Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , **and ending**

Name of foundation	A Employer identification number
THE RAFTELIS FOUNDATION	56-2105040
Number and street (or P O box number if mail is not delivered to street address) / Room/suite: 17533 PARADISE COVE COURT	B Telephone number: 704-373-1199
City or town, state, and ZIP code: CORNELIUS, NC 28031-7605	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)* ▶$ 367,319.

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))

	Line	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	50,116.		N/A	
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	7,616.	7,616.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	2,217.			
	b Gross sales price for all assets on line 6a 64,843.				
	7 Capital gain net income (from Part IV, line 2)		2,217.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 **Total.** Add lines 1 through 11	59,949.	9,833.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 2	2,300.	2,300.		0.
	c Other professional fees STMT 3	2,402.	2,402.		0.
	17 Interest	69.	69.		0.
	18 Taxes STMT 4	126.	104.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	44.	0.		44.
	22 Printing and publications				
	23 Other expenses STMT 5	9.	9.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	4,950.	4,884.		44.
	25 Contributions, gifts, grants paid	67,132.			67,132.
	26 **Total expenses and disbursements.** Add lines 24 and 25	72,082.	4,884.		67,176.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<12,133.>			
	b **Net investment income** (if negative, enter -0-)		4,949.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	16,347.	16,574.	16,574.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 7	366,928.	350,745.	350,745.
	c Investments - corporate bonds			
	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)	383,275.	367,319.	367,319.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	383,275.	367,319.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [ ] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances**	383,275.	367,319.	
	31 **Total liabilities and net assets/fund balances**	383,275.	367,319.	

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	383,275.
2 Enter amount from Part I, line 27a	2	<12,133.>
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	371,142.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 6	5	3,823.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	367,319.

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	PERSHING PUBLICLY TRADED SECURITIES	P		
b	CAPITAL GAIN DISTRIBUTIONS	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)
a	63,803.		62,626.	1,177.
b	1,040.			1,040.
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				1,177.
b				1,040.
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	2,217.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	68,016.	388,822.	.174928
2009	30,915.	341,742.	.090463
2008	57,074.	425,384.	.134171
2007	69,492.	510,942.	.136008
2006	66,273.	469,233.	.141237

2	**Total** of line 1, column (d)	2	.676807
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	.135361
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	354,852.
5	Multiply line 4 by line 3	5	48,033.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	49.
7	Add lines 5 and 6	7	48,082.
8	Enter qualifying distributions from Part XII, line 4	8	67,176.

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	49.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	49.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3. If zero or less, enter -0-		5	49.
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 ☐ 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	49.
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	
11 Enter the amount of line 10 to be: **Credited to 2012 estimated tax** ▶ **Refunded** ▶		11	

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? *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.*	1b		X
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ 0. **(2)** On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NC			
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)*

		Line	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 ▶ GEORGE RAFTELIS Telephone no. ▶ 704-373-1199
Located at ▶ 17533 PARADISE COVE COURT, CORNELIUS, NC ZIP+4 ▶ 28031-7605

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

		Line	Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

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

			Line	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?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception**. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____, ____, ____, ____				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?		4b		X

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

			Yes	No
5a During the year did the foundation pay or incur any amount to:				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No			
b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	N/A	5b		
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A	☐ Yes ☐ No			
If "Yes," attach the statement required by Regulations section 53 4945-5(d).				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b		X
If "Yes" to 6b, file Form 8870.				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No			
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	7b		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
GEORGE RAFTELIS 17533 PARADISE COVE COURT CORNELIUS, NC 28031	PRESIDENT 5.00	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

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	0.

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	350,786.
b	Average of monthly cash balances	1b	9,470.
c	Fair market value of all other assets	1c	
d	**Total** (add lines 1a, b, and c)	1d	360,256.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	360,256.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	5,404.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	354,852.
6	**Minimum investment return** Enter 5% of line 5	6	17,743.

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	17,743.
2a	Tax on investment income for 2011 from Part VI, line 5 — 2a: 49.		
b	Income tax for 2011. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	49.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	17,694.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	17,694.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	17,694.

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	67,176.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	67,176.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	49.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	67,127.

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				17,694.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006 43,633.				
b From 2007 45,149.				
c From 2008 36,854.				
d From 2009 13,870.				
e From 2010 48,619.				
f **Total** of lines 3a through e	188,125.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 67,176.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				17,694.
e Remaining amount distributed out of corpus	49,482.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	237,607.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	43,633.			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	193,974.			
10 Analysis of line 9:				
a Excess from 2007 45,149.				
b Excess from 2008 36,854.				
c Excess from 2009 13,870.				
d Excess from 2010 48,619.				
e Excess from 2011 49,482.				

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

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

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

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

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:

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
AVON WALK FOR BREAST CANCER 501 E MOREHEAD ST CHARLOTTE, NC 28202	NONE	PUBLIC CHARITY	HEALTH CARE CHARITY	100.
THE JOURNEY 5515 CHARLOTTE HWY LAKE WYLIE, SC 29710	NONE	PUBLIC CHARITY	SPIRITUALITY	150.
GEORGETOWN CO HABITAT FOR HUMANITY 1907 HAMPTON COURT GEORGETOWN, SC 29440	NONE	PUBLIC CHARITY	HOUSING ASSISTANCE	2,500.
KEVIN ARMSTRONG FOUNDATION 88 N CAUSEWAY PAWLEYS ISLAND, SC 29441	NONE	PUBLIC CHARITY	DISASTER RELIEF	2,500.
AMERICAN FRIENDS OF CHRIST CHURCH PO BOX 130, 300 NY STATE RT 22 WILLSBORO, NY 12996	NONE	PUBLIC CHARITY	CHURCH	100.
Total SEE CONTINUATION SHEET(S)			▶ 3a	67,132.
b Approved for future payment NONE				
Total			▶ 3b	0.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
DAVIDSON COLLEGE PRESBYTERIAN CHURCH 100 N MAIN STREET DAVIDSON, NC 28036	NONE	PUBLIC CHARITY	CHURCH	10,000.
DAVIDSON HOUSING COALITION 220 SLOAN STREET DAVIDSON, NC 28036	NONE	PUBLIC CHARITY	AFFORDABLE HOUSING	1,000.
DISTRICT 5 AFG 1600 CORPORATE LANDING PKWY VIRGINIA BEACH, VA 23454	NONE	PUBLIC CHARITY	REHABILITATION	592.
DUKE UNIVERSITY BOX 90581 DURHAM, NC 27708	NONE	PUBLIC CHARITY	UNIVERSITY	16,000.
ECKERD COLLEGE 4200 54TH AVE S ST PETERSBURG, FL 33711	NONE	PUBLIC CHARITY	UNIVERSITY	15,000.
LIGHTHAVEN 1289 MCENTIRE RD TRYON, NC 28782	NONE	PUBLIC CHARITY	CHURCH	15,000.
DAVIDSON COLLEGE 2012 DAVIDSON COLLEGE DAVIDSON, NC 28035	NONE	PUBLIC CHARITY	UNIVERSITY	1,200.
NC AMERICAN WATER WORKS ASSN 3725 NATIONAL DRIVE, SUITE 217 RALEIGH, NC 27612	NONE	PUBLIC CHARITY	WATER AND WASTEWATER EDUCATION, TRAINING AND SERVICE	175.
DISCOVERY PLACE 301 N TRYON STREET CHARLOTTE, NC 28202	NONE	PUBLIC CHARITY	CHILDREN'S SCIENCE EDUCATION	170.
PAWLEYS ISLAND PRESBYTERIAN CHURCH 9967 OCEAN HIGHWAY PAWLEYS ISLAND, SC 29585	NONE	PUBLIC CHARITY	RELIGION	100.
Total from continuation sheets				61,782.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
WFAE 8801 J M KEYNES DR SUITE 91 CHARLOTTE, NC 28262	NONE	PUBLIC CHARITY	PUBLIC RADIO	2,500.
24 HOURS OF BOOTY 500 E MOREHEAD STREET, #218 CHARLOTTE, NC 28202	NONE	PUBLIC CHARITY	CANCER RESEARCH	45.
Total from continuation sheets				

123631 08-03-11

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income
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					
4 Dividends and interest from securities			14	7,616.	
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	2,217.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		9,833.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 9,833.

(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).

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

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

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

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

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

▶ [signature] | 5-15-12 | ▶ Trustee

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed	PTIN
ELIZABETH P. MURPHY	[signature]	05/11/12		P00653168
Firm's name ▶ DIXON HUGHES GOODMAN LLP			Firm's EIN ▶ 56-0747981	
Firm's address ▶ 6525 MORRISON BLVD., STE 500 CHARLOTTE, NC 28211			Phone no. 704-367-7020	

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

Schedule of Contributors

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

OMB No 1545-0047

2011

Name of the organization	Employer identification number
THE RAFTELIS FOUNDATION	56-2105040

Organization type (check one)

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

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

General Rule

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

Special Rules

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

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

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

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

Name of organization	Employer identification number
THE RAFTELIS FOUNDATION	56-2105040

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	GEORGE & EVA RAFTELIS 17533 PARADISE COVE COURT CORNELIUS, NC 28031	$ 25,082.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
2	GEORGE & EVA RAFTELIS 17533 PARADISE COVE COURT CORNELIUS, NC 28031	$ 25,034.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
THE RAFTELIS FOUNDATION	56-2105040

