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Return of Private Foundation  
or Section 4947(a)(1) Nonexempt Charitable Trust  
Treated as a Private Foundation

2011

Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2011 or tax year beginning

, and ending

Name of foundation <b>AD &amp; AL Morgan Memorial Scholarship Fund C/O George R Webb, Trustee</b>		<b>A Employer identification number</b> <b>54-0309320</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>5231 Studeley Ave</b>		<b>B Telephone number</b> <b>(757) 321-6442</b>
City or town, state, and ZIP code <b>Norfolk, VA 23508-1744</b>		<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
<b>G</b> Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input checked="" type="checkbox"/> Address change <input type="checkbox"/> Name change		<b>D 1.</b> Foreign organizations, check here <input type="checkbox"/>  Foreign organizations meeting the 85% test, 2. check here and attach computation <input type="checkbox"/>
<b>H</b> Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ <b>599,186.</b> (Part I, column (d) must be on cash basis.)	<b>J</b> Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	
<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>		

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>1</b> Contributions, gifts, grants, etc., received				N/A	
<b>2</b> Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
<b>3</b> Interest on savings and temporary cash investments					
<b>4</b> Dividends and interest from securities		19,650.	19,650.		Statement 1
<b>5a</b> Gross rents					
<b>b</b> Net rental income or (loss)					
<b>6a</b> Net gain or (loss) from sale of assets not on line 10		3,109.			
<b>b</b> Gross sales price for all assets on line 6a <b>207,233.</b>					
<b>7</b> Capital gain net income (from Part IV, line 2)			3,109.		
<b>8</b> Net short-term capital gain					
<b>9</b> Income modifications					
<b>10a</b> Gross sales less returns and allowances					
<b>b</b> Less Cost of goods sold					
<b>c</b> Gross profit or (loss)					
<b>11</b> Other income					
<b>12</b> Total. Add lines 1 through 11		22,759.	22,759.		
<b>13</b> Compensation of officers, directors, trustees, etc.		0.	0.		0.
<b>14</b> Other employee salaries and wages					
<b>15</b> Pension plans, employee benefits					
<b>16a</b> Legal fees					
<b>b</b> Accounting fees Stmt 2		4,000.	0.		4,000.
<b>c</b> Other professional fees Stmt 3		4,999.	4,999.		0.
<b>17</b> Interest					
<b>18</b> Taxes Stmt 4		335.	335.		0.
<b>19</b> Depreciation and depletion					
<b>20</b> Occupancy					
<b>21</b> Travel, conferences, and meetings					
<b>22</b> Printing and publications					
<b>23</b> Other expenses Stmt 5		150.	150.		0.
<b>24</b> Total operating and administrative expenses. Add lines 13 through 23		9,484.	5,484.		4,000.
<b>25</b> Contributions, gifts, grants paid		42,000.			42,000.
<b>26</b> Total expenses and disbursements. Add lines 24 and 25		51,484.	5,484.		46,000.
<b>27</b> Subtract line 26 from line 12		<28,725.>			
<b>a</b> Excess of revenue over expenses and disbursements			17,275.		
<b>b</b> Net investment income (if negative, enter -0-)					
<b>c</b> Adjusted net income (if negative, enter -0-)				N/A	

## AD &amp; AL Morgan Memorial Scholarship Fund

Form 990-PF (2011)

C/O George R Webb, Trustee

54-0309320

Page 2

**Part II** Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	14,833.	38,752.	38,752.
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U S and state government obligations Stmt 6	101,696.	50,855.	52,811.
	b Investments - corporate stock Stmt 7	402,363.	400,560.	457,216.
	c Investments - corporate bonds Stmt 8	54,184.	54,184.	50,407.
11 Investments - land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	573,076.	544,351.	599,186.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	206,530.	206,530.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	366,546.	337,821.	
30 Total net assets or fund balances	573,076.	544,351.		
31 Total liabilities and net assets/fund balances	573,076.	544,351.		

**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	573,076.
2 Enter amount from Part I, line 27a	2	<28,725.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	544,351.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	544,351.

Form 990-PF (2011)

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12-02-11

## AD &amp; AL Morgan Memorial Scholarship Fund

Form 990-PF (2011)

C/O George R Webb, Trustee

54-0309320

Page 3

**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)
<b>1a See Attached Statement</b>	P		
<b>b See Attached Statement</b>	P		
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)
<b>a 34,474.</b>		<b>45,274.</b>	<b>&lt;10,800.&gt;</b>
<b>b 172,759.</b>		<b>158,850.</b>	<b>13,909.</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))
<b>a</b>			<b>&lt;10,800.&gt;</b>
<b>b</b>			<b>13,909.</b>
c			
d			
e			

<b>2 Capital gain net income or (net capital loss)</b>	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	<b>2</b>	<b>3,109.</b>
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)</b>		<b>3</b>	<b>N/A</b>

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	58,194.	632,495.	.092007
2009	21,170.	602,162.	.035157
2008	58,212.	714,921.	.081424
2007	60,897.	819,965.	.074268
2006	33,702.	787,159.	.042815

<b>2 Total of line 1, column (d)</b>	<b>2</b>	<b>.325671</b>
<b>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</b>	<b>3</b>	<b>.065134</b>
<b>4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5</b>	<b>4</b>	<b>625,252.</b>
<b>5 Multiply line 4 by line 3</b>	<b>5</b>	<b>40,725.</b>
<b>6 Enter 1% of net investment income (1% of Part I, line 27b)</b>	<b>6</b>	<b>173.</b>
<b>7 Add lines 5 and 6</b>	<b>7</b>	<b>40,898.</b>
<b>8 Enter qualifying distributions from Part XII, line 4</b>	<b>8</b>	<b>46,000.</b>

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

## AD &amp; AL Morgan Memorial Scholarship Fund

Form 990-PF (2011)

C/O George R Webb, Trustee

54-0309320

Page 4

**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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	173.
b. Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b			
c. All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		2	0.
2. Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	173.
3. Add lines 1 and 2		4	0.
4. Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	173.
5. Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6. Credits/Payments			
a. 2011 estimated tax payments and 2010 overpayment credited to 2011	6a		
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		0.
8. Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> 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		173.
10. Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11. Enter the amount of line 10 to be credited to 2012 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	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?		X
1b. Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? 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.		X
c. Did the foundation file Form 1120-POL for this year?		X
d. Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e. Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 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.		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		X
4a. Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b. If "Yes," has it filed a tax return on Form 990-T for this year?		
5. Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		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?	X	
7. Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV.	X	
8a. Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> VA		
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	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		X
10. Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Form 990-PF (2011)

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► <u>Trustee</u> Telephone no ► <u>(757) 321-6442</u> Located at ► <u>5231 Studeley Avenue, Norfolk, VA</u> ZIP+4 ► <u>23508-1744</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ►	16	Yes	No X

**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
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 ) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> N/A 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? <input type="checkbox"/> 1b <input type="checkbox"/> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 ) <input type="checkbox"/> 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 ► _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.) <input type="checkbox"/> N/A 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/> 3b <input type="checkbox"/> 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? <input type="checkbox"/> 4b X		

Form 990-PF (2011)

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)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

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

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?

☐ Yes ☒ No

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

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

5b

6b

7b

X

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.

(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
Steven Jolly	Trustee			
400 East Freemason Street				
Norfolk, VA 23510-2414	1.00	0.	0.	0.
George R Webb, Phd	Trustee			
5231 Studeley Avenue				
Norfolk, VA 23508-1744	1.00	0.	0.	0.
Jane C Webb, Phd	Trustee			
5231 Studeley Avenue				
Norfolk, VA 23508-1744	1.00	0.	0.	0.

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

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

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

Form 990-PF (2011)

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**AD & AL Morgan Memorial Scholarship Fund**  
**C/O George R Webb, Trustee**

Form 990-PF (2011)

54-0309320 Page 8

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	605,065.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	29,709.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	634,774.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	634,774.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	9,522.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	625,252.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	31,263.

**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)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	31,263.
<b>2a</b>	Tax on investment income for 2011 from Part VI, line 5	<b>2a</b>	173.
<b>b</b>	Income tax for 2011 (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	173.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	31,090.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.
<b>5</b>	Add lines 3 and 4	<b>5</b>	31,090.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	31,090.

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	46,000.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	46,000.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	<b>5</b>	173.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	45,827.

