04/30/2012 3 20 PM

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: THE VAUGHN FOUNDATION

A Employer identification number: 75-6008953

Number and street (or P O box number if mail is not delivered to street address): C/O JPMORGAN SRVCS. INC PO BOX 6089 | Room/suite

B Telephone number (see instructions): 302-634-2931

City or town, state, and ZIP code: NEWARK DE 19714

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) ▶ $ 7,518,556

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

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

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

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
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				
	4	Dividends and interest from securities	186,819	179,410		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	117,517			
	b	Gross sales price for all assets on line 6a 2,263,192				
	7	Capital gain net income (from Part IV, line 2)		117,517		
	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	304,336	296,927	0	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	53,150	42,520		10,630
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions) STMT 1	6,466	1,553		
	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	59,616	44,073	0	10,630
	25	Contributions, gifts, grants paid	410,000			410,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	469,616	44,073	0	420,630
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-165,280			
	b	**Net investment income** (if negative, enter -0-)		252,854		
	c	**Adjusted net income** (if negative, enter -0-)			0	

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For Paperwork Reduction Act Notice, see instructions.

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		Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1	Cash—non-interest-bearing				
	2	Savings and temporary cash investments		260,749	205,962	205,962
	3	Accounts receivable ▶	11,910			
		Less allowance for doubtful accounts ▶		12,666	11,910	11,910
	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)				
	b	Investments—corporate stock (attach schedule)	SEE STMT 2	2,988,081	3,145,784	3,235,533
	c	Investments—corporate bonds (attach schedule)	SEE STMT 3	3,111,047	2,866,055	3,020,902
	11	Investments—land, buildings, and equipment basis ▶				
		Less accumulated depreciation (attach sch) ▶				
	12	Investments—mortgage loans				
	13	Investments—other (attach schedule)	SEE STATEMENT 4	1,207,901	1,185,452	1,044,249
	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)		7,580,444	7,415,163	7,518,556
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		7,580,444	7,415,163	
	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** (see instructions)		7,580,444	7,415,163	
	31	**Total liabilities and net assets/fund balances** (see instructions)		7,580,444	7,415,163	

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	7,580,444
2	Enter amount from Part I, line 27a	2	-165,280
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	7,415,164
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 5	5	1
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	7,415,163

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	SEE ATTACHED	P	VARIOUS	VARIOUS
b	LTCG DIVIDENDS			
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	2,207,427		2,145,675	61,752
b	55,765			55,765
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				61,752
b				55,765
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	117,517
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	61,752

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	355,393	7,764,602	0.045771
2009	332,919	7,106,056	0.046850
2008	412,084	8,198,395	0.050264
2007	339,671	9,392,319	0.036165
2006	240,163	8,631,550	0.027824

2 Total of line 1, column (d)	2	0.206874
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	0.041375
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	7,894,579
5 Multiply line 4 by line 3	5	326,638
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,529
7 Add lines 5 and 6	7	329,167
8 Enter qualifying distributions from Part XII, line 4	8	420,630

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

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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 ▶ [X] and enter 1% of Part I, line 27b			1	2,529
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	2,529
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	2,529
6	Credits/Payments				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	3,650		
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	3,650
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	1,121
11	Enter the amount of line 10 to be **Credited to 2012 estimated tax** ▶ 1,121 **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) ▶ TX			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

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

Website address ▶ N/A

14 The books are in care of ▶ JPMORGAN CHASE BANK, N.A. Telephone no ▶ 302-634-2931
P.O. BOX 6089
Located at ▶ NEWARK DE ZIP+4 ▶ 19714

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)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	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
JP MORGAN CHASE BANK, N.A. C/O JPMORGAN SRVCS. INC	NEWARK DE 19714	TRUSTEE 5.00	53,150	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	7,787,233
b	Average of monthly cash balances		1b	227,568
c	Fair market value of all other assets (see instructions)		1c	0
d	**Total** (add lines 1a, b, and c)		1d	8,014,801
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	8,014,801
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)		4	120,222
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	7,894,579
6	**Minimum investment return.** Enter 5% of line 5		6	394,729

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	394,729
2a	Tax on investment income for 2011 from Part VI, line 5	2a 2,529		
b	Income tax for 2011 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	2,529
3	Distributable amount before adjustments Subtract line 2c from line 1		3	392,200
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	392,200
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	392,200

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	420,630
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	420,630
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	2,529
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	418,101

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					392,200
2 Undistributed income, if any, as of the end of 2011					
a Enter amount for 2010 only				4,456	
b Total for prior years 20____ , 20____ , 20____					
3 Excess distributions carryover, if any, to 2011					
a From 2006					
b From 2007					
c From 2008					
d From 2009					
e From 2010					
f **Total** of lines 3a through e					
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 420,630					
a Applied to 2010, but not more than line 2a				4,456	
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					392,200
e Remaining amount distributed out of corpus		23,974			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))					
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		23,974			
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		23,974			
10 Analysis of line 9					
a Excess from 2007					
b Excess from 2008					
c Excess from 2009					
d Excess from 2010					
e Excess from 2011	23,974				

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

MARC IRVIN 713-216-4515
JP MORGAN CHASE BANK, N.A. HOUSTON TX 77002

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

NO PRESCIBED FORM REQUIRED

c Any submission deadlines

NONE

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

NONE

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE ATTACHED STATEMENT				410,000
Total			▶ 3a	410,000
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 (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income (See instructions)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	186,819	
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	117,517	
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		304,336	0

13 **Total.** Add line 12, columns (b), (d), and (e) 13 304,336

(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	

DAA

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

Signature of officer or trustee: Sara [illegible] Perrine, VP JPMorgan Chase Bank, NA | Date: 04/30/12 | Title: Trustee

Paid Preparer Use Only

Print/Type preparer's name: Celeste McKraft	Preparer's signature: [signature]	Date: 04/30/12	Check ☐ if self-employed
Firm's name ▶ J. P. MORGAN SERVICES INC.		PTIN P00028319	
Firm's address ▶ P. O. BOX 6089 NEWARK, DE 19714-6089		Firm's EIN ▶ 22-2189421	
		Phone no 302-634-2931	

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN TAXES PAID	$ 1,553	$ 1,553	$	$
CURRENT YEAR ESTIMATES PAID	3,650			
PRIOR YEAR TAXES PAID	1,263			
TOTAL	$ 6,466	$ 1,553	$ 0	$ 0

Federal Statements

Statement 2 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE ATTACHED	$ 2,988,081	$ 3,145,784	COST	$ 3,235,533
TOTAL	$ 2,988,081	$ 3,145,784		$ 3,235,533

Statement 3 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE ATTACHED	$ 3,111,047	$ 2,866,055	COST	$ 3,020,902
TOTAL	$ 3,111,047	$ 2,866,055		$ 3,020,902

Statement 4 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
OIL AND GAS ROYALTY PROPERTY	$ 1	$	COST	$
SEE ATTACHED	1,207,900	1,185,452	COST	1,044,249
TOTAL	$ 1,207,901	$ 1,185,452		$ 1,044,249

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

Description	Amount
ROUNDING	$ 1
TOTAL	$ 1

Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
NO PRESCIBED FORM REQUIRED

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description
NONE

Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description
NONE

SAVINGS & TEMPORARY CASH

Description	Amount
	$ 205,962
TOTAL	$ 205,962

ACCOUNTS RECEIVABLE

Description	Amount
	$ 11,910
TOTAL	$ 11,910

SAVINGS & TEMP CASH INVESTMENT

Description	Amount
	$ 205,962
TOTAL	$ 205,962

THE VAUGHN FOUNDATION
GRANTS AND CONTRIBUTIONS PAID 2011
EIN: 75-6008953

RECIPIENT	ADDRESS	RELATIONSHIP	RECIPIENT STATUS	PURPOSE	AMOUNT
Alley Theater	Houston, TX	NONE	PUBLIC	GENERAL	15,000.00
American Cancer Society	Houston, TX	NONE	PUBLIC	GENERAL	5,000 00
Center for Hearing and Speech	Houston, TX	NONE	PUBLIC	GENERAL	5,000.00
Children's Museum of Houston	Houston, TX	NONE	PUBLIC	GENERAL	5,000.00
Duchesne Academy of the Sacred Heart	Houston, TX	NONE	PUBLIC	GENERAL	15,000.00
Houston Ballet Foundation	Houston, TX	NONE	PUBLIC	GENERAL	15,000.00
Houston Grand Opera	Houston, TX	NONE	PUBLIC	GENERAL	15,000.00
Houston Friends of Chamber Music	Houston, TX	NONE	PUBLIC	GENERAL	15,000.00
Houston International Dance Coalition	Houston, TX	NONE	PUBLIC	GENERAL	15,000.00
Houston Society for Performing Arts	Houston, TX	NONE	PUBLIC	GENERAL	10,000.00
Houston Symphony Society	Houston, TX	NONE	PUBLIC	GENERAL	10,000.00
Interfaith Ministries for Greater Houston	Houston, TX	NONE	PUBLIC	GENERAL	10,000.00
Music in Context	Houston, TX	NONE	PUBLIC	GENERAL	10,000.00
River Oaks Baptist School	Houston, TX	NONE	PUBLIC	GENERAL	15,000.00
Ronald McDonald House of Houston	Houston, TX	NONE	PUBLIC	GENERAL	15,000.00
St. Luke's United Methodist Church	Houston, TX	NONE	PUBLIC	GENERAL	5,000.00
Susan Smith Blackburn Prize	Houston, TX	NONE	PUBLIC	GENERAL	15,000.00
Texas Children's Hospital	Houston, TX	NONE	PUBLIC	GENERAL	20,000.00
University of Texas at Tyler Vaughn Scholarship	Tyler, TX	NONE	PUBLIC	GENERAL	12,000.00
University of Texas at Tyler Vaughn Amphitheatre	Tyler, TX	NONE	PUBLIC	GENERAL	50,000.00
University of Texas Medical Branch	Galveston, TX	NONE	PUBLIC	GENERAL	40,000 00
Houston Zoo Inc	Houston, TX	NONE	PUBLIC	GENERAL	3,000.00
Neuhaus Education Center	Bellaire, TX	NONE	PUBLIC	GENERAL	15,000 00
Da Camera of Houston	Houston, TX	NONE	PUBLIC	GENERAL	40,000 00
Presbyterian School of Houston	Houston, TX	NONE	PUBLIC	GENERAL	15,000.00
Special Olympics	Austin, TX	NONE	PUBLIC	GENERAL	10,000.00
Kick Drugs out of American Foudation Kick Start	Houston, TX	NONE	PUBLIC	GENERAL	1,000 00
Meals on Wheels Ministry Inc	Tyler, TX	NONE	PUBLIC	GENERAL	4,000.00
Musiqa	Houston, TX	NONE	PUBLIC	GENERAL	5,000.00
	TOTAL·				410,000.00

ACCT 5897 P65245006 JAMES M VAUGHN, M D , MR JAMES M VAUGHN,JR
FROM 01/01/2011 STATEMENT OF CAPITAL GAINS AND LOSSES
TO 12/31/2011 THE VAUGHN FOUNDATION RUN 04/26/2012
02 22 41 PM

TRUST YEAR ENDING 12/31/2011

TAX PREPARER. AE2
TRUST ADMINISTRATOR MI2
INVESTMENT OFFICER DTG

LEGEND. F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM	NC
300.0000 ANGLOGOLD ASHANTI LTD-SPON ADR - 035128206 - MINOR = 31000							
SOLD		10/06/2011	12311 67		SUB TRUST A18242007		
ACQ	300 0000	03/29/2010	12311 67	11418 00	893 67	LT15	Y
400 0000 BP AMOCO PLC SPONSORED ADR - 055622104 - MINOR = 31000							
SOLD		10/06/2011	14263.52		SUB TRUST A18242007		
ACQ	300.0000	03/11/2011	10697 64	13586 94	-2889 30	ST	Y
	100 0000	08/05/2011	3565.88	4126 00	-560 12	ST	Y
130000 0000 BNP BREN ASIA BASKET 07/22/11 - 05567LK89							
SOLD		07/22/2011	153530 00				
ACQ	130000 0000	06/25/2010	153530 00	128700 00	24830 00	LT15	Y
700 0000 BANK OF AMERICA CORP NEW - 060505104 - MINOR = 31000							
SOLD		10/06/2011	4011 34		SUB TRUST A18242007		
ACQ	700 0000	03/29/2010	4011 34	12502.00	-8490 66	LT15	Y
250000 0000 BARC EAFE BREN 02/10/11 - 06740JRK8							
SOLD		02/10/2011	273125 00				
ACQ	250000 0000	01/22/2010	273125 00	247500 00	25625 00	LT15	Y
600 0000 CAREFUSION CORPORATION - 14170T101 - MINOR = 44							
SOLD		10/06/2011	14419 88		SUB TRUST A18242007		
ACQ	600.0000	03/29/2010	14419 88	15355 02	-935 14	LT15	Y
0000 CEMEX S A - 151290889 - MINOR = 31000							
SOLD		04/07/2011	6 96		SUB TRUST A18242007		
ACQ	0000		6 96	0.00	6 96	LT15	Y
CHANGED 06/28/11 AW4							
1189 0000 CEMEX S A - 151290889 - MINOR = 31000							
SOLD		07/21/2011	9223.61		SUB TRUST A18242007		
ACQ	1189 0000	05/21/2010	9223 61	11225 06	-2001 45	LT15	Y
360 0000 CITIGROUP INC NEW - 172967424							
SOLD		10/06/2011	8985 42		SUB TRUST A18242007		
ACQ	360 0000	03/29/2010	8985 42	15120 00	-6134 58	LT15	Y
150000 0000 CS SPX NOTE 05/02/11 - 22546EUD4							
SOLD		01/11/2011	160500 00				
ACQ	150000 0000	04/01/2010	160500 00	148800.00	11700 00	ST	Y
1200 0000 DELTA AIRLINES INC - 247361702 - MINOR = 31001							
SOLD		08/25/2011	8179 28		SUB TRUST A18242007		
ACQ	600 0000	03/29/2010	4089 64	8826 00	-4736 36	LT15	Y
	600 0000	05/07/2010	4089 64	7322 04	-3232 40	LT15	Y
85000 0000 DB CONT BUFF EQ MID 11/23/11 - 2515A1AZ4							
SOLD		11/23/2011	88825 00				
ACQ	85000 0000	11/03/2010	88825 00	84150 00	4675 00	LT15	Y
200 0000 DEVON ENERGY CORP - 25179M103 - MINOR = 31000							
SOLD		10/06/2011	11318.88		SUB TRUST A18242007		
ACQ	200 0000	03/29/2010	11318 88	12986 00	-1667 12	LT15	Y
1974 8650 DODGE & INTERNATIONAL STOCK FUND - 256206103 - MINOR = 08010							
SOLD		11/25/2011	55000 00				
ACQ	1974 8650	02/07/2011	55000 00	72734 27	-17734 27	ST	Y
0000 ENRON CORP - 293561106 - MINOR = 31001							
SOLD		01/25/2011	4747 20				
ACQ	0000		4747 20	0 00	4747 20	LT15	Y
CHANGED 06/28/11 AW4							
800 0000 GENERAL ELEC CO - 369604103 - MINOR = 31001							
SOLD		10/06/2011	12127 76		SUB TRUST A18242007		
ACQ	800 0000	03/29/2010	12127 76	14680 00	-2552 24	LT15	Y
100 0000 GENWORTH FINANCIAL INC - 37247D106 - MINOR = 31000							
SOLD		04/27/2011	1212 87		SUB TRUST A18242007		
ACQ	100 0000	03/29/2010	1212.87	1753 56	-540 69	LT15	Y
800 0000 GENWORTH FINANCIAL INC - 37247D106 - MINOR = 31000							
SOLD		07/26/2011	6676 91		SUB TRUST A18242007		
ACQ	800.0000	03/29/2010	6676 91	14028 48	-7351.57	LT15	Y
300 0000 ITT INDUSTRIES INC - 450911102 - MINOR = 31001							
SOLD		10/06/2011	13064 71		SUB TRUST A18242007		
ACQ	200 0000	05/20/2011	8709 81	11449 80	-2739 99	ST	Y
	100 0000	08/05/2011	4354 90	4899 55	-544 65	ST	Y
4283.2670 JPMORGAN US LARGE CAPITAL CORE PLUS FUND - 4812A2389 - MINOR = 08010							
SOLD		10/03/2011	75000 00				
ACQ	4283 2670	05/02/2007	75000 00	87892 64	-12892 64	LT15	Y
4906 7710 JP MORGAN TAX AWARE REAL RETURN FUND - 4812A2546 - MINOR = 08030							
SOLD		10/26/2011	50000 00				
ACQ	4906 7710	09/27/2010	50000 00	48920 51	1079 49	LT15	Y
2157 0320 JPMORGAN STRATEGIC INCOME OPPTYS FUND SEL - 4812A4351 - MINOR = 60							
SOLD		10/26/2011	25000 00				
ACQ	2157 0320	09/21/2009	25000 00	24719 59	280 41	LT15	Y
12701 1010 JPMORGAN CORE BOND FUND - 4812C0381 - MINOR = 08030							
SOLD		10/26/2011	150000 00				
ACQ	12701 1010	05/14/2009	150000 00	137806 94	12193 06	LT15	Y
2107 9260 JPMORGAN CORE BOND FUND - 4812C0381 - MINOR = 08030							
SOLD		11/01/2011	25000 00				
ACQ	2107 9260	05/14/2009	25000 00	22871 00	2129 00	LT15	Y
9267 0600 JPMORGAN CORE BOND FUND - 4812C0381 - MINOR = 08030							
SOLD		12/16/2011	110000 00				
ACQ	8056 4600	12/31/2007	95630 18	87009 77	8620 41	LT15	Y
	1210 6000	05/14/2009	14369 82	13135 01	1234 81	LT15	Y
10119 0480 JPMORGAN HIGHYIELD BOND FUND - 4812C0803 - MINOR = 08030							
SOLD		04/21/2011	85000 00				
ACQ	2414 8880	01/07/2009	20285 06	14368 58	5916 48	LT15	Y
	7704 1600	05/14/2009	64714 94	50000 00	14714 94	LT15	Y

TRUST YEAR ENDING 12/31/2011

TAX PREPARER: AE2
TRUST ADMINISTRATOR MI2
INVESTMENT OFFICER DTG

LEGEND. F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM	NC
900 0000 KOREA ELEC POWER CORP. SPONSORED AMERICAN DEPOSITARY - 500631106 - MINOR = 31000							
SOLD		02/16/2011	11556 85		SUB TRUST A18242007		
ACQ	900 0000	03/29/2010	11556 85	14717 97	-3161 12	ST	Y
.0000 MBNA CORP - 55262L100 - MINOR = 31001							
SOLD		10/04/2011	125 64				
ACQ	0000		125 64	0 00	125 64	LT15	Y
CHANGED 10/11/11 AW4							
600.0000 MADISON SQUARE GARDEN COMPANY - 55826P100							
SOLD		10/06/2011	13385 02		SUB TRUST A18242007		
ACQ	600 0000	03/29/2010	13385.02	13034 52	350 50	LT15	Y
942 8030 MANNING & NAPIER FUND INC - 563821602 - MINOR = 65							
SOLD		10/03/2011	15000 00				
ACQ	942 8030	05/07/2009	15000 00	12991 83	2008 17	LT15	Y
6628 3690 MATTHEWS INTERNATIONAL FUNDS - 577130107 - MINOR = 08010							
SOLD		02/07/2011	150000 00				
ACQ	1544 4850	08/25/2005	34951 70	26951 26	8000 44	LT15	Y
	5083 8840	06/28/2010	115048 30	100000 00	15048 30	ST	Y
100000 0000 MS WTI QRN 11/25/11 - 617482PM0							
SOLD		02/28/2011	105250 00				
ACQ	100000 0000	11/12/2010	105250 00	100000 00	5250 00	ST	Y
300 0000 MOTOROLA SOLUTIONS INC - 620076307							
SOLD		10/06/2011	12908 78		SUB TRUST A18242007		
ACQ	300 0000	08/05/2011	12908 78	12658 68	250 10	ST	Y
700 0000 MYLAN LABORATORIES INC - 628530107 - MINOR = 31001							
SOLD		10/06/2011	11857 77		SUB TRUST A18242007		
ACQ	700 0000	03/29/2010	11857 77	16030 00	-4172.23	LT15	Y
500 0000 NEWMONT MINING CORP - 651639106 - MINOR = 31001							
SOLD		10/06/2011	31407 04		SUB TRUST A18242007		
ACQ	300 0000	03/29/2010	18844.22	15069 00	3775.22	LT15	Y
	200 0000	08/05/2011	12562 82	11147.56	1415 26	ST	Y
400 0000 PHARMERICA CORPORATION - 71714F104 - MINOR = 31000							
SOLD		08/23/2011	5795 92		SUB TRUST A18242007		
ACQ	400 0000	03/29/2010	5795 92	7454 00	-1658 08	LT15	Y
400 0000 PLAINS EXPLORATION & PRODUCTION - 726505100 - MINOR = 31000							
SOLD		10/06/2011	9434 13		SUB TRUST A18242007		
ACQ	300 0000	04/28/2011	7075 60	11181 63	-4106 03	ST	Y
	100 0000	05/17/2011	2358 53	3341 23	-982 70	ST	Y
1092 6570 PROFESSIONALLY MANAGED PORTFOLIOS - 742935406 - MINOR = 08010							
SOLD		10/03/2011	25000 00				
ACQ	1092 6570	02/11/2011	25000 00	30605 32	-5605 32	ST	Y
3007 2170 PROFESSIONALLY MANAGED PORTFOLIOS - 742935406 - MINOR = 08010							
SOLD		12/16/2011	75000 00				
ACQ	1422 2590	03/29/2010	35471 14	35855 15	-384 01	LT15	Y
	1584 9580	02/11/2011	39528 86	44394 68	-4865 82	ST	Y
350 0000 QEP RESOURCES INC - 74733V100							
SOLD		10/06/2011	9775 07		SUB TRUST A18242007		
ACQ	300 0000	08/17/2010	8378 63	9492 90	-1114 27	LT15	Y
	50 0000	08/16/2011	1396 44	1829 06	-432 62	ST	Y
8034 2800 T ROWE PRICE INTERNATIONAL FUNDS INC - 77956H500 - MINOR = 08010							
SOLD		02/07/2011	150000 00				
ACQ	6720 0430	08/01/2007	125463 20	125463 20	0 00	LT15	Y
	1314 2370	06/28/2010	24536 80	21645 48	2891 32	ST	Y
626 0000 S & P 500 DEP RCPTS - 78462F103 - MINOR = 31000							
SOLD		06/14/2011	80933 99				
ACQ	626 0000	06/28/2010	80933 99	67639 30	13294 69	ST	Y
2900 0000 SPRINT CORP - 852061100 - MINOR = 31000							
SOLD		08/25/2011	9577 64		SUB TRUST A18242007		
ACQ	2900 0000	02/10/2011	9577.64	13103 94	-3526 30	ST	Y
700 0000 TEXTRON INC - 883203101 - MINOR = 31001							
SOLD		10/06/2011	12694 25		SUB TRUST A18242007		
ACQ	700 0000	03/29/2010	12694 25	15372 98	-2678 73	LT15	Y
1150 0000 VANGUARD EMERGING MARKET VIPERS - 922042858 - MINOR = 31000							
SOLD		10/20/2011	44672 85				
ACQ	1150 0000	09/27/2010	44672 85	51543 00	-6870 15	LT15	Y
900 0000 WESTERN UNION CO - 959802109 - MINOR = 31000							
SOLD		08/02/2011	17129 91		SUB TRUST A18242007		
ACQ	900 0000	03/29/2010	17129 91	15453 00	1676 91	LT15	Y
700 0000 WILLIAMS COS INC - 969457100 - MINOR = 31001							
SOLD		02/17/2011	20819 90		SUB TRUST A18242007		
ACQ	700 0000	03/29/2010	20819 90	16128 00	4691 90	ST	Y
800 0000 YAHOO INC - 984332106 - MINOR = 31000							
SOLD		08/25/2011	10411 87		SUB TRUST A18242007		
ACQ	800 0000	03/24/2011	10411 87	13434 96	-3023 09	ST	Y
200 0000 XL GROUP PLC - G98290102							
SOLD		04/27/2011	4767 62		SUB TRUST A18242007		
ACQ	200 0000	03/29/2010	4767 62	3750 00	1017 62	LT15	Y
400 0000 XL GROUP PLC - G98290102							
SOLD		07/28/2011	8392 51		SUB TRUST A18242007		
ACQ	400 0000	03/29/2010	8392 51	7500 00	892 51	LT15	Y
		TOTALS	2207426 77	2145675 41			

TRUST YEAR ENDING 12/31/2011

TAX PREPARER AE2
TRUST ADMINISTRATOR MI2
INVESTMENT OFFICER DTG

LEGEND: F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM	NC

SUMMARY OF CAPITAL GAINS/LOSSES

FEDERAL	SHORT TERM	LONG TERM 28%	LONG TERM 15%	ST WASH SALE	LT WASH SALE	1250 GAIN
NONCOVERED FROM ABOVE	4370 24	0.00	57381 12	0 00	0 00	0 00*
COVERED FROM ABOVE	0 00	0 00	0 00	0 00	0 00	
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	0 00	0 00	55765 07			0 00
	4370 24	0 00	113146.19	0 00	0 00	0 00
STATE						
NONCOVERED FROM ABOVE	4370 24	0 00	57381 12	0 00	0 00	0 00*
COVERED FROM ABOVE	0 00	0 00	0 00	0 00	0 00	
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIVIDENDS	0 00	0 00	55765 07			0 00
	4370 24	0 00	113146 19	0 00	0 00	0 00

* - 1250 GAIN DETAILED ON TRANS PAGES, NOT ABOVE

CAPITAL LOSS CARRYOVER

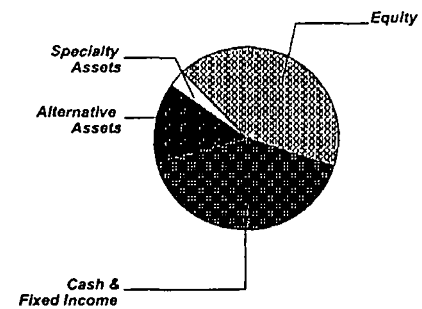
FEDERAL	0 00	0 00
NOT NEEDED	N/A	N/A

Account Summary

PRINCIPAL

Asset Allocation	Beginning Market Value	Ending Market Value	Change In Value	Estimated Annual Income	Current Allocation
Equity	3,376,566 53	3,235,532 50	(141,034 03)	25,944 87	44%
Alternative Assets	961,063 60	1,044,248 91	83,185 31	19,533 55	14%
Cash & Fixed Income	3,144,946 89	3,178,246 66	33,299 77	113,231 10	41%
Specialty Assets	1 00	1 00	0 00		1%
Market Value	**$7,482,578.02**	**$7,458,029.07**	**($24,548.95)**	**$158,709.52**	**100%**

Asset Allocation



INCOME

Cash Position	Beginning Market Value	Ending Market Value	Change In Value
Cash Balance	824 69	48,617 85	47,793 16
Accruals	8,305 76	10,604.98	2,299 22
Market Value	**$9,130.45**	**$59,222.83**	**$50,092.38**

Account Summary CONTINUED

Portfolio Activity	PRINCIPAL Current Period Value	PRINCIPAL Year-to-Date Value	INCOME Current Period Value	INCOME Year-to-Date Value
Beginning Market Value	**7,482,578 02**	**7,722,429.83**	**824.69**	**20,440.43**
Additions		291,138 73		16,885 20
Withdrawals & Fees	(2,090 67)	(358,889 04)	(2,840 68)	(173,564 16)
Net Additions/Withdrawals	**($2,090.67)**	**($67,750.31)**	**($2,840.68)**	**($156,678.96)**
Income	283 07	564 26	50,633 84	184,856 38
Change In Investment Value	(22,741 35)	(197,214 71)		
Ending Market Value	**$7,458,029.07**	**$7,458,029.07**	**$48,617.85**	**$48,617.85**
Accruals	--	--	10,604 98	10,604 98
Market Value with Accruals	**--**	**--**	**$59,222.83**	**$59,222.83**

Account Summary CONTINUED

Tax Summary	Current Period Value	Year-to-Date Value
Domestic Dividends/Distributions	50,183 33	178,144 65
Interest Income	3 42	115 77
Original Issue Discount	283 07	564 26
Taxable Income	**$50,469.82**	**$178,824.68**
Tax-Exempt Income	447 09	6,595 96
Tax-Exempt Income	**$447.09**	**$6,595.96**

	Current Period Value	Year-to-Date Value
LT Capital Gain Distributions	49,943 13	54,729 59
ST Realized Gain/Loss	(4,865 82)	19,978.90
LT Realized Gain/Loss	9,471 21	96,033 25
Realized Gain/Loss	**$54,548.52**	**$170,741.74**

	To-Date Value
Unrealized Gain/Loss	**$103,392.77**

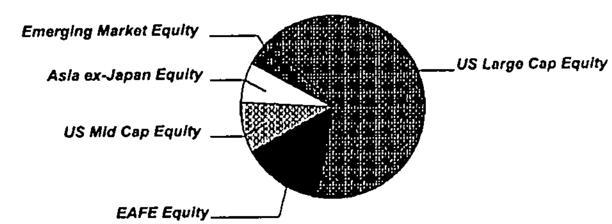
Cost Summary	Cost
Equity	3,145,784.15
Cash & Fixed Income	3,023,399.34
Total	**$6,169,183.49**

Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap Equity	2,247,708 15	2,167,906 98	(79,801 17)	29%
US Mid Cap Equity	303,766 54	286,387 99	(17,378 55)	4%
EAFE Equity	441,510 86	426,362 53	(15,148 33)	6%
Asia ex-Japan Equity	217,651 97	195,663 47	(21,988 50)	3%
Emerging Market Equity	165,929 01	159,211 53	(6,717 48)	2%
Total Value	**$3,376,566.53**	**$3,235,532.50**	**($141,034.03)**	**44%**

Market Value/Cost	Current Period Value
Market Value	3,235,532 50
Tax Cost	3,145,784 15
Unrealized Gain/Loss	89,748 35
Estimated Annual Income	25,944 87
Accrued Dividends	1,904 40
Yield	0 80%

Asset Categories



Equity as a percentage of your portfolio - 44 %

Equity Detail

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est. Annual Inc / Accrued Div	Yield
US Large Cap Equity							
BNP CONT BUFF EQ SPX 04/13/12 75% CONTIN BARRIER - 11%CPN-30%MAXPMT INITIAL LEVEL-10/1/10 SPX 1141 20 05567L-N9-4	113 00	100,000 000	113,004 07	98,750 00	14,254.07		
CULLEN HIGH DIVIDEND EQUITY FUND 230001-40-6 CHDV X	12 99	18,367 347	238,591 84	225,000 00	13,591 84	5,914 28	2 48%
DB CALLABLE REN SPX 2/1/12 2XLEV-4 21%CAP-8 42%MAXRTRN INITIAL LEVEL-1/14/11 SPX 1293 24 2515A1-2V-2	98 32	125,000 000	122,900 00	123,750 00	(850 00)		
FMI FDS INC LARGE CAP FD 302933-20-5 FMIH X	15 25	14,140 626	215,644.55	160,920 32	54,724 23	2,488.75 1,904.40	1.15%
HSBC CONT BUFF EQ SPX 06/27/12 80% CONTIN BARRIER- 2 35%CPN 20% CAP INITIAL LEVEL-06/10/11 SPX 1,270 98 4042K1-JV-6	98 46	125,000.000	123,075 00	123,750 00	(675 00)		
HSBC CONT BUFF EQ SPX 10/17/12 80% CONTIN BARRIER- 18%CPN 20% CAP INITIAL LEVEL-09/30/11 SPX· 1131 42 4042K1-PM-9	107 82	115,000 000	123,993 00	113,850 00	10,143 00		
JPM LARGE CAP GROWTH FD - SEL 4812C0-53-0 SEEG X	21 46	7,600 184	163,099 95	165,000 00	(1,900 05)	38 00	0 02%

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc / Accrued Div	Yield
US Large Cap Equity							
JPM US LRGE CAP CORE PLUS FD - SEL 4812A2-38-9 JLPS X	19 74	12,641 513	249,543.47	259,403.84	(9,860 37)	1,618 11	0 65%
MANNING & NAPIER FUND INC EQUITY SERIES 563821-60-2 EXEY X	17 39	15,178 527	263,954 58	197,296 36	66,658 22	622 31	0 24%
PROFESSIONALLY MANAGED PORTFOLIOS THE OSTERWEIS FUND 742935-40-6 OSTF X	25 63	8,494 441	217,712 52	214,144 85	3,567 67		
SG CONT BUFF EQ SPX 3/21/12 80% CONTIN BARRIER - 2 5%CPN-20%CAP INITIAL LEVEL-3/4/11 SPX 1321 15 78423A-J5-2	98.33	125,000 000	122,912 50	123,750 00	(837.50)		
SPDR S&P 500 ETF TRUST 78462F-10-3 SPY	125 50	1,701 000	213,475 50	183,793 05	29,682 45	4,381 77	2 05%
Total US Large Cap Equity			**$2,167,906.98**	**$1,989,408.42**	**$178,498.56**	**$15,063.22** **$1,904.40**	**0 69%**
US Mid Cap Equity							
ISHARES S&P MIDCAP 400 INDEX FUND 464287-50-7 IJH	87.61	1,291 000	113,104 51	111,389 55	1,714.96	1,439 46	1 27%
JANUS MID CAP VALUE FUND 471023-59-8 JMCV X	20 19	8,582 639	173,283 48	175,000 00	(1,716 52)	1,484 79	0 86%
Total US Mid Cap Equity			**$286,387.99**	**$286,389.55**	**($1.56)**	**$2,924.25**	**1.02%**

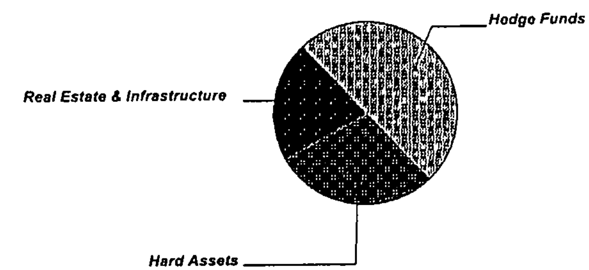
	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc / Accrued Div	Yield
EAFE Equity							
ARTIO INTERNATIONAL EQUITY II - I 04315J-83-7 JETI X	9 55	7,212 992	68,884 07	116,634 08	(47,750 01)	1,348 82	1 96%
BARC BREN EAFE 08/29/12 10%BUFFER-2 XLEV- 10 25%CAP 20 5%MAXRTRN INITIAL LEVEL-08/12/11 SX5E 2307 33 UKX 5320 03 TPX·768 19 06738K-RW-3	95 47	80,000 000	76,376 00	79,200 00	(2,824 00)		
CS BREN EAFE 2/29/12 10%BUFFER-2XLEV-7 653%CAP- 15 306%MAXRTRN INITIAL LEVEL-2/11/11 SX5E 3024 37 UKX 6062 90 TPX 959 19 22546E-V6-8	86 70	80,000 000	69,360 00	79,200 00	(9,840 00)		
DB BREN EAFE 3/28/12 10%BUFFER-2XLEV-7 85%CAP- 15 7%MAXRTRN INITIAL LEVEL-3/11/11 SX5E 2883 84 UKX 5828 67 TPX 915 51 2515A1-4X-6	88 76	80,000 000	71,008 00	79,200 00	(8,192 00)		
DODGE & COX INTERNATIONAL STOCK 256206-10-3 DODF X	29 24	4,813.080	140,734 46	177,265 73	(36,531 27)	3,653 12	2 60%
Total EAFE Equity			**$426,362.53**	**$531,499.81**	**($105,137.28)**	**$5,001.94**	**1.17%**
Asia ex-Japan Equity							
MATTHEWS PACIFIC TIGER INSTL FUND 577130-83-4 MIPT X	20 32	6,372.437	129,487 92	87,591 59	41,896 33	968 61	0 75%

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc / Accrued Div.	Yield
Asia ex-Japan Equity							
T ROWE PRICE INTERNATIONAL FUNDS INC NEW ASIA FUND 77956H-50-0 PRAS X	13 91	4,757 408	66,175 55	78,354 52	(12,178 97)		
Total Asia ex-Japan Equity			**$195,663.47**	**$165,946.11**	**$29,717.36**	**$968.61**	**0.50%**
Emerging Market Equity							
GS BREN EEM 11/05/12 10%BUFFER-2 XLEV- 12 15%CAP 22 2%MAXRTRN INITIAL LEVEL-10/19/11 EEM 38 52 38143U-YK-1	100 56	75,000 000	75,417 00	74,250 00	1,167 00		
VANGUARD MSCI EMERGING MARKETS ETF 922042-85-8 VWO	38 21	2,193 000	83,794 53	98,290 26	(14,495 73)	1,986 85	2 37%
Total Emerging Market Equity			**$159,211.53**	**$172,540.26**	**($13,328.73)**	**$1,986.85**	**1.25%**

Alternative Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Hedge Funds	491,613.43	492,750 97	1,137 54	7%
Real Estate & Infrastructure	227,703 04	236,770 22	9,067 18	3%
Hard Assets	241,747 13	314,727 72	72,980 59	4%
Total Value	**$961,063.60**	**$1,044,248.91**	**$83,185.31**	**14%**

Asset Categories



Alternative Assets as a percentage of your portfolio - 14 %

Alternative Assets Detail

	Price	Quantity	Estimated Value	Cost
Hedge Funds				
EATON VANCE MUT FDS TR GLOBAL MACRO - I 277923-72-8 EIGM X	9 82	21,655 438	212,656 40	225,000 00

	Price	Quantity	Estimated Value	Cost
Hedge Funds				
GATEWAY FUND - Y 367829-88-4 GTEY X	26 39	10,613 663	280,094 57	275,000 00
Total Hedge Funds			**$492,750.97**	**$500,000.00**

	Quantity/Original Commitment Amount	Cost/Net Capital Called Since Inception	Net Distributions Since Inception	Estimated Value	Est Annual Inc / Accrued Div	Yield
Real Estate & Infrastructure						
JPM US REAL ESTATE FD - SEL 4812C0-61-3 SUIE X	14,624 47	352,451 81		236,770 22	5,162 43	2 18%

Amounts shown above under "Estimated Value" for private equity funds are estimates based on the latest fund values received from each underlying fund, which value may be as of a date (underlying fund value date) prior to the period covered by this statement The values provided by the underlying fund have been adjusted for any cash flows between your account and such fund that have occurred subsequent to the underlying fund value date to derive the "Estimated Value" Therefore, such "Estimated Value" may not reflect the value of your interest shown on any fund's actual books and records as of the date of this statement For additional information, please contact your J P Morgan representative

For private equity funds, Estimated Values are based on estimates provided by the underlying funds that are generally presented on a US GAAP basis, which records investments at fair value, or "marked-to-market" Most of these underlying funds also present their audited financial statements on a US GAAP basis (i e , "marked-to-market") However, some of these underlying funds present their audited financial statements using the Income Tax Basis of Accounting, which records investments "at cost" based on the accrual basis of accounting for Federal income taxes Where the underlying fund provides periodic estimates on a "marked-to-market" basis but reflects investments "at cost" in its audited financial statements, the marked-to-market Estimated Value shown herein for a private equity fund may be materially different from the value reflected on such fund's audited financial statements (which are also based on the audited financial statements of the underlying fund).