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	135 SH WW GRAINGER INC	$ 25,082.	12/22/11

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	253 MCDONALDS CORP	$ 25,034.	12/22/11

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

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

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

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

Name of organization	Employer identification number
THE RAFTELIS FOUNDATION	56-2105040

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

Use duplicate copies of Part III if additional space is needed

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

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

(e) Transfer of gift

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

[redacted]

BRAGG FINANCIAL ADVISORS, INC.
1031 S Caldwell Street, Suite 200
Charlotte, NC 28203
advisors@braggfinancial com
(704) 377-0261 (888) 353-0261

Queens Road Securities, LLC

CORESTONE ACCOUNT™

Account Number:
Statement Period: 12/01/2011 - 12/31/2011

THE RAFTELIS FOUNDATION
GEORGE OR EVA RAFTELIS
17533 PARADISE COVE COURT
CORNELIUS NC 28031-7605

Your Investment Advisor:
BENTON SELLERS BRAGG
(704) 377-0261

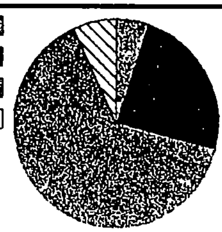
Valuation at a Glance

	This Period
Beginning Account Value	**$321,958.47**
Cash Withdrawals	-2,735.17
Dividends/Interest	2,852.21
Change in Account Value*	19,972.89
Ending Account Value	**$342,048.40**
Estimated Annual Income	**$7,229.98**

* Change in Account Value includes the value of free receives/delivers.

Asset Allocation

	Last Period	This Period	% Allocation
Cash, Money Funds, and FDIC Deposits	4,719.66	16,573.82	5%
Equities	58,884.53	81,180.76 *	24%
Mutual Funds	232,848.68	218,792.22	64%
Exchange-Traded Products	25,505.60	25,501.60	7%
Account Total (Pie Chart)	**$321,958.47**	**$342,048.40**	**100%**
		25,270.65	
		367,319.05 Account Total	



Asset Allocation percentages are rounded to the nearest whole percentage.

Pie Chart allocation excludes all asset classes which net to a liability.

* 81,180.76
25,270.65 Contribution of GWW
106,451.41 Total Equities

[redacted]

Client Service Information

Your Investment Advisor: BSB	Contact Information	Client Service Information
BENTON SELLERS BRAGG BRAGG FINANCIAL ADVISORS 1031 S. CALDWELL ST., STE. 200 CHARLOTTE NC 28203-3517	**Telephone Number:** (704) 377-0261 **Fax Number:** (704) 334-9754 **E-Mail Address:** advisors@braggfinancial.com	**Service Hours:** Monday - Friday 08:30 a.m. - 05:00 p.m. (EST) **Client Service Telephone Number:** (704) 377-0261 **Web Site:** WWW.BRAGGFINANCIAL.COM To report a lost or stolen Debit Card or check call (704) 377-0261, 24 hours a day, 7 days a week.

Default Tax Lot Disposition Method for Mutual Funds : FIRST IN FIRST OUT
Default Tax Lot Disposition Method for All Other Securities: FIRST IN FIRST OUT

Portfolio Holdings

Quantity	Opening Date	Account Number	Activity Ending	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-Day Yield	Current Yield
Cash, Money Funds, and FDIC Deposits 5.00% of Portfolio									
Cash Balance				0.00	106.25				
Margin Balance				0.00	277.50				
Money Market									
FEDERATED NC MUNI CASH TRUST									
16,190.070	12/01/11	0000002100	12/30/11	4,719.66	16,190.07	0.00	1.01	0.01%	0.01%
Total Money Market				**$4,719.66**	**$16,190.07**	**$0.00**	**$1.01**		
Total Cash, Money Funds, and FDIC Deposits				**$4,719.66**	**$16,573.82**	**$0.00**	**$1.01**		

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss		Estimated Annual Income	Estimated Yield
Equities 24.00% of Portfolio									
Common Stocks									
GRAINGER WW INC			*Security Identifier:* GWW		187.19 x 246.00 46,048.74		187.19 x 135.00 25,270.65 yearend value of donated shares		
CUSIP 384802104									
Dividend Option: Cash									
111.00 of these shares are in your margin account									
111.000 + 135 = 246	12/29/08*	0.0000	30.00	187.1900	20,778.09	20,778.09		293.04	1.41%
5MCDONALDS CORP			*Security Identifier:* MCD						
CUSIP: 580135101									
Dividend Option: Cash									
253.00 of these shares are in your margin account									
253.000	Please Provide*	N/A	Please Provide	100.3300	25,383.49	N/A		708.40	2.79%
Gift Fair Market Value: $25,034.35									

