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 , 20

Name of foundation LOCKTON FAMILY FOUNDATION	**A** Employer identification number 48-1135485
Number and street (or P O box number if mail is not delivered to street address) 444 W. 47TH STREET — Room/suite 900	**B** Telephone number (see instructions) (816) 960-9082
City or town, state, and ZIP code KANSAS CITY,, MO 64112	**C** If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶ $ 1,545,860.

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

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc , received (attach schedule)				
2	Check ▶ ☐ if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments	18.	18.		ATCH 1
4	Dividends and interest from securities	21,219.	21,219.		ATCH 2
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	83,398.			
b	Gross sales price for all assets on line 6a 730,938.				
7	Capital gain net income (from Part IV, line 2)		83,398.		
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	104,635.	104,635.		
13	Compensation of officers, directors, trustees, etc				
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule) ATCH 3	649.	649.		
b	Accounting fees (attach schedule) ATCH 4	2,850.	1,425.		1,425.
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see instructions) **	8,485.	80.		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (attach schedule) ATCH 6	6,425.	6,005.		420.
24	**Total operating and administrative expenses.** Add lines 13 through 23	18,409.	8,159.		1,845.
25	Contributions, gifts, grants paid	12,500.			12,500.
26	**Total expenses and disbursements** Add lines 24 and 25	30,909.	8,159.		14,345.
27	Subtract line 26 from line 12				
a	**Excess of revenue over expenses and disbursements**	73,726.			
b	**Net investment income** (if negative, enter -0-)		96,476.		
c	**Adjusted net income** (if negative, enter -0-)				

Revenue — Operating and Administrative Expenses

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Part II Balance Sheets

	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing	5,133.	37,026.	37,026.
	2 Savings and temporary cash investments	612,985.	543,281.	543,281.
	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 schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule) ATCH 7	705,317.	355,159.	355,159.
	c Investments - corporate bonds (attach schedule) ATCH 8	266,714.	610,394.	610,394.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule)			
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	1,590,149.	1,545,860.	1,545,860.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)			
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, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	1,590,149.	1,545,860.	
	30 **Total net assets or fund balances** (see instructions)	1,590,149.	1,545,860.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	1,590,149.	1,545,860.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,590,149.
2	Enter amount from Part I, line 27a	2	73,726.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,663,875.
5	Decreases not included in line 2 (itemize) ▶ ATTACHMENT 9	5	118,015.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,545,860.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	SEE PART IV SCHEDULE			
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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
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	83,398.
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	

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 (col (b) divided by col (c))
2010	11,692.	913,085.	0.012805
2009	3,153.	732,229.	0.004306
2008	272,638.	1,132,612.	0.240716
2007	3,845.	1,265,934.	0.003037
2006	648.	378,754.	0.001711

2 Total of line 1, column (d)	2	0.262575
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	0.052515
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	1,566,389.
5 Multiply line 4 by line 3	5	82,259.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	965.
7 Add lines 5 and 6	7	83,224.
8 Enter qualifying distributions from Part XII, line 4	8	14,345.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 . . . Date of ruling or determination letter _______________ (attach copy of letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	1,930.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	
3	Add lines 1 and 2	3	1,930.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	1,930.
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a: 4,900.		
b	Exempt foreign organizations - tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments Add lines 6a through 6d	7	4,900.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	2,970.
11	Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶ 2,970. **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ ________ (2) On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *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		
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		
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ MO,			
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 ▶ CHERYL L. WILLIAMS Telephone no ▶ 816-960-9082

Located at ▶ 444 W. 47TH ST. SUITE 900 KANSAS CITY, MO ZIP + 4 ▶ 64112

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

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

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No If "Yes," list the years ▶			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions)	2b		X
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶			
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		X
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b		X

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

		Yes	No
5a During the year did the foundation pay or incur any amount to			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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		
Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No			
If "Yes," attach the statement required by Regulations section 53 4945-5(d)			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		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?	7b		X

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
ATTACHMENT 10		0.	0.	0.