**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.

Form 990-PF (2011)

## AD &amp; AL Morgan Memorial Scholarship Fund

Form 990-PF (2011)

C/O George R Webb, Trustee

54-0309320

Page 9

**Part XIII** Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
<b>1</b> Distributable amount for 2011 from Part XI, line 7				31,090.
<b>2</b> Undistributed Income, if any, as of the end of 2011				
<b>a</b> Enter amount for 2010 only			0.	
<b>b</b> Total for prior years		0.		
<b>3</b> Excess distributions carryover, if any, to 2011				
<b>a</b> From 2006				
<b>b</b> From 2007	20,737.			
<b>c</b> From 2008	22,724.			
<b>d</b> From 2009				
<b>e</b> From 2010	27,097.			
<b>f</b> Total of lines 3a through e	70,558.			
<b>4</b> Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 46,000.				
<b>a</b> Applied to 2010, but not more than line 2a			0.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2011 distributable amount				31,090.
<b>e</b> Remaining amount distributed out of corpus	14,910.			
<b>5</b> Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	85,468.			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instr			0.	
<b>f</b> Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	85,468.			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2007	20,737.			
<b>b</b> Excess from 2008	22,724.			
<b>c</b> Excess from 2009				
<b>d</b> Excess from 2010	27,097.			
<b>e</b> Excess from 2011	14,910.			

Form 990-PF (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(1)(3) or ☐ 4942(1)(5)

- 2 a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

- b 85% of line 2a

- c** Qualifying distributions from Part XII,  
line 4 for each year listed

- d** Amounts included in line 2c not used directly for active conduct of exempt activities

- e Qualifying distributions made directly for active conduct of exempt activities**

Subtract line 2d from line 2c

- 3** Complete 3a, b, or c for the alternative test relied upon

- a "Assets" alternative test - enter  
(1) Value of all assets

- (2) Value of assets qualifying under section 4942(j)(3)(B)(i)**

- b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

- c "Support" alternative test - enter.

- (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)**

- (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

- (3) Largest amount of support from an exempt organization**

- (4) Gross investment income**

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

- ### 1 Information Regarding Foundation Managers:

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

None

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

None

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

Check here ☐ 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

See Statement 9

- 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

## AD &amp; AL Morgan Memorial Scholarship Fund

Form 990-PF (2011)

C/O George R Webb, Trustee

54-0309320

Page 11

**Part XV** Supplementary Information (continued)

<b>3 Grants and Contributions Paid During the Year or Approved for Future Payment</b>				
Recipient	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
Name and address (home or business)				
<b>a Paid during the year</b>				
Allison Joiner 2600 Casa Court Virginia Beach, VA 23456	None	None	Scholarship	4,000.
Ashley Cox 4358 Tason Drive Suffolk, VA 23434	None	None	Scholarship	4,000.
Aubrey Hogge 600 Beaver Dam Road Chesapeake, VA 23322	None	None	Scholarship	4,000.
Jessica Mulligan 630 Madera Road Chesapeake, VA 23322	None	None	Scholarship	4,000.
Kevin Cullen 2746 River Oaks Drive Chesapeake, VA 23321	None	None	Scholarship	4,000.
<b>Total</b>	<b>See continuation sheet(s)</b>			<b>42,000.</b>
<b>b Approved for future payment</b>				
None				
<b>Total</b>				<b>0.</b>

Form 990-PF (2011)

Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
		14	19,650.	
		18	3,109.	
	0.		22,759.	0.
		13		22,759.

[illegible]

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


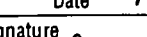
		Yes	No
<b>1</b>	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
<b>a</b>	Transfers from the reporting foundation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

[illegible]

**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		

<b>Sign Here</b>	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.				May the IRS discuss this return with the preparer shown below (see instr.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	 Signature of officer or trustee		1/17/2012 Date		Trustee Title	
<b>Paid Preparer Use Only</b>	Print/Type preparer's name		Preparer's signature 		Check <input type="checkbox"/> if self-employed PTIN	
	David L Zimmer CPA		David L Zimmer CPA		01/13/12	
	Firm's name ▶ David L Zimmer, CPA, PC				Firm's EIN ▶	
	Firm's address ▶ One Columbus Center, Suite 600 Virginia Beach, VA 23462-6760				Phone no (757) 490-7824	

54-0309320

### 3 Grants and Contributions Paid During the Year (Continuation)

**Total from continuation sheets**

Form 990-PF	Dividends and Interest from Securities	Statement	1
Source	Gross Amount	Capital Gains Dividends	Column (A) Amount
UBS Financial Services, Inc - Dividends	11,962.	0.	11,962.
UBS Financial Services, Inc - Interest	7,688.	0.	7,688.
Total to Fm 990-PF, Part I, ln 4	19,650.	0.	19,650.