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(704) 377-0261 (888) 353-0261

Queens Road Securities, LLC

CORESTONE ACCOUNT™

Statement Period: 12/01/2011 - 12/31/2011

Portfolio Holdings *(continued)*

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Equities *(continued)*								
Common Stocks *(continued)*								
ORACLE CORP COM			*Security Identifier* ORCL					
CUSIP: 68389X105								
Dividend Option. Cash								
488 00 of these shares are in your margin account								
488 000	12/29/08 *	0 0000	30 00	25 6500	12,517 20	12,517 20	117 12	0 93%
PROCTER & GAMBLE CO COM			*Security Identifier:* PG					
CUSIP· 742718109								
Dividend Option· Cash								
139 00 of these shares are in your margin account								
139.000	12/29/08 *	0 0000	30 00	66 7100	9,272.69	9,272 69	291 90	3 14%
UNITED TECHNOLOGIES CORP COM			*Security Identifier* UTX					
CUSIP 913017109								
Dividend Option Cash								
181 00 of these shares are in your margin account								
60 000	02/26/02 *	35 7800	32,146 81	73 0900	4,385 40	2,238.59	115.20	2 62%
121 000	09/25/02 *	28 3700	33,432 77	73.0900	8,843.89	5,411.12	232.32	2.62%
181.000	**Total**		**$5,579.58**		**$13,229.29**	**$7,649.71**	**$347.52**	
Total Common Stocks			**$5,579.58**		**$81,180.76**	**$50,217.69**	**$1,757.98**	
Total Equities			**$5,579.58**		**$81,180.76**	**$50,217.69**	**$1,757.98**	

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds 64.00% of Portfolio								
Mutual Funds								
CAPITAL WORLD BOND FUND CLASS F-2			*Security Identifier* BFWFX					
CUSIP 140541822								
Open End Fund								
Dividend Option· Reinvest, Capital Gains Option Reinvest								
361 969	09/20/10 *	20 7230	7,501 00	20 4400	7,398 65	-102.35	279 40	3 77%
684 597	12/10/10 *	20 4630	14,009 00	20 4400	13,993.16	-15 84	528 43	3 77%

[redacted]

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds *(continued)*								
Mutual Funds *(continued)*								
CAPITAL WORLD BOND FUND CLASS F-2 *(continued)*								
58 965	Reinvestments to Date*	20 5040	1,209 04	20 4400	1,205 24	-3 80	45 51	3 77%
1,105.531	**Total**		**$22,719.04**		**$22,597 05**	**-$121.99**	**$853.35**	
DODGE & COX STOCK FUND		*Security Identifier* DODGX						
CUSIP 256219106								
Open End Fund								
Dividend Option Reinvest, Capital Gains Option Reinvest								
154 341	01/07/03*	91 8280	[3]14,172 78	101 6400	15,687.22	1,514 44	270 71	1 72%
1 240	03/31/03*	84 5320	[3]104 82	101 6400	126 03	21 21	2 17	1 72%
1 496	06/30/03*	96 9990	[3]145 11	101 6400	152 05	6 94	2 62	1.72%
0 844	09/30/03*	100 5570	[3]84 87	101 6400	85 78	0 91	1 48	1 72%
0 940	12/31/03*	113 2550	[3]106 46	101 6400	95 54	-10.92	1 65	1.72%
0.783	12/31/03*	113 3080	[3]88 72	101 6400	79 58	-9 14	1 37	1 72%
0 815	12/31/03*	113 2150	[3]92 27	101.6400	82 84	-9 43	1 43	1 72%
0 689	03/31/04*	117 9970	[3]81 30	101 6400	70 03	-11 27	1 21	1 72%
0.729	03/31/04*	118 0800	[3]86 08	101 6400	74 10	-11 98	1.28	1 72%
0.748	06/30/04*	118 9840	[3]89.00	101 6400	76 03	-12 97	1 31	1 72%
0.755	09/30/04*	118 2520	[3]89 28	101 6400	76 74	-12.54	1 32	1 72%
3 901	12/31/04*	130.2970	[3]508.29	101 6400	396 50	-111 79	6 84	1 72%
0 799	12/31/04*	130.2630	[3]104 08	101 6400	81 21	-22 87	1.40	1 72%
2 248	12/31/04*	130 2800	[3]292 87	101 6400	228 49	-64 38	3 94	1 72%
1 183	03/31/05*	127.1260	[3]150 39	101 6400	120 24	-30 15	2 07	1 72%
0 823	03/31/05*	127 0720	[3]104.58	101.6400	83 65	-20 93	1.44	1 72%
0 286	03/31/05*	127 0980	[3]36 35	101 6400	29.07	-7 28	0 50	1 72%
0.830	06/30/05*	130 1810	[3]108 05	101 6400	84 36	-23 69	1.46	1.72%
0 804	09/30/05*	134 8380	[3]108 41	101 6400	81.72	-26 69	1 41	1 72%
4 565	12/30/05*	137.9540	[3]629 76	101.6400	463 99	-165.77	8 01	1 72%
0 770	12/30/05*	137 9610	[3]106 23	101 6400	78.26	-27 97	1.35	1 72%
0 174	12/30/05*	138 1030	[3]24 03	101 6400	17 69	-6.34	0 31	1.72%
0 755	03/31/06*	143 7620	[3]108 54	101 6400	76 74	-31.80	1 32	1 72%
0.464	03/31/06*	143.6850	[3]66 67	101 6400	47 16	-19 51	0 81	1 72%
0 881	06/30/06*	144 4150	[3]127 23	101 6400	89 54	-37 69	1 55	1 72%
1 158	09/29/06*	150 7340	[3]174 55	101 6400	117.70	-56 85	2 03	1 72%
10 879	12/29/06*	154 0670	[3]1,676 09	101 6400	1,105 74	-570 35	19 08	1 72%
0 420	12/29/06*	153 9050	[3]64 64	101.6400	42 69	-21.95	0 74	1.72%
0 917	12/29/06*	154 1000	[3]141 31	101 6400	93 20	-48 11	1 61	1 72%
0 184	03/30/07*	154 8370	[3]28 49	101 6400	18.70	-9.79	0 32	1 72%
1 329	03/30/07*	154 5750	[3]205.43	101 6400	135 08	-70 35	2.33	1 72%
1 685	03/30/07*	154 5880	[3]260 48	101 6400	171 26	-89 22	2.96	1.72%
0 957	06/29/07*	162.1420	[3]155.17	101 6400	97.27	-57 90	1 68	1 72%
0 893	09/28/07*	158.8020	[3]141.81	101 6400	90 76	-51.05	1 57	1 72%