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

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE		0.	0.	0.

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

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

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

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

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

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 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 NONE	
2	0.
All other program-related investments See instructions 3 NONE	0.
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	991,811.
b	Average of monthly cash balances	1b	598,432.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	1,590,243.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	1,590,243.
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	23,854.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,566,389.
6	**Minimum investment return.** Enter 5% of line 5	6	78,319.

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	78,319.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	1,930.		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,930.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	76,389.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	76,389.
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	76,389.

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	14,345.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	0.
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	14,345.
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	N/A
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	14,345.

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				76,389.
2	Undistributed income, if any, as of the end of 2011				
a	Enter amount for 2010 only				
b	Total for prior years 20 09 ,20 08 ,20 07				
3	Excess distributions carryover, if any, to 2011				
a	From 2006				
b	From 2007				
c	From 2008 216,478.				
d	From 2009 3,153.				
e	From 2010				
f	**Total** of lines 3a through e	219,631.			
4	Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 14,345.				
a	Applied to 2010, but not more than line 2a				
b	Applied to undistributed income of prior years (Election required - see instructions)				
c	Treated as distributions out of corpus (Election required - see instructions)				
d	Applied to 2011 distributable amount				14,345.
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2011 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	62,044.			62,044.
6	**Enter the net total of each column as indicated below:**				
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5	157,587.			
b	Prior years' undistributed income Subtract line 4b from line 2b				
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d	Subtract line 6c from line 6b Taxable amount - see instructions				
e	Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instructions				
f	Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8	Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)				
9	**Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	157,587.			
10	Analysis of line 9				
a	Excess from 2007				
b	Excess from 2008 154,434.				
c	Excess from 2009 3,153.				
d	Excess from 2010				
e	Excess from 2011				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

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

b Check box to indicate whether the 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 foundation had $5,000 or more in assets at any time during the year - see instructions.)

1 **Information Regarding Foundation Managers:**

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

N/A

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

N/A

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

Check here ▶ [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*				
ATTACHMENT 11				
Total . . . . ▶ **3a**				12,500.
b *Approved for future payment*				
NONE				0.
Total . . . . ▶ **3b**				0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	18.	
4 Dividends and interest from securities			14	21,219.	
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	83,398.	
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)				104,635.	

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 104,635.

(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)
	NOT APPLICABLE

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

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

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
			N/A

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

b If "Yes," complete the following schedule

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

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

Cheryl Lockton Williams 2/25/12

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: Nicole L. Wright	Preparer's signature: Nicole L Wright	Date: 2/21/12	Check ☐ if self-employed	PTIN P01053352
Firm's name ▶ JMW & ASSOCIATES, LLC			Firm's EIN ▶ 57-1224592	
Firm's address ▶ 6400 GLENWOOD, SUITE 100 OVERLAND PARK, KS 66202			Phone no 913-499-4920	

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		TOTAL CAPITAL GAIN DISTRIBUTIONS					1,104.	
		SMITH BARNEY - SEE STMT A					VARIOUS	VARIOUS
148,092.		140,189.					7,903.	
		SMITH BARNEY - SEE STMT A					VARIOUS	VARIOUS
581,742.		507,351.					74,391.	
TOTAL GAIN(LOSS)		....					83,398.	

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
COMMERCE BANK		18.	18.
	TOTAL	18.	18.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
SMITH BARNEY - 0776C	21,079.	21,079.
SMITH BARNEY - 11313	140.	140.
TOTAL	21,219.	21,219.

ATTACHMENT 3

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
LATHROP & GAGE	649.	649.	0.	0.
TOTALS	649.	649.	0.	0.

ATTACHMENT 4

FORM 990PF, PART I - ACCOUNTING FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
JMW & ASSOCIATES	2,850.	1,425.		1,425.
TOTALS	2,850.	1,425.	0.	1,425.