Form 990-PF	Accounting Fees			Statement	2
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Accounting Fees	4,000.	0.		4,000.	
To Form 990-PF, Pg 1, ln 16b	4,000.	0.		4,000.	

Form 990-PF	Other Professional Fees			Statement	3
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Investment Management Fees	4,999.	4,999.		0.	
To Form 990-PF, Pg 1, ln 16c	4,999.	4,999.		0.	

Form 990-PF	Taxes			Statement	4
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Federal Excise Tax	264.	264.			0.
Foreign Taxes	71.	71.			0.
To Form 990-PF, Pg 1, ln 18	335.	335.			0.



Form 990-PF	Other Expenses			Statement	5
Description	(a) Expenses Per Books	(b) Net Invest- ment Income	(c) Adjusted Net Income	(d) Charitable Purposes	
Investment Account Fees	150.	150.			0.
To Form 990-PF, Pg 1, ln 23	150.	150.			0.

Form 990-PF	U.S. and State/City Government Obligations			Statement	6
Description	U.S. Gov't	Other Gov't	Book Value	Fair Market Value	
US Govt Obligations	X		50,855.	52,811.	
Total U.S. Government Obligations			50,855.	52,811.	
Total State and Municipal Government Obligations					
Total to Form 990-PF, Part II, line 10a			50,855.	52,811.	

Form 990-PF	Corporate Stock		Statement	7
Description	Book Value		Fair Market Value	
Equities	400,560.		457,216.	
Total to Form 990-PF, Part II, line 10b	400,560.		457,216.	

Form 990-PF	Corporate Bonds		Statement	8
Description	Book Value		Fair Market Value	
Bonds	54,184.		50,407.	
Total to Form 990-PF, Part II, line 10c	54,184.		50,407.	

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Form 990-PF	Grant Application Submission Information	Statement	9
	Part XV, Lines 2a through 2d		

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Name and Address of Person to Whom Applications Should be Submitted

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Old Dominion Univeristy Financial Aid Office  
121 Alfred B Rollins Jr Hall  
Norfolk, VA 23529-0052

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Telephone Number

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(757)683-3683

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Form and Content of Applications

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Scholarship applications are submitted to the Old Dominion University Financial Aid Office, Norfolk, VA and assume the form of all forms recieved by Old Dominion University, i.e., scholastic records, personal history, and financial status.

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Any Submission Deadlines

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Applications must be submitted prior to the annual meeting of trustees in May.

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Restrictions and Limitations on Awards

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Grantees may not be related to trustees of the Foundation. Student grants are paid directly to Old Dominion University and credited to recipient student accounts for payment of tuition, academic fees and university living expenses. Recipient students must maintain a "C" average and be a resident of the Southside of Hampton Roads.



Friendly account name: A D Morgan  
Account number: WV 06377 25

## Realized gains and losses

Estimated 2011 gains and losses for transactions with trade dates through 12/30/11 have been incorporated into this statement. Please note that gain or loss recognized on the sale or redemption of certain Structured Products, like Contingent Debt Securities, may be ordinary, and not capital, gain or loss. Please check with your tax advisor. To calculate gains and losses, we liquidate the oldest security lot first. This is known as the first-in, first-out or FIFO accounting method. We use this method unless you specified which tax lot to close when you placed your order. This is known as a versus purchases or VSP order.

See Important information about your statement on the last page of this statement for more information. We may not adjust gains and losses for all capital changes. Cost basis for coupon tax-exempt municipal securities include securities subject to AMT, has been adjusted for mandatory amortization of bond premium. Estimates in the Unclassified section can not be classified as short term or long term because information is missing, or the product is one in which the gain/loss calculation is not provided.

## Short-term capital gains and losses

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment (\$)	Loss (\$)	Gain (\$)
BLACKROCK INC	FIFO	50 000	May 09, 11	Nov 01, 11	7,497 96	9,940 09		-2,442 13	
FEDEX CORP	FIFO	125 000	Dec 22, 10	Oct 05, 11	8,552 15	11,859 90		-3,307 75	
PARKER HANIFIN CORP	FIFO	125 000	Feb 03, 11	Oct 17, 11	8,966 36	11,414 49		-2,448 13	
SECTOR SPDR TRUST SHS									
BEN INT-MATERIALS	FIFO	300 000	Feb 01, 11	Oct 10, 11	9,457 75	12,059 03		-2,601 28	
<b>Total</b>					<b>\$34,474.22</b>	<b>\$45,273.51</b>		<b>-\$10,799.29</b>	

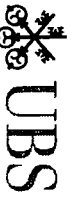
## Net short-term capital gains and losses

**-\$10,799.29**

## Long-term capital gains and losses

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment (\$)	Loss (\$)	Gain (\$)
ABBOTT LABS	FIFO	200 000	Aug 12, 10	Nov 28, 11	10,410 30	10,293 40			116 90
ACCENTURE PLC IRELAND									
CL A	FIFO	100 000	Jul 20, 09	Feb 10, 11	5,165 93	3,522 72			1,643 21
AFLAC INC	FIFO	250 000	Mar 08, 00	Mar 17, 11	12,479 50	4,403 90			8,075 60
AMER ELECTRIC POWER CO	FIFO	250 000	May 29, 08	Jan 31, 11	8,685 51	11,047 98		-2,362 47	
BARRICK GOLD CORP CAD	FIFO	250 000	May 27, 08	Jan 28, 11	11,689 20	10,396 83			1,292 37
COGNIZANT TECH SOLUTIONS									
CRP	FIFO	75 000	Jun 19, 07	Jan 10, 11	5,508 03	2,942 78			2,565 25
CVS CAREMARK CORP	FIFO	275 000	Dec 11, 07	May 03, 11	9,779 65	11,240 77		-1,461 12	
EXXON MOBIL CORP	FIFO	32 000	Sep 01, 05	Jan 10, 11	2,350 46	1,994 46			356 00
	FIFO	43 000	Sep 20, 06	Jan 10, 11	3,158 43	1,971 51			1,186 92
FFCB BOND									
05 375 % DUE 071811									
DTD 062706 FC 01182007	FIFO	50,000 000	May 25, 07	Jul 18, 11	50,000 00	50,840 56		-840 56	
HEWLETT PACKARD CO	FIFO	225 000	Apr 24, 08	Aug 22, 11	5,344 95	11,199 13		-5,854 18	

continued next page



Managed Accounts Consulting

Account name: A D & A L MORGAN MEMORIAL  
Friendly account name: A D Morgan  
Account number: WV 06377 25

Your Financial Advisor:  
WILLIAMS, DOUGLAS  
757-490-5600/800-368-4070

Realized gains and losses (continued)

Long-term capital gains and losses (continued)

Security description	Method	Quantity or face value	Purchase date	Sale date	Sale amount (\$)	Cost basis (\$)	Wash sale cost basis adjustment(\$)	Loss (\$)	Gain (\$)
KRAFT FOODS INC CL A	FIFO	350 000	Jul 15, 09	Aug 25, 11	11,550 85	9,815 63			1,735 22
ORACLE CORP	FIFO	175 000	Jul 09, 09	Feb 10, 11	5,624 28	3,652 75			1,971 53
PEPCO HOLDINGS INC	FIFO	375 000	Feb 14, 05	Feb 17, 11	6,890 47	8,627 92		-1,737 45	
	FIFO	275 000	Mar 01, 06	Feb 17, 11	5,053 01	6,695 12		-1,642 11	
TEVA PHARMACEUTICALS IND	FIFO	225 000	Nov 02, 05	Apr 25, 11	9,943 30	8,747 78			1,195 52
LTD ISRAEL ADR	FIFO	275 000	Nov 17, 92	Oct 27, 11	9,124 91	1,456 55			7,668 36
WALGREEN CO	FIFO								
<b>Total</b>					<b>\$172,758.78</b>	<b>\$158,849.79</b>		<b>-\$13,897.89</b>	<b>\$27,806.88</b>
<b>Net long-term capital gains or losses</b>									<b>\$13,908.99</b>
<b>Net capital gains/losses:</b>									<b>\$3,109.70</b>

6