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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
MICHAELS FAMILY FOUNDATION
OF VA, INC

A Employer identification number
59-3662847

Number and street (or P O box number if mail is not delivered to street address) Room/suite
CARMICHAEL, 9132 STRADA PLACE, 4TH FL

B Telephone number (see instructions)

City or town, state, and ZIP code
NAPLES FL 34108

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) ▶ $ 958,629

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

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

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

	Line	Description	(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 (attach schedule)				
	2	Check ▶ ☒ if the foundation is **not** required to attach Sch. B				
	3	Interest on savings and temporary cash investments	309	18	309	
	4	Dividends and interest from securities	22,027	21,865	22,027	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	42,495			
	b	Gross sales price for all assets on line 6a 289,088				
	7	Capital gain net income (from Part IV, line 2)		1,923		
	8	Net short-term capital gain			0	
	9	Income modifications				
	10a	Gross sales less returns & allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	Total. Add lines 1 through 11	64,831	23,806	22,336	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.	0			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule) Stmt 2	675			
	c	Other professional fees (attach schedule) Stmt 3	8,600			
	17	Interest				
	18	Taxes (attach schedule) (see instructions) Stmt 4	531			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att. sch)				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	9,806	0	0	0
	25	Contributions, gifts, grants paid	36,273			36,273
	26	**Total expenses and disbursements.** Add lines 24 and 25	46,079	0	0	36,273
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	18,752			
	b	**Net investment income** (if negative, enter -0-)		23,806		
	c	**Adjusted net income** (if negative, enter -0-)			22,336	

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

			Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing	29,306	34,858	34,858
	2	Savings and temporary cash investments			
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (att. schedule) ▶			
		Less allowance for doubtful accounts ▶ 0			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U.S. and state government obligations (attach schedule) Stmt 5	237,563	352,807	349,286
	b	Investments—corporate stock (attach schedule) See Stmt 6	508,877	570,409	574,485
	c	Investments—corporate bonds (attach schedule) See Stmt 7	64,056		
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment. basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	839,802	958,074	958,629
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	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	839,802	958,074	
	30	**Total net assets or fund balances** (see instructions)	839,802	958,074	
	31	**Total liabilities and net assets/fund balances** (see instructions)	839,802	958,074	

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	839,802
2	Enter amount from Part I, line 27a	2	18,752
3	Other increases not included in line 2 (itemize) ▶ See Statement 8	3	99,920
4	Add lines 1, 2, and 3	4	958,474
5	Decreases not included in line 2 (itemize) ▶ See Statement 9	5	400
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	958,074

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	CAPITAL GAIN DISTRIBUTIONS			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,923			1,923
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-)or Losses (from col (h))
a				1,923
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	1,923
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	49,273	769,285	0.064050
2009	36,781	681,620	0.053961
2008	42,340	617,595	0.068556
2007	44,378	470,534	0.094314
2006	42,066	387,154	0.108654

2	**Total** of line 1, column (d)	2	0.389535
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.077907
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	884,530
5	Multiply line 4 by line 3	5	68,911
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	238
7	Add lines 5 and 6	7	69,149
8	Enter qualifying distributions from Part XII, line 4	8	36,273

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	476
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	476
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	476
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a: 400		
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	400
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	76
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 page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation. ▶ $ ______ **(2)** On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? 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) ▶ FL			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

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

Website address ▶ NONE

14 The books are in care of ▶ DR. LEWIS MICHAELS Telephone no ▶ 703-437-5655
10512 WICKENS ROAD
Located at ▶ VIENNA VA ZIP+4 ▶ 22181

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

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

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

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

				Yes	No
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?	N/A	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)	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. ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?		4b		X

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address		(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
LEWIS MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	PRESIDENT 5.00	0	0	0
PAMELA MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	VICE PRES 1.00	0	0	0
THEODORE MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	TREASURER 1.00	0	0	0
STEVEN MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	SECRETARY 1.00	0	0	0

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

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

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

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

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

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

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	863,000
b	Average of monthly cash balances		1b	35,000
c	Fair market value of all other assets (see instructions)		1c	0
d	**Total** (add lines 1a, b, and c)		1d	898,000
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	898,000
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)		4	13,470
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	884,530
6	**Minimum investment return.** Enter 5% of line 5		6	44,227

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	44,227
2a	Tax on investment income for 2011 from Part VI, line 5	2a 476		
b	Income tax for 2011. (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	476
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	43,751
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	43,751
6	Deduction from distributable amount (see instructions)		6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1		7	43,751

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	36,273
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	36,273
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	36,273