ATTACHMENT 5

FORM 990PF, PART I - TAXES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FOREIGN TAXES PAID		80.	80.
FEDERAL TAXES		8,405.	
	TOTALS	8,485.	80.

ATTACHMENT 6

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
CONSULTING/ADVISORY FEES	5,972.	5,972.	
WEB HOSTING FEE	420.		420.
BANK FEES	33.	33.	
TOTALS	6,425.	6,005.	420.

ATTACHMENT 7

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
SMITH BARNEY 0776C - SEE STMT B	705,317.	355,159.	355,159.
TOTALS	705,317.	355,159.	355,159.

ATTACHMENT 8

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
SMITH BARNEY 0776C - SEE STMT B	266,714.	610,394.	610,394.
TOTALS	266,714.	610,394.	610,394.

ATTACHMENT 9

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION		AMOUNT
UNREALIZED G/L		118,015.
	TOTAL	118,015.

LOCKTON FAMILY FOUNDATION 48-1135485

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 10

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
CHERYL L. WILLIAMS 5825 OVERHILL MISSION, KS 66205	TRUSTEE 2.00	0.	0.	0.
	GRAND TOTALS	0.	0.	0.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 11

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
THE PEMBROKE HILL SCHOOL 400 W 51ST STREET KANSAS CITY, MO 64112	NONE 501(C)(3)	EDUCATIONAL	2,500.
MOCSA 3100 BROADWAY, SUITE 400 KANSAS CITY, MO 64111	NONE 501(C)(3)	CIVIC	10,000.
		TOTAL CONTRIBUTIONS PAID	12,500.

SCHEDULE D (Form 1041)

Department of the Treasury Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

2011

Name of estate or trust: LOCKTON FAMILY FOUNDATION

Employer identification number: 48-1135485

Note: *Form 5227 filers need to complete **only** Parts I and II*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b	Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	7,903.
2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2010 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss).** Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back ▶	5	7,903.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b	Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	74,391.
7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9	Capital gain distributions	9	1,104.
10	Gain from Form 4797, Part I	10	
11	Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2010 Capital Loss Carryover Worksheet	11	( )
12	**Net long-term gain or (loss).** Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back ▶	12	75,495.

Part III Summary of Parts I and II **Caution:** *Read the instructions* ***before*** *completing this part*		(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
13 **Net short-term gain or (loss)**	13			7,903.
14 **Net long-term gain or (loss):**				
a Total for year	14a			75,495.
b Unrecaptured section 1250 gain (see line 18 of the wrksht)	14b			
c 28% rate gain	14c			
15 **Total net gain or (loss).** Combine lines 13 and 14a ▶	15			83,398.

Note: *If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 14a and 15, column (2), are net gains, go to Part V, and* ***do not*** *complete Part IV If line 15, column (3), is a net loss, complete Part IV and the* ***Capital Loss Carryover Worksheet,*** *as necessary*

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the **smaller** of
a The loss on line 15, column (3) **or** b $3,000 . . . 16 ( )

Note: *If the loss on line 15, column (3), is more than $3,000,* ***or*** *if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the* ***Capital Loss Carryover Worksheet*** *in the instructions to figure your capital loss carryover*

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22, is more than zero

Caution: *Skip this part and complete the* ***Schedule D Tax Worksheet*** *in the instructions if*

- *Either line 14b, col (2) or line 14c, col (2) is more than zero, or*
- *Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero*

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, **and** Form 990-T, line 34, is more than zero Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)			17		
18	Enter the **smaller** of line 14a or 15 in column (2) but not less than zero	18				
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19				
20	Add lines 18 and 19	20				
21	If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- ▶	21				
22	Subtract line 21 from line 20 If zero or less, enter -0-			22		
23	Subtract line 22 from line 17 If zero or less, enter -0-			23		
24	Enter the **smaller** of the amount on line 17 or $2,300			24		
25	Is the amount on line 23 equal to or more than the amount on line 24? ☐ **Yes.** Skip lines 25 and 26, go to line 27 and check the "No" box ☐ **No.** Enter the amount from line 23			25		
26	Subtract line 25 from line 24			26		
27	Are the amounts on lines 22 and 26 the same? ☐ **Yes.** Skip lines 27 thru 30, go to line 31 ☐ **No.** Enter the smaller of line 17 or line 22			27		
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)			28		
29	Subtract line 28 from line 27			29		
30	Multiply line 29 by 15% (15)				30	
31	Figure the tax on the amount on line 23 Use the 2011 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)				31	
32	Add lines 30 and 31				32	
33	Figure the tax on the amount on line 17 Use the 2011 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)				33	
34	**Tax on all taxable income.** Enter the **smaller** of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)				34	

SCHEDULE D-1
(Form 1041)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule D (Form 1041)

▶ See instructions for Schedule D (Form 1041).
▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

OMB No 1545-0092

2011

Name of estate or trust: LOCKTON FAMILY FOUNDATION

Employer identification number: 48-1135485

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1a SMITH BARNEY - SEE STMT A	VARIOUS	VARIOUS	148,092.	140,189.	7,903.

1b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 1b . . . . 7,903.

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side	Employer identification number

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a SMITH BARNEY - SEE STMT A	VARIOUS	VARIOUS	581,742.	507,351.	74,391.

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b . . . . 74,391.

Ref 00012053 00093727

MorganStanley SmithBarney

2011 Year End Summary

THE LOCKTON FAMILY FOUNDATION

Account Number 183-0776C-15 333

2011 YEAR END SUMMARY

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	34	ISHARES RUSSELL MIDCAP VALUE INDEX FD MorganStanley SmithBarney LLC acted as your agent	01/14/11	12/07/11	$ 1,474 58	$ 1,558 55	($ 83 97)	
125000150	1	ISHARES TR RUSSELL 2000 VALUE INDEX FUND MorganStanley SmithBarney LLC acted as your agent	04/15/11	12/07/11	65 57	73 49	(7 92)	
	182		08/16/11		11,934 02	11,392.71		541.31
125000170	96	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	01/14/11	12/07/11	8,173 53	8,615 04	(441 51)	
	146		08/16/11		12,430 58	11,808 57		622 01
125000200	96	SPDR SERIES TR BARCLAYS HIGH YIELD BD ETF MorganStanley SmithBarney LLC acted as your agent	11/19/10	08/16/11	3,658 67	3,865.92	(207 25)	
	91		01/14/11		3,468 12	3,649 10	(180 98)	
	27		04/15/11		1,029 00	1,092 68	(63 68)	
125000210	8	SPDR LEHMAN INTL TREASURY BOND FUND MorganStanley SmithBarney LLC acted as your agent	06/04/10	04/15/11	483 03	422 32		60 71
125000250	1,263	VANGUARD EUROPE PACIFIC ETF MorganStanley SmithBarney LLC acted as your agent in this transaction	06/04/10	01/14/11	46,226 02	37,830 64		8,395.38
125000260	288	VANGUARD MSCI EAFE ETF MorganStanley SmithBarney LLC acted as your agent in this transaction	06/04/10	04/15/11	10,846 07	8,626 46		2,219 61
125000300	56	VANGUARD MSCI EMERGING MKTS ETF MorganStanley SmithBarney LLC acted as your agent	01/14/11	12/07/11	2,276 92	2,702 84	(425 92)	
	1 132		08/16/11		46,026 35	48,551.14	(2,524 79)	
Total					$ 148,092 46	$ 140,189.46	($ 3,936 02)	$ 11,839.02