Portfolio Holdings *(continued)*

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds *(continued)*								
Mutual Funds *(continued)*								
DODGE & COX STOCK FUND *(continued)*								
56.172	Reinvestments to Date*	119 6080	6,718 61	101 6400	5,709.32	-1,009.29	98 52	1 72%
256.457	**Total**		**$27,182.75**		**$26,066.29**	**-$1,116.47**	**$449.82**	
EUROPACIFIC GROWTH FUND CLASS F-1			*Security Identifier* AEGFX					
CUSIP 298706409								
Open End Fund								
Dividend Option Reinvest, Capital Gains Option Reinvest								
33 332	02/21/03*	21 9290	$730 94	34 9800	1,165.95	435.01	19 45	1 66%
5.345	12/19/03*	29 2820	$156 51	34 9800	186.97	30 46	3.12	1.66%
135.272	12/24/03*	29.6700	$4,013 50	34 9800	4,731 81	718.31	78 93	1 66%
9 259	12/20/04*	34.2620	$317 23	34.9800	323 88	6 65	5 40	1 66%
8 640	12/28/05*	40 7400	$351.99	34 9800	302 23	-49 76	5 04	1 66%
16.006	12/28/05*	40 7390	$652 07	34 9800	559 89	-92 18	9 34	1 66%
6 631	12/27/06*	45.7790	$303 56	34 9800	231 95	-71 61	3 87	1 66%
8 692	12/27/06*	45.7820	$397 94	34 9800	304 05	-93 89	5 07	1 66%
23 993	12/27/06*	45.7810	$1,098 42	34 9800	839 28	-259.14	14.00	1 66%
116 794	Reinvestments to Date*	39 3120	4,591 44	34 9800	4,085 45	-505 99	68 15	1 66%
363.964	**Total**		**$12,613.60**		**$12,731.46**	**$117.86**	**$212 37**	
THE GROWTH FUND OF AMERICA CLASS F-1			*Security Identifier* GFAFX					
CUSIP 399874403								
Open End Fund								
Dividend Option Cash, Capital Gains Option Cash								
1,013 995	12/24/03*	24 1130	$24,450 49	28 5600	28,959 70	4,509 21	219 02	0 75%
HARBOR INTERNATIONAL FUND			*Security Identifier* HAINX					
INSTITUTIONAL CLASS								
CUSIP 411511306								
Open End Fund								
Dividend Option Cash, Capital Gains Option Cash								
80 568	04/08/05*	43 5520	$3,508 90	52 4500	4,225 79	716 89	105 99	2.50%
125 078	03/29/07*	64 0320	$8,009 00	52 4500	6,560.34	-1,448 66	164.55	2.50%
141 889	01/25/08*	63 4930	9,009 00	52 4500	7,442 08	-1,566 92	186 67	2 50%
347.535	**Total**		**$20,526 90**		**$18,228.21**	**-$2,298.69**	**$457.21**	

