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Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

OMB No 1545-0052

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 **4/01**, 2011, and ending **3/31**, 2012THE NEXTGEN FOUNDATION CHARITABLE TRUST
10706 BEAVER DAM ROAD
COCKEYSVILLE, MD 21030**A** Employer identification number
31-1480932**B** Telephone number (see the instructions)
(410) 568-1638**C** If exemption application is pending, check here ☐**D 1** Foreign organizations, check here ☐**2** Foreign organizations meeting the 85% test, check here and attach computation ☐**E** If private foundation status was terminated under section 507(b)(1)(A), check here ☐**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐**G** Check all that apply ☐ Initial return ☐ Initial Return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name change**H** Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation**I** Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 10,668,865.
J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis)**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)
1 Contributions, gifts, grants, etc. received (att sch)				
2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	355,804.	355,804.	355,804.	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain/(loss) from sale of assets not on line 10	404,108.			
b Gross sales price for all assets on line 6a 3,820,142.				
7 Capital gain net income (from Part IV, line 2)		404,108.		
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/(loss) (att sch)				
11 Other income (attach schedule) SEE STATEMENT 1	21,059.	21,059.	21,059.	
12 Total. Add lines 1 through 11	780,971.	780,971.	376,863.	
13 Compensation of officers, directors, trustees, etc	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule) SEE ST 2	5,740.	5,740.		
b Accounting fees (attach sch) SEE ST 3	9,670.	9,670.		
c Other prof fees (attach sch) SEE ST 4	26,100.	26,100.		
17 Interest				
18 Taxes (attach schedule) SEE STM 5	11,805.			
19 Depreciation (attach sch) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) SEE STATEMENT 6	1,930.	1,930.		
24 Total operating and administrative expenses. Add lines 13 through 23	55,245.	43,440.		
25 Contributions, gifts, grants paid PART XV	223,000.			223,000.
26 Total expenses and disbursements. Add lines 24 and 25	278,245.	43,440.	0.	223,000.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	502,726.			
b Net investment income (if negative, enter 0.)		737,531.		
c Adjusted net income (if negative, enter 0.)			376,863.	

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Part II Balance Sheets		Beginning of year (a) Book Value	End of year	
			(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments			
	3 Accounts receivable			
	Less allowance for doubtful accounts			
	4 Pledges receivable			
	Less allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions).			
	7 Other notes and loans receivable (attach sch)			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — US and state government obligations (attach schedule) STATEMENT 7	16,047.	13,335.	13,335.
	b Investments — corporate stock (attach schedule) STATEMENT 8	3,764,436.	3,936,263.	3,936,263.
	c Investments — corporate bonds (attach schedule) STATEMENT 9	193,637.	497,616.	497,616.
	11 Investments — land, buildings, and equipment basis			
LIABILITIES	Less accumulated depreciation (attach schedule)			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule) STATEMENT 10	6,496,833.	6,200,263.	6,200,263.
	14 Land, buildings, and equipment basis			
	Less accumulated depreciation (attach schedule)			
	15 Other assets (describe SEE STATEMENT 11)	3,200.	21,388.	21,388.
	16 Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)	10,474,153.	10,668,865.	10,668,865.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
FUNDS	20 Loans from officers, directors, trustees, & 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.	
	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
BALANCES	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund.			
	29 Retained earnings, accumulated income, endowment, or other funds	10,474,153.	10,668,865.	
	30 Total net assets or fund balances (see instructions)	10,474,153.	10,668,865.	
	31 Total liabilities and net assets/fund balances (see instructions)	10,474,153.	10,668,865.	

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	10,474,153.
2 Enter amount from Part I, line 27a	2	502,726.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	10,976,879.
5 Decreases not included in line 2 (itemize) SEE STATEMENT 12	5	308,014.
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	10,668,865.

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 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a CHARLES SCHWAB #3149		P	VARIOUS	VARIOUS
b CHARLES SCHWAB #2833		P	VARIOUS	VARIOUS
c CAPITAL GAIN DIVIDENDS				
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 3,740,101.		3,370,477.	369,624.
b 79,438.		45,557.	33,881.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			369,624.
b			33,881.
c			603.
d			
e			

2 Capital gain net income or (net capital loss)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div>		2	404,108.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	<div style="border: 1px solid black; padding: 2px;"> If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 </div>		3	0.

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 (column (b) divided by column (c))
2010	507,270.	9,692,951.	0.052334
2009		7,555,015.	
2008	500,000.	8,053,309.	0.062086
2007			
2006			

2 Total of line 1, column (d)	2	0.114420
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	0.038140
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	10,400,827.
5 Multiply line 4 by line 3	5	396,688.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	7,375.
7 Add lines 5 and 6	7	404,063.
8 Enter qualifying distributions from Part XII, line 4	8	223,000.

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)

1 a 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 instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	14,751.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	14,751.
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	14,751.
6 Credits/Payments			
a 2011 estimated tax pmts and 2010 overpayment credited to 2011	6a	21,388.	
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	21,388.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" 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	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	6,637.	
11 Enter the amount of line 10 to be credited to 2012 estimated tax. 6,637. Refunded	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1 a 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 the instructions for definition)? <i>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</i>		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 \$ 0. (2) On foundation managers \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>	X	
4 a 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?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		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? <i>If 'Yes,' complete Part II, column (c), and Part XIV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) MD		
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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	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)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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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 <u>N/A</u>	13	X	
14	The books are in care of <u>THE NEXTGEN FOUNDATION CHAR. T</u> Telephone no <u>(410) 568-1638</u> Located at <u>10706 BEAVER DAM ROAD COCKEYSVILLE MD</u> ZIP + 4 <u>21030</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>15</u>			
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 <u></u>	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 <u></u>	1b	N/A
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	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? If 'Yes,' list the years <u>20__ , 20__ , 20__ , 20__</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__ , 20__ , 20__ , 20__</u>		
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)	3b	N/A
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)? (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)?

Organizations relying on a current notice regarding disaster assistance check here

☐**5b**

N/A

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?N/A ☐ 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**

If 'Yes' to 6b, file Form 8870

X

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
SEE STATEMENT 13		0.	0.	0.

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

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

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

0

Part IX 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	10,559,215.
b Average of monthly cash balances	1b	
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	10,559,215.
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	10,559,215.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	158,388.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	10,400,827.
6 Minimum investment return. Enter 5% of line 5	6	520,041.

Part X 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	520,041.
2a Tax on investment income for 2011 from Part VI, line 5	2a	14,751.	
b Income tax for 2011 (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b	2c		14,751.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3		505,290.
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5		505,290.
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		505,290.

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	223,000.
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	223,000.
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	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	223,000.

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.

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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				505,290.
2 Undistributed income, if any, as of the end of 2011.				
a Enter amount for 2010 only			222,843.	
b Total for prior years 20 __, 20 __, 20 __		0.		
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	0.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 223,000.				
a Applied to 2010, but not more than line 2a			222,843.	
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				157.
e Remaining amount distributed out of corpus	0.			
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	0.			
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 instructions			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				505,133.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
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				

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N/A

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

(4) Gross investment income

[illegible]

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

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 SEE STATEMENT 14				
Total			3a	223,000.
b Approved for future payment				
Total			3b	

2011

FEDERAL STATEMENTS

PAGE 1

THE NEXTGEN FOUNDATION CHARITABLE TRUST

31-1480932

STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	\$ 21,059.	\$ 21,059.	\$ 21,059.
TOTAL	\$ 21,059.	\$ 21,059.	\$ 21,059.

STATEMENT 2
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
	\$ 5,740.	\$ 5,740.		
TOTAL	\$ 5,740.	\$ 5,740.	\$ 0.	\$ 0.

STATEMENT 3
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
	\$ 9,670.	\$ 9,670.		
TOTAL	\$ 9,670.	\$ 9,670.	\$ 0.	\$ 0.

STATEMENT 4
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADVISORY FEES	\$ 26,100.	\$ 26,100.		
TOTAL	\$ 26,100.	\$ 26,100.	\$ 0.	\$ 0.

2011

FEDERAL STATEMENTS

PAGE 2

THE NEXTGEN FOUNDATION CHARITABLE TRUST

31-1480932

STATEMENT 5
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES	\$ 11,805.			
TOTAL	\$ 11,805.	\$ 0.	\$ 0.	\$ 0.

STATEMENT 6
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	\$ 360.	\$ 360.		
INSURANCE	1,570.	1,570.		
TOTAL	\$ 1,930.	\$ 1,930.	\$ 0.	\$ 0.

STATEMENT 7
FORM 990-PF, PART II, LINE 10A
INVESTMENTS - U.S. AND STATE GOVERNMENT OBLIGATIONS

U.S. GOVERNMENT OBLIