADR			**7,393.75**	**58.219**		**8,970.01**	**1,576.26**	**2.859**	**256.54**
145	CREDIT SUISSE GROUP ADR	CS	05/27/10	5,724.72	39.48	23.48	3,404.60	(2,320.12) LT		
35			06/04/10	1,300.94	37.169	23.48	821.80	(479.14) LT		
112			09/14/11	2,642.46	23.593	23.48	2,629.76	(12.70) ST		
86			12/22/11	2,031.96	23.627	23.48	2,019.28	(12.68) ST		
378				**11,700.08**	**30.953**		**8,875.44**	**(2,824.64)**	**6.298**	**559.06**
111	DAIMLER AG	DDAIY	09/15/11	5,417.21	48.803	44.17	4,902.87	(514.34) ST		
55	ADR		12/21/11	2,437.90	44.325	44.17	2,429.35	(8.55) ST		
166				**7,855.11**	**47.32**		**7,332.22**	**(522.89)**	**4.392**	**322.04**
130	DESARROLLADORA HOMEX S.A DE C.V ADR-USD	HXM	05/14/10	**3,563.35**	27.41	16.87	**2,193.10**	**(1,370.25)** LT		
157	DEUTSCHE LUFTHANSA AG	DLAKY	03/25/08	4,094.61	26.08	11.78	1,849.46	(2,245.15) LT		
135	SPONS ADR		01/26/10	2,195.67	16.264	11.78	1,590.30	(605.37) LT		
169			08/31/11	2,890.59	17.104	11.78	1,990.82	(899.77) ST		
461				**9,180.87**	**19.915**		**5,430.58**	**(3,750.29)**	**5.398**	**293.20**
54	FOMENTO ECONOMICO MEXICANO S.A.B DE CV SPONS ADR	FMX	03/18/10	**2,533.44**	46.915	69.71	**3,764.34**	**1,230.90** LT	**1.572**	**59.18**
15	FUJITSU LTD ADR-5 COM-NEW	FJTSY	04/08/10	494.70	32.98	25.85	387.75	(106.95) LT		
170			04/09/10	5,625.98	33.094	25.85	4,394.50	(1,231.48) LT		
55			11/26/10	1,793.02	32.60	25.85	1,421.75	(371.27) LT		
82			03/16/11	2,230.48	27.201	25.85	2,119.70	(110.78) ST		
322				**10,144.18**	**31.504**		**8,323.70**	**(1,820.48)**	**2.038**	**169.69**
124	GDF SUEZ-EUR	GDFZY	08/09/11	3,523.60	28.416	27.17	3,369.08	(154.52) ST		
139			08/16/11	4,102.89	29.517	27.17	3,776.63	(326.26) ST		
263				**7,626.49**	**28.998**		**7,145.71**	**(480.78)**	**5.524**	**394.76**
12	GLAXOSMITHKLINE PLC SP ADR	GSK	05/17/04	502.75	41.896	45.63	547.56	44.81* LT		
8			07/20/04	320.66	40.082	45.63	365.04	44.38* LT		
11			03/01/06	565.39	51.399	45.63	501.93	(63.46)*LT		
9			04/24/06	474.96	52.773	45.63	410.67	(64.29)*LT		
6			04/25/06	319.50	53.25	45.63	273.78	(45.72)*LT		
11			09/18/06	608.85	55.35	45.63	501.93	(106.92)*LT		
12			11/20/06	623.44	51.953	45.63	547.56	(75.88)*LT		
40			12/04/06	2,132.80	53.32	45.63	1,825.20	(307.60)*LT		
19			01/22/07	1,060.02	55.79	45.63	866.97	(193.05)*LT		

JOHN & CAROLYN PETERSON   Account number [redacted]-0457C-[redacted]

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
35	GLAXOSMITHKLINE PLC SP ADR	GSK	01/22/10	$ 1,440.64	$ 41.161	$ 45.63	$ 1,597.05	$ 156.41 LT		
163				**8,049.01**	**49.38**		**7,437.69**	**(611.32)**	**4.834**	**359.58**
14	HANNOVER REINS CORP-EUR ADR	HVRRY	12/04/06	301.70	21.55	24.82	347.48	45.78* LT		
200			09/06/07	4,580.00	22.90	24.82	4,964.00	384.00 LT		
120			12/06/07	2,921.71	24.347	24.82	2,978.40	56.69 LT		
334				**7,803.41**	**23.364**		**8,289.88**	**486.47**	**4.915**	**407.48**
70	IMPERIAL TOBACCO GROUP PLC SPONSORED ADR	ITYBY	02/02/11	4,310.17	61.573	75.34	5,273.80	963.63 ST		
68			02/03/11	4,185.20	61.547	75.34	5,123.12	937.92 ST		
138				**8,495.37**	**61.561**		**10,396.92**	**1,901.55**	**4.078**	**424.07**
253	KOMATSU LTD ADR NEW	KMTUY	09/15/11	**5,756.86**	22.754	23.62	**5,975.86**	**219.00** ST	**1.841**	**110.06**
485	KONINKLIJKE AHOLD NV ADR (NEW)	AHONY	10/09/09	5,968.90	12.307	13 45	6,523.25	554.35 LT		
90			01/22/10	1,176.60	13.073	13.45	1,210.50	33.90 LT		
575				**7,145.50**	**12.427**		**7,733.75**	**588.25**	**2.587**	**200.10**
333	KONICA MINOLTA HLDGS UNSPON ADR	KNCAY	03/07/11	6,155.44	18.484	14.69	4,891.77	(1,263.67) ST		
132			03/08/11	2,423.14	18.357	14.69	1,939.08	(484.06) ST		
465				**8,578.58**	**18.449**		**6,830.85**	**(1,747.73)**	**2.117**	**144.62**
151	KURARAY CO LTD USPON ADR	KURRY	05/06/11	**6,737.42**	44.618	42.75	**6,455.25**	**(282.17)** ST	**2.233**	**144.21**
110	MALAYAN BKG BERHAD SPONSORED ADR	MLYBY	06/12/07	622.08	5.655	5.65	621.50	(.58)*LT		
140			06/13/07	786.13	5.615	5.65	791.00	4.87* LT		
236.25			06/26/07	1,352.03	5.722	5.65	1,334.81	(17.22)*LT		
112.5			07/09/07	649.62	5.774	5.65	635.63	(13.99)*LT		
36.25			07/10/07	210.07	5.795	5.65	204.81	(5.26)*LT		
635				**3,619.93**	**5.701**		**3,587.75**	**(32.18)**	**4.513**	**161.93**
29	MITSUBISHI CORP SPONS ADR	MSBHY	11/16/06	1,035.91	35.721	40.07	1,162.03	126.12* LT		
25			12/04/06	956.25	38.25	40.07	1,001.75	45.50* LT		
33			01/22/07	1,236.88	37.481	40.07	1,322.31	85.43* LT		
29			05/01/07	1,247.99	43.034	40.07	1,162.03	(85.96)*LT		
100			09/06/07	5,495.00	54.95	40.07	4,007.00	(1,488.00) LT		
216				**9,972.03**	**46.167**		**8,655.12**	**(1,316.91)**	**4.027**	**348.62**
329	MTN GROUP LTD SPONSORED ADR	MTNOY	08/26/10	**5,361.75**	16.297	17.70	**5,823.30**	**461.55** LT	**4.694**	**273.40**
385	NATIONAL AUSTRALIA BK LTD SPONSORED ADR -USD-	NABZY	01/30/09	**4,675.90**	12.145	23.93	**9,213.05**	**4,537.15** LT	**7.375**	**679.53**
421	NEXEN INC	NXY	01/21/11	10,376.47	24.647	15.91	6,698.11	(3,678.36) ST		
85			12/22/11	1,324.06	15.577	15.91	1,352.35	28.29 ST		
506				**11,700.53**	**23.124**		**8,050.46**	**(3,650.07)**	**1.269**	**102.21**

Ref: 00003127 00110436

MorganStanley SmithBarney

Reserved Client Statement

December 1 - December 31, 2011

JOHN & CAROLYN PETERSON ***Account number [redacted]-0457C-[redacted]***

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
176	NIPPON TEL & TEL SPON ADR	NTT	03/16/11	$ 4,095.77	$ 23.271	$ 25.33	$ 4,458.08	$ 362.31 ST		
78			03/22/11	1,813.28	23.247	25.33	1,975.74	162.46 ST		
254				**5,909.05**	**23.264**		**6,433.82**	**524.77**	**2.992**	**192.53**
125	NOVARTIS AG ADR	NVS	04/30/09	4,773.90	38.191	57.17	7,146.25	2,372.35 LT		
43			08/31/11	2,502.77	58.203	57.17	2,458.31	(44.46) ST		
168				**7,276.67**	**43.314**		**9,604.56**	**2,327.89**	**3.507**	**336.84**
222	PETROLEO BRASILEIRO SA PETROBRAS	PBR	02/04/11	8,493.63	38.259	24.85	5,516.70	(2,976.93) ST		
48			02/18/11	1,803.33	37.569	24.85	1,192.80	(610.53) ST		
270				**10,296.96**	**38.137**		**6,709.50**	**(3,587.46)**	**.603**	**40.50**
365	PRUDENTIAL PLC ADR	PUK	09/06/07	10,377.02	28.43	19.74	7,205.10	(3,171.92) LT		
75			01/22/10	1,453.72	19.382	19.74	1,480.50	26.78 LT		
440				**11,830.74**	**26.888**		**8,685.60**	**(3,145.14)**	**4.093**	**355.52**
216	REED ELSEVIER NV	ENL	09/06/07	8,982.11	41.664	23.21	5,013.36	(3,968.75) LT		
65			01/22/10	1,616.37	24.867	23.21	1,508.65	(107.72) LT		
281				**10,598.48**	**37.717**		**6,522.01**	**(4,076.47)**	**4.308**	**281.00**
7	REXAM PLC SPONS ADR -NEW-	REXMY	06/12/07	347.79	49.685	27.25	190.75	(157.04)*LT		
100			09/06/07	5,333.92	53.339	27.25	2,725.00	(2,608.92) LT		
120			08/28/09	2,654.28	22.119	27.25	3,270.00	615.72 LT		
45			01/22/10	1,091.59	24.257	27.25	1,226.25	134.66 LT		
272				**9,427.58**	**34.66**		**7,412.00**	**(2,015.58)**	**3.728**	**276.35**
70	RIO TINTO PLC-GBP	RIO	10/11/11	3,552.44	50.749	48.92	3,424.40	(128.04) ST		
78			12/21/11	3,760.01	48.205	48.92	3,815.76	55.75 ST		
148				**7,312.45**	**49.408**		**7,240.16**	**(72.29)**	**2.387**	**172.86**
165	ROCHE HLDG LTD SPON ADR	RHHBY	06/12/09	5,640.01	34.181	42.55	7,020.75	1,380.74 LT		
15			01/22/10	662.03	44.135	42.55	638.25	(23.78) LT		
90			09/24/10	3,070.14	34.112	42.55	3,829.50	759.36 LT		
270				**9,372.18**	**34.712**		**11,488.50**	**2,116.32**	**2.655**	**305.10**
140	ROLLS ROYCE HOLDINGS PLC SPONSORED ADR	RYCEY	07/24/08	**5,107.43**	36.961	57.73	**8,082.20**	**2,974.77** LT	.938	75.88
65	ROYAL DUTCH SHELL PLC ADR CL B	RDSB	05/14/10	3,404.88	52.382	76.01	4,940.65	1,535.77 LT		
65			05/19/10	3,369.72	51.841	76.01	4,940.65	1,570.93 LT		
55			05/20/10	2,816.52	51.209	76.01	4,180.55	1,364.03 LT		
185				**9,591.12**	**51.844**		**14,061.85**	**4,470.73**	**4.42**	**621.60**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
186	SBM OFFSHORE NV-EUR	SBFFY	03/31/11	$ 5,399.08	$ 29.027	$ 20.51	$ 3,814.86	($ 1,584.22) ST		
150			08/01/11	3,553.98	23.693	20.51	3,076.50	(477.48) ST		
336				**8,953.06**	**26.646**		**6,891.36**	**(2,061.70)**	**2.642**	**182.11**
38	SIEMENS A G SPONS ADR	SI	06/01/11	**5,065.16**	133.293	95.61	**3,633.18**	**(1,431.98)** ST	**3.089**	**112.25**
354	SINGAPORE TELECOMMUNICATIO SPONSORED ADR NEW	SGAPY	03/09/11	8,474.65	23.939	23.89	8,457.06	(17.59) ST		
12			03/15/11	274.01	22.834	23.89	286.68	12.67 ST		
366				**8,748.66**	**23.903**		**8,743.74**	**(4.92)**	**5.144**	**449.81**
49	SMITH & NEPHEW PLC SP ADR	SNN	12/03/10	2,299.00	46.918	48.15	2,359.35	60.35 LT		
24			12/03/10	1,126.04	46.918	48.15	1,155.60	29.56 LT		
15			12/06/10	701.56	46.77	48.15	722.25	20.69 LT		
42			12/07/10	2,010.44	47.867	48.15	2,022.30	11.86 LT		
55			12/08/10	2,823.89	51.343	48.15	2,648.25	(175.64) LT		
185				**8,960.93**	**48.437**		**8,907.75**	**(53.18)**	**1.642**	**146.34**
1,654	SUMITOMO MITSU TR SPON ADR	SUTNY	03/16/11	**5,724.25**	3.46	2.84	**4,697.36**	**(1,026.89)** ST	**1.443**	**67.81**
328	SVNESKA CELLULOSA AKTIEBOLAGET SCA SPONSORED ADR	SVCBY	08/03/11	4,694 53	14.312	14.69	4,818.32	123.79 ST		
219			08/04/11	3,006.78	13.729	14.69	3,217.11	210.33 ST		
30			08/04/11	402.30	13.41	14.69	440.70	38.40 ST		
30			08/04/11	402.30	13.41	14.69	440.70	38.40 ST		
607				**8,505.91**	**14.013**		**8,916.83**	**410.92**	**6.215**	**554.19**
35	TELENOR ASA ADR REPSTG	TELNY	09/06/07	2,028.98	57.97	48.77	1,706.95	(322.03) LT		
35			01/22/10	1,375.15	39.29	48.77	1,706.95	331.80 LT		
111			06/20/11	5,073.82	45.71	48.77	5,413.47	339.65 ST		
181				**8,477.95**	**46.84**		**8,827.37**	**349.42**	**3.674**	**324.35**
138	TEVA PHARMACEUTICAL INDS LTD ADR	TEVA	12/08/11	5,536.06	40.116	40.36	5,569.68	33.62 ST		
86			12/22/11	3,567.88	41.487	40.36	3,470.96	(96.92) ST		
224				**9,103.94**	**40.643**		**9,040.64**	**(63.30)**	**1.944**	**175.84**
205	VOLKSWAGEN A G NEW SP ADR	VLKAY	01/20/11	**6,232.75**	30.403	26.69	**5,471.45**	**(761.30)** ST	**1.802**	**98.61**
995	XSTRATA PLC ADR	XSRAY	04/15/10	3,998.81	4.018	2.96	2,945.20	(1,053.61) LT		
590			04/26/10	2,188.05	3.708	2.96	1,746.40	(441.65) LT		
490			05/13/10	1,603.77	3.273	2.96	1,450.40	(153.37) LT		
2,075				**7,790.63**	**3.755**		**6,142.00**	**(1,648.63)**	**1.182**	**72.63**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
330	ZURICH FINCL SVCS SPON ADR	ZFSVY	09/06/07	$ 8,876.99	$ 28.75	$ 22.68	$ 7,484.40	($ 1,392.59) LT		
25			01/22/10	492.11	21.534	22.68	567.00	74.89 LT		
355				9,369.10	26.392		8,051.40	(1,317.70)	8.068	649.65
Total common stocks and options				$ 379,933.22			$ 352,835.64	($ 15,435.36) ST	3.68	
								($ 11,662.22) LT		$ 13,010.53
Total portfolio value				$ 390,555.23			$ 363,457.65	($ 15,435.36) ST	3.57	$ 13,011.59
								($ 11,662.22) LT		

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

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

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/08/11	Bought	TEVA PHARMACEUTICAL INDS LTD ADR MorganStanley SmithBarney LLC acted as your agent in this transaction. CGMI AND/OR ITS AFFILIATES	138	$ 40.1164	$ -5,536.06
12/15/11	Sold	SIEMENS A G SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	-28	92.6464	2,594.05
12/21/11	Bought	DAIMLER AG ADR MorganStanley SmithBarney LLC acted as your agent in this transaction. CGMI AND/OR ITS AFFILIATES	55	44.3255	-2,437.90
12/21/11	Sold	FOMENTO ECONOMICO MEXICANO S.A.B DE CV SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	-31	65.449	2,028.88

MorganStanley
SmithBarney

Ref: 00003127 00110446

Reserved Client Statement
December 1 - December 31, 2011

JOHN & CAROLYN PETERSON CH. FD **Account number [redacted]-0458C-[redacted]**

PORTFOLIO DETAILS

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

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

Money fund

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

Number of shares	Description	Current value	Accrued dividends	Annualized % dividend yield	Anticipated income (annualized)
115,305.99	MORGAN STANLEY LIQUID ASSET FUND INC	$ 115,305.99		.01 %	$ 11.53
Total money fund		$ 115,305.99	$ 0.00		$ 11.53

Common stocks & options

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated income (annualized)
24,000	ILLINOIS TOOL WORKS INC	ITW	07/23/03	$ 802,440.00	$ 33.435	$ 46.71	$ 1,121,040.00	$ 318,600.00* LT	3.082%	$ 34,560.00
-30	CALL ITW JAN 12 @ 52.50 ILLINOIS TOOL WORKS INC 100 SHS EXP: 01/21/2012 SHORT CALL Covered		11/09/11	-2,142.13 Short sale proceeds	.75	.05	-150.00 Cost to close	1,992.13 ST		

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
-60	CALL ITW FEB 12 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS EXP: 02/18/2012 SHORT CALL Covered		12/19/11	$ -3,732.29 Short sale proceeds	$ .65	$ .625	$ -3,750.00 Cost to close	($ 17.71) ST		
Total common stocks and options				$ 796,565.58			$ 1,117,140.00	$ 1,974.42 ST	3.09	
								$ 318,600.00 LT		$ 34,560.00
Total portfolio value				$ 911,871.57			$ 1,232,445.99	$ 1,974.42 ST	2.80	$ 34,571.53
								$ 318,600.00 LT		

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

TRANSACTION DETAILS

All transactions appearing are based on trade-date.

Investment activity

Date	Activity	Description	Quantity	Price	Amount
12/19/11	Opt expire	CALL ITW DEC 11 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS	80		$ 0.00
12/19/11	Opt expire	CALL ITW DEC 11 @ 57.50 ILLINOIS TOOL WORKS INC 100 SHS	40		0.00
12/19/11	Sold	CALL ITW FEB 12 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS EXP 02/18/2012 OPEN CUSTOMER	-60	.65	3,732.29
Total securities bought and other subtractions					**$ 0.00**
Total securities sold and other additions					**$ 3,732.29**

Money fund activity

Opening money fund balance **$ 111,572.76**

Date	Activity	Description	Amount
12/21/11	Autoinvest	MORGAN STANLEY LIQUID ASSET FUND INC	3,732.29

All transactions are traded at $1.00 per share.

Date	Activity	Description	Amount
		MONEY FUND EARNINGS REINVESTED (SEE DETAILS UNDER EARNINGS DETAILS)	.94
		Closing balance	**$ 115,305.99**

Common stocks & options

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

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
400	AT&T INC **Rating:** Citigroup : 1 Morgan Stanley : 1 S&P : 1	T	09/15/10	**$ 11,412.80**	$ 28.017	$ 30.24	**$ 12,096.00**	**$ 683.20** LT	**5.82%**	**$ 704.00**
200	ALTRIA GROUP INC **Rating:** Citigroup : 2 Morgan Stanley : 2 S&P : 1	MO	10/13/11	**5,599.76**	27.468	29.65	**5,930.00**	**330.24** ST	**5.531**	**328.00**
100	CONOCOPHILLIPS **Rating:** Citigroup : 2H Morgan Stanley : 3 S&P : 1	COP	10/13/11	**6,757.38**	66.513	72.87	**7,287.00**	**529.62** ST	**3.622**	**264.00**
100	CONSOLIDATED EDISON INC **Rating:** Citigroup : 1 S&P : 2	ED	10/13/11	**5,729.69**	56.236	62.03	**6,203.00**	**473.31** ST	**3.869**	**240.00**
250	DUKE ENERGY CORP (HOLDING COMPANY) NEW **Rating:** Citigroup : 2 S&P : 2	DUK	10/13/11	**5,021.00**	19.66	22.00	**5,500.00**	**479 00** ST	**4.545**	**250.00**
600	PFIZER INC **Rating:** Citigroup : 2 Morgan Stanley : 1 S&P : 1	PFE	09/15/10	**10,517.58**	17.219	21.64	**12,984.00**	**2,466.42** LT	**4.066**	**528.00**
300	VERIZON COMMUNICATIONS **Rating:** Citigroup : 2 Morgan Stanley : 2 S&P : 2	VZ	09/15/10	**9,464.40**	30.878	40.12	**12,036.00**	**2,571.60** LT	**4 985**	**600.00**

Common stocks & options *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
150	VODAFONE GROUP PLC SPONS ADR NEW **Rating:** Citigroup : 1 Morgan Stanley : 1 S&P : 1	VOD	10/13/11	$ 4,164.90	$ 27.059	$ 28.03	$ 4,204.50	$ 39.60 ST	5.148%	$ 216.45
Total common stocks and options				$ 58,667.51			$ 66,240.50	$ 1,851.77 ST	4.72	
								$ 5,721.22 LT		$ 3,130.45

Exchange traded & closed end funds

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

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

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,005	SPDR S&P 500ETF TRUST Equity portfolio	SPY	02/10/03	$ 83,264.25	$ 82.85	$ 125.50	$ 126,127.50	$ 42,863.25* LT	2.052%	$ 2,588.88
Total closed end fund equity allocation							$ 126,127.50			
Total exchange traded funds and closed end funds				$ 83,264.25			$ 126,127.50	$ 0.00 ST	2.05	
								$ 42,863.25 LT		$ 2,588.88

Preferred stocks

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

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,000	GENERAL ELEC CAP CORP PINES 6.1% Rated AA+ Next call on 01/29/12	GEC	05/11/04	$ 23,995.76	$ 23.995	$ 25.72	$ 25,720 00	$ 1,724.24* LT	5.929%	$ 1,525.00

Preferred stocks *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
1,000	THE GOLDMAN SACHS GROUP INC PFD 6.125% DTD 11/02/2010 Rated A- Next call on 11/01/15	GSF	10/21/11	$ 24,600.00	$ 24.60	$ 24.77	$ 24,770.00	$ 170.00 ST	6.181 %	$ 1,531.25
Total preferred stocks				$ 48,595.76			$ 50,490.00	$ 170.00 ST	6.05	
								$ 1,724.24 LT		$ 3,056.25

Unit investment trusts

This section shows the cost basis and unrealized gains/losses for unit investment trusts. Please note that unrealized gains/losses are provided for informational purposes only and should

Number of units	Description	Date acquired	Cost/ Adjusted cost	Share cost	Current price	Current value	Unrealized gain/(loss)/ Adjusted Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
2,431	UNITS FTP HIGH DIVIDEND EQUITY PORTFOLIO, SERIES 3	10/18/10	$ 24,998.46	$ 10.283	$ 10.267	$ 24,959.32	($ 39.14) LT		
2,377	MNTHLY REINVEST	12/08/10	24,992.49	10.514	10.267	24,404.90	(587.59) LT		
2,348		12/13/10	24,996.10	10.645	10.267	24,107.15	(888.95) LT		
22.8859	Reinvestments to date		233.98	10.223	10.267	234.97	.99 LT		
389.4086	Reinvestments to date		3,896.05	10.005	10.267	3,998.10	102.05 ST		
7,568.2945			79,117.08			77,704.44	(1,412.64)	5.025	3,905.24
5,071	UTS FTP, INFLATION HEDGE OPPORTUNITY PORTFOLIO, SER 8 MONTHLY REINVEST	04/19/11	49,992.45	9.858	8.033	40,738.89	(9,253.56) ST		
84.7922	Reinvestments to date		730.80	8.618	8.033	681.20	(49.60) ST		
5,155.7922			50,723.25			41,420.09	(9,303.16)	2.215	917.73
2,348	UNITS FTP DOW TARGET 10 OCT11 TERM 10/31/2012 MONTHLY REINVEST PAYMENT	10/13/11	24,990.94	10.643	11.179	26,250.41	1,259.47 ST		
15.6675	Reinvestments to date		167.91	10.717	11.179	175.16	7.25 ST		
2,363.6675			25,158.85			26,425.57	1,266.72	3.685	973.83
Total unit investment trusts			$ 154,999.18			$ 145,550.10	($ 7,934.39) ST	3.98	
							($ 1,514.69) LT		$ 5,796.80

JOHN & CAROLYN PETERSON *Account number [redacted]-0459C-[redacted]*

Other Investments

If structured products are included in this section please note: they are complex products and may be subject to special risks, which may include, but are not limited to, loss of initial investment; issuer credit risk; limited or no appreciation; risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees or other fees may apply; price volatility resulting from issuer's and/or guarantor's credit quality; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; concentration risk of owning the related security; limited or no secondary market; restrictions on transferability; conflicts of interest, and limits on participation in appreciation of underlying asset(s). To review a complete list of risks, please refer to the offering documents for the structured product. For more information about the risks specific to your structured products, you should contact your Financial Advisor.

Quantity	Description	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
50,000	JPMORGAN CHASE BANK MLD LINKED TO THE DJUBS COMMODITY INDEX FDIC DTD 11/27/09 R/MD 11/24/1	11/23/09	$ 50,000.00	$ 100.00	$ 107.33	$ 53,665.00	$ 3,665.00 LT		
Total other investments			$ 50,000.00			$ 53,665.00	$ 0.00 ST		
							$ 3,665.00 LT		

Bonds

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

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

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

Corporate bonds

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted	Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	CREDIT SUISSE FB USA INC DTD 1/11/02 INT: 06.500% MATY: 01/15/2012 Rating: AA1/A+	06/23/03 22541LAC7	$ 59,028.64 $ 50,049.50	$ 118.057 $ 100.099	100.182 $ 1,498 61	$ 50,091.00	($ 8,937.64)* LT $ 41.50* LT	6.488 $ 3,250.00	$ 0.00 $ 41.50
40,000	ALLSTATE CORP DTD 02/20/2002 INT: 06.125% MATY: 02/15/2012 Rating: A3/A-	05/07/09 020002AN1	41,404.40 40,062.40	103.496 100.156	100.521 925.56	40,208.40	(1,196.00) LT 146.00 LT	6.093 2,450 00	0.00 146.00
50,000	BANK AMER CORP SUB INTERNOTES BK/ENTRY DTD 7/25/02 INT: 05.600% MATY: 07/15/2012 Rating: BAA2/BBB+	06/02/03 06050XGT4	54,821.33 50,340.50	109.642 100.681	99.388 1,291.11	49,694.00	(5,127.33)* LT (646.50)* LT	5.634 2,800.00	0.00 (646.50)

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted	Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
50,000	AMERICAN GEN FIN CORP INTERNOTES BK/ENTRY DTD 06/04/2004 INT: 05.250% MATY: 12/15/2012 Int paid monthly Rating: B3/B	06/01/04 02639EFB5	$ 50,000.00 **$ 50,000.00**	$ 100.00 $ 100.00	93.387 **$ 116.67**	**$ 46,693.50**	($ 3,306.50)* LT **($ 3,306.50)*** LT	**5.621** **$ 2,625.00**	**$ 0.00** **($ 3,306.50)**
50,000	EMERSON ELEC CO DTD 04/29/2003 INT: 04.500% MATY: 05/01/2013 Rating: A2/A	12/29/03 291011AT1	50,000.00 **50,000.00**	100.00 100 00	104.581 **375.00**	**52,290.50**	2,290.50* LT **2,290.50*** LT	**4.302** **2,250.00**	**0.00** **2,290.50**
25,000	WISCONSIN ELECTRIC POWER DTD 5/6/03 INT: 04.500% MATY: 05/15/2013 Rating: A2/A-	01/28/04 976656BX5	25,170.08 **25,028.75**	100.68 100.115	104.797 **143.75**	**26,199.25**	1,029.17* LT **1,170 50*** LT	**4.294** **1,125.00**	**0.00** **1,170 50**
50,000	GE CAPITAL INTERNOTES BK/ENTRY DTD 6/12/03 INT: 04.150% MATY: 06/15/2013 Rating: AA2/AA+	06/09/03 36966RFR2	50,000.00 **50,000.00**	100.00 100.00	102.271 **92.22**	**51,135.50**	1,135.50* LT **1,135.50*** LT	**4.057** **2,075.00**	**0.00** **1,135.50**
50,000	INTERNATIONAL BUSINESS MACHS DEBS-DTD 6/15/1993 INT: 07.500% MATY: 06/15/2013 Rating: AA3/A+	06/17/03 459200AL5	65,315.00 **52,606.50**	130.63 105.213	109.849 **166.67**	**54,924.50**	(10,390.50)* LT **2,318.00*** LT	**6.827** **3,750.00**	**0.00** **2,318.00**
50,000	BANK OF AMERICA CORP SUB NOTES BOOK/ENTRY DD 7/22/03 INT: 04.750% MATY: 08/15/2013 Rating: BAA2/BBB+	12/29/03 060505BD5	50,100.00 **50,018.00**	100.20 100.036	99.519 **897.22**	**49,759.50**	(340.50)* LT **(258.50)*** LT	**4.772** **2,375.00**	**0.00** **(258 50)**
50,000	GENERAL ELEC CAP COR DTD 09/20/2007 INT: 05.400% MATY: 09/20/2013 Rating: AA2/AA+	06/24/08 36962G3F9	51,006.00 **50,355.50**	102.002 100.711	106.665 **757.50**	**53,332.50**	2,326.50 LT **2,977.00** LT	**5.062** **2,700.00**	**0.00** **2,977.00**
40,000	CAMPBELL SOUP CO DTD 09/18/2003 INT: 04.875% MATY: 10/01/2013 Rating: A2/A-	12/14/05 134429AS8	39,792.40 **39,792.40**	99.481 99.481	107.031 **487.50**	**42,812 40**	3,020.00* LT **3,020.00*** LT	**4.554** **1,950.00**	**0.00** **3,020.00**
60,000	HSBC FINANCE CORPORA DTD 11/21/2006 GLOBAL INT: 05.250% MATY: 01/15/2014 Rating: A3/A	01/26/09 40429CFW7	60,239.60 **60,102.60**	100.391 100.171	102.116 **1,452.50**	**61,269.60**	1,030.00 LT **1,167.00** LT	**5.141** **3,150.00**	**0.00** **1,167.00**

MorganStanley SmithBarney

Ref: 00003127 00110457

Reserved Client Financial Management Account
December 1 - December 31, 2011

JOHN & CAROLYN PETERSON *Account number* [redacted]-0459C-[redacted]

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary income/ Capital gain/(loss)
25,000	J P MORGAN CHASE CO DTD 09/15/2004 INT: 05.125% MATY: 09/15/2014 Rating: A1/A-	09/11/07 46625HBV1	$ 24,819.75 **$ 24,819.75**	$ 99.259 $ 99.259	105.43 **$ 377.26**	**$ 26,357.50**	$ 1,537.75 **$ 1,537.75**	LT LT	**4.861** **$ 1,281.25**	**$ 0.00** **$ 1,537.75**
50,000	BANK OF AMERICA CORP DTD 11/07/2002 INT: 05.125% MATY: 11/15/2014 Rating: BAA1/A-	12/10/03 060505AU8	50,250.00 **50,077.00**	100.50 100.154	99.555 **327.43**	**49,777.50**	(472.50)* **(299.50)***	LT LT	**5.147** **2,562.50**	**0.00** **(299.50)**
75,000	GENERAL ELEC CAP CORP INTERNOTES-BK/ENTRY DTD 12/09/2004 INT: 04.625% MATY: 12/15/2014 Int paid quarterly Rating: AA2/AA+	03/31/10 36966RUC8	78,756.00 **77,434.50**	105.00 103.246	101.761 **154.17**	**76,320.75**	(2,435.25) **(1,113.75)**	LT LT	**4.544** **3,468.75**	**0.00** **(1,113.75)**
50,000	THE DOW CHEMICAL CO DTD 08/07/2009 INT: 05.900% MATY: 02/15/2015 Rating: BAA3/BBB	11/02/09 260543CA9	52,740 00 **51,698.50**	105 468 103.397	111.272 **1,114.44**	**55,636.00**	2,896.00 **3,937.50**	LT LT	**5.302** **2,950.00**	**0.00** **3,937.50**
50,000	GE CAPITAL FIX-TO-FLOAT BOND 2.25% TIL 9/15/11 THEN 3MO LIBOR +65BPS INT: 01.229% MATY: 09/30/2015 Int paid quarterly Rating: AA2/AA+	11/17/10 36962G4S0	50,131.00 **50,090.00**	100.25 100.18	94.648 **1.71**	**47,324.00**	(2,807.00) **(2,766.00)**	LT LT	**1.298** **614.62**	**0.00** **(2,766.00)**
50,000	J P MORGAN CHASE & CO NOTES BK/ENTRY DTD 10/04/2005 INT: 05.150% MATY: 10/01/2015 Rating: A1/A-	10/04/07 46625HDF4	49,504.50 **49,504.50**	98.999 98.999	106.138 **643.75**	**53,069.00**	3,564.50 **3,564.50**	LT LT	**4.852** **2,575.00**	**0.00** **3,564.50**
25,000	ST PAUL TRAVELERS COS INC SR UNSECD NOTES-BK/ENTRY DTD 11/28/2005 INT: 05.500% MATY: 12/01/2015 Rating: A2/A	09/14/07 792860AH1	25,461.25 **25,242.00**	101.825 100.968	112.18 **114.58**	**28,045.00**	2,583.75 **2,803.00**	LT LT	**4.902** **1,375.00**	**0.00** **2,803.00**
25,000	HSBC FIN CORP NOTES-BK/ENTRY DTD 01/19/2006	09/11/07 40429CFN7	24,945.50 24,945.50	99.762 99.762	102.328	25,582.00	636.50 636.50	LT LT		0.00 636.50
50,000	INT: 05.500% MATY: 01/19/2016 Rating: A3/A	10/04/07	50,143.00 50,075.50	100.276 100.151	102.328	51,164.00	1,021.00 1,088.50	LT LT		0.00 1,088.50
75,000			75,088.50 **75,021.00**	100.10 100.00	 **1,856.25**	**76,746.00**	1,657.50 **1,725.00**		**5.374** **4,125.00**	**0.00** **1,725.00**

MorganStanley
SmithBarney

Ref: 00003127 00110458

Reserved Client
Financial Management Account
December 1 - December 31, 2011

JOHN & CAROLYN PETERSON *Account number [redacted]-0459C-[redacted]*

Corporate bonds *continued*

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued Interest	Current value	Unrealized Gain/(loss) Original/ Adjusted		Current % Yield/ Anticip Income (annualized)	Ordinary Income/ Capital gain/(loss)
25,000	WACHOVIA BK NATL ASSN MEDIUM	09/14/07	$ 25,170.25	$ 100.661	107.085	**$ 26,771.25**	$ 1,601.00	LT	5 229	**$ 0.00**
	TERM NOTES-BK/ENTRY	92976GAE1	**$ 25,089.00**	$ 100.356	**$ 412.22**		**$ 1,682.25**	LT	**$ 1,400.00**	**$ 1,682.25**
	DTD 03/09/2006									
	INT: 05.600% MATY: 03/15/2016									
	Rating: A1/A+									
50,000	SUNOCO INC NOTES	01/21/10	52,612.50	105.213	100.482	**50,241.00**	(2,371.50)	LT	**5.722**	**0.00**
	BOOK/ENTRY	86764PAD1	**51,969.50**	103.939	**1,325.69**		**(1,728.50)**	LT	**2,875 00**	**(1,728.50)**
	DD 12/14/2006									
	INT: 05.750% MATY: 01/15/2017									
	Rating: BA2/BB+									
95,000	BERKSHIRE HATHAWAY INC	04/16/09	98,751.85	103.943	116.622	**110,780.90**	12,039.05	LT	**4.63**	**0.00**
	BK/ENTRY DTD 12/01/08	084664BE0	**97,794.90**	102.942	**655.50**		**12,996.00**	LT	**5,130.00**	**12,996.00**
	INT: 05.400% MATY: 05/15/2018									
	Rating: AA2/AA+									
50,000	GOLDMAN SACHS GROUP INC	01/21/11	52,056.00	104.10	98.702	49,351.00	(2,705.00)	ST		0.00
	BOOK/ENTRY	38141EA58	51,879.00	103.758			(2,528.00)	ST		(2,528.00)
50,000	DTD 03/08/2010	05/25/11	51,800.00	103.588	98.702	49,351.00	(2,449.00)	ST		0.00
	INT: 05.375% MATY: 03/15/2020		51,697.00	103.394			(2,346.00)	ST		(2,346.00)
100,000	Rating: A1/A-		103,856.00	103.90		**98,702.00**	(5,154.00)		**5.445**	**0.00**
			103,576.00	103.60	**1,582.64**		**(4,874.00)**		**5,375.00**	**(4,874.00)**
50,000	JPMORGAN CHASE GLOBAL	12/07/11	51,388.00	102.764	102.122	**51,061.00**	(327.00)	ST	**4.308**	**0.00**
	DTD 07/22/2010	46625HHS2	**51,375.50**	102.751	**971.67**		**(314.50)**	ST	**2,200 00**	**(314.50)**
	FIXED AT MATURITY									
	INT: 04.400% MATY: 07/22/2020									
	Rating: AA3/A									
25,000	GENERAL ELEC CAP CORP	06/30/11	26,939.75	107.735	102.183	**25,545.75**	(1,394.00)	ST	**5.431**	**0.00**
	DTD 10/01/2009	36966R4N3	**26,851.25**	107.405	**292.92**		**(1,305.50)**	ST	**1,387.50**	**(1,305.50)**
	INT: 05.550% MATY: 10/15/2020									
	Rating: AA2/AA+									
25,000	GOLDMAN SACHS GROUP	07/26/11	24,588.00	98.328	90.232	**22,558.00**	(2,030.00)	ST	**7.148**	**0.00**
	DTD 04/18/2006	38143YAC7	**24,588.00**	98.328	**268.75**		**(2,030.00)**	ST	**1,612.50**	**(2,030.00)**
	INT: 06.450% MATY: 05/01/2036									
	Rating: A2/BBB+									
Total corporate bonds			$ 1,386,934.80		**$ 18,303.29**	**$ 1,377,356.30**	**($ 8,524.00)**	**ST**	**5.04**	**$ 0.00**
1,335,000			**$ 1,353,487.55**				**$ 32,392.75**	**LT**	**$ 69,432.12**	**$ 23,868.75**

JOHN & CAROLYN PETERSON   *Account number* [redacted]-0459C-[redacted]

Certificates of deposit

Certificates of deposit ("CDs") are insured by the FDIC up to $250,000 per account owner per depository institution (principal and accrued interest combined) when aggregated with other deposits held in the same insurable capacity at the same depository institution. The market value of any CD on this statement is estimated using a matrix based on interest rates. If a CD cannot be priced using this method, the statement will not reflect a market value for the CD. The estimated market value may not reflect the actual price you would receive if you were able to sell your CD prior to maturity. FDIC insurance is based on the outstanding principal amount of the CD, or the accreted value in the case of a zero coupon CD, not the estimated market value.
Issuer names followed by a "C" indicate that issuer is an affiliate of Citigroup Global Markets Inc.