Hard Assets

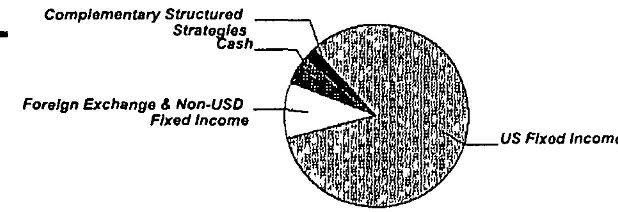
	Price	Quantity	Estimated Value	Cost
BARC BREN COMMODITY BSKT 12/19/13 LKD TO CO1 PLTMLNPM LOCADY & SPGCGRP 2 02%LEV, 20%BUFFER, 30 30%MAXRTN 12/16/11 06738K-D6-5	101 04	80,000 000	80,834 64	78,800 00
DB PALLDIUM COUPON NOTE 4/13/12 LNKD TO PLDMLNPM 9% CPN, 20% MAX, 80% BARRIER 04/01/2011 2515A1-5L-1	86 59	80,000 000	69,272 00	79,200 00
HIGHBRIDGE DYNAMIC COMM STRG FD -SEL 48121A-67-0 HDCS X	17 13	9,610 104	164,621 08	175,000 00
Total Hard Assets			**$314,727.72**	**$333,000.00**

THE VAUGHN FOUNDATION ACCT P65245006
For the Period 12/1/11 to 12/31/11

Cash & Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
Cash	3,291 71	157,344 17	154,052 46	2%
US Fixed Income	2,713,010 35	2,604,081 44	(108,928 91)	34%
Complementary Structured Strategies	109,270 00	109,077 00	(193 00)	1%
Foreign Exchange & Non-USD Fixed Income	319,374 83	307,744 05	(11,630 78)	4%
Total Value	**$3,144,946.89**	**$3,178,246.66**	**$33,299.77**	**41%**

Asset Categories



Cash & Fixed Income as a percentage of your portfolio - 41 %

Market Value/Cost	Current Period Value
Market Value	3,178,246 66
Tax Cost	3,023,399 34
Unrealized Gain/Loss	154,847 32
Estimated Annual Income	113,231 10
Accrued Interest	7,986 96
Yield	3 56 %

SUMMARY BY MATURITY

Cash & Fixed Income	Market Value	% of Bond Portfolio
0-6 months[1]	3,069,169 66	97%
1-5 years[1]	109,077 00	3%
Total Value	**$3,178,246.66**	**100%**

[1] The years indicate the number of years until the bond is scheduled to mature based on the statement end date Some bonds may be called, or paid in full, before their stated maturity

SUMMARY BY TYPE

Cash & Fixed Income	Market Value	% of Bond Portfolio
Cash	157,344 17	4%
International Bonds	517,571.19	16%
Mutual Funds	2,185,747 42	71%
Complementary Structure	109,077 00	3%
Other	208,506 88	6%
Total Value	**$3,178,246.66**	**100%**

J.P.Morgan

Note O - Bonds purchased at a discount show accretion
[1] This is the Annual Percentage Yield (APY) which is the rate earned if balances remain on deposit for a full year with compounding, there is no change in the interest rate and all interest is left in the account

Cash & Fixed Income Detail

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est. Annual Income / Accrued Interest	Yield
Cash							
US DOLLAR PRINCIPAL	1 00	157,344 17	157,344 17	157,344 17		78 67 4 49	0 05 % [1]
US Fixed Income							
HARBOR HIGH YIELD BOND FUND - INS 411511-55-3	10 59	18,814 68	199,247 41	200,000.00	(752 59)	12,022 57	6 03 %
JPM STR INC OPP FD 4812A4-35-1	11 33	32,746 98	371,023 31	375,280 41	(4,257 10)	10,217 05 1,604.60	2 75 %
EATON VANCE MUT FDS TR FLT RT CL I 277911-49-1	8 81	17,103 76	150,684 15	150,000 00	684.15	6,448 11 551.08	4 28 %
JPM CORE BOND FD - SEL 4812C0-38-1	11 83	131,204 33	1,552,147 19	1,417,006 73	135,140 46	56,417.86 4,592 15	3 63 %
JPM HIGH YIELD FD - SEL 4812C0-80-3	7 62	16,072 51	122,472 50	95,631 42	26,841 08	9,450 63 787 55	7 72 %
JPM TR I TAX AWARE REAL RTRN FD -SEL 4812A2-54-6	10 26	20,322 31	208,506 88	199,297 35	9,209 53	5,487 02 447 09	2.63 %
Total US Fixed Income			**$2,604,081.44**	**$2,437,215.91**	**$166,865.53**	**$100,043.24** **$7,982.47**	**3.84 %**

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est. Annual Income / Accrued Interest	Yield
Complementary Structured Strategies							
O **BARC 93% PPN CURRENCY BASKET 9/13/13** LNKED TO 3 CURRENCY BSKTS 50% 35% & 15% WEIGHT,UNCAPPED 9/9/11 06738K-UP-4	93 85	60,000 00	56,310 00	59,495 89 59,100 00	(3,185 89)		
O **BARC 95% PP CMIT BASKET 11/21/13** LNKED TO CNY MXN IDR & TRY 216% UPSIDE LEV, UNCAPPED 11/18/11 06738K-ZM-6	95 94	55,000 00	52,767 00	54,343 37 54,175 00	(1,576 37)		
Total Complementary Structured Strategies			**$109,077.00**	**$113,839.26** **$113,275.00**	**($4,762.26)**	**$0.00**	**0.00%**
Foreign Exchange & Non-USD Fixed Income							
JPM INTL CURRENCY INCOME FD 4812A3-29-6	10.83	14,884.23	161,196 17	165,000 00	(3,803 83)	5,492 27	3 41%
DREYFUS/LAUREL FDS TR PRM EMRGN MK I 261980-49-4	13 16	11,135 86	146,547 88	150,000.00	(3,452 12)	7,616 92	5 20%
Total Foreign Exchange & Non-USD Fixed Income			**$307,744.05**	**$315,000.00**	**($7,255.95)**	**$13,109.19**	**4.26%**

Specialty Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Oil & Gas	1 00	1 00	0 00	1%

Specialty Assets Detail

	Estimated Value / Estimated Cost	Gross Income	Production Tax	Expenses	Net Income	Depletion	Net Income After Depletion
Oil & Gas							
VARIOUS RI, VARIOUS SURVEYS YOUNG COUNTY, TEXAS ROYALTY INTEREST Bearer 997547-89-6	1 00 1 00						