7903.00

STATEMENT A

2011 Year End Summary

THE LOCKTON FAMILY FOUNDATION
Account Number 183-0776C-15 333

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	9	ISHARES RUSSELL MIDCAP VALUE INDEX FD MorganStanley SmithBarney LLC acted as your agent	09/19/08	04/15/11	$ 428 17	$ 392 32		$ 35 85
125000020	62	ISHARES RUSSELL MIDCAP VALUE INDEX FD MorganStanley SmithBarney LLC acted as your agent	09/19/08	10/07/11	2,458 51	2,702 68	(244 17)	
	72		09/22/08		2,855 04	3,034.60	(179 56)	
	98		03/17/09		3,886 02	2,172 66		1,713 36
125000030	48	ISHARES RUSSELL MIDCAP VALUE INDEX FD MorganStanley SmithBarney LLC acted as your agent	03/17/09	12/07/11	2,081 77	1,064 16		1,017.61
	170		08/21/09		7,372 93	5,723 80		1,649 13
125000040	32	ISHARES RUSSELL MIDCAP GROWTH INDEX FD MorganStanley SmithBarney LLC acted as your agent	04/14/08	01/14/11	1,852 15	1,656 27		195 88
125000050	14	ISHARES RUSSELL MIDCAP GROWTH INDEX FD MorganStanley SmithBarney LLC acted as your agent	04/14/08	04/15/11	848 38	724 62		123 76
125000060	1	ISHARES RUSSELL MIDCAP GROWTH INDEX FD MorganStanley SmithBarney LLC acted as your agent	04/14/08	10/07/11	51 41	51.76	(35)	
125000070	210	ISHARES RUSSELL MIDCAP GROWTH INDEX FD MorganStanley SmithBarney LLC acted as your agent	04/14/08	12/07/11	11,751 80	10,869 23		882 57
	40		09/19/08		2,238 44	1,926 06		312.38
	60		09/22/08		3,357 66	2,830 99		526.67
	162		08/21/09		9,065 67	6,561 00		2,504 67
	76		07/23/10		4,253 02	3,513 48		739 54
125000080	8	ISHARES RUSSELL 1000 VALUE IND FUND MorganStanley SmithBarney LLC acted as your agent	10/29/08	04/15/11	545 61	416 32		129 29

2011 YEAR END SUMMARY

STATEMENT A

Ref 00012053 00093729

MorganStanley SmithBarney

2011 Year End Summary

THE LOCKTON FAMILY FOUNDATION

Account Number 183-0776C-15 333

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000090	192	ISHARES RUSSELL 1000 VALUE IND FUND MorganStanley SmithBarney LLC acted as your agent	10/29/08	10/07/11	$ 11,231 82	$ 9,991 68		$ 1,240 14
125000100	702	ISHARES RUSSELL 1000 VALUE IND FUND MorganStanley SmithBarney LLC acted as your agent	10/29/08	12/07/11	44,400 64	36,532 08		7,868 56
125000110	603	ISHARES RUSSELL 1000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	10/29/08	10/07/11	32,632 16	23,420.52		9,211 64
125000120	932	ISHARES RUSSELL 1000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	10/29/08	12/07/11	54,272 48	36,198 88		18,073 60
125000130	3	ISHARES TR RUSSELL 2000 VALUE	04/17/09	01/14/11	216 90	133 65		83 25
	11	INDEX FUND MorganStanley SmithBarney LLC acted as your agent	08/21/09		795 29	604 45		190 84
125000140	149	ISHARES TR RUSSELL 2000 VALUE INDEX FUND MorganStanley SmithBarney LLC acted as your agent	08/21/09	10/07/11	8,826 23	8,187 52		638 71
125000150	112	ISHARES TR RUSSELL 2000 VALUE	08/21/09	12/07/11	7,344 01	6,154 38		1,189 63
	20	INDEX FUND MorganStanley SmithBarney LLC acted as your agent	07/23/10		1,311 43	1,179 94		131 49
125000160	7	ISHARES TR RUSSELL 2000 GROWTH INDEX FUND MorganStanley SmithBarney LLC acted as your agent	03/17/09	04/15/11	656 37	296 26		360 11
125000170	22	ISHARES TR RUSSELL 2000 GROWTH	03/17/09	12/07/11	1,873 10	931.10		942 00
	98	INDEX FUND	04/17/09		8,343 81	5,002 87		3,340 94
	101	MorganStanley SmithBarney LLC	08/21/09		8,599 24	6,322 06		2,277 18
	15	acted as your agent	07/23/10		1,277 11	1,046 10		231 01