Amount	Description	Date acquired/ CUSIP #	Cost/ Adjusted cost	Share cost/ Adjusted share cost	Current share price/Accrued interest	Current value/ Maturity value	Unrealized Gain/(loss) Original/Adjusted		Current % Yield/ Anticip income (annualized)	Ordinary income/ Capital gain/(loss)
50,000	KEY BK NATL ASSN OHIO	06/09/03	$ 54,172.50	$ 108.345	102.565	$ 51,282.50	($ 2,890.00)*	LT	4.874	$ 0.00
	DTD 8/14/02	49306SDQ6	$ 50,329.50	$ 100.659	$ 958.90	$ 50,000.00	$ 953.00*	LT	$ 2,500.00	$ 953.00
	INT: 05.000% MATY: 08/14/2012									
	Int paid semi-annually									
50,000	WASHINGTON MUT BK FA STOCKTON	09/19/05	50,000.00	100.00	102.556	51,278.00	1,278.00*	LT	4.192	0.00
	CA C/D DD 9/28/2005	939369DN1	50,000.00	100.00	559.59	50,000.00	1,278.00*	LT	2,150.00	1,278.00
	INT: 04.300% MATY: 09/28/2012									
	Int paid semi-annually									
50,000	GE CAPITAL FINANCIAL INC, - UT	08/13/08	50,000.00	100.00	105.302	52,651.00	2,651.00	LT	4.748	0.00
	DTD 08/20/08 INT : SEMI-ANN	36160TCX2	50,000.00	100.00	917.81	50,000.00	2,651.00	LT	2,500.00	2,651.00
	INT: 05.000% MATY: 08/20/2013									
Total certificates of deposit			$ 154,172.50		$ 2,436.30	$ 155,211.50	$ 0.00	ST	4.60	$ 0.00
150,000			$ 150,329.50				$ 4,882.00	LT	$ 7,150.00	$ 4,882.00
Total portfolio value			$ 1,965,819.68			$ 2,041,116.83	($ 14,436.62)	ST	4.46	$ 0.00
							$ 89,733.77	LT	$ 91,161.14	$ 28,750.75

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

2011 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted]

Details of Short Term Gain (Loss) 2011

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000010	43	TRANSOCEAN LTD SWITZERLAND	10/25/11	12/14/11	$ 1,718.74	$ 2,408.64	($ 689.90)	$ 0.00
		NEW				**$ 2,408 64**	**($ 689.90)**	$ 0.00
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000020	256	AT&T INC	09/09/10	01/11/11	7,144.80	7,110.32	34.48	0.00
		MorganStanley SmithBarney LLC				**7,110.32**	**34.48**	0.00
		acted as your agent						
		in this transaction.						
125000070	11	AMAZON COM INC	06/24/11	12/21/11	1,933.35	2,127 10	(193.75)	0 00
		MorganStanley SmithBarney LLC				**2,127.10**	**(193.75)**	0.00
	4	acted as your agent	08/10/11		703.04	790.28	(87.24)	0.00
						790.28	**(87.24)**	0.00
125000080	2	AMAZON COM INC	06/24/11	12/21/11	346.70	386.75	(40.05)	0.00
		MorganStanley SmithBarney LLC				**386.75**	**(40.05)**	0.00
		acted as your agent						
		in this transaction.						
125000100	26	APACHE CORP	01/04/11	09/06/11	2,466.18	3,146.60	(680.42)	0.00
		MorganStanley SmithBarney LLC				**3,146.60**	**(680.42)**	0.00
		acted as your agent						
		in this transaction.						
125000110	16	APACHE CORP	01/04/11	10/03/11	1,231.56	1,936.37	(704.81)	0.00
		MorganStanley SmithBarney LLC				**1,936.37**	**(704.81)**	0.00
	17	acted as your agent	03/30/11		1,308.53	2,230.69	(922.16)	0.00
		in this transaction.				**2,230.69**	**(922.16)**	0.00
125000150	14	BAIDU INC SPON ADR RPTNG	11/02/10	04/28/11	2,097.92	1,534.76	563.16	0.00
		ORD SHS CL A				**1,534.76**	**563.16**	0.00
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000160	19	BAIDU INC SPON ADR RPTNG	11/02/10	05/13/11	2,505.77	2,082.90	422.87	0.00
		ORD SHS CL A				**2,082.90**	**422.87**	0.00
		MorganStanley SmithBarney LLC						
		acted as your agent						

2011 YEAR END SUMMARY

MorganStanley
SmithBarney

Ref: 00000722 00021625

2011 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000170	12	BAIDU INC SPON ADR RPTNG	11/02/10	09/30/11	$ 1,235.65	$ 1,315.51	($ 79 86)	$ 0.00
		ORD SHS CL A				**$ 1,315.51**	**($ 79.86)**	$ 0.00
	24	MorganStanley SmithBarney LLC	11/10/10		2,471.29	2,616.14	(144.85)	0.00
		acted as your agent				**2,616.14**	**(144.85)**	0.00
	1		03/23/11		102.97	132.88	(29.91)	0.00
						132.88	**(29.91)**	0 00
125000180	14	BAIDU INC SPON ADR RPTNG	03/23/11	12/15/11	1,583.12	1,860.37	(277 25)	0 00
		ORD SHS CL A				**1,860.37**	**(277.25)**	0.00
	11	MorganStanley SmithBarney LLC	08/30/11		1,243.88	1,605.31	(361.43)	0.00
		acted as your agent				**1,605.31**	**(361.43)**	0.00
125000190	54	BHP BILLITON LTD SPONS	02/07/11	05/12/11	5,039.78	5,115.19	(75.41)	0.00
		ADR				**5,115.19**	**(75.41)**	0.00
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000210	209	CSX CORP	01/12/11	08/24/11	4,283.87	4,792.98	(509.11)	0.00
		MorganStanley SmithBarney LLC				**4,792.98**	**(509.11)**	0 00
		acted as your agent						
		In this transaction.						
125000220	13	CSX CORP	01/12/11	09/21/11	247.48	298.13	(50.65)	0 00
		MorganStanley SmithBarney LLC				**298.13**	**(50.65)**	0.00
	91	acted as your agent	01/25/11		1,732.40	2,120.97	(388.57)	0 00
		In this transaction.				**2,120.97**	**(388.57)**	0.00
125000230	125	CSX CORP	01/25/11	09/22/11	2,307.99	2,913.42	(605.43)	0.00
		MorganStanley SmithBarney LLC				**2,913.42**	**(605.43)**	0.00
		acted as your agent						
		In this transaction.						
125000250	23	CHEVRON CORP	04/18/11	08/08/11	2,157.88	2,384.04	(226 16)	0.00
		MorganStanley SmithBarney LLC				**2,384 04**	**(226.16)**	0.00
		acted as your agent						
		In this transaction.						
125000260	26	CHEVRON CORP	04/18/11	08/09/11	2,406.03	2,695.01	(288.98)	0.00
		MorganStanley SmithBarney LLC				**2,695.01**	**(288.98)**	0.00
		acted as your agent						
		In this transaction.						
125000270	4	CISCO SYS INC	10/06/11	12/21/11	71.47	66.01	5.46	0.00
		MorganStanley SmithBarney LLC				**66.01**	**5.46**	0.00
		acted as your agent						
		In this transaction.						

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref: 00000722 00021626

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000280	.4205	CITIGROUP INC	01/03/11	05/06/11	$ 18.58	$ 20.52	($ 1.94)	$ 0.00
		REVSPLT 05/06/11 172967101000				**$ 20.52**	**($ 1.94)**	$ 0.00
	.209		01/06/11		9.24	10.46	(1.22)	0.00
						10.46	**(1.22)**	0 00
	.2705		03/09/11		11.96	12.55	(.59)	0.00
						12.55	**(.59)**	0.00
125000290	84	CITIGROUP INC	01/03/11	06/08/11	3,095.11	4,100.21	(1,005.10)	0.00
		MorganStanley SmithBarney LLC				**4,100.21**	**(1,005.10)**	0.00
		acted as your agent						
		in this transaction.						
125000300	60	CONOCOPHILLIPS	01/05/11	05/03/11	4,497.56	4,050.62	446.94	0.00
		MorganStanley SmithBarney LLC				**4,050.62**	**446.94**	0.00
		acted as your agent						
		in this transaction.						
125000310	15	CONOCOPHILLIPS	01/05/11	05/12/11	1,070.20	1,012.65	57.55	0.00
		MorganStanley SmithBarney LLC				**1,012.65**	**57.55**	0.00
	18	acted as your agent	02/07/11		1,284.24	1,302.67	(18.43)	0.00
		in this transaction.				**1,302.67**	**(18.43)**	0.00
125000320	14	CONOCOPHILLIPS	02/07/11	08/08/11	904.12	1,013.18	(109.06)	0.00
		MorganStanley SmithBarney LLC				**1,013.18**	**(109.06)**	0.00
	21	acted as your agent	03/22/11		1,356.17	1,624.52	(268.35)	0.00
		in this transaction.				**1,624.52**	**(268.35)**	0.00
125000330	37	CONOCOPHILLIPS	03/22/11	08/09/11	2,355.78	2,862.26	(506.48)	0.00
		MorganStanley SmithBarney LLC				**2,862.26**	**(506.48)**	0.00
		acted as your agent						
		in this transaction.						
125000340	64	DEERE & CO	11/12/10	02/24/11	5,682.07	4,960.04	722.03	0.00
		MorganStanley SmithBarney LLC				**4,960.04**	**722.03**	0.00
		acted as your agent						
		in this transaction.						
125000420	104	E I DU PONT DE NEMOURS & CO	03/24/10	02/24/11	5,510.31	4,023.77	1,486.54	0 00
		MorganStanley SmithBarney LLC				**4,023.77**	**1,486 54**	0.00
		acted as your agent						
		in this transaction.						
125000450	137	EMC CORP-MASS	04/20/11	08/18/11	2,766.00	3,849.54	(1,083.54)	0.00
		MorganStanley SmithBarney LLC				**3,849.54**	**(1,083.54)**	0.00
		acted as your agent						
		in this transaction.						

2011 YEAR END SUMMARY

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
125000530	50	FREEPORT MCMORAN COPPER & GOLD	10/13/10	01/25/11	$ 5,268.69	$ 4,932.89	$ 335.80	$ 0.00
		CL B				**$ 4,932.89**	**$ 335.80**	$ 0.00
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000540	48	FREEPORT MCMORAN COPPER & GOLD	10/14/10	04/15/11	2,450.42	2,392.65	57.77	0.00
		CL B				**2,392.65**	**57.77**	0.00
	20	MorganStanley SmithBarney LLC	10/21/10		1,021.01	967.19	53.82	0.00
		acted as your agent				**967.19**	**53.82**	0.00
125000550	34	FREEPORT MCMORAN COPPER & GOLD	10/21/10	06/15/11	1,669.42	1,644.21	25.21	0.00
		CL B				**1,644 21**	**25 21**	0.00
	38	MorganStanley SmithBarney LLC	12/02/10		1,865.83	2,037.30	(171.47)	0.00
		acted as your agent				**2,037.30**	**(171.47)**	0 00
	28		12/07/10		1,374.82	1,578.33	(203 51)	0.00
						1,578.33	**(203.51)**	0.00
125000560	131	GENERAL MOTORS COMPANY	01/11/11	06/02/11	3,886.10	5,131.22	(1,245.12)	0.00
		MorganStanley SmithBarney LLC				**5,131.22**	**(1,245.12)**	0.00
	69	acted as your agent	04/05/11		2,046.88	2,253.88	(207.00)	0.00
		In this transaction.				**2,253.88**	**(207 00)**	0.00
125000570	25	GOLDMAN SACHS GROUP INC	07/29/10	02/09/11	4,129.57	3,815.57	314.00	0.00
		MorganStanley SmithBarney LLC				**3,815.57**	**314.00**	0.00
		acted as your agent						
		In this transaction.						
125000580	6	GOLDMAN SACHS GROUP INC	07/29/10	05/13/11	841.54	915.74	(74.20)	0.00
		MorganStanley SmithBarney LLC				**915.74**	**(74.20)**	0.00
	14	acted as your agent	08/02/10		1,963.60	2,144.27	(180 67)	0.00
		In this transaction.				**2,144.27**	**(180.67)**	0.00
125000590	13	GOLDMAN SACHS GROUP INC	09/09/10	08/08/11	1,547.09	1,945.50	(398.41)	0 00
		MorganStanley SmithBarney LLC				**1,945.50**	**(398.41)**	0.00
		acted as your agent						
		In this transaction.						
125000600	4	GOLDMAN SACHS GROUP INC	09/09/10	09/02/11	427.65	598.62	(170.97)	0.00
		MorganStanley SmithBarney LLC				**598.62**	**(170.97)**	0.00
	14	acted as your agent	10/20/10		1,496.76	2,220.32	(723.56)	0.00
		In this transaction.				**2,220.32**	**(723.56)**	0.00
	15		12/07/10		1,603.67	2,452.29	(848.62)	0.00
						2,452.29	**(848 62)**	0.00