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Portfolio Holdings *(continued)*

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds *(continued)*								
Mutual Funds *(continued)*								
T ROWE PRICE MID-CAP VALUE			*Security Identifier* TRMCX					
CUSIP 77957Y106								
Open End Fund								
Dividend Option Reinvest; Capital Gains Option Reinvest								
78 672	04/08/05 *	22 5170	$1,771 49	21 3900	1,682 79	-88 70		
15 051	04/08/05 *	22 5170	$338 91	21 3900	321.94	-16 97		
6 254	12/14/05 *	23 5790	$147 46	21 3900	133 77	-13.69		
19 152	12/14/05 *	23 5800	$451.61	21 3900	409 66	-41 95		
29 315	12/14/05 *	23.5800	$691 24	21 3900	627 05	-64.19		
54 804	12/20/06 *	25 4100	$1,392 57	21 3900	1,172 26	-220 31		
7 406	12/20/06 *	25 4090	$188 18	21 3900	158 41	-29 77		
17.478	12/20/06 *	25 4100	$444 12	21 3900	373 85	-70 27		
178 209	Reinvestments to Date *	20 6620	3,682 08	21 3900	3,811 89	129 81		
406.341	**Total**		**$9,107.66**		**$8,691.63**	**-$416.04**	**$0.00**	
ROYCE TOTAL RETURN FUND			*Security Identifier* RYTRX					
INVESTMENT CLASS								
CUSIP. 780905881								
Open End Fund								
Dividend Option Reinvest, Capital Gains Option· Reinvest								
397 110	12/29/03 *	10.7720	$4,277 76	12 6800	5,035 36	757 60	47.10	0 93%
10 942	12/29/03 *	10 7720	$117 87	12 6800	138 74	20 87	1.30	0.93%
2.722	03/10/04 *	10 9590	$29 83	12 6800	34 51	4 68	0 32	0.93%
4 068	06/10/04 *	11 0200	$44 83	12 6800	51 58	6.75	0 48	0 93%
2 666	09/10/04 *	11 2420	$29.97	12 6800	33 80	3.83	0.32	0 93%
16 734	12/02/04 *	12 0200	$201 14	12 6800	212 19	11 05	1 98	0 93%
6.057	12/02/04 *	12.0190	$72 80	12 6800	76 80	4 00	0 72	0 93%
4 558	12/02/04 *	12 0210	$54 79	12 6800	57 80	3 01	0 54	0 93%
2.487	03/10/05 *	12 2920	$30 57	12 6800	31 54	0.97	0 29	0.93%
746 888	04/08/05 *	12 0500	$9,000 00	12 6800	9,470 54	470.54	88 58	0 93%
5 596	06/10/05 *	12 2110	$68 33	12 6800	70 96	2 63	0 66	0 93%
7.048	09/09/05 *	12 9600	$91 34	12 6800	89 37	-1 97	0 84	0 93%
75 600	12/02/05 *	12 7600	$964 66	12 6800	958 61	-6 05	8 97	0 93%
5 391	12/02/05 *	12 7600	$68 79	12 6800	68 36	-0 43	0 64	0 93%
8.534	12/02/05 *	12 7600	$108 89	12 6800	108 21	-0 68	1 01	0 93%
4 653	03/10/06 *	13.2500	$61 65	12 6800	59 00	-2 65	0 55	0 93%
7.922	06/09/06 *	12 9990	$102.98	12 6800	100 45	-2 53	0 94	0 93%
5 292	09/11/06 *	13 0610	$69 12	12 6800	67 10	-2.02	0 63	0.93%
64 150	12/05/06 *	13 8400	$887 84	12 6800	813 42	-74 42	7 61	0 93%
4.471	12/05/06 *	13 8400	$61 88	12 6800	56 69	-5 19	0 53	0 93%
0 726	12/05/06 *	13 8430	$10 05	12 6800	9 21	-0 84	0 09	0 93%
5 192	03/09/07 *	13 8890	$72 11	12 6800	65 83	-6 28	0 62	0 93%
6 096	06/11/07 *	14 8290	$90 40	12 6800	77 30	-13 10	0 72	0 93%

