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

2011

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

For calendar year 2011 or tax year beginning

, and ending

Name of foundation THE GUNNAR AND RUTH LIE FOUNDATION		A Employer identification number 91-2090480
Number and street (or P.O. box number if mail is not delivered to street address) 3248 HUNTS POINT ROAD	Room/suite	B Telephone number 425-261-1000
City or town, state, and ZIP code BELLEVUE, WA 98004		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 8,391,365.	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	2,000,000.			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	56,565.	56,565.		STATEMENT 1
	4 Dividends and interest from securities	59,302.	59,302.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	51,607.			
	b Gross sales price for all assets on line 6a	3,014,282.			
	7 Capital gain net income (from Part IV, line 2)		51,607.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11	2,167,474.	167,474.	0.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.	0.	0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 3	1,495.	449.	0.	1,046.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 4	2,382.	1,124.	0.	0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
23 Other expenses STMT 5	28,125.	27,928.	0.	197.	
24 Total operating and administrative expenses. Add lines 13 through 23	32,002.	29,501.	0.	1,243.	
25 Contributions, gifts, grants paid	470,500.			470,500.	
26 Total expenses and disbursements. Add lines 24 and 25	502,502.	29,501.	0.	471,743.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	1,664,972.				
b Net investment income (if negative, enter -0-)		137,973.			
c Adjusted net income (if negative, enter -0-)			0.		

Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	1,362,745.	4,356,194.	4,356,194.
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 6	4,715,397.	2,477,013.	3,091,509.
	c Investments - corporate bonds STMT 7	0.	910,852.	943,662.
	11 Investments - land, buildings, and equipment basis ▶ Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)	6,078,142.	7,744,059.	8,391,365.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	6,078,142.	7,744,059.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
30 Total net assets or fund balances	6,078,142.	7,744,059.		
31 Total liabilities and net assets/fund balances	6,078,142.	7,744,059.		

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	6,078,142.
2 Enter amount from Part I, line 27a	2	1,664,972.
3 Other increases not included in line 2 (itemize) ▶ <u>PORTFOLIO EQUITY ADJUSTMENTS</u>	3	945.
4 Add lines 1, 2, and 3	4	7,744,059.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7,744,059.

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 CHARLES SCHWAB - SEE ATTACHED DETAIL	P	VARIOUS	07/15/11
b CHARLES SCHWAB - SEE ATTACHED DETAIL	P	VARIOUS	07/15/11
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 1,914,532.		1,962,159.	-47,627.
b 1,099,750.		1,000,516.	99,234.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(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	
a			-47,627.
b			99,234.
c			
d			
e			

2 Capital gain net income or (net capital loss)	<div> <div>If gain, also enter in Part I, line 7</div> <div>If (loss), enter -0- in Part I, line 7</div> </div>	2	51,607.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	<div> <div>If gain, also enter in Part I, line 8, column (c).</div> <div>If (loss), enter -0- in Part I, line 8</div> </div>	3	N/A

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

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

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

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

☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	551,471.	6,488,519.	.084992
2009	343,940.	5,190,339.	.066265
2008	306,192.	5,318,071.	.057576
2007	394,106.	6,385,690.	.061717
2006	242,248.	5,519,134.	.043892

2 Total of line 1, column (d)	2	.314442
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	.062888
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	6,765,668.
5 Multiply line 4 by line 3	5	425,479.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,380.
7 Add lines 5 and 6	7	426,859.
8 Enter qualifying distributions from Part XII, line 4	8	471,743.

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 <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	1,380.
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	1,380.
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	1,380.
6 Credits/Payments:			
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	3,130.	
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	3,130.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	1,750.	
11 Enter the amount of line 10 to be: Credited to 2012 estimated tax <input checked="" type="checkbox"/> 1,750. Refunded <input type="checkbox"/> 0.	11		0.

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> WA		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X	
14	The books are in care of ► CLAY LUNDGREN Telephone no. ► 425-261-1000 Located at ► 2215 MERRILL CREEK PARKWAY, EVERETT, WA ZIP+4 ► 98203			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A			
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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

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

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

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

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

☐ Yes ☒ No

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

N/A

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?

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

☐ Yes ☒ No

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
GUNNAR LIE	DIRECTOR			
3248 HUNTS POINT ROAD				
BELLEVUE, WA 98004	1.00	0.	0.	0.
RUTH LIE	DIRECTOR			
3248 HUNTS POINT ROAD				
BELLEVUE, WA 98004	1.00	0.	0.	0.
KIRSTEN MILLER	DIRECTOR			
2215 MERRILL CRK PKWY				
EVERETT, WA 98202	1.00	0.	0.	0.
ELIZABETH LIE	DIRECTOR			
2215 MERRILL CRK PKWY				
EVERETT, WA 98202	1.00	0.	0.	0.

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

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

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

▶ 0

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Part VIII**Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

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

0

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments

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

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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	4,842,562.
b	Average of monthly cash balances	1b	2,026,136.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	6,868,698.
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	6,868,698.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	103,030.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,765,668.
6	Minimum investment return. Enter 5% of line 5	6	338,283.

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	338,283.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	1,380.
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,380.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	336,903.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	336,903.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	336,903.

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	471,743.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	471,743.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	1,380.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	470,363.

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				336,903.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007	94,371.			
c From 2008	41,624.			
d From 2009	85,873.			
e From 2010	233,193.			
f Total of lines 3a through e	455,061.			
4 Qualifying distributions for 2011 from Part XII, line 4: ► \$ 471,743.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				336,903.
e Remaining amount distributed out of corpus	134,840.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	589,901.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	589,901.			
10 Analysis of line 9:				
a Excess from 2007	94,371.			
b Excess from 2008	41,624.			
c Excess from 2009	85,873.			
d Excess from 2010	233,193.			
e Excess from 2011	134,840.			

N/A

▶

☐ 4942(i)(3) or ☐ 4942(i)(5)

(e) Total

(4) Gross investment income

Form **990-PF** (2011)

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
BETHELL ASSEMBLY OF GOD 1521 MONROE ST SHELTON, WA 98584	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	2,000.
CARE NET OF PUGET SOUND 1209 6TH AVE TACOMA, WA 98405-4004	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	7,000.
CITY CHURCH 9051-132ND AVE. NE KIRKLAND, WA 98033	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	25,000.
EVERETT GOSPEL MISSION PO BOX 423 EVERETT, WA 982060423	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	25,000.
FAMILY POLICY INSTITUTE OF WASHINGTON 16108 ASH WAY LYNNWOOD, WA 98087	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	5,000.
Total SEE CONTINUATION SHEET(S) ▶ 3a				470,500.
b Approved for future payment				
NONE				
Total ▶ 3b				0.

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
IMPACT MINISTRIES WITH THE MICHALSKIS PO BOX 2500 REDMOND, WA 98073	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	15,000.
JUBILEE REACH CENTER 14200 SE 13TH PL BELLEVUE, WA 98007	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	50,000.
KIDZANNA MINISTRIES 8229 44TH AVENUE WEST MUKILTEO, WA 98275	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	5,000.
MEDICAL TEAMS INTERNATIONAL 1920 116TH AVENUE NE, SUITE 201 BELLEVUE, WA 98004	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	25,000.
NATIONAL MULTIPLE SCLEROSIS SOCIETY / GREATER NORTHWEST CHAPTER 192 NICKERSON STREET, SUITE 100 SEATTLE, WA 98109	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	1,000.
SEATTLE UNION GOSPEL MISSION 3800 SOUTH OTHELLO ST SEATTLE, WA 98118	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	25,000.
YOUTH FOR CHRIST 3827 14TH AVE. W. SEATTLE, WA 98119	NONE	501(C)(3)	TO ASSIST ORG. IN CARRYING OUT CHARITABLE PURPOSES	285,500.
Total from continuation sheets				406,500.

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

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

OMB No 1545-0047

2011

Name of the organization

Employer identification number

THE GUNNAR AND RUTH LIE FOUNDATION

91-2090480

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

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

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2011)

Name of organization	Employer identification number
THE GUNNAR AND RUTH LIE FOUNDATION	91-2090480

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
<u>1</u>	<u>GUNNAR & RUTH LIE</u> <u>3248 HUNTS POINT ROAD</u> <u>BELLEVUE, WA 98004</u>	\$ <u>2,000,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Employer identification number

91-2090480

[illegible]

Name of organization

Employer identification number

THE GUNNAR AND RUTH LIE FOUNDATION**91-2090480****Part III**

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

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
INTEREST INCOME - SCHWAB #2135	56,565.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	56,565.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDENDS - SCHWAB #2135	59,302.	0.	59,302.
TOTAL TO FM 990-PF, PART I, LN 4	59,302.	0.	59,302.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	1,495.	449.	0.	1,046.
TO FORM 990-PF, PG 1, LN 16B	1,495.	449.	0.	1,046.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	1,124.	1,124.	0.	0.
EXCISE TAXES	1,258.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 18	2,382.	1,124.	0.	0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
BANK FEES	127.	0.	0.	127.	
INVESTMENT FEES	27,898.	27,898.	0.	0.	
LICENSE FEES	100.	30.	0.	70.	
TO FORM 990-PF, PG 1, LN 23	28,125.	27,928.	0.	197.	

FORM 990-PF	CORPORATE STOCK		STATEMENT	6
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE	
CORPORATE STOCKS	2,477,013.		3,091,509.	
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,477,013.		3,091,509.	

FORM 990-PF	CORPORATE BONDS		STATEMENT	7
DESCRIPTION	BOOK VALUE		FAIR MARKET VALUE	
CORPORATE BONDS	910,852.		943,662.	
TOTAL TO FORM 990-PF, PART II, LINE 10C	910,852.		943,662.	

FORM 990-PF	PART XV - LINE 1A LIST OF FOUNDATION MANAGERS	STATEMENT	8
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NAME OF MANAGER

GUNNAR LIE
RUTH LIE

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
09-13-2010	01-21-2011	350	Amgen Inc	18,989 21		19,926 75	937 54	
07-27-2010	01-21-2011	750	Amgen Inc	40,673 20		42,700 18	2,026 98	
12-07-2010	02-10-2011	500	Select Emerging Markets ETF- Vngd	24,153 30		22,709 74	-1,443 56	
10-12-2010	02-10-2011	300	Select Emerging Markets ETF- Vngd	13,904 47		13,625 84	-278 63	
09-22-2010	02-10-2011	100	Select Emerging Markets ETF- Vngd	4,430 22		4,541 95	111 73	
06-24-2010	02-16-2011	646	Mindray Medical Intl ADR	20,016 28		17,672 94	-2,343 34	
09-13-2010	02-16-2011	354	Mindray Medical Intl ADR	10,575 50		9,684 55	-890 95	
11-05-2010	02-16-2011	400	Mindray Medical Intl ADR	11,947 95		10,943 00	-1,004 95	
11-09-2010	02-16-2011	900	Mindray Medical Intl ADR	25,757 05		24,621 74	-1,135 31	
09-20-2010	02-16-2011	700	Mindray Medical Intl ADR	19,762 25		19,150 24	-612 01	
04-23-2009	03-01-2011	10,000	Arizona St Univ Nanotech Lse Rev/ ASU TAXABLE sf3/1/10 AssuredGty AA- 5 050% Due 03-01-14	9,984 30		10,000 00		15 70
12-07-2010	03-03-2011	500	ITT Industries Inc	24,868 95		28,595 64	3,726 69	
10-07-2010	03-03-2011	300	ITT Industries Inc	14,326 75		17,157 39	2,830 64	
10-19-2010	03-03-2011	50	ITT Industries Inc	2,358 24		2,859 56	501 32	
12-07-2010	03-10-2011	500	WMS Industries Inc	24,123 95		18,064 66	-6,059 29	
11-05-2010	03-10-2011	200	WMS Industries Inc	8,836 95		7,225 87	-1,611 08	
03-18-2010	03-10-2011	890	WMS Industries Inc	36,722 33		32,155 10	-4,567 23	
07-08-2010	03-10-2011	510	WMS Industries Inc	20,346 17		18,425 96	-1,920 21	
09-10-2010	03-10-2011	400	WMS Industries Inc	15,440 15		14,451 73	-988 42	
09-13-2010	03-10-2011	240	National Oilwell Varco Inc	9,990 31		17,950 78	7,960 47	
07-23-2009	03-10-2011	60	National Oilwell Varco Inc	2,139 52		4,487 70		2,348 18
12-07-2010	03-15-2011	1,000	Alcoa	14,448 95		15,756 22	1,307 27	
10-19-2010	03-15-2011	1,000	Alcoa	12,737 95		15,756 22	3,018 27	
12-28-2010	03-28-2011	2,100	GSI Commerce Inc	48,558 85		61,138 10	12,579 25	
01-21-2011	04-14-2011	200	ConocoPhillips	13,534 75		15,546 13	2,011 38	
12-07-2010	04-14-2011	100	ConocoPhillips	6,478 24		7,773 07	1,294 83	
08-05-2010	04-14-2011	1,000	Alcoa	11,565 45		16,468 78	4,903 33	
09-13-2010	04-14-2011	1,000	Alcoa	11,498 95		16,468 78	4,969 83	
09-20-2010	04-14-2011	1,000	Alcoa	11,398 95		16,468 78	5,069 83	
07-27-2010	04-14-2011	850	Alcoa	9,554 45		13,998 47	4,444 02	
06-03-2009	04-14-2011	150	Alcoa	1,506 99		2,470 32		963 33
07-23-2009	04-14-2011	184	National Oilwell Varco Inc	6,561 21		13,819 43		7,258 22
07-16-2009	04-14-2011	416	National Oilwell Varco Inc	13,818 63		31,243 92		17,425 29
12-07-2010	05-04-2011	300	Market Vectors Gold Miners ETF	19,382 65		17,587 62	-1,795 03	
02-16-2011	05-04-2011	300	Market Vectors Gold Miners ETF	17,330 35		17,587 62	257 27	
10-11-2010	05-04-2011	200	Market Vectors Gold Miners ETF	11,370 95		11,725 08	354 13	
09-28-2010	05-04-2011	170	Market Vectors Gold Miners ETF	9,486 28		9,966 32	480 04	
07-21-2009	05-04-2011	26	Market Vectors Gold Miners ETF	1,011 44		1,524 26		512 82
07-16-2009	05-04-2011	178	Market Vectors Gold Miners ETF	6,824 21		10,435 32		3,611 11

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
04-16-2009	05-04-2011	826	Market Vectors Gold Miners ETF	26,613 83		48,424 58		21,810 75
07-16-2009	05-04-2011	35	National Oilwell Varco Inc	1,162 62		2,454 26		1,291 64
04-13-2009	05-04-2011	781	National Oilwell Varco Inc	25,334 44		54,764 98		29,430 54
01-28-2009	05-04-2011	284	National Oilwell Varco Inc	8,190 42		19,914 54		11,724 12
11-05-2010	05-12-2011	300	ishares MSCI Brazil	24,428 65		21,684 46	-2,744 19	
12-07-2010	05-12-2011	300	ishares MSCI Brazil	23,732 65		21,684 46	-2,048 19	
10-12-2010	05-12-2011	200	ishares MSCI Brazil	15,654 95		14,456 31	-1,198 64	
09-10-2010	05-12-2011	600	ishares MSCI Brazil	42,536 41		43,368 93	832 52	
06-10-2010	05-12-2011	300	ishares MSCI Brazil	19,412 41		21,684 47	2,272 06	
11-09-2010	05-20-2011	95	Costco Wholesale	6,151 65		7,888 46	1,736 81	
09-09-2009	05-20-2011	580	Costco Wholesale	33,004 95		48,161 14		15,156 19
12-07-2010	05-20-2011	100	Chevron Corp	8,594 17		10,285 01	1,690 83	
12-06-2010	05-20-2011	200	Visa Inc - Cl A	15,539 57		15,814 17	274 60	
12-09-2010	05-20-2011	300	Qualcomm Inc	14,696 95		17,159 03	2,462 08	
12-09-2010	05-23-2011	250	Nestle SA ADR	14,094 96		15,440 75	1,345 79	
09-23-2010	05-23-2011	300	Teva Pharmaceutical	16,293 83		14,589 07	-1,704 76	
12-06-2010	05-23-2011	100	Visa Inc - Cl A	7,769 78		7,730 51	-39 27	
02-10-2011	05-23-2011	100	Visa Inc - Cl A	7,511 08		7,730 52	219 44	
10-26-2010	05-23-2011	700	Cisco Systems Inc	16,570 25		11,376 15	-5,194 10	
09-22-2010	05-23-2011	300	Cisco Systems Inc	6,476 65		4,875 49	-1,601 16	
09-10-2010	06-03-2011	200	Schlumberger Ltd	11,936 64		16,551 99	4,615 35	
12-07-2010	06-03-2011	100	Chevron Corp	8,594 17		9,985 44	1,391 26	
11-05-2010	06-03-2011	50	Chevron Corp	4,260 92		4,992 72	731 79	
12-07-2010	06-03-2011	100	ConocoPhillips	6,478 24		7,074 91	596 67	
03-18-2010	06-03-2011	600	MetLife, Inc	25,729 88		25,143 17		-586 71
07-29-2010	06-03-2011	100	Visa Inc - Cl A	7,185 98		7,983 90	797 91	
01-21-2011	06-03-2011	50	Apple Computer	16,432 67		17,188 72	756 05	
09-20-2010	06-03-2011	700	EMC Corporation	14,601 33		19,563 37	4,962 04	
10-07-2010	06-03-2011	200	Qualcomm Inc	8,889 57		11,429 23	2,539 66	
10-26-2010	06-03-2011	300	EQT Corp	11,146 98		15,671 75	4,524 77	
06-30-2008	06-15-2011	25,000	Portland OR Urban Renew&Redev TAXABLE Waterfront sf ave lf '12 AMBAC Aa3 7 260% Due 06-15-13	26,627 50		25,000 00		-1,627 50
12-07-2010	06-16-2011	400	Target Corp	23,883 35		18,549 28	-5,334 07	
09-28-2010	06-16-2011	100	Target Corp	5,411 27		4,637 32	-773 95	
09-27-2010	06-16-2011	200	PepsiCo Inc	13,266 55		13,773 19	506 64	
12-07-2010	06-16-2011	200	Procter & Gamble	12,412 98		12,819 20	406 22	
11-05-2010	06-16-2011	50	Chevron Corp	4,260 92		4,933 13	672 20	
10-19-2010	06-16-2011	50	Chevron Corp	4,150 19		4,933 13	782 94	
12-07-2010	06-16-2011	100	ConocoPhillips	6,478 24		7,141 11	662 87	
04-29-2010	06-16-2011	300	JP Morgan Chase & Co	13,245 51		11,967 42		-1,278 09
09-27-2010	06-16-2011	95	Cerner Corp	7,597 65		11,039 28	3,441 63	
04-14-2009	06-16-2011	105	Cerner Corp	4,848 70		12,201 32		7,352 62
04-13-2009	06-16-2011	400	Aecom Technology Corp	11,190 85		10,980 44		-210 41
10-07-2010	06-16-2011	100	Qualcomm Inc	4,444 78		5,264 15	819 37	
10-19-2010	07-21-2011	250	ITT Industries Inc	11,791 21		14,159 09	2,367 88	
09-23-2010	07-21-2011	300	ITT Industries Inc	13,871 05		16,990 91	3,119 86	
07-23-2009	07-21-2011	262	ITT Industries Inc	12,016 09		14,838 72		2,822 63
09-10-2010	07-21-2011	320	ITT Industries Inc	14,600 31		18,123 63	3,523 32	
07-16-2009	07-21-2011	296	ITT Industries Inc	13,073 80		16,764 36		3,690 56

* It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
04-30-2009	07-21-2011	284	ITT Industries Inc	11,604 56		16,084 73		4,480 17
04-14-2009	07-21-2011	438	ITT Industries Inc	17,409 81		24,806 72		7,396 91
09-23-2010	08-04-2011	400	Cooper Industries PLC	18,978 27		19,845 96	867 69	
09-13-2010	08-04-2011	50	Cooper Industries PLC	2,268 89		2,480 75	211 86	
12-09-2010	08-08-2011	50	Nestle SA ADR	2,818 99		2,999 41	180 42	
10-12-2010	08-08-2011	300	Nestle SA ADR	16,368 17		17,996 46	1,628 29	
09-23-2010	08-08-2011	290	Teva Pharmaceutical	15,750 70		10,790 12	-4,960 58	
01-21-2011	08-08-2011	400	Teva Pharmaceutical	21,168 59		14,882 92	-6,285 67	
10-12-2010	08-08-2011	400	Teva Pharmaceutical	21,116 15		14,882 92	-6,233 23	
02-16-2011	08-08-2011	800	Teva Pharmaceutical	41,224 95		29,765 84	-11,459 11	
04-11-2008	08-08-2011	90	Teva Pharmaceutical	4,225 31		3,348 66		-876 65
05-19-2008	08-08-2011	128	Teva Pharmaceutical	5,976 05		4,762 53		-1,213 52
05-29-2009	08-08-2011	810	Teva Pharmaceutical	37,552 21		30,137 92		-7,414 29
06-06-2008	08-08-2011	82	Teva Pharmaceutical	3,710 43		3,051 00		-659 43
09-22-2010	08-08-2011	270	Select Emerging Markets ETF- Vngd	11,961 59		10,915 10	-1,046 49	
05-21-2009	08-08-2011	330	Select Emerging Markets ETF- Vngd	10,168 71		13,340 68		3,171 97
05-20-2011	08-08-2011	3,200	LKQ Corp	84,579 92		68,380 14	-16,199 78	
07-29-2010	08-08-2011	100	Visa Inc - Cl A	7,185 98		7,947 35		761 36
01-04-2011	08-08-2011	400	Visa Inc - Cl A	28,236 31		31,789 39	3,553 08	
04-13-2009	08-08-2011	233	Aecom Technology Corp	6,518 67		4,282 94		-2,235 73
12-07-2010	08-08-2011	500	Aecom Technology Corp	13,966 95		9,190 85	-4,776 10	
10-23-2009	08-08-2011	1,464	Aecom Technology Corp	37,583 85		26,910 81		-10,673 04
04-24-2009	08-08-2011	343	Aecom Technology Corp	8,778 40		6,304 92		-2,473 48
10-19-2010	08-08-2011	500	Aecom Technology Corp	12,761 95		9,190 85	-3,571 10	
01-15-2009	08-08-2011	500	Aecom Technology Corp	12,460 45		9,190 85		-3,269 60
09-22-2010	08-08-2011	500	Aecom Technology Corp	12,176 90		9,190 85	-2,986 05	
09-13-2010	08-08-2011	560	Aecom Technology Corp	13,607 93		10,293 76	-3,314 17	
01-21-2011	08-08-2011	25	Apple Computer	8,216 33		8,948 74	732 41	
12-07-2010	08-08-2011	50	Apple Computer	16,174 89		17,897 49	1,722 60	
07-20-2009	08-08-2011	391	Cisco Systems Inc	8,202 76		5,532 23		-2,670 53
09-10-2010	08-08-2011	590	Cisco Systems Inc	12,061 65		8,347 87	-3,713 78	
12-07-2010	08-08-2011	1,000	Cisco Systems Inc	19,687 95		14,148 94	-5,539 01	
12-06-2010	08-08-2011	1,000	Cisco Systems Inc	19,547 95		14,148 94	-5,399 01	
05-27-2009	08-08-2011	755	Cisco Systems Inc	14,051 20		10,682 45		-3,368 75
04-13-2009	08-08-2011	785	Cisco Systems Inc	13,965 47		11,106 92		-2,858 55
02-24-2009	08-08-2011	479	Cisco Systems Inc	7,198 74		6,777 34		-421 40
10-12-2010	08-09-2011	50	Nestle SA ADR	2,728 03		3,072 45	344 42	
09-27-2010	08-09-2011	200	Nestle SA ADR	10,760 95		12,289 80	1,528 85	
05-27-2009	08-09-2011	50	Nestle SA ADR	1,828 00		3,072 45		1,244 45
09-10-2010	08-09-2011	170	Schlumberger Ltd	10,146 14		12,669 16	2,523 02	
08-04-2009	08-09-2011	30	Schlumberger Ltd	1,686 59		2,235 74		549 15
04-30-2009	08-09-2011	200	Schlumberger Ltd	9,818 77		14,904 90		5,086 13
12-06-2010	08-09-2011	1,500	ABB Ltd - Spon ADR	30,368 80		30,865 54	496 74	
12-02-2010	08-09-2011	1,000	ABB Ltd - Spon ADR	20,164 80		20,577 02	412 22	
01-21-2011	08-09-2011	500	iShares MSCI Taiwan Index Fund	7,798 95		6,593 58	-1,205 37	
12-06-2010	08-09-2011	1,000	iShares MSCI Taiwan Index Fund	14,837 05		13,187 17	-1,649 88	
12-02-2010	08-09-2011	1,000	iShares MSCI Taiwan Index Fund	14,688 25		13,187 17	-1,501 08	

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
10-12-2010	08-09-2011	400	Lowe's Companies	8,992 55		7,464 78	-1,527 77	
09-28-2010	08-09-2011	100	Lowe's Companies	2,217 75		1,866 20	-351 55	
07-27-2010	08-09-2011	370	Lowe's Companies	8,059 78		6,904 92		-1,154 86
09-13-2010	08-09-2011	300	Lowe's Companies	6,512 65		5,598 59	-914 06	
06-01-2009	08-09-2011	130	Lowe's Companies	2,592 05		2,426 05		-166 00
05-08-2009	08-09-2011	1,700	Lowe's Companies	33,201 11		31,725 33		-1,475 78
03-10-2011	08-09-2011	500	Starbucks Corporation	18,906 37		17,191 72	-1,714 65	
10-19-2010	08-09-2011	150	Chevron Corp	12,450 56		13,631 20	1,180 64	
09-28-2010	08-09-2011	200	Chevron Corp	16,042 55		18,174 94	2,132 39	
12-07-2010	08-09-2011	100	ConocoPhillips	6,478 24		6,243 34	-234 90	
10-07-2010	08-09-2011	280	ConocoPhillips	16,668 39		17,481 36	812 97	
08-04-2009	08-09-2011	20	ConocoPhillips	901 05		1,248 67		347 62
12-09-2010	08-09-2011	200	Goldman Sachs	33,386 55		23,794 43	-9,592 12	
09-13-2010	08-09-2011	70	Goldman Sachs	10,795 88		8,328 05	-2,467 83	
05-19-2009	08-09-2011	80	Goldman Sachs	11,489 12		9,517 77		-1,971 35
04-29-2010	08-09-2011	310	JP Morgan Chase & Co	13,687 03		10,773 95		-2,913 08
01-04-2011	08-09-2011	200	JP Morgan Chase & Co	8,824 75		6,950 94	-1,873 81	
12-07-2010	08-09-2011	200	JP Morgan Chase & Co	8,080 75		6,950 94	-1,129 81	
05-14-2010	08-09-2011	190	JP Morgan Chase & Co	7,563 08		6,603 39		-959 69
03-18-2010	08-09-2011	10	MetLife, Inc	428 83		327 37		-101 46
05-06-2010	08-09-2011	390	MetLife, Inc	16,705 84		12,767 59		-3,938 25
03-31-2011	08-09-2011	300	Celgene Corp	17,179 75		15,948 02	-1,231 73	
02-16-2011	08-09-2011	190	Celgene Corp	10,228 48		10,100 42	-128 06	
07-20-2009	08-09-2011	10	Celgene Corp	468 71		531 60		62 89
04-14-2009	08-09-2011	6	Cerner Corp	138 53		332 75		194 22
04-21-2008	08-09-2011	244	Cerner Corp	5,031 16		13,531 78		8,500 62
12-07-2010	08-09-2011	5	Apple Computer	1,617 49		1,799 57	182 08	
11-09-2010	08-09-2011	30	Apple Computer	9,630 55		10,797 45	1,166 90	
09-28-2010	08-09-2011	10	Apple Computer	2,881 85		3,599 15	717 30	
07-16-2009	08-09-2011	30	Apple Computer	4,410 10		10,797 44		6,387 34
09-20-2010	08-09-2011	290	EMC Corporation	6,049 12		6,417 52	368 40	
10-19-2010	08-09-2011	500	EMC Corporation	10,283 45		11,064 70	781 25	
10-12-2010	08-09-2011	10	EMC Corporation	199 08		221 29	22 21	
12-07-2010	08-09-2011	25	Google Inc	14,793 95		13,807 51	-986 44	
12-06-2010	08-09-2011	25	Google Inc	14,504 71		13,807 51	-697 20	
12-09-2010	08-09-2011	1,000	Microsoft	27,087 95		24,471 58	-2,616 37	
10-19-2010	08-09-2011	300	Qualcomm Inc	13,157 35		14,355 48	1,198 13	
09-13-2010	08-09-2011	100	Qualcomm Inc	4,096 98		4,785 16	688 18	
10-26-2010	08-09-2011	440	EQT Corp	16,348 90		21,357 10	5,008 20	
07-23-2009	08-09-2011	360	EQT Corp	13,088 86		17,474 00		4,385 14
08-28-2009	08-18-2011	300	Visa Inc - Cl A	20,890 95		24,340 38		3,449 43
11-05-2010	08-18-2011	500	iShares MSCI Taiwan Index Fund	7,203 45		6,467 91	-735 54	
10-14-2010	08-18-2011	3,500	iShares MSCI Taiwan Index Fund	47,660 40		45,275 35	-2,385 05	
04-16-2009	09-20-2011	100,000	Everett WA Pub Facs Dist Sales Tax Rev TAXABLE n/c A- 6 000% Due 12-01-13	102,010 00		105,762 00		3,752 00
05-29-2009	09-23-2011	100,000	CA St UTGO TAXABLE n/c A1 5 250% Due 04-01-14	102,224 00		108,790 00		6,566 00
06-03-2009	10-03-2011	500	Alcoa	5,023 30		4,484 22		-539 08

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

Paragon Investment Management, Inc.
REALIZED GAINS AND LOSSES
The Gunnar & Ruth Lie Foundation (5085-2135)
 From 01-01-11 Through 12-31-11

Open Date	Close Date	Quantity	Security	Cost Basis	Amort. or Accretion	Proceeds	Gain Or Loss	
							Short Term	Long Term
07-21-2009	10-03-2011	1,000	Alcoa	9,977 95		8,968 44		-1,009 51
05-21-2009	10-03-2011	3,500	Alcoa	31,649 65		31,389 53		-260 12
08-28-2009	10-21-2011	50	Visa Inc - CI A	3,481 82		4,643 98		1,162 16
01-19-2011	10-21-2011	50	Visa Inc - CI A	3,468 79		4,643 99	1,175 20	
04-21-2008	10-21-2011	22	Cerner Corp	453 63		1,472 86		1,019 23
04-18-2008	10-21-2011	128	Cerner Corp	2,629 93		8,569 38		5,939 45
05-14-2010	11-21-2011	310	JP Morgan Chase & Co	12,339 77		9,261 67		-3,078 10
09-27-2010	11-21-2011	350	JP Morgan Chase & Co	13,829 75		10,456 72		-3,373 03
10-07-2010	11-21-2011	300	JP Morgan Chase & Co	11,837 35		8,962 91		-2,874 44
10-19-2010	11-21-2011	400	JP Morgan Chase & Co	15,220 55		11,950 54		-3,270 01
08-19-2010	11-21-2011	640	JP Morgan Chase & Co	23,887 29		19,120 86		-4,766 43
05-06-2010	11-21-2011	110	MetLife, Inc	4,711 90		3,268 14		-1,443 76
09-13-2010	11-21-2011	150	MetLife, Inc	6,203 80		4,456 55		-1,747 25
12-07-2010	11-21-2011	400	MetLife, Inc	16,508 95		11,884 14	-4,624 81	
09-10-2010	11-21-2011	400	MetLife, Inc	16,123 07		11,884 14		-4,238 93
07-27-2010	11-21-2011	190	MetLife, Inc	7,648 47		5,644 97		-2,003 50
10-19-2010	11-21-2011	300	MetLife, Inc	12,035 65		8,913 11		-3,122 54
10-13-2010	11-21-2011	450	MetLife, Inc	17,761 45		13,369 66		-4,391 79
03-24-2011	11-21-2011	800	St Jude Medical, Inc	41,023 43		28,553 24	-12,470 19	
03-03-2011	11-21-2011	1,000	St Jude Medical, Inc	48,980 85		35,691 54	-13,289 31	
TOTAL GAINS							136,472 86	189,869 95
TOTAL LOSSES							-184,099 96	-90,636 64
				2,962,675.84	0.00	3,014,282.05	-47,627.10	99,233.31
TOTAL REALIZED GAIN/LOSS			51,606 21					
NO CAPITAL GAINS DISTRIBUTIONS								

PROCEEDS COST Gain | Loss
 SHORT TERM 1,914,532.36 1,962,159.43 <47,627.07>
 LONG TERM 1,099,749.69 1,000,516.38 99,233 31

*It is recommended that you compare advisor reports to the statements provided by your custodian. Note: custodial reports may not show fixed income accrued interest.

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 ☒
- 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.

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	THE GUNNAR AND RUTH LIE FOUNDATION	<input checked="" type="checkbox"/> 91-2090480
	Number, street, and room or suite no. If a P.O. box, see instructions. 3248 HUNTS POINT ROAD	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BELLEVUE, WA 98004	

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

0 4

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

CLAY LUNDGREN

- The books are in the care of ► **2215 MERRILL CREEK PARKWAY - EVERETT, WA 98203**

Telephone No. ► **425-261-1000**

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 **AUGUST 15, 2012**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☒ 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	\$ 1,872.
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	\$ 1,872.
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.

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

Form **8868** (Rev. 1-2012)