2011 YEAR END SUMMARY

2011 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
	16		12/09/10		$ 1,710.59	$ 2,677.00	($ 966.41)	$ 0 00
						$ 2,677.00	**($ 966.41)**	$ 0.00
	11		12/21/10		1,176.03	1,849.13	(673.10)	0.00
						1,849.13	**(673.10)**	0.00
125000610	57	GOODRICH CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/02/11	04/08/11	4,860.11	5,261.06	(400.95)	0.00
						5,261.06	**(400.95)**	0.00
125000660	56	HALLIBURTON CO HOLDINGS CO MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/22/10	09/20/11	2,124.20	2,258.70	(134.50)	0.00
						2,258.70	**(134.50)**	0.00
125000670	48	HALLIBURTON CO HOLDINGS CO MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/22/10	09/21/11	1,738.23	1,936.03	(197.80)	0.00
						1,936.03	**(197.80)**	0.00
125000680	21	HALLIBURTON CO HOLDINGS CO MorganStanley SmithBarney LLC	12/22/10	11/23/11	678.39	847.02	(168.63)	0.00
						847.02	**(168.63)**	0.00
	63	acted as your agent in this transaction.	04/21/11		2,035.16	3,187.30	(1,152 14)	0.00
						3,187.30	**(1,152.14)**	0.00
125000690	26	HALLIBURTON CO HOLDINGS CO MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/21/11	12/14/11	792.89	1,315.40	(522.51)	0.00
						1,315.40	**(522.51)**	0.00
125000710	115	INTEL CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/27/11	11/17/11	2,787.71	2,626.71	161.00	0.00
						2,626.71	**161.00**	0.00
125000750	792	ISHARES S&P U.S PREFERRED STK INDEX FD MorganStanley SmithBarney LLC acted as your agent	01/05/11	08/08/11	26,875.92	30,831.22	(3,955.30)	0.00
						30,831.22	**(3,955.30)**	0.00
125000760	501	ISHARES S&P U.S PREFERRED STK INDEX FD MorganStanley SmithBarney LLC acted as your agent	01/05/11	10/10/11	17,963.46	19,503.08	(1,539.62)	0.00
						19,503.08	**(1,539.62)**	0.00

2011 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted] [redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
125000780	85	JOHNSON & JOHNSON	05/03/11	10/19/11	$ 5,348.59	$ 5,628.89	($ 280.30)	$ 0.00
		MorganStanley SmithBarney LLC				**$ 5,628.89**	**($ 280.30)**	$ 0 00
		acted as your agent						
		in this transaction.						
125000790	130	JUNIPER NETWORKS INC	05/12/11	09/16/11	2,607.60	5,175.83	(2,568.23)	0.00
		MorganStanley SmithBarney LLC				**5,175.83**	**(2,568.23)**	0.00
		acted as your agent						
		in this transaction.						
125000800	47	LAS VEGAS SANDS CORP	09/22/10	02/04/11	2,205.89	1,529.89	676.00	0.00
		MorganStanley SmithBarney LLC				**1,529.89**	**676.00**	0.00
		acted as your agent						
		in this transaction.						
125000810	44	LAS VEGAS SANDS CORP	09/22/10	03/01/11	1,898.97	1,432.23	466.74	0.00
		MorganStanley SmithBarney LLC				**1,432 23**	**466.74**	0.00
		acted as your agent						
		in this transaction.						
125000820	57	LAS VEGAS SANDS CORP	09/22/10	03/08/11	2,407.25	1,855 40	551.85	0.00
		MorganStanley SmithBarney LLC				**1,855.40**	**551 85**	0.00
	62	acted as your agent	10/29/10		2,618.42	2,817.50	(199.08)	0.00
		in this transaction.				**2,817.50**	**(199.08)**	0.00
125000830	54	MCDONALDS CORP	08/13/10	02/07/11	3,977.98	3,902.36	75.62	0.00
		MorganStanley SmithBarney LLC				**3,902.36**	**75 62**	0.00
		acted as your agent						
		in this transaction.						
125000840	132	MERCK & CO INC NEW	06/15/10	01/04/11	4,759.43	4,714.38	45.05	0.00
		MorganStanley SmithBarney LLC				**4,714.38**	**45.05**	0.00
	63	acted as your agent	07/14/10		2,271.55	2,286 62	(15.07)	0.00
		in this transaction.				**2,286 62**	**(15.07)**	0.00
	130		07/15/10		4,687.31	4,724.03	(36.72)	0.00
						4,724.03	**(36.72)**	0.00
125000860	71	NETAPP INC	11/10/10	08/02/11	3,239.06	4,049.86	(810.80)	0.00
		MorganStanley SmithBarney LLC				**4,049.86**	**(810.80)**	0.00
		acted as your agent						
		in this transaction.						

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref: 00000722 00021630

2011 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000870	17	NETAPP INC	11/10/10	08/18/11	$ 577.37	$ 969.69	($ 392.32)	$ 0.00
		MorganStanley SmithBarney LLC				**$ 969.69**	**($ 392.32)**	$ 0.00
	51	acted as your agent	12/02/10		1,732.12	2,734.86	(1,002.74)	0.00
		in this transaction.				**2,734.86**	**(1,002.74)**	0.00
	42		04/25/11		1,426.45	2,194.67	(768.22)	0.00
						2,194.67	**(768.22)**	0.00
125000940	36	PEABODY ENERGY CORP	06/24/10	04/12/11	2,301.40	1,526.05	775.35	0 00
		MorganStanley SmithBarney LLC				**1,526.05**	**775.35**	0 00
		acted as your agent						
		in this transaction.						
125000950	41	PEABODY ENERGY CORP	06/24/10	05/16/11	2,415.86	1,738.00	677.86	0.00
		MorganStanley SmithBarney LLC				**1,738.00**	**677.86**	0.00
		acted as your agent						
		in this transaction.						
125000960	34	PEABODY ENERGY CORP	06/24/10	06/06/11	1,976.39	1,441.27	535.12	0.00
		MorganStanley SmithBarney LLC				**1,441.27**	**535.12**	0.00
	16	acted as your agent	08/02/10		930.06	775.97	154.09	0.00
		in this transaction.				**775.97**	**154 09**	0.00
125000970	61	PEABODY ENERGY CORP	08/02/10	06/10/11	3,416.59	2,958.37	458.22	0.00
		MorganStanley SmithBarney LLC				**2,958.37**	**458.22**	0.00
		acted as your agent						
		in this transaction.						
125000980	60	PEABODY ENERGY CORP	09/01/10	08/24/11	2,573.76	2,690.07	(116.31)	0.00
		MorganStanley SmithBarney LLC				**2,690.07**	**(116.31)**	0.00
	21	acted as your agent	12/02/10		900.81	1,319.08	(418.27)	0.00
		in this transaction.				**1,319.08**	**(418.27)**	0.00
125000990	57	PHILIP MORRIS INTL INC	08/10/10	01/06/11	3,303.40	3,011.39	292.01	0.00
		MorganStanley SmithBarney LLC				**3,011.39**	**292.01**	0 00
		acted as your agent						
		in this transaction.						
125001000	33	PHILIP MORRIS INTL INC	08/10/10	01/12/11	1,857.90	1,743.43	114.47	0 00
		MorganStanley SmithBarney LLC				**1,743.43**	**114.47**	0.00
	37	acted as your agent	09/20/10		2,083.10	2,074.82	8 28	0.00
		in this transaction.				**2,074 82**	**8 28**	0.00
	43		10/14/10		2,420.91	2,479.86	(58.95)	0.00
						2,479.86	**(58.95)**	0 00

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref: 00000722 00021631

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted] [redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
125001010	40	PROCTER & GAMBLE CO	05/13/11	11/14/11	$ 2,519.14	$ 2,677.37	($ 158.23)	$ 0.00
		MorganStanley SmithBarney LLC				**$ 2,677.37**	**($ 158.23)**	$ 0.00
		acted as your agent						
		in this transaction.						
125001020	43	QUALCOMM INC	01/06/11	08/26/11	2,093.82	2,253.48	(159.66)	0.00
		MorganStanley SmithBarney LLC				**2,253.48**	**(159.66)**	0.00
		acted as your agent						
		in this transaction.						
125001030	88	RED HAT INC	10/29/10	06/17/11	3,631.99	3,716.04	(84.05)	0.00
		MorganStanley SmithBarney LLC				**3,716.04**	**(84 05)**	0.00
		acted as your agent						
		in this transaction.						
125001040	29	RED HAT INC	10/29/10	08/03/11	1,164.39	1,224.61	(60 22)	0.00
		MorganStanley SmithBarney LLC				**1,224.61**	**(60.22)**	0.00
	53	acted as your agent	12/03/10		2,128.02	2,499.98	(371.96)	0.00
		in this transaction.				**2,499.98**	**(371.96)**	0.00
	38		12/08/10		1,525.75	1,820.14	(294.39)	0.00
						1,820.14	**(294.39)**	0.00
125001050	68	RIO TINTO PLC-GBP	02/08/11	05/03/11	4,765.25	5,193.40	(428.15)	0.00
		MorganStanley SmithBarney LLC				**5,193.40**	**(428.15)**	0.00
		acted as your agent						
		in this transaction.						
125001060	32	ST JUDE MEDICAL INC	04/04/11	09/19/11	1,346.58	1,673.04	(326.46)	0.00
		MorganStanley SmithBarney LLC				**1,673.04**	**(326.46)**	0.00
		acted as your agent						
		in this transaction.						
125001070	52	ST JUDE MEDICAL INC	04/04/11	09/22/11	2,027.12	2,718.70	(691.58)	0.00
		MorganStanley SmithBarney LLC				**2,718.70**	**(691.58)**	0.00
		acted as your agent						
		in this transaction.						
125001080	16	ST JUDE MEDICAL INC	04/04/11	09/23/11	610.48	836.52	(226.04)	0.00
		MorganStanley SmithBarney LLC				**836.52**	**(226.04)**	0.00
	45	acted as your agent	05/03/11		1,716.97	2,413.67	(696.70)	0.00
		in this transaction.				**2,413.67**	**(696 70)**	0.00
125001110	46	STARWOOD HOTELS & RESORTS	02/03/11	08/04/11	2,207.59	2,766.13	(558.54)	0.00
		WORLDWIDE INC -NEW				**2,766.13**	**(558 54)**	0.00
		MorganStanley SmithBarney LLC						
		acted as your agent						

2011 YEAR END SUMMARY

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
125001120	85	TARGET CORP	12/21/10	02/02/11	$ 4,534.72	$ 5,042.76	($ 508.04)	$ 0.00
		MorganStanley SmithBarney LLC				**$ 5,042.76**	**($ 508.04)**	$ 0.00
		acted as your agent						
		in this transaction.						
125001130	51	TEVA PHARMACEUTICAL INDS	09/08/10	02/08/11	2,624.77	2,765.86	(141 09)	0.00
		LTD ADR				**2,765.86**	**(141.09)**	0.00
	47	MorganStanley SmithBarney LLC	09/22/10		2,418.90	2,591.61	(172.71)	0.00
		acted as your agent				**2,591.61**	**(172.71)**	0.00
125001140	33	3M COMPANY	03/09/10	01/06/11	2,836.10	2,703.01	133.09	0.00
		MorganStanley SmithBarney LLC				**2,703.01**	**133.09**	0 00
	55	acted as your agent	07/27/10		4,726.84	4,766.04	(39.20)	0 00
		in this transaction.				**4,766.04**	**(39.20)**	0.00
125001170	29	UNITED PARCEL SERVICE CL B	09/22/10	08/08/11	1,844.88	1,963.10	(118.22)	0.00
		MorganStanley SmithBarney LLC				**1,963.10**	**(118.22)**	0.00
		acted as your agent						
		in this transaction.						
125001210	42	UNITEDHEALTH GROUP INC	05/04/11	10/12/11	1,968.24	2,075.60	(107.36)	0.00
		MorganStanley SmithBarney LLC				**2,075.60**	**(107 36)**	0 00
		acted as your agent						
		in this transaction.						
125001220	55	UNITEDHEALTH GROUP INC	05/04/11	10/18/11	2,446.17	2,718.04	(271.87)	0.00
		MorganStanley SmithBarney LLC				**2,718.04**	**(271.87)**	0.00
		acted as your agent						
		in this transaction.						
125001230	3	VALE S A SPON ADR	04/16/10	04/06/11	101.09	99.99	1.10	0.00
		MorganStanley SmithBarney LLC				**99.99**	**1.10**	0.00
	92	acted as your agent	04/28/10		3,100.24	2,812.19	288.05	0 00
		in this transaction.				**2,812.19**	**288.05**	0.00
	96		06/21/10		3,235.03	2,657.33	577.70	0 00
						2,657.33	**577.70**	0.00
125001240	25	VIACOM INC NEW CLASS B	05/05/11	10/04/11	887.48	1,258.33	(370.85)	0.00
		MorganStanley SmithBarney LLC				**1,258.33**	**(370 85)**	0.00
		acted as your agent						
		in this transaction.						
125001250	31	WELLPOINT INC	03/16/11	10/18/11	1,975.08	2,071.27	(96.19)	0.00
		MorganStanley SmithBarney LLC				**2,071.27**	**(96.19)**	0.00
		acted as your agent						
		in this transaction.						

2011 YEAR END SUMMARY

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted] [redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125001260	165	WELLS FARGO & CO NEW	12/10/10	04/14/11	$ 4,980.80	$ 5,020.06	($ 39.26)	$ 0.00
		MorganStanley SmithBarney LLC				**$ 5,020.06**	**($ 39.26)**	$ 0.00
		acted as your agent						
		in this transaction.						
125001270	1	WELLS FARGO & CO NEW	12/10/10	04/20/11	28.75	30.42	(1.67)	0.00
		MorganStanley SmithBarney LLC				**30.42**	**(1.67)**	0.00
	76	acted as your agent	12/22/10		2,185.10	2,399.26	(214.16)	0.00
		in this transaction.				**2,399.26**	**(214.16)**	0.00
	93		02/09/11		2,673.87	3,110.07	(436.20)	0.00
						3,110.07	**(436.20)**	0.00
Total						$ 327,488.53	($ 26,007.72)	$ 0.00
					$ 301,480.81	**$ 327,488.53**	**($ 26,007.72)**	$ 0.00

Details of Long Term Gain (Loss) 2011

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000030	18	AMAZON COM INC	09/21/10	10/19/11	$ 4,272.06	$ 2,743.21	$ 1,528.85	$ 0.00
		MorganStanley SmithBarney LLC				**$ 2,743.21**	**$ 1,528.85**	$ 0.00
		acted as your agent						
		in this transaction.						
125000040	14	AMAZON COM INC	09/21/10	10/26/11	2,766.08	2,133.60	632.48	0.00
		MorganStanley SmithBarney LLC				**2,133.60**	**632.48**	0.00
	2	acted as your agent	09/22/10		395.15	303.91	91.24	0.00
		in this transaction.				**303.91**	**91.24**	0.00
125000050	9	AMAZON COM INC	09/22/10	12/06/11	1,734.31	1,367.61	366.70	0.00
		MorganStanley SmithBarney LLC				**1,367.61**	**366.70**	0.00
		acted as your agent						
		in this transaction.						

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted] [redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000060	5	AMAZON COM INC	09/22/10	12/14/11	$ 885.52	$ 759.79	$ 125.73	$ 0.00
		MorganStanley SmithBarney LLC				**$ 759.79**	**$ 125.73**	$ 0.00
	9	acted as your agent	10/05/10		1,593.93	1,436.87	157.06	0 00
		in this transaction.				**1,436.87**	**157.06**	0.00
125000080	3	AMAZON COM INC	10/05/10	12/21/11	520.06	478.96	41.10	0.00
		MorganStanley SmithBarney LLC				**478.96**	**41.10**	0.00
		acted as your agent						
		in this transaction.						
125000090	80	AMERICAN TOWER CORP-CLASS A	09/11/07	04/05/11	4,100.51	3,068.00	1,032.51	0.00
		MorganStanley SmithBarney LLC				**3,068.00**	**1,032.51**	0.00
		acted as your agent						
		in this transaction.						
125000120	4	APPLE INC	02/14/08	03/23/11	1,352.03	513.98	838.05	0.00
		MorganStanley SmithBarney LLC				**513.98**	**838 05**	0.00
	13	acted as your agent	03/26/08		4,394.08	1,857.78	2,536.30	0.00
		in this transaction.				**1,857.78**	**2,536.30**	0.00
125000130	4	APPLE INC	03/26/08	04/04/11	1,359.98	571.62	788.36	0.00
		MorganStanley SmithBarney LLC				**571.62**	**788.36**	0.00
	17	acted as your agent	08/12/08		5,779.93	3,023.41	2,756.52	0.00
		in this transaction.				**3,023 41**	**2,756.52**	0.00
125000140	2	APPLE INC	08/12/08	11/30/11	758.18	355.69	402.49	0.00
		MorganStanley SmithBarney LLC				**355.69**	**402.49**	0.00
	10	acted as your agent	12/02/08		3,790.90	892 97	2,897.93	0 00
		in this transaction.				**892 97**	**2,897.93**	0.00
125000200	47	BOEING CO	02/22/10	08/05/11	2,955.53	3,017.78	(62.25)	0.00
		MorganStanley SmithBarney LLC				**3,017.78**	**(62 25)**	0.00
	22	acted as your agent	03/05/10		1,383.44	1,478.78	(95.34)	0 00
		in this transaction.				**1,478.78**	**(95.34)**	0.00
125000240	36	CAPITAL ONE FINL CORP	04/13/09	08/08/11	1,428.14	660.21	767.93	0.00
		MorganStanley SmithBarney LLC				**660.21**	**767.93**	0.00
		acted as your agent						
		in this transaction.						
125000350	4	WALT DISNEY CO	12/08/08	08/04/11	142.73	102.97	39 76	0.00
		MorganStanley SmithBarney LLC				**102.97**	**39.76**	0.00
	85	acted as your agent	03/11/09		3,032.98	1,414.28	1,618.70	0.00
		in this transaction.				**1,414.28**	**1,618.70**	0.00
	33		11/05/09		1,177.51	954.88	222.63	0.00
						954.88	**222.63**	0.00

2011 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000360	30	WALT DISNEY CO	11/05/09	10/04/11	$ 854.81	$ 868.07	($ 13.26)	$ 0.00
		MorganStanley SmithBarney LLC				**$ 868.07**	**($ 13.26)**	$ 0.00
	20	acted as your agent	03/09/10		569.88	665.53	(95.65)	0.00
		in this transaction.				**665.53**	**(95.65)**	0.00
125000370	70	DIRECTV CL A	11/11/09	01/06/11	2,881.07	2,072.98	808.09	0.00
		MorganStanley SmithBarney LLC				**2,072.98**	**808.09**	0.00
		acted as your agent						
		in this transaction.						
125000380	4	DIRECTV CL A	11/11/09	12/19/11	168 95	118.46	50.49	0.00
		MorganStanley SmithBarney LLC				**118.46**	**50.49**	0.00
	52	acted as your agent	11/24/09		2,196.38	1,664.54	531.84	0.00
		in this transaction.				**1,664.54**	**531.84**	0.00
125000390	70	DOW CHEMICAL CO	09/10/09	02/24/11	2,459.41	1,624.50	834.91	0.00
		MorganStanley SmithBarney LLC				**1,624.50**	**834.91**	0.00
	73	acted as your agent	10/20/09		2,564.81	1,960.37	604.44	0.00
		in this transaction.				**1,960.37**	**604.44**	0.00
125000400	15	DOW CHEMICAL CO	10/20/09	09/06/11	384.95	402.81	(17.86)	0 00
		MorganStanley SmithBarney LLC				**402.81**	**(17 86)**	0.00
	53	acted as your agent	01/22/10		1,360.14	1,516.76	(156.62)	0.00
		in this transaction.				**1,516.76**	**(156.62)**	0.00
125000410	3	DOW CHEMICAL CO	01/22/10	09/21/11	79.27	85 85	(6.58)	0.00
		MorganStanley SmithBarney LLC				**85.85**	**(6.58)**	0.00
	71	acted as your agent	05/04/10		1,876.03	2,168.18	(292.15)	0.00
		in this transaction.				**2,168.18**	**(292.15)**	0.00
125000430	24	E I DU PONT DE NEMOURS & CO	03/24/10	05/16/11	1,267.95	928.56	339.39	0.00
		MorganStanley SmithBarney LLC				**928.56**	**339 39**	0.00
	23	acted as your agent	04/26/10		1,215.11	941.27	273.84	0.00
		in this transaction.				**941.27**	**273.84**	0.00
125000440	59	E I DU PONT DE NEMOURS & CO	04/26/10	09/23/11	2,417.71	2,414.56	3.15	0.00
		MorganStanley SmithBarney LLC				**2,414.56**	**3.15**	0.00
		acted as your agent						
		in this transaction.						
125000460	36	EXPRESS SCRIPTS INC.COMMON	04/28/09	04/01/11	2,023.18	1,105.53	917.65	0.00
		MorganStanley SmithBarney LLC				**1,105.53**	**917.65**	0.00
	50	acted as your agent	04/30/09		2,809.97	1,624.17	1,185.80	0.00
		in this transaction.				**1,624.17**	**1,185.80**	0.00
	24		07/23/09		1,348.79	835.85	512.94	0.00
						835.85	**512 94**	0.00

2011 YEAR END SUMMARY

MorganStanley
SmithBarney

Ref: 00000722 00021636

2011 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0455C-[redacted]-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
125000470	36	EXPRESS SCRIPTS INC.COMMON	07/23/09	10/06/11	$ 1,402.30	$ 1,253.78	$ 148.52	$ 0.00
		MorganStanley SmithBarney LLC				**$ 1,253.78**	**$ 148.52**	$ 0.00
	54	acted as your agent	07/29/09		2,103 46	1,930.78	172.68	0.00
		in this transaction.				**1,930.78**	**172.68**	0.00
	34		07/08/10		1,324.40	1,582.85	(258.45)	0.00
						1,582.85	**(258.45)**	0.00
125000480	4,000	FEDERAL HOME LN MTG CRP GLOBAL	09/11/07	09/16/11	4,160.00	4,113.75	46.25	0.00
		REFERENCE NOTES BK/ENTRY				**4,020.80**	**139.20**	139.20
	5,000	DTD 7/16/02	09/24/07		5,200.00	5,085.81	114.19	0 00
		DUE 07/15/2012 RATE 5.125				**5,015.75**	**184.25**	184.25
	26,000		03/26/09		27,040.00	28,656.87	(1,616.87)	0.00
						26,677.04	**362.96**	362.96
125000490	1,000	FEDERAL HOME LN MTG CRP GLOBAL	03/26/09	11/30/11	1,029.69	1,102.19	(72.50)	0.00
		REFERENCE NOTES BK/ENTRY				**1,019.78**	**9.91**	9.91
		DTD 7/16/02						
		DUE 07/15/2012 RATE 5.125						
125000500	301	FORD MOTOR COMPANY	02/25/10	04/13/11	4,481.17	3,548.88	932.29	0.00
		MorganStanley SmithBarney LLC				**3,548.88**	**932.29**	0.00
		acted as your agent						
		in this transaction.						
125000510	14	FORD MOTOR COMPANY	02/25/10	07/07/11	196.19	165.06	31.13	0.00
		MorganStanley SmithBarney LLC				**165.06**	**31.13**	0.00
	152	acted as your agent	03/01/10		2,130 02	1,872.52	257.50	0.00
		in this transaction.				**1,872.52**	**257.50**	0.00
125000520	29	FORD MOTOR COMPANY	03/01/10	08/04/11	315.99	357.26	(41.27)	0.00
		MorganStanley SmithBarney LLC				**357.26**	**(41.27)**	0.00
	161	acted as your agent	03/05/10		1,754.27	2,086.91	(332.64)	0.00
		in this transaction.				**2,086.91**	**(332.64)**	0.00
	171		03/29/10		1,863.23	2,303.32	(440.09)	0.00
						2,303.32	**(440.09)**	0.00
	154		04/21/10		1,677.99	2,161.88	(483.89)	0.00
						2,161.88	**(483.89)**	0 00
125000590	1	GOLDMAN SACHS GROUP INC	08/02/10	08/08/11	119.01	153.16	(34.15)	0.00
		MorganStanley SmithBarney LLC				**153.16**	**(34.15)**	0.00
		acted as your agent						
		in this transaction.						

2011 YEAR END SUMMARY

Ref: 00000722 00021637

MorganStanley
SmithBarney

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted] [redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000620	1	GOOGLE INC	10/14/08	04/05/11	$ 574.48	$ 370.90	$ 203.58	$ 0.00
		CLASS A				**$ 370.90**	**$ 203.58**	$ 0.00
	5	MorganStanley SmithBarney LLC	01/23/09		2,872.39	1,636.38	1,236.01	0.00
		acted as your agent				**1,636.38**	**1,236.01**	0.00
	4		02/09/09		2,297.90	1,511.13	786.77	0.00
						1,511.13	**786.77**	0.00
125000630	8	GOOGLE INC	02/09/09	04/15/11	4,273.06	3,022.27	1,250.79	0.00
		CLASS A				**3,022.27**	**1,250.79**	0.00
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000640	1	GOOGLE INC	02/09/09	06/21/11	488.56	377.78	110.78	0.00
		CLASS A				**377.78**	**110.78**	0.00
	3	MorganStanley SmithBarney LLC	06/04/10		1,465.67	1,499.31	(33.64)	0.00
		acted as your agent				**1,499.31**	**(33.64)**	0.00
125000650	2	GOOGLE INC	06/04/10	11/14/11	1,228.18	999.54	228.64	0.00
		CLASS A				**999.54**	**228.64**	0.00
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000700	43	HEWLETT PACKARD CO	10/14/08	05/16/11	1,712.60	1,730.79	(18.19)	0.00
		MorganStanley SmithBarney LLC				**1,730.79**	**(18.19)**	0.00
	117	acted as your agent	12/01/08		4,659.85	4,028.64	631.21	0.00
		in this transaction.				**4,028.64**	**631.21**	0.00
	29		12/21/09		1,155.01	1,505.42	(350.41)	0.00
						1,505.42	**(350.41)**	0.00
	30		01/22/10		1,194.83	1,515.56	(320.73)	0.00
						1,515.56	**(320.73)**	0.00
125000720	9	INTL BUSINESS MACHINES CORP	07/11/08	10/18/11	1,598.33	1,087.64	510.69	0.00
		MorganStanley SmithBarney LLC				**1,087.64**	**510.69**	0.00
	5	acted as your agent	10/13/08		887.96	455.43	432.53	0.00
		in this transaction.				**455.43**	**432.53**	0.00
	21		10/14/08		3,729.44	1,981.19	1,748.25	0.00
						1,981.19	**1,748.25**	0.00
125000730	18	INTL BUSINESS MACHINES CORP	12/29/08	12/22/11	3,263.64	1,445.36	1,818.28	0.00
		MorganStanley SmithBarney LLC				**1,445.36**	**1,818.28**	0.00
		acted as your agent						
		in this transaction.						

2011 YEAR END SUMMARY

MorganStanley
SmithBarney

Ref: 00000722 00021638

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000740	198	ISHARES IBOXX $ INVESTOP	05/13/09	01/03/11	$ 21,518.86	$ 19,254.05	$ 2,264.81	$ 0 00
		INVESTMENT GRADE CORP FD FD				**$ 19,254.05**	**$ 2,264.81**	$ 0.00
	64	MorganStanley SmithBarney LLC	06/30/09		6,955.59	6,410.95	544.64	0.00
		acted as your agent				**6,410.95**	**544.64**	0.00
	196		08/05/09		21,301.51	20,097.06	1,204.45	0.00
						20,097.06	**1,204.45**	0.00
125000770	15	JPMORGAN CHASE & CO	03/18/09	05/16/11	646.80	379.79	267.01	0.00
		MorganStanley SmithBarney LLC				**379.79**	**267.01**	0.00
	60	acted as your agent	04/14/10		2,587.18	2,833.36	(246.18)	0.00
		in this transaction.				**2,833.36**	**(246.18)**	0.00
125000850	19	METLIFE INC	08/03/10	09/06/11	554.81	809.49	(254 68)	0.00
		MorganStanley SmithBarney LLC				**809 49**	**(254.68)**	0.00
		acted as your agent						
		in this transaction.						
125000880	70	OCCIDENTAL PETROLEUM CORP-DEL	03/30/09	04/04/11	7,261.24	3,915.13	3,346.11	0.00
		MorganStanley SmithBarney LLC				**3,915.13**	**3,346.11**	0.00
	4	acted as your agent	04/02/09		414.93	245.80	169.13	0.00
		in this transaction.				**245.80**	**169.13**	0.00
125000890	10	OCCIDENTAL PETROLEUM CORP-DEL	04/02/09	04/05/11	1,036.75	614.50	422.25	0.00
		MorganStanley SmithBarney LLC				**614.50**	**422.25**	0.00
	23	acted as your agent	05/06/09		2,384.54	1,487.09	897.45	0.00
		in this transaction.				**1,487.09**	**897.45**	0.00
125000900	11	OCCIDENTAL PETROLEUM CORP-DEL	05/06/09	04/12/11	1,075.75	711.22	364.53	0.00
		MorganStanley SmithBarney LLC				**711.22**	**364.53**	0.00
	10	acted as your agent	11/04/09		977.96	806.85	171.11	0.00
		in this transaction.				**806.85**	**171.11**	0.00
	10		11/05/09		977.96	812.85	165.11	0.00
						812.85	**165.11**	0.00
	19		01/22/10		1,858.11	1,462.43	395.68	0.00
						1,462.43	**395 68**	0.00
125000910	167	ORACLE CORP	09/09/09	08/18/11	4,233.46	3,759.49	473.97	0.00
		MorganStanley SmithBarney LLC				**3,759.49**	**473 97**	0.00
		acted as your agent						
		in this transaction.						
125000920	23	ORACLE CORP	09/09/09	11/14/11	739.24	517.77	221.47	0.00
		MorganStanley SmithBarney LLC				**517.77**	**221.47**	0.00
	35	acted as your agent	11/16/09		1,124.94	799.41	325.53	0.00
		in this transaction.				**799.41**	**325.53**	0.00

2011 YEAR END SUMMARY

MorganStanley SmithBarney

Ref: 00000722 00021639

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000930	59	ORACLE CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	11/16/09	12/16/11	$ 1,717.76	$ 1,347.58 **$ 1,347.58**	$ 370.18 **$ 370.18**	$ 0.00 $ 0.00
125000980	8	PEABODY ENERGY CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/02/10	08/24/11	343.17	387.98 **387.98**	(44.81) **(44.81)**	0.00 0.00
125001090	48	SALESFORCE.COM INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/30/09	02/24/11	6,463.37	3,523.08 **3,523.08**	2,940.29 **2,940.29**	0.00 0.00
125001100	34	SCHLUMBERGER LTD MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/30/10	09/20/11	2,363.68	2,441.63 **2,441.63**	(77.95) **(77.95)**	0.00 0.00
125001110	92	STARWOOD HOTELS & RESORTS WORLDWIDE INC -NEW MorganStanley SmithBarney LLC acted as your agent	05/13/10	08/04/11	4,415.18	4,854.26 **4,854.26**	(439.08) **(439.08)**	0.00 0 00
125001150	7 48	UNION PACIFIC CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/11/08 03/11/09	08/02/11	690.50 4,734.84	341.72 **341.72** 1,760.03 **1,760.03**	348.78 **348.78** 2,974.81 **2,974.81**	0.00 0.00 0.00 0.00
125001160	63	UNITED PARCEL SERVICE CL B MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/29/10	08/01/11	4,253.16	4,370.88 **4,370 88**	(117.72) **(117.72)**	0.00 0.00
125001170	9	UNITED PARCEL SERVICE CL B MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/29/10	08/08/11	572.55	624.41 **624.41**	(51.86) **(51.86)**	0.00 0.00
125001180	38	UNITED PARCEL SERVICE CL B MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/22/10	09/23/11	2,339.94	2,572.33 **2,572.33**	(232.39) **(232.39)**	0.00 0.00

2011 YEAR END SUMMARY

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0455C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost / Adjusted Cost	Original Gain/(Loss) / Adjusted Gain/(Loss)	Ordinary Income / Capital Gain/(Loss)
125001190	23	UNITED TECHNOLOGIES CORP	08/06/08	11/23/11	$ 1,646.18	$ 1,511.32	$ 134.86	$ 0.00
		MorganStanley SmithBarney LLC				**$ 1,511.32**	**$ 134.86**	$ 0.00
	9	acted as your agent	11/05/08		644.16	503.60	140.56	0.00
		in this transaction.				**503.60**	**140.56**	0.00
125001200	1	UNITED TECHNOLOGIES CORP	11/05/08	12/13/11	75.53	55.95	19.58	0.00
		MorganStanley SmithBarney LLC				**55.95**	**19.58**	0.00
	35	acted as your agent	11/06/08		2,643.56	1,763.75	879.81	0.00
		in this transaction.				**1,763.75**	**879.81**	0.00
Total						$ 218,652.41	$ 46,401.88	$ 0.00
					$ 265,054.29	**$ 216,427.16**	**$ 48,627.13**	$ 696.32

Details of Accrued Income 2011

This section shows your accrued income paid or received as a result of purchases and sales.

Reference number	Transaction Description	Trade Date	Interest Paid	Interest Received
120010800	FEDERAL HOME LN MTG CRP GLOBAL REFERENCE NOTES BK/ENTRY DTD 7/16/02 DUE 07/15/2012 RATE 5.125	09/16/11		$ 318.89
120010900	FEDERAL HOME LN MTG CRP GLOBAL REFERENCE NOTES BK/ENTRY DTD 7/16/02 DUE 07/15/2012 RATE 5.125	11/30/11		19.36
120011000	FEDERAL NATL MTG ASSN MED TERMS NTS BK/ENTRY DTD 07/09/2010 DUE 08/20/2013 RATE 1.250	01/28/11	39.38	
120025300	US TREASURY NOTES SER E-2021 DTD 08/15/2011 DUE 08/15/2021 RATE 2.125	09/16/11	97.01	
Total			**$ 136.39**	**$ 338 25**

MorganStanley SmithBarney

Ref: 00000722 00021660

2011 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0457C-[redacted]

Details of Short Term Gain (Loss) 2011

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000030	205	AXA S.A.SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/07/10	09/13/11	$ 2,428.12	$ 3,785.98	($ 1,357.86)	
125000080	20	BG GROUP PLC SPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/18/10	03/31/11	2,484.77	1,659.71		825.06
125000110	430	BANCO BILBAO VIZCAYA-SP ADR MorganStanley SmithBarney LLC acted as your agent	09/17/10	09/14/11	3,318.13	5,632.23	(2,314.10)	
125000120	10	BANCO SANTANDER S.A. MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/14/10	09/12/11	72.07	116.60	(44.53)	
125000130	379	BANK OF CHINA-CNY MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/05/11	11/23/11	2,883.64	5,163.31	(2,279.67)	
125000220	98	FUJI HEAVY INDUSTRIES ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/16/11	09/15/11	5,618.71	6,851.79	(1,233.08)	
125000260	12 49	LAFARGE SPONS ADR NEW LAFARGE COPPEE MorganStanley SmithBarney LLC acted as your agent	08/10/10 08/11/10	08/01/11	153.94 628.59	157.98 644.35	(4.04) (15.76)	
125000320	214	SANOFI SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/13/11	12/21/11	7,556.47	6,884.87		671.60

2011 YEAR END SUMMARY

JOHN & CAROLYN PETERSON
Account Number [redacted]-0457C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000340	28	SIEMENS A G SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/01/11	12/15/11	$ 2,594.05	$ 3,732.22	($ 1,138.17)	
125000350	668	SOCIETE GENERALE SPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/22/10	09/12/11	2,819.97	8,129.56	(5,309.59)	
125000370	145	TNT EXPRESS NV ADR MorganStanley SmithBarney LLC	06/01/11	07/05/11	1,471.47	2,001.00	(529.53)	
125000380	121	TNT EXPRESS NV ADR MorganStanley SmithBarney LLC	06/01/11	07/06/11	1,222.72	1,669.80	(447.08)	
125000430	34	VOLKSWAGEN A G NEW SP ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/20/11	11/18/11	1,010.46	1,033 73	(23.27)	
125000440	27	VOLKSWAGEN A G NEW SP ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/20/11	11/22/11	778.30	820.90	(42.60)	
Total					**$ 35,041.41**	**$ 48,284.03**	**($ 14,739.28)**	**$ 1,496 66**

Details of Long Term Gain (Loss) 2011

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000010	20	ASAHI KASEI CORP ADR	03/01/05	10/11/11	$ 251.74	$ 212.29		$ 39.45 c
	105	MorganStanley SmithBarney LLC	03/02/05		1,321.64	1,128.74		192.90 c
	35	acted as your agent	03/03/05		440.55	377.01		63.54 c
	55	in this transaction.	04/06/05		692.29	554.41		137.88 c

MorganStanley
SmithBarney

2011 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0457C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
	90		12/04/06		$ 1,132.83	$ 1,164.60	($ 31.77) c	
	28		05/25/07		352.43	360.18	(7.75) c	
125000020	145	ASTRAZENECA PLC SPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	11/12/09	03/16/11	6,611.83	6,595.67		16 16
125000030	140	AXA S.A.SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/06/07	09/13/11	1,658.23	5,486.18	(3,827.95)	
	135		01/22/10		1,599.00	2,954.72	(1,355.72)	
125000040	93	BAE SYSTEMS PLC SPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/08/09	03/16/11	1,834.92	2,003.57	(168.65)	
125000050	147	BAE SYSTEMS PLC SPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/08/09	03/17/11	2,897.74	3,166.94	(269.20)	
	75		11/05/09		1,478.44	1,569.23	(90.79)	
	50		01/22/10		985.62	1,158.00	(172.38)	
125000060	57	BASF SE COMMON STOCK MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/22/10	03/16/11	4,325.67	3,232.30		1,093.37
125000070	12	BASF SE COMMON STOCK MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/22/10	03/17/11	924.58	680.48		244.10
125000090	43	BG GROUP PLC SPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/18/10	10/19/11	4,669.72	3,568.38		1,101.34
	19		08/10/10		2,063.37	1,553.28		510.09
125000100	7	BG GROUP PLC SPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/18/10	10/19/11	753.58	580.90		172.68
125000120	37	BANCO SANTANDER S.A. MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/19/07	09/12/11	266.66	656 85	(390.19) c	
	305		09/06/07		2,198.15	5,452.12	(3,253.97)	
	190		11/21/08		1,369.34	1,294.01		75.33

2011 YEAR END SUMMARY

MorganStanley
SmithBarney

Ref: 00000722 00021663

2011 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0457C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
	245		01/22/10		$ 1,765.73	$ 3,655 99	($ 1,890.26)	
	50		04/07/10		360.35	685.21	(324.86)	
125000130	270	BANK OF CHINA-CNY MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/25/10	11/23/11	2,054.31	3,959.74	(1,905.43)	
125000140	468	CENTRAL JAPAN RY CO-JPY UNSPONS ADR MorganStanley SmithBarney LLC acted as your agent	02/19/09	05/06/11	3,669.55	2,878.20		791.35
125000150	202	COMPANHIA PARANAENSE DE ENERGIA COPEL SPONS ADR MorganStanley SmithBarney LLC acted as your agent	05/12/09	08/31/11	4,370.85	2,633.74		1,737.11
125000160	90	DBS GROUP HLDG LTD SP ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/06/07	05/05/11	4,285.60	4,837.50	(551.90)	
125000170	97	DEUTSCHE LUFTHANSA AG SPONS ADR MorganStanley SmithBarney LLC acted as your agent	03/25/08	03/16/11	1,858.51	2,529.79	(671.28)	
125000180	76	DEUTSCHE LUFTHANSA AG SPONS ADR MorganStanley SmithBarney LLC acted as your agent	03/25/08	03/17/11	1,453.17	1,982.10	(528.93)	
125000190	19	ENI SPA SPONSORED ADR	05/17/04	02/02/11	944.25	751.91		192.34 c
	27	MorganStanley SmithBarney LLC	12/04/06		1,341.83	1,767.15	(425.32) c	
	80	acted as your agent	09/06/07		3,975.79	5,531.20	(1,555.41)	
	10	in this transaction.	04/01/09		496.97	389.30		107.67
	30		01/22/10		1,490.92	1,476.40		14.52
125000200	63	FOMENTO ECONOMICO MEXICANO S.A.B DE CV SPONS ADR MorganStanley SmithBarney LLC acted as your agent	03/17/10	08/25/11	4,153.81	2,916.25		1,237.56

2011 YEAR END SUMMARY

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0457C-[redacted]