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					43,751
2 Undistributed income, if any, as of the end of 2011.					
a Enter amount for 2010 only					
b Total for prior years 20 ____ , 20 ____ , 20 ____					
3 Excess distributions carryover, if any, to 2011:					
a From 2006					
b From 2007	2,841				
c From 2008	11,876				
d From 2009	2,999				
e From 2010	11,182				
f **Total** of lines 3a through e		28,898			
4 Qualifying distributions for 2011 from Part XII, line 4. ▶ $ 36,273					
a Applied to 2010, but not more than line 2a					
b Applied to undistributed income of prior years (Election required—see instructions)					
c Treated as distributions out of corpus (Election required—see instructions)					
d Applied to 2011 distributable amount					36,273
e Remaining amount distributed out of corpus					
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))		7,478			7,478
6 **Enter the net total of each column as indicated below:**					
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5		21,420			
b Prior years' undistributed income Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed					
d Subtract line 6c from line 6b. Taxable amount—see instructions					
e Undistributed income for 2010 Subtract line 4a from line 2a. Taxable amount—see instructions					
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012					0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)					
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)					
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		21,420			
10 Analysis of line 9:					
a Excess from 2007					
b Excess from 2008	7,239				
c Excess from 2009	2,999				
d Excess from 2010	11,182				
e Excess from 2011					

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

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

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

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

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

1 Information Regarding Foundation Managers:

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

N/A

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

N/A

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

Check here ▶ ☐ 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				
ALZHEIMER'S ASSOCIATION MIAMI FL			TO PROVIDE SUPPORT FOR RESEARCH	2,000
CHILDREN RESOURCES MIAMI FL			TO PROVIDE EDUCATION TO THE HANDICAP	10,000
FLORIDA GRAND OPERA MIAMI FL			TO PROVIDE SUPPORT FOR THE ARTS	15,000
MIAMI CITY BALLET MIAMI FL			TO PROVIDE SUPPORT FOR THE ARTS	6,048
SAINT SOPHIA DC VA			TO PROVIDE EDUCATION TO THE NEEDY	3,225
Total			▶ 3a	36,273
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					309
4 Dividends and interest from securities					22,027
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					42,495
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		0	64,831

13 **Total.** Add line 12, columns (b), (d), and (e) 13 64,831

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions.)
N/A	

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of.			
	(1) Cash	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

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

Lewis N. Michaels | 7/15/12 | President

Signature of officer or trustee | Date | Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
ALBERT R COHEN	ALBERT R COHEN Albert R. Cohen CPA	07/02/12	
Firm's name ▶ Wald and Cohen, P.A.		PTIN	P01227078
Firm's address ▶ 11420 N. Kendall Dr., Ste 203 Miami, FL 33176-1039		Firm's EIN ▶	20-1226851
		Phone no	305-271-3666

BB&T WEALTH MANAGEMENT
BRANCH BANKING AND TRUST CO
PO BOX 2887
WILSON, NC 27894-2887

ACCOUNT STATEMENT

DECEMBER 01, 2011 TO DECEMBER 31, 2011

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER: 1850003415

0000003368

ALBERT COHEN, CPA
WALD & COHEN P.A
11420 N. KENDALL DRIVE, STE. 203
MIAMI, FL 33176

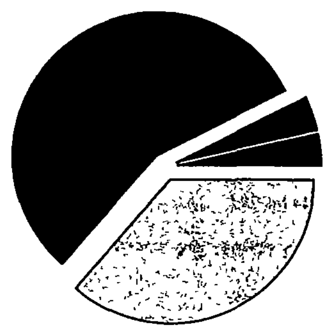
ACCOUNT NAME:	**BRANCH BANKING AND TRUST COMPANY AGENT FOR MICHAELS FAMILY FOUNDATION OF VA, INC. IMA**
WEALTH MGMT ADVISOR·	**SUZANNE KIM** **703-533-6215** **SUZANNE.KIM@BBANDT.COM**
PERSONAL TRUST SPECIALIST:	**MOLLY CARR** **703-383-5000** **MCARR@BBANDT.COM**
PORTFOLIO MANAGER	**MARY IRVIN TURNER** **703-259-2465** **mary.turner@bbandt.com**

BB&T WEALTH MANAGEMENT

ENHANCING AND PRESERVING WEALTH FOR GENERATIONS. PLEASE CONTACT YOUR WEALTH MANAGEMENT ADVISOR TO LEARN OF OTHER INTERESTING WAYS WE CAN HELP YOU ACHIEVE ECONOMIC SUCCESS AND FINANCIAL SECURITY.

INVESTMENT PORTFOLIO SUMMARY

MARKET VALUE AS OF	12/01/2011	12/31/2011	% OF ACCOUNT
CASH AND CASH EQUIVALENTS	32, 702 61	34, 857 74	3 6%
DIVERSIFYING ASSETS	37, 775 27	37, 797 85	3 9%
EQUITIES	544, 009 28	536, 686 71	56 0%
FIXED INCOME	349, 144 71	349, 284 92	36. 5%
Total	963, 631 87	958, 627 22	100 0%



ACCOUNT ACTIVITY SUMMARY

	THIS PERIOD	YEAR TO DATE
BEGINNING MARKET VALUE	963,631.87	938,710.60
INCOME	5,872.32	23,642 40
DISBURSEMENTS	3,034.67-	38,373 39-
CASH RECEIPTS	0 00	103,357.47
FEES	682.52-	8,574.72-
CHANGE IN MARKET VALUE	7,159.78-	60,135.14-
ENDING MARKET VALUE	958,627.22	958,627.22

REALIZED CAPITAL GAINS / LOSSES

	THIS PERIOD	YEAR TO DATE
LONG TERM	1,565 41	30,240.04
SHORT TERM	0 00	11,870.54
TOTAL GAINS / LOSSES	1,565.41	42,110.58

DECEMBER 01, 2011 TO DECEMBER 31, 2011

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER: 1850003415

PRINCIPAL PORTFOLIO STATEMENT

DESCRIPTION	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
CASH AND CASH EQUIVALENTS				
IDP000022 INSURED DEPOSIT PROGRAM MGDW	32,095 66 32,095 66	 1 00		
PRINCIPAL CASH	1,044 97 1,044 97			
*** TOTAL CASH AND CASH EQUIVALENTS**	33,140.63 33,140.63		0.00 0 00	0 00

BOND QUALITY SUMMARY

S & P QUALITY RATING

	MARKET VALUE	PERCENT
NOT RATED	349, 284 92	100 0%
Total	349, 284 92	100 0%

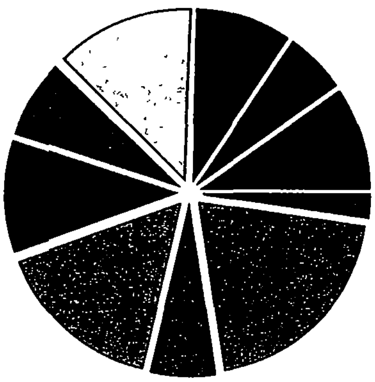
DESCRIPTION	RATING	PAR VALUE	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	YIELD CURRENT/ MATURITY
FIXED INCOME						
FIXED INCOME MUTUAL FUNDS						
31420C787 FEDERATED SHORT TERM INCOME FUND CL Y FUND # 638		11,940 566	102,450.06 101,264 00	8 58 8.48	2,447.82 203.99	2 39
38142Y518 GOLDMAN SACHS ENHANCED INCOME FUND #1999		3,341 962	31,514.70 32,016.00	9 43 9.58	451.16 37 60	1 43
693390304 PIMCO LOW DURATION FUND CLASS I #36		3,385 204	34,833.75 35,327 25	10.29 10 44	748 13 62 34	2 15
74441R508 PRUDENTIAL SHORT TERM CORPORATE BOND FUND CL Z FUND # 434		6,017 226	68,415.86 69,374.00	11.37 11.53	2,653.60 221.13	3 88
85917L650 STERLING CAPITAL SHORT-TERM BOND FUND INST CL I FUND # 340		11,960 571	112,070.55 114,826.00	9.37 9.60	4,186.20 348.85	3 74
**** TOTAL FIXED INCOME MUTUAL FUNDS**	**SUB-TOTAL**		349,284.92 352,807.25		10,486.91 873.91	3.00
*** TOTAL FIXED INCOME**			349,284.92 352,807.25		10,486.91 873.91	3.00

DECEMBER 01, 2011 TO DECEMBER 31, 2011

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER: 1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

EQUITY DIVERSIFICATION SUMMARY



INDUSTRY SECTOR	MARKET VALUE	PERCENT
CONSUMER DISCRETIONARY	52,191 10	9 7%
CONSUMER STAPLES	30,725. 60	5. 7%
ENERGY	48,514. 46	9 0%
FINANCIALS	70,741 01	13 2%
HEALTH CARE	38,983. 79	7. 3%
INDUSTRIALS	56,277 23	10 5%
INFORMATION TECHNOLOGY	85,435 71	15 9%
MATERIALS	33,372. 20	6. 2%
MUTUAL FUNDS	108,476. 46	20 3%
TELECOMMUNICATIONS SERVICES	11,969. 15	2 2%
Total	536,686 71	100 0%