2011 YEAR END SUMMARY

STATEMENT A

MorganStanley
SmithBarney

Ref 00012053 00093730

2011 Year End Summary

THE LOCKTON FAMILY FOUNDATION
Account Number 183-0776C-15 333

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000180	55	ISHARES JP MORGAN EM BOND FD MorganStanley SmithBarney LLC acted as your agent in this transaction	06/04/10	10/07/11	$ 5,795 78	$ 5,615 56		$ 180 22
125000190	353	ISHARES JP MORGAN EM BOND FD MorganStanley SmithBarney LLC acted as your agent in this transaction	06/04/10	12/07/11	38,593 16	36,041 69		2,551 47
125000200	1 586	SPDR SERIES TR BARCLAYS HIGH YIELD BD ETF MorganStanley SmithBarney LLC acted as your agent	06/04/10	08/16/11	60,444 31	59,332 26		1,112 05
125000220	209	SPDR LEHMAN INTL TREASURY BOND FUND MorganStanley SmithBarney LLC acted as your agent	06/04/10	08/16/11	13,179 28	11,033 09		2,146 19
125000230	81	VANGUARD BD INDEX FD INC TOTAL BD MARKET ETF MorganStanley SmithBarney LLC acted as your agent	09/24/08	04/15/11	6,492 83	6,245 10		247 73
125000240	854 7	VANGUARD BD INDEX FD INC TOTAL BD MARKET ETF MorganStanley SmithBarney LLC acted as your agent	09/24/08 04/17/09	08/16/11	71,335 98 584 72	65,843 40 540 82		5,492 58 43 90
125000270	1,121	VANGUARD MSCI EAFE ETF MorganStanley SmithBarney LLC acted as your agent in this transaction	06/04/10	10/07/11	35,008 15	33,577 31		1,430 84
125000280	1	VANGUARD MSCI EMERGING MKTS ETF MorganStanley SmithBarney LLC acted as your agent	07/20/07	04/15/11	49 37	49 27		10
125000290	415 176 29	VANGUARD MSCI EMERGING MKTS ETF MorganStanley SmithBarney LLC acted as your agent	07/20/07 12/17/07 01/18/08	10/07/11	15,703 29 6,659 71 1,097 34	20,448.88 8,955.76 1,376 73	(4,745 59) (2,296 05) (279 39)	

2011 YEAR END SUMMARY

STATEMENT A

2011 Year End Summary

THE LOCKTON FAMILY FOUNDATION

Account Number 183-0776C-15 333

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

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000300	555	VANGUARD MSCI EMERGING MKTS	01/18/08	12/07/11	$ 22,565 92	$ 26,347 79	($ 3,781 87)	
	176	ETF	09/19/08		7,156 04	6,671 03		485 01
	563	MorganStanley SmithBarney LLC	10/29/08		22,891 20	12,926 48		9,964 72
	5	acted as your agent	03/17/09		203 30	111 20		92 10
	332		04/17/09		13,498 89	8,957.36		4,541.53
	175		08/21/09		7,115 38	6,294 75		820 63
	456		06/04/10		18,540 65	17,341.63		1,199 02
Total					**$ 581,742.47**	**$ 507,361.56**	**($ 11,526.98)**	**$ 86,917.90**