Details of Long Term Gain (Loss) 2011 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000210	31	FOMENTO ECONOMICO MEXICANO	03/18/10	12/21/11	$ 2,028.88	$ 1,454.38		$ 574.50
		S.A.B DE CV SPONS ADR						
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000230	15	HUTCHISON WHAMPOA LTD-ADR	10/31/06	01/20/11	891.39	667.11		224.28 c
	25	MorganStanley SmithBarney LLC	11/06/06		1,485.64	1,123.34		362.30 c
	17	acted as your agent	12/04/06		1,010.24	796.45		213.79 c
	34	in this transaction.	09/06/07		2,020.47	1,700.00		320.47
125000240	76	HUTCHISON WHAMPOA LTD-ADR	09/06/07	02/24/11	4,318.50	3,800.00		518.50
	30	MorganStanley SmithBarney LLC	01/22/10		1,704.67	1,051.30		653.37
		acted as your agent						
		in this transaction.						
125000250	120	KDDI CORP-JPY	12/11/09	05/06/11	8,157.62	6,630.49		1,527 13
		MorganStanley SmithBarney LLC						
		acted as your agent						
		in this transaction.						
125000260	105	LAFARGE SPONS ADR NEW	09/06/07	08/01/11	1,346.97	3,973.42	(2,626.45)	
	80	LAFARGE COPPEE	05/05/09		1,026.27	1,222 12	(195.85)	
	100	MorganStanley SmithBarney LLC	05/13/09		1,282.83	1,463.87	(181.04)	
	60	acted as your agent	01/22/10		769.70	1,205.85	(436.15)	
125000270	167	MEDIASET S P A SPONSORED	04/30/08	02/02/11	3,286.09	4,486.45	(1,200.36)	
		ADR-USD						
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000280	173	MEDIASET S P A SPONSORED	04/30/08	02/03/11	3,361.35	4,647.65	(1,286.30)	
		ADR-USD						
		MorganStanley SmithBarney LLC						
		acted as your agent						
125000290	130	NETEASE.COM INC ADR	12/03/09	07/27/11	6,538.27	5,075.19		1,463.08
	35	MorganStanley SmithBarney LLC	01/22/10		1,760.30	1,234.14		526.16
	45	acted as your agent	04/14/10		2,263.25	1,650.66		612.59
		in this transaction.						
125000300	251	POSTNL N V	09/06/07	06/02/11	2,483.97	10,542.00	(8,058.03)	
	15	SPONSORED ADR	01/22/10		148.44	431.25	(282.81)	
		MorganStanley SmithBarney LLC						
		acted as your agent						

JOHN & CAROLYN PETERSON
Account Number [redacted]-0457C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000310	45	ROLLS ROYCE HOLDINGS PLC SPONSORED ADR MorganStanley SmithBarney LLC acted as your agent	07/24/08	12/21/11	$ 2,512.40	$ 1,641.67		$ 870 73
125000330	240	SECOM LTD ADR	10/02/09	06/01/11	2,768.39	3,036.48	(268.09)	
	240	MorganStanley SmithBarney LLC	11/06/09		2,768.39	2,801.21	(32.82)	
	80	acted as your agent in this transaction.	01/22/10		922.80	930.10	(7.30)	
125000360	189	STATOILHYDRO ASA SPONS	10/16/07	03/30/11	5,176.72	6,399.55	(1,222.83)	
	60	ADR	04/29/08		1,643.40	2,144.69	(501.29)	
	50	MorganStanley SmithBarney LLC acted as your agent	01/22/10		1,369.51	1,173.15		196.36
125000390	480	TALISMAN ENERGY INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/06/07	01/20/11	10,550.53	8,534.40		2,016.13
125000400	89	TELEFONICA S.A. SPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/02/08	03/04/11	2,247.64	2,424.87	(177.23)	
125000410	91	TELEFONICA S.A. SPON ADR	07/02/08	03/09/11	2,298.07	2,479.37	(181.30)	
	30	MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/22/10		757.60	760.93	(3.33)	
125000420	110	USIMINAS SA PFD A SPONS	08/18/09	10/24/11	724.11	1,396.42	(672.31)	
	40	ADR MorganStanley SmithBarney LLC acted as your agent	01/22/10		263.31	524.28	(260.97)	
Total					**$ 149,937.69**	**$ 167,147.13**	**($ 35,016 22)**	**$ 17,806.78**

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

2011 YEAR END SUMMARY

MorganStanley
SmithBarney

Ref: 00000722 00021672

2011 Year End Summary

JOHN & CAROLYN PETERSON CH. FD
Account Number [redacted]-0458C-[redacted]

Details of Earnings 2011

Dividends and Distributions, Section 1

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

Reference number	Description	Total dividends	Qualified dividends	Short term capital gains	Total capital gain distributions	Unrecaptured Sec 1250 gain	Section 1202 gain	Alternative minimum tax
160000100	452308109000 ILLINOIS TOOL WORKS INC	$ 33,120.00	$ 33,120.00					
160000200	616980108000 MORGAN STANLEY LIQUID ASSET FUND INC	6.65						
160000300	714992955000 WESTERN ASSET MONEY MARKET FUND CLASS A	12.68						
Totals		**$ 33,139.33**	**$ 33,120.00**					

Details of Short Term Gain (Loss) 2011

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000010	-80	CALL ITW MAR 11 @ 52.50 ILLINOIS TOOL WORKS INC 100 SHS EXP 03/19/2011	12/07/10	03/14/11	$ 12,871.00	$ 16,346.50	($ 3,475.50)	
125000020	-40	CALL ITW JUN 11 @ 55.00 ILLINOIS TOOL WORKS INC 100 SHS EXP 06/18/2011	03/14/11	06/01/11	8,820.32	8,610.00		210.32
125000030	-40	CALL ITW JUN 11 @ 55.00 ILLINOIS TOOL WORKS INC 100 SHS EXP 06/18/2011	03/14/11	06/01/11	8,820.33	9,080.00	(259.67)	

2011 YEAR END SUMMARY

2011 Year End Summary

JOHN & CAROLYN PETERSON CH. FD
Account Number [redacted]-0458C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000040	-50	CALL ITW SEP 11 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS	08/03/11	09/19/11	4,551.56			4,551.56
125000050	-40	CALL ITW SEP 11 @ 57.50 ILLINOIS TOOL WORKS INC 100 SHS	06/01/11	09/19/11	8,759.83			8,759.83
125000060	-80	CALL ITW DEC 11 @ 50.00 ILLINOIS TOOL WORKS INC 100 SHS	09/20/11	12/19/11	7,703.50			7,703.50
125000070	-40	CALL ITW DEC 11 @ 57.50 ILLINOIS TOOL WORKS INC 100 SHS	06/01/11	12/19/11	12,609.75			12,609.75
Total					**$ 64,136.29**	**$ 34,036.50**	**($ 3,735.17)**	**$ 33,834.96**

Details of Deposits and Withdrawals 2011

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

Withdrawals

Reference number	Date	Description	Referral number	Amount
220000100	02/01/11	CHECK 6610990379 BY WORCESTER, MA TO CONNORS INVESTOR SERVICES, QTR ENDED 12/31/2010		$ 1,654.44
220000300	07/21/11	CHECK 0388041477 BY WORCESTER, MA TO CONNORS INVESTOR SERVICES,		1,778.10
220000200	04/25/11	CHECK 6611076940 BY WORCESTER, MA TO CONNORS INVESTOR SERVICES, QTR ENDED 3/31/11		$ 1,686.80
220000400	10/17/11	CHECK 6611248185 BY WORCESTER, MA TO CONNORS INVESTOR SERVICES, QTR ENDED 09/30/11		1,368.70
Total				**$ 6,488.04**

2011 YEAR END SUMMARY

2011 Year End Summary

JOHN & CAROLYN PETERSON
Account Number [redacted]-0459C-[redacted]

Details of Short Term Gain (Loss) 2011

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000040	50,000	BERKSHIRE HATHAWAY FINANCE COR DTD 12/15/2010 DUE 12/15/2015 RATE 2.450 YTM 2.522	12/13/10	04/19/11	$ 49,835.50	$ 50,284.79 **$ 50,260 50**	($ 449.29) **($ 425.00)**	$ 0.00 ($ 425 00)
125000050	20,000	BERKSHIRE HATHAWAY FINANCE COR DTD 12/15/2010 DUE 12/15/2015 RATE 2.450 YTM 1.627	12/13/10	12/07/11	20,630.20	20,113.91 **20,090.80**	516.29 **539.40**	0.00 539.40
125000090	50,000	GOLDMAN SACHS GROUP INC GLOBAL BOOK/ENTRY DTD 1/13/04 DUE 01/15/2014 RATE 5.150	03/05/10	01/21/11	53,909.50	53,747.00 **52,926.50**	162.50 **983.00**	0.00 983.00
Total					**$ 124,375.20**	$ 124,145.70 **$ 123,277.80**	$ 229.50 **$ 1,097.40**	$ 0.00 $ 1,097.40

Details of Long Term Gain (Loss) 2011

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000010	50,000	AMERICAN INTL GROUP INC MEDIUM TERM NTS BK/ENTRY DTD 12/12/07 DUE 01/16/2018 RATE 5.850	01/24/08	12/19/11	$ 48,598.50	$ 51,871.50 **$ 51,249.00**	($ 3,273.00) **($ 2,650.50)**	$ 0.00 ($ 2,650.50)
125000020	50,000	BANKERS TRUST N Y CORP SUB NOTES-BK/ENTRY-DTD 10/22/1996 DUE 10/15/2011 RATE 7.250	06/12/03	10/17/11	50,000.00	61,633.36 e **50,000.00**	(11,633.36) **0.00**	0.00 0.00

2011 YEAR · END SUMMARY

MorganStanley SmithBarney

Ref: 00000722 00021688

2011 Year End Summary

JOHN & CAROLYN PETERSON

Account Number [redacted]-0459C-[redacted]

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Original Cost Adjusted Cost	Original Gain/(Loss) Adjusted Gain/(Loss)	Ordinary Income Capital Gain/(Loss)
125000030	25,000	BEAR STEARNS CO INC SR NOTES BOOK/ENTRY DD 1/25/2007 DUE 02/01/2012 RATE 5.350	09/11/07	12/07/11	$ 25,032.25	$ 24,700.00 **$ 24,700.00**	$ 332.25 **$ 332.25**	$ 290.50 $ 41.75
125000060	50,000	BOEING CAPITAL CORP DTD 3/8/01 DUE 03/01/2011 RATE 6.100	06/16/03	03/01/11	50,000 00	56,482.73 [e] **50,000.00**	(6,482.73) **0.00**	0 00 0.00
125000070	50,000	GOLDMAN SACHS GROUP INC DTD 10/14/03 DUE 10/15/2013 RATE 5.250 YTM 1.998	01/06/04	05/25/11	53,742.00	51,250.00 [e] **50,358.00**	2,492.00 **3,384 00**	0.00 3,384 00
125000080	25,000	GOLDMAN SACHS GROUP INC DTD 1/17/06 DUE 01/15/2016 RATE 5.350 YTM 3.492	09/14/07	06/30/11	26,922.25	24,600.25 **24,600.25**	2,322.00 **2,322 00**	0.00 2,322 00
125000100	1,000	GOLDMAN SACHS GROUP INC 6.20% STRIP YIELD = 6.223% 6.2000% DUE 99/99/9999 NEXT CALL:08/13/11 AT 25.000	12/12/08	07/26/11	24,924.52	18,885.00 **18,885.00**	6,039.52 **6,039.52**	0.00 0.00
125000110	50,000	HOUSEHOLD FIN CORP INTERNOTES BK/ENTRY DUE 03/15/2011 RATE 6.300	06/12/03	03/15/11	50,000.00	55,783.82 [e] **50,000.00**	(5,783.82) **0.00**	0.00 0.00
125000120	1,000	JP MORGAN CHASE CAPITAL 6.20% YIELD/CL 2.981% 111911 25.000 6.2000% DUE 10/15/2034 NEXT CALL:11/19/11 AT 25.000	10/15/09	10/21/11	25,089.51	23,890.00 **23,890.00**	1,199.51 **1,199.51**	0.00 0.00
Total					**$ 354,309 03**	$ 369,096.66 **$ 343,682.25**	($ 14,787.63) **$ 10,626.78**	$ 290.50 $ 3,097.25

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

2011 YEAR END SUMMARY

Form **8868** (Rev January 2012)

Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

► File a separate application for each return.

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ► [X]
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions) For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only ► [ ]

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print

File by the due date for filing your return See instructions

Name of exempt organization or other filer, see instructions: JOHN & CAROLYN PETERSON CHARITABLE FOUNDATION, INC.

Employer identification number (EIN) or: [X] 43-1974269

Number, street, and room or suite number If a P O box, see instructions: 411 EAST WISCONSIN AVENUE #2040

Social security number (SSN): [ ]

City, town or post office, state, and ZIP code For a foreign address, see instructions: MILWAUKEE, WI 53202-4497

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► MICHAEL GUZNICZAK

  Telephone No ► 262-821-5378 FAX No ►
- If the organization does not have an office or place of business in the United States, check this box ► [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ____. If this is for the whole group, check this box ► [ ] If it is for part of the group, check this box ► [ ] and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15, 20 12, to file the exempt organization return for the organization named above The extension is for the organization's return for·

► [X] calendar year 20 11 or

► [ ] tax year beginning ________, 20 ___, and ending ________, 20 ___.

2 If the tax year entered in line 1 is for less than 12 months, check reason: [ ] Initial return [ ] Final return [ ] Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	3a	$ 2,700.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit	3b	$ 1,950.
c Balance due. Subtract line 3b from line 3a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 750.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.