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
EQUITIES						
CONSUMER DISCRETIONARY						
143658300 CARNIVAL CORP COMMON	CCL	140 000	4,569 60 5,462 80	32.64 39 02	140 00	3 06
20030N101 COMCAST CORP CLASS A	CMCSA	250 000	5,927 50 3,584 98	23 71 14.34	112 50 28.13	1 90
216831107 COOPER TIRE & RUBBER CO COMMON	CTB	200 000	2,802 00 4,957 44	14 01 24 79	84 00	3 00
254067101 DILLARD DEPT STORES INC COMMON	DDS	120 000	5,385.60 5,549 76	44 88 46 25	24 00 6.00	0 45
254687106 THE WALT DISNEY COMPANY COMMON	DIS	130 000	4,875 00 3,302 00	37 50 25 40	78 00 78 00	1 60
418056107 HASBRO INC COMMON	HAS	60 000	1,913 40 2,524 79	31 89 42 08	72 00	3 76
46113M108 INTERVAL LEISURE GROUP COMMON	IILG	380 000	5,171.80 3,556 76	13 61 9 36		
501897102 LI & FUNG LIMITED UNSPONS ADR	LFUGY	800.000	2,962 40 4,672 00	3 70 5 84	74 40	2 51

DECEMBER 01, 2011 TO DECEMBER 31, 2011

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER: 1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
CONSUMER DISCRETIONARY						
548661107 LOWE'S COMPANIES INC COMMON	LOW	200 000	5,076 00 4,954 00	25 38 24 77	112 00	2 21
87612E106 TARGET CORP COM COMMON	TGT	90 000	4,609 80 4,963 58	51 22 55 15	108 00	2.34
968223206 JOHN WILEY & SONS INC CLASS A	JW A	80 000	3,552 00 2,551 20	44 40 31 89	64 00 16 00	1 80
978097103 WOLVERINE WORLD WIDE INC COMMON	WWW	150 000	5,346 00 3,864 03	35 64 25 76	72 00 18 00	1 35
**** TOTAL CONSUMER DISCRETIONARY**		SUB-TOTAL	52,191.10 49,943.34		940.90 146.13	1.80
CONSUMER STAPLES						
50075N104 KRAFT FOODS INC-A COMMON	KFT	130 000	4,856 80 3,360 49	37 36 25 85	150 80 37 70	3 10
713448108 PEPSICO INC COMMON	PEP	65.000	4,312 75 3,641 95	66.35 56 03	133 90 33.48	3 10
742718109 PROCTER AND GAMBLE COMMON	PG	75 000	5,003 25 4,844 25	66 71 64.59	157.50	3.15
89469A104 TREEHOUSE FOODS INC COMMON	THS	90.000	5,884 20 5,324 96	65.38 59 17		
904784709 UNILEVER N V NY SHS NEW F	UN	180 000	6,186.60 5,425 20	34 37 30 14	189.72	3.07
931142103 WAL - MART STORES COMMON	WMT	75 000	4,482 00 3,997 50	59 76 53.30	109.50 27.38	2.44
**** TOTAL CONSUMER STAPLES**		SUB-TOTAL	30,725.60 26,594.35		741.42 98.56	2.41
ENERGY						
13321L108 CAMECO CORP	CCJ	30 000	541.50 802 20	18 05 26.74	11.76 2.94	2 17
15135U109 CENOVUS ENERGY INC.	CVE	150.000	4,980.00 4,658.71	33 20 31.06	119 40	2.40

DECEMBER 01, 2011 TO DECEMBER 31, 2011

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER: 1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
ENERGY						
166764100						
CHEVRON CORP COMMON	CVX	33 000	3,511 20	106 40	106.92	3 05
			2,323 86	70 42		
20825C104						
CONOCOPHILLIPS	COP	120 000	8,744 40	72 87	316 80	3 62
			4,987 19	41 56		
30231G102						
EXXON MOBIL CORPORATION COMMON	XOM	65 000	5,509 40	84 76	122 20	2.22
			4,324.81	66 54		
678026105						
OIL STATES INTERNATIONAL INC COMMON	OIS	75 000	5,727 75	76 37		
			5,400 76	72 01		
71654V408						
PETROLEO BRASILEIRO SA PETROBRAS COMMON	PBR	120 000	2,982 00	24 85	18.00	0 60
			4,666 80	38 89		
806857108						
SCHLUMBERGER LTD COMMON	SLB	60 000	4,098 60	68 31	60 00	1 46
			2,963 94	49 40	15.00	
864323100						
SUBSEA 7 SA	SUBCY	270 000	5,021 73	18 60	56 70	1 13
			4,076 97	15 10		
867224107						
SUNCOR ENERGY, INC	SU	140 000	4,036 20	28 83	60 34	1.49
			4,502 36	32 16		
966387102						
WHITING PETROLEUM CORP COMMON	WLL	72 000	3,361 68	46 69		
			3,173 76	44 08		
** TOTAL ENERGY		SUB-TOTAL	48,514.46		872.12	1.80
			41,881.36		17.94	
FINANCIALS						
037389103						
AON CORPORATION COMMON	AON	100 000	4,680 00	46 80	60 00	1 28
			4,905 00	49 05		
05565A202						
BNP PARIBAS	BNPQY	50 000	984.95	19 70	55 35	5.62
			1,631 50	32 63		
059460303						
BANCO BRADESCO S A	BBD	275 000	4,587 00	16 68	28 33	0 62
			4,420 00	16 07	80.01	
06738E204						
BARCLAYS PLC - SPONS ADR COMMON	BCS	200 000	2,198 00	10 99	70 80	3 22
			3,556 00	17.78		
084670702						
BERKSHIRE HATHAWAY INC DEL CL B COMMON	BRK.B	20 000	1,526 00	76.30		
			1,125 97	56 30		