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Queens Road Securities, LLC

CORESTONE ACCOUNT™

Statement Period: 12/01/2011 - 12/31/2011

Portfolio Holdings *(continued)*

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds *(continued)*								
Mutual Funds *(continued)*								
ROYCE TOTAL RETURN FUND *(continued)*								
6 456	09/11/07 *	14.0490	390 70	12 6800	81 86	-8 84	0 77	0.93%
263 860	Reinvestments to Date*	12 1300	3,200 75	12 6800	3,345 75	145.00	31.29	0 93%
1,665.219	**Total**		**$19,809.05**		**$21,114.98**	**$1,305.93**	**$197.49**	
VANGUARD EXPLORER FUND			*Security Identifier* VEXPX					
CUSIP 921926101								
Open End Fund								
Dividend Option Reinvest; Capital Gains Option: Reinvest								
93.10 of these shares are in your margin account								
33 160	12/29/03 *	66 2250	32,196 02	71 4400	2,368 95	172 93	3 18	0.13%
9 947	12/29/03 *	66 2250	3658 74	71.4400	710 61	51 87	0 95	0.13%
0 199	12/27/04 *	73 8690	314 70	71.4400	14.22	-0 48	0 02	0 13%
4 182	12/29/05 *	75.6480	3316 36	71 4400	298 76	-17.60	0 40	0 13%
12 349	12/29/05 *	75 6480	3934 18	71 4400	882.21	-51.97	1.18	0 13%
0 613	12/29/05 *	75.6120	346 35	71 4400	43 79	-2 56	0.06	0.13%
0 608	12/18/06 *	75 3620	345 82	71 4400	43 44	-2.38	0.06	0 13%
1 606	12/18/06 *	75 4230	3121 13	71 4400	114 73	-6 40	0 15	0.13%
12 487	12/18/06 *	75 4220	3941 80	71 4400	892 07	-49 73	1 20	0 13%
17 944	Reinvestments to Date*	67 1710	1,205 32	71 4400	1,281 92	76 60	1 72	0 13%
93.095	**Total**		**$6,480.42**		**$6,650.71**	**$170.28**	**$8.93**	
VANGUARD WINDSOR II FUND			*Security Identifier.* VWNFX					
CUSIP 922018205								
Open End Fund								
Dividend Option Cash; Capital Gains Option Cash								
545.34 of these shares are in your margin account								
327 319	11/23/05 *	32 7640	310,724.41	25 7800	8,438 28	-2,286 13	194 43	2 30%
218 020	11/23/05 *	32 7640	37,143 29	25 7800	5,620 56	-1,522.73	129.50	2 30%
545.339	**Total**		**$17,867.70**		**$14,058.84**	**-$3,808.86**	**$323.93**	
VANGUARD GNMA FUND			*Security Identifier* VFIIX					
CUSIP. 922031307								
Open End Fund								
Dividend Option· Cash, Capital Gains Option· Cash								
830 106	09/20/10 *	11 0030	9,133.90	11 0700	9,189 27	55.37	294 49	3.20%

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Portfolio Holdings *(continued)*

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Mutual Funds *(continued)*								
Mutual Funds *(continued)*								
VANGUARD SHORT-TERM INVESTMENT GRADE		*Security Identifier* VFSTX						
FUND INVESTOR SHARES								
CUSIP 922031406								
Open End Fund								
Dividend Option. Cash; Capital Gains Option Cash								
1,249 69 of these shares are in your margin account								
1,197 091	12/28/05 *	10 5280	[3]312,603 52	10 6400	12,737 05	133.53	360 11	2 82%
52 595	12/28/05 *	10 5280	[3]553 74	10 6400	559 61	5 87	15.82	2.82%
1,602 262	03/26/07 *	10 6160	[3]17,009 00	10 6400	17,048.07	39 07	481.99	2 82%
2,851.948	**Total**		**$30,166.26**		**$30,344.73**	**$178.47**	**$857.92**	
VANGUARD INTERMEDIATE-TERM		*Security Identifier* VFICX						
CORPORATE BOND FUND								
CUSIP 922031885								
Open End Fund								
Dividend Option: Cash, Capital Gains Option Cash								
2,017.95 of these shares are in your margin account								
2,017 953	01/10/03 *	9.9840	[3]20,148.24	9.9900	20,159 35	11 11	872.74	4 32%
Total Mutual Funds			**$220,206.01**		**$218,792.22**	**-$1,413.82**	**$4,747.27**	
Total Mutual Funds			**$220,206.01**		**$218,792.22**	**-$1,413.82**	**$4,747.27**	