74,390.92

Details of Deposits and Withdrawals 2011

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

Withdrawals

Reference number	Date	Description	Referral number	Amount
220000100	01/21/11	CONSULTING & ADVISORY SERVICES FROM 01/01/11 TO 03/31/11		$ 1,479 60
220000300	07/15/11	CONSULTING & ADVISORY SERVICES FROM 07/01/11 TO 09/30/11		1,582 65
Total				**$ 5,973 85**

Reference number	Date	Description	Referral number	Amount
220000200	04/15/11	CONSULTING & ADVISORY SERVICES FROM 04/01/11 TO 06/30/11		$ 1,555 90
220000400	10/21/11	CONSULTING & ADVISORY SERVICES FROM 10/01/11 TO 12/31/11		1,355 70

As you requested, copies of this document have also been sent to JOE JEZAK LATHROP & GAGE L C

2011 YEAR END SUMMARY

STATEMENT A

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)
12,328 72	MORGAN STANLEY LIQUID ASSET FUND INC	$ 12,328 72		01%	$ 1.23
Total money fund		$ 12,328.72	$ 0.00		$ 1 23

STATEMENT 8

Private Wealth Management Statement

December 1 - December 31, 2011

THE LOCKTON FAMILY FOUNDATION   Account number 183-0776C-15 333

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)
173	ISHARES RUSSELL MIDCAP VALUE	IWS	01/14/11	$ 7 930 27	$ 45 839	$ 43 40	$ 7,508 20	($ 422 07) ST		
275	INDEX FD		08/16/11	11,431 28	41 568	43 40	11,935 00	503 72 ST		
448	Equity portfolio **Rating:** CG RESEARCH AL			**19,361 55**	**43 218**		**19,443.20**	**81 65**	**2.122**	**412 61**
138	ISHARES RUSSELL MIDCAP GROWTH	IWP	07/23/10	6,379 74	46 23	55 05	7,596 90	1,217 16 LT		
209	INDEX FD		08/16/11	11 251 83	53 836	55 05	11,505 45	253 62 ST		
347	Equity portfolio **Rating:** CG RESEARCH AL			**17,631 57**	**50 811**		**19,102 35**	**1,470 78**	**931**	**178 01**
24	ISHARES RUSSELL 1000 VALUE IND	IWD	10/29/08	1 248 96	52 04	63 48	1,523 52	274 56 LT		
207	FUND		01/15/09	9.220 82	44 545	63 48	13,140 36	3,919 54 LT		
142	Equity portfolio **Rating.** CG RESEARCH AL		03/17/09	5.489 72	38 66	63 48	9,014 16	3,524 44 LT		
904			06/04/10	51,460 29	56 925	63 48	57,385 92	5,925 63 LT		
30			11/19/10	1 835 89	61 196	63 48	1,904 40	68 51 LT		
93			01/14/11	6 156 60	66 20	63 48	5,903 64	(252 96) ST		
438			08/16/11	26,420 16	60 32	63 48	27,804 24	1,384 08 ST		
1,838				**101,832 44**	**55 404**		**116,676.24**	**14,843 80**	**2 296**	**2,679 80**
3	ISHARES RUSSELL 1000 GROWTH	IWF	10/29/08	116 52	38 84	57 79	173 37	56 85 LT		
165	INDEX FUND		04/17/09	6.288 15	38 11	57 79	9,535 35	3,247.20 LT		
1 213	Equity portfolio **Rating:** CG RESEARCH AL		06/04/10	58.963 32	48 609	57 79	70,099 27	11.135 95 LT		
634			07/23/10	30,906 74	48 748	57 79	36,638 86	5,732 12 LT		
261			01/14/11	15.289 38	58 58	57 79	15,083 19	(206 19) ST		
168			04/15/11	10,068 24	59 93	57 79	9,708 72	(359 52) ST		
544			08/16/11	30.242 37	55 592	57 79	31,437 76	1,195.39 ST		
2,988				**151,874 72**	**50 828**		**172,676.52**	**20,801 80**	**1.392**	**2,405 34**

STATEMENT B

Ref 00016228 00114639

MorganStanley
SmithBarney

Private Wealth Management Statement

December 1 - December 31, 2011

THE LOCKTON FAMILY FOUNDATION **Account number 183-0776C-15 333**

Exchange traded & closed end funds *continued*

Quantity	Description	Symbol	Date acquired	Cost	Share cost	Current price	Current value	Unrealized gain/(loss)	Average % yield	Anticipated Income (annualized)
525	VANGUARD MSCI EAFE ETF	VEA	06/04/10	$ 15,725 33	$ 29 953	$ 30 63	$ 16,080 75	$ 355 42 LT		
365	Equity portfolio		08/16/11	12,304.15	33 71	30 63	11,179.95	(1,124 20) ST		
890	Rating: CG RESEARCH AL			28,029 48	31.494		27,260.70	(768.78)	3 414	930 94
33	ISHARES JP MORGAN EM BOND FD	EMB	06/04/10	3,369 34	102 101	109 75	3,621 75	252 41 LT		
30	Taxable bond portfolio		01/14/11	3,232 32	107 743	109 75	3,292.50	60 18 ST		
114	Rating: CG RESEARCH AL		04/15/11	12,147 84	106 56	109 75	12,511 50	363 66 ST		
177				18,749 50	105.929		19,425 75	676 25	4 831	938 63
1,053	ISHARES BARCLAYS SHORT TREAS BD FD Taxable bond portfolio Rating CG RESEARCH AL	SHV	12/07/11	116,072 19	110 23	110 23	116,072.19	0 00	.074	86 35
253	SPDR SERIES TR BARCLAYS HIGH YIELD BD ETF Taxable bond portfolio Rating. CG RESEARCH . AL	JNK	12/07/11	9,629 69	38 062	38 45	9,727 85	98 16 ST	7 70	749.13
259	SPDR LEHMAN INTL TREASURY BOND	BWX	06/04/10	13,672 58	52 789	58 83	15,236 97	1,564 39 LT		
16	FUND		11/19/10	949 34	59 334	58 83	941.28	(8 06) LT		
33	Taxable bond portfolio		01/14/11	1 913 34	57 98	58 83	1,941.39	28 05 ST		
307	Rating: CG RESEARCH AL		10/07/11	18,555 08	60 44	58 83	18,060 81	(494.27) ST		
100			10/24/11	6,123 00	61 23	58 83	5,883 00	(240 00) ST		
924			12/07/11	54,803 73	59 311	58 83	54,358.92	(444 81) ST		
1,639				96,017 07	58 583		96,422 37	405.30	3.348	3,228 83
195	VANGUARD BD INDEX FD INC	BND	04/17/09	15,065 70	77 26	83 54	16,290 30	1,224.60 LT		
56	TOTAL BD MARKET ETF		08/21/09	4,405 60	78 671	83 54	4,678 24	272 64 LT		
351	Taxable bond portfolio		11/19/10	28,722 15	81 829	83 54	29,322 54	600 39 LT		
96	Rating: CG RESEARCH AL		01/14/11	7,731 84	80 54	83 54	8,019.84	288 00 ST		
1,292			10/07/11	107,455 64	83 17	83 54	107,933 68	478.04 ST		
2,424			12/07/11	202,355 28	83 479	83 54	202,500.96	145 68 ST		
4,414				365,736 21	82 858		368,745.56	3,009 35	3 119	11,502 88
Total closed end fund equity allocation							$ 355,159.01			
Total closed end fund taxable bond allocation							$ 610,393 72			
Total exchange traded funds and closed end funds				$ 924,934.42			$ 965,552.73	$ 1,254.56 ST $ 39,383.75 LT	2.39	$ 23,112.52
Total portfolio value				$ 937,263.14			$ 977,881.45	$ 1,254.56 ST $ 39,383.75 LT	2.36	$ 23,113.75

STATEMENT B