DECEMBER 01, 2011 TO DECEMBER 31, 2011

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER:1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
FINANCIALS						
125581801						
CIT GROUP INC COMMON	CIT	80 000	2,789 60	34 87		
			3,499 20	43 74		
251542106						
DEUSTCHE BOERSE AG ADR	DBOEY	450 000	2,519 10	5 60	166 95	6 63
			3,523 50	7 83		
254709108						
DISCOVER FINANCIAL SERVICES	DFS	290 000	6,960 00	24 00	116 00	1 67
COMMON			4,422 50	15 25	29 00	
278265103						
EATON VANCE CORPORATION COMMON	EV	160 000	3,782 40	23 64	121 60	3 21
			5,337 60	33 36		
40052P107						
GRUPO FIN BANORTE SPON ADR	GBOOY	200 000	3,027.60	15 14	37 20	1 23
			4,654 00	23 27		
404280406						
HSBC HLDGS PLC SPONSORED ADR NEW	HBC	35 000	1,333 50	38 10	68 25	5 12
			1,622 25	46 35	15.75	
455807107						
INDUSTRIAL AND COMMERCIAL BANK	IDCBY	300 000	3,561.30	11 87	138 00	3 87
OF CHINA			4,559 40	15 20		
45865V100						
INTERCONTINENTALEXCHANGE INC	ICE	24 000	2,893 20	120.55		
COMMON			2,507 04	104 46		
46625H100						
J P MORGAN CHASE & CO COMMON	JPM	100 000	3,325 00	33 25	100.00	3.01
			3,704 65	37.05		
48241A105						
KB FINANCIAL GROUP INC COMMON	KB	15 000	470 10	31.34	1 14	0 24
			686 70	45.78		
59156R108						
METLIFE INC COMMON	MET	180 000	5,612 40	31 18	133 20	2 37
			6,866 97	38 15		
617446448						
MORGAN STANLEY COMMON	MS	150 000	2,269 50	15.13	30 00	1.32
			4,409 78	29 40		
74267C106						
PROASSURANCE CORP COMMON	PRA	30 000	2,394 60	79.82	30.00	1.25
			1,783.20	59.44	7.50	
754907103						
RAYONIER INC COMMON	RYN	37 000	1,651 31	44.63	59 20	3 59
			932 83	25 21		
78442P106						
SLM CORPORATION COMMON	SLM	360.000	4,824.00	13.40	144.00	2.99
			4,258.80	11.83		

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
FINANCIALS						
89417E109						
THE TRAVELERS COMPANIES INC	TRV	35 000	2,070 95	59 17	57 40	2 77
COMMON			1,414.35	40 41		
949746101						
WELLS FARGO & CO COMMON	WFC	150 000	4,134 00	27 56	72 00	1 74
			3,538 49	23 59		
H01531104						
ALLIED WORLD ASSURANCE COMPANY	AWH	50.000	3,146 50	62 93	75 00	2.38
HOLDINGS LTD			2,252.00	45 04	18 75	
** TOTAL FINANCIALS		SUB-TOTAL	70,741.01		1,564.42	2.21
			75,611.73		151.01	
HEALTH CARE						
002824100						
ABBOTT LABORATORIES COMMON	ABT	85 000	4,779 55	56 23	163 20	3 41
			3,764 53	44.29		
031162100						
AMGEN INC COMMON	AMGN	95.000	6,099.95	64 21	136 80	2 24
			5,483 40	57.72		
090572207						
BIO-RAD LABS CLASS A	BIO	40 000	3,841 60	96.04		
			4,258 40	106 46		
441060100						
HOSPIRA INC COMMON	HSP	80 000	2,429 60	30 37		
			4,416 80	55 21		
478160104						
JOHNSON & JOHNSON COMMON	JNJ	45.000	2,951 10	65 58	102 60	3 48
			2,721 88	60 49		
53217V109						
LIFE TECHNOLOGIES CORP COMMON	LIFE	65 000	2,529 15	38.91		
			3,420 95	52 63		
585055106						
MEDTRONIC INC COMMON	MDT	110 000	4,207 50	38 25	106 70	2 54
			3,824 15	34 77		
58933Y105						
MERCK & CO INC COMMON	MRK	140 000	5,278 00	37 70	235 20	4 46
			3,733.79	26 67	58 80	
66987V109						
NOVARTIS A G ADR	NVS	60 000	3,430 20	57 17	120 30	3.51
			2,824 61	47.08		
670100205						
NOVO-NORDISK A S ADR	NVO	4 000	461.04	115 26	5 43	1.18
			262.64	65 66		
790849103						
ST JUDE MEDICAL INC COMMON	STJ	75.000	2,572.50	34.30	63.00	2.45
			2,928.00	39 04	15 75	

DECEMBER 01, 2011 TO DECEMBER 31, 2011

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER:1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
HEALTH CARE						
881624209 TEVA PHARMACEUTICAL INDS LTD ADR COMMON	TEVA	10 000	403 60 603 10	40 36 60.31	7 85	1 94
**** TOTAL HEALTH CARE**		SUB-TOTAL	38,983.79 38,242.25		941.08 74.55	2.41
INDUSTRIALS						
000375204 ABB LTD SPONS ADR	ABB	220 000	4,142 60 4,514 38	18 83 20 52	148 06	3 57
049255706 ATLAS COPCO AB SPONS	ATLKY	290 000	6,260 81 4,245 60	21 59 14 64	131 08	2 09
073302101 BE AEROSPACE INC COMMON	BEAV	150 000	5,806 50 5,416 50	38 71 36 11		
136375102 CANADIAN NATL RY CO COMMON	CNI	20 000	1,571 20 1,273 80	78 56 63 69	25 60	1 63
16115Q308 CHART INDUSTRIES INC COMMON	GTLS	120 000	6,488 40 5,941 17	54 07 49 51		
307305102 FANUC LTD ADR	FANUY	190 000	4,848 42 5,255.40	25 52 27 66	70 68	1.46
369604103 GENERAL ELECTRIC COMPANY COMMON	GE	300 000	5,373 00 3,333.00	17 91 11 11	204 00 51 00	3 80
48242W106 KBR INC COMMON	KBR	150.000	4,180 50 4,993 50	27 87 33.29	30 00 7 50	0 72
539830109 LOCKHEED MARTIN CORP COMMON	LMT	30.000	2,427 00 2,410.20	80 90 80 34	120 00	4 94
844741108 SOUTHWEST AIRLINES COMMON	LUV	410 000	3,509.60 4,981 29	8 56 12 15	7 38 1.85	0.21
879360105 TELEDYNE TECHNOLOGIES INC COM	TDY	40.000	2,194 00 1,328 29	54.85 33 21		
911363109 UNITED RENTALS INC	URI	210 000	6,205 50 4,838.10	29.55 23.04		
H89128104 TYCO INTERNATIONAL LTD	TYC	70.000	3,269.70 2,583.00	46.71 36.90	70.00	2.14
**** TOTAL INDUSTRIALS**		SUB-TOTAL	56,277.23 51,114.23		806.80 60.35	1.43

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
INFORMATION TECHNOLOGY						
032095101 AMPHENOL CORP CL A	APH	60 000	2,723 40 1,986 96	45 39 33.12	3 60 0 90	0 13
035290105 ANIXTER INTERNATIONAL INC COMMON	AXE	75 000	4,473 00 5,481 00	59 64 73 08		
037833100 APPLE COMPUTER CORPORATION COMMON	AAPL	17 000	6,885 00 4,542 06	405.00 267.18		
042068106 ARM HOLDINGS PLC -SPONS ADR	ARMH	240 000	6,640 80 1,622 40	27 67 6 76	31 20	0 47
053807103 AVNET INC COMMON	AVT	140 000	4,352 60 5,155 91	31 09 36 83		
17275R102 CISCO SYSTEMS COMMON	CSCO	190 000	3,435 20 3,480 78	18 08 18 32	45 60	1 33
219350105 CORNING INC COMMON	GLW	230 000	2,985 40 3,325 78	12 98 14 46	69 00	2 31
25659T107 DOLBY LABORATORIES INC CL A COMMON	DLB	50 000	1,525 50 1,981.50	30 51 39 63		
38259P508 GOOGLE INC COMMON	GOOG	8 000	5,167 20 4,946 16	645 90 618 27		
428236103 HEWLETT PACKARD COMPANY COMMON	HPQ	60 000	1,545 60 2,576 40	25.76 42 94	28 80 7 20	1 86
458140100 INTEL COMMON	INTC	220 000	5,335 00 3,605 78	24 25 16.39	184 80	3.46
459200101 INTERNATIONAL BUSINESS MACHINES COMMON	IBM	20 000	3,677 60 2,361 00	183 88 118 05	60 00	1 63
594918104 MICROSOFT CORP COMMON	MSFT	300 000	7,788 00 6,931 48	25 96 23 10	240 00	3.08
595017104 MICROCHIP TECHNOLOGY INC COMMON	MCHP	110 000	4,029 30 4,117.30	36 63 37 43	153 12	3.80
68389X105 ORACLE CORP COMMON	ORCL	190.000	4,873 50 4,042.29	25.65 21 28	45 60	0.94

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER: 1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
INFORMATION TECHNOLOGY						
743312100 PROGRESS SOFTWARE COMMON	PRGS	210 000	4,063 50 4,579 40	19 35 21 81		
803054204 SAP AKTIENGESELLSCHAFT ADR	SAP	20 000	1,059 00 954 70	52 95 47 74	20 50	1 94
861012102 FORMERLY SGS-THOMSON MICROELECTRONICS SHS-N Y REGISTRY	STM	450 000	2,668 50 5,318 91	5 93 11 82	153 00	5 73
88032Q109 TENCENT HOLDINGS LIMITED LTD UNSPONS ADR	TCEHY	190 000	3,818 81 5,164 20	20 10 27 18	11 59	0 30
882508104 TEXAS INSTRUMENTS COMMON	TXN	140 000	4,075 40 4,729 20	29 11 33 78	95 20	2 34
H84989104 TE CONNECTIVITY LTD	TEL	140 000	4,313 40 4,320.11	30 81 30 86	100 80	2 34
** TOTAL INFORMATION TECHNOLOGY		SUB-TOTAL	85,435.71 81,223.32		1,242.81 8.10	1.45
MATERIALS						
012653101 ALBEMARLE CORP COMMON	ALB	80.000	4,120 80 5,293 60	51 51 66.17	56.00 14.00	1 36
013817101 ALCOA INC COMMON	AA	620.000	5,363 00 10,443 20	8.65 16.84	74 40	1 39
088606108 BHP BILLITON LIMITED	BHP	30 000	2,118 90 1,494.64	70.63 49.82	60 60	2 86
228368106 CROWN HOLDINGS INC COMMON	CCK	160.000	5,372.80 4,222.40	33 58 26 39		
460146103 INTERNATIONAL PAPER COMPANY COMMON	IP	170 000	5,032 00 5,399 20	29 60 31 76	178 50	3 55
767204100 RIO TINTO PLC ADR	RIO	20.000	978.40 1,525.20	48.92 76.26	23 36	2 39
772739207 ROCK TENN COMPANY A	RKT	35.000	2,019 50 1,724 19	57.70 49.26	28.00	1 39

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
MATERIALS						
834376501 SOLUTIA INC COMMON	SOA	210 000	3,628 80 4,794 30	17 28 22 83	31 50	0 87
91912E204 VALE SA SP PREF ADR	VALE P	230 000	4,738.00 3,765 10	20 60 16 37	85 33	1 80
** TOTAL MATERIALS		SUB-TOTAL	33,372.20 38,661.83		537.69 14.00	1.61
MUTUAL FUNDS						
349913822 FORWARD INTERNATIONAL SMALL COMPANIES FD INST CL FUND # 111	PTSCX	1,251 218	14,476 59 15,415 00	11 57 12 32	233 98	1.62
52106N889 LAZARD EMERGING MKTS PORTFOLIO INST CLASS FUND # 638	LZEMX	2,176 348	36,562 65 43,894 00	16 80 20 17	550 62	1 51
683974505 OPPENHEIMER DEVELOPING MARKETS FUND CL Y FUND # 788	ODVYX	836 592	24,236 07 28,698 00	28 97 34.30	564 70	2 33
81369Y886 UTILITIES SELECT SECTOR SPDR FUND	XLU	170 000	6,116 60 5,419 60	35 98 31 88	232 56	3 80
85917L742 STERLING CAPITAL SPECIAL OPPORTUNITIES FUND INST CL FUND # 321	BOPIX	1,609 302	27,084 55 28,060 00	16 83 17 44		
** TOTAL MUTUAL FUNDS		SUB-TOTAL	108,476.46 121,486.60		1,581.86 0.00	1.46
TELECOMMUNICATIONS SERVICES						
00206R102 AT&T INC COMMON	T	150 000	4,536.00 3,669 84	30 24 24 47	264 00	5 82
87944W105 TELENOR ASA ADR	TELNY	20 000	986 25 930 20	49 31 46 51	35 84	3 63
92857W209 VODAFONE GROUP PLC COMMON	VOD	230 000	6,446 90 4,273 40	28 03 18.58	331 89 146 61	5 15
** TOTAL TELECOMMUNICATIONS SERVICES		SUB-TOTAL	11,969.15 8,873.44		631.73 146.61	5.28
* TOTAL EQUITIES			536,686.71 533,632.45		9,860.83 717.25	1.84

DECEMBER 01, 2011 TO DECEMBER 31, 2011

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER: 1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
DIVERSIFYING ASSETS						
19247U106 COHEN & STEERS REALTY SHARES INSTITUTIONAL	CSRIX	516 871	20,406 07 18,702 55	39 48 36 18	416 08	2 04
22544R305 CREDIT SUISSE COMMODITY RETURN STRATEGY INSTITUTIONAL SHS FD 2156	CRSOX	2,126 135	17,391 78 18,073 95	8 18 8 50	1,418 13	8 15
* TOTAL DIVERSIFYING ASSETS			37,797.85 36,776.50		1,834.21 0.00	4.85
TOTAL PRINCIPAL ASSETS			956,910.11 956,356.83		22,181.95 1,591.16	2.32

INCOME PORTFOLIO STATEMENT

DESCRIPTION	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
CASH AND CASH EQUIVALENTS				
IDP000022 INSURED DEPOSIT PROGRAM MGDW	80 15 80 15	 1 00		
INCOME CASH	1,636 96 1,636.96			
* TOTAL CASH AND CASH EQUIVALENTS	1,717.11 1,717.11		0.00 0.00	0.00
TOTAL INCOME ASSETS	1,717.11 1,717.11		0.00 0.00	0.00

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description: Whom Sold	Date Acquired	Date Sold	How Received	Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
SEE ATTACHED SCHEDULE	2/08/11	5/04/11	Purchase	$ 29,458	$ 29,107	$	$	$ 351
SEE ATTACHED SCHEDULE	5/05/10	5/04/11	Purchase	137,783	126,237			11,546
SEE ATTACHED SCHEDULE	5/04/11	6/26/09	Purchase	119,924	91,249			28,675
Total				$ 287,165	$ 246,593	$ 0	$ 0	$ 40,572

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING	$ 675	$	$	$
Total	$ 675	$ 0	$ 0	$ 0

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INVESTMENT ADVISORS FEES	$ 8,600	$	$	$
Total	$ 8,600	$ 0	$ 0	$ 0

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
	$ 531	$	$	$
Total	$ 531	$ 0	$ 0	$ 0

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FEDERATED US GOVT SECURITIES FUND	$	$	Market	$
FEDERATED TOTAL RETURN GOVT BOND FUN			Market	
FIDELITY ADVISOR STRATEGIC INC			Market	
FEDERATED INTERMEDIATE CORP BOND			Market	
PIMCO DURATION FUND CLASS 1	55,797	35,327	Market	34,834
BB&T SHORT U S GOVT CL 1 FUND#0340	64,246		Market	
FEDERATED SHORT TERM INCOME FUND CL	89,704	101,264	Market	102,450
FEDERATED MORTGAGE INTITUTIONAL			Market	
NUVEEN LIMITED TERM MUNICIPAL	27,816		Market	
VANGUARD GNMA FUND#36 CL INV			Market	
GOLDMAN SACHS ENHANCED INCOME FUND		32,016	Market	31,515
PRUDENTIAL SHORT TERM CORPORATE		69,374	Market	68,416
STERLING CAPITAL SHORT-TERM BOND FUN		114,826	Market	112,071
Total	$ 237,563	$ 352,807		$ 349,286

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
BB&T WEALTH MANAGEMENT-SEE ATTACHED SCHEDULE	$ 508,877	$ 533,632	Market	$ 536,687
BB&T WEALTH MANAGEMENT		36,777	Market	37,798
Total	$ 508,877	$ 570,409		$ 574,485

Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
PRUDENTIAL SHORT TERM CORPORATE	$ 64,056	$		$
Total	$ 64,056	$ 0		$ 0

Statement 8 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
CHANGE IN INVESTMENT EQUITY	$ 99,920
Total	$ 99,920

Statement 9 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
FEDERAL INCOME TAXES	$ 400
Total	$ 400

Federal Statements

Tax-Exempt Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	InState Muni ($ or %)
	$ 162				
Total	$ 162				

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
DIVIDENDS	$ 21,865			VA	
Total	$ 21,865				

Form **8868** (Rev January 2012)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ File a separate application for each return.

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

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

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

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

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

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

Enter filer's identifying number, see instructions

Type or print		
File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions MICHAELS FAMILY FOUNDATION OF VA, INC	Employer identification number (EIN) or [X] 59-3662847
	Number, street, and room or suite no. If a P.O. box, see instructions. CARMICHAEL, 9132 STRADA PLACE, 4TH FL	Social security number (SSN) [ ]
	City, town or post office, state, and ZIP code. For a foreign address, see instructions NAPLES FL 34108	

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

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

- The books are in the care of ▶ DR. LEWIS MICHAELS
10512 WICKENS ROAD
VIENNA VA 22181

Telephone No. ▶ 703-437-5655 FAX No. ▶

- If the organization does not have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ . If this is for the whole group, check this box ▶ [ ] . If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08/15/12 , to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ [X] calendar year 2011 or
▶ [ ] tax year beginning , and ending .

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

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 0
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 0
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 0

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

For Privacy Act and Paperwork Reduction Act Notice, see Instructions.
DAA