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Exchange-Traded Products 7.00% of Portfolio								
Exchange-Traded Products								
ISHARES TR BARCLAYS TIPS BD FD		*Security Identifier* TIP						
CUSIP 464287176								
Dividend Option· Cash; Capital Gains Option· Cash								
140 00 of these shares are in your margin account								
95 000	07/12/10 *	105 9310	10,063 40	116.6900	11,085 55	1,022.15	454 45	4 09%
45 000	09/20/10 *	107.9430	4,857.45	116 6900	5,251 05	393 60	215 27	4 09%
140.000	**Total**		**$14,920.85**		**$16,336.60**	**$1,415.75**	**$669.72**	
VANGUARD SCOTTSDALE FDS VANGUARD		*Security Identifier* VGSH						
SHORT TERM GOVT BOND INDEX FD ETF SHS								
CUSIP 92206C102								
Dividend Option. Cash; Capital Gains Option· Cash								
150 00 of these shares are in your margin account								
30 000	07/12/10 *	60 9100	1,827 30	61.1000	1,833 00	5 70	10.80	0 58%

Portfolio Holdings *(continued)*

Quantity	Acquisition Date	Unit Cost	Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Estimated Annual Income	Estimated Yield
Exchange-Traded Products *(continued)*								
Exchange-Traded Products *(continued)*								
VANGUARD SCOTTSDALE FDS VANGUARD *(continued)*								
120 000	09/20/10 *	60 8660	7,303 96	61 1000	7,332 00	28 04	43 20	0.58%
150.000	Total		$9,131.26		$9,165.00	$33.74	$54.00	
Total Exchange-Traded Products			$24,052.11		$25,501.60	$1,449.49	$723.72	
Total Exchange-Traded Products			$24,052.11		$25,501.60	$1,449.49	$723.72	

	Cost Basis	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income
Total Portfolio Holdings	$266,411.52	+ 25271 00 $342,048.40 367,319 -	$50,253.36	$0.00	$7,229.98

* Uncovered under the cost basis rules as defined below.
Securities acquired before 2011 are generally not subject to the new cost basis reporting rules set forth in the Internal Revenue Code of 1986, as amended ("IRC") (incorporating amendments enacted by P L.110-343, the Emergency Economic Stabilization Act of 2008) and are, therefore, considered " uncovered," under the new cost basis reporting rules, and marked or denoted as such. All other securities in this section are securities which are "covered" under the new cost basis reporting rules Securities which are "covered" under the new cost basis reporting rules are defined as securities which have been acquired on or after their "applicable date(s)" at which they are subject to the cost basis reporting rules and the adjusted basis will be reported to the IRS on form 1099-B for the applicable tax year in which the security is disposed

Reporting requirements generally will be phased in over a three-year period, as follows

- Stock in a corporation acquired on or after January 1, 2011
- Mutual funds and dividend reinvestment plan (DRP) shares acquired on or after January 1, 2012
- Other securities, principally debt securities and options, acquired on or after January 1, 2013, or later, as determined by the Secretary of the Treasury

3 The cost basis of this security has been provided to us by you or your introducing firm and Pershing makes no representation as to the accuracy of this information

5 Unrealized gains and losses are not reported for securities for which cost basis or market value is not available

Disclosures and Other Information

Pricing - This section includes the net market value of the securities in your account on a settlement date basis, including short positions, at the close of the statement period. The market prices have been obtained from quotation services, which we believe to be reliable, however, we cannot guarantee their accuracy Securities for which a price is not available are marked "N/A" and are omitted from the Total

The estimated annual income (EAI) and estimated current yield (ECY) figures are estimates and for informational purposes only These figures are not considered to be a forecast or guarantee of future results These figures are computed using information from providers believed to be reliable; however, no assurance can be made as to the accuracy Since interest and dividend rates are subject to change at any time, and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions These figures assume that the position quantities, interest and dividend rates, and prices remain constant A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them Refer to

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
PERSHING	7,616.	0.	7,616.
TOTAL TO FM 990-PF, PART I, LN 4	7,616.	0.	7,616.

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	2,300.	2,300.		0.
TO FORM 990-PF, PG 1, LN 16B	2,300.	2,300.		0.

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 FEE	2,402.	2,402.		0.
TO FORM 990-PF, PG 1, LN 16C	2,402.	2,402.		0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES PAID	104.	104.		0.
DEPARTMENT OF TREASURY	22.	0.		0.
TO FORM 990-PF, PG 1, LN 18	126.	104.		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
POSTAGE	9.	9.		0.
TO FORM 990-PF, PG 1, LN 23	9.	9.		0.

FORM 990-PF OTHER DECREASES IN NET ASSETS OR FUND BALANCES STATEMENT 6

DESCRIPTION	AMOUNT
NET CHANGE IN MARKET VALUE OF SECURITIES HELD	3,823.
TOTAL TO FORM 990-PF, PART III, LINE 5	3,823.

FORM 990-PF CORPORATE STOCK STATEMENT 7

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
PERSHING - SEE ATTACHED	350,745.	350,745.
TOTAL TO FORM 990-PF, PART II, LINE 10B	350,745.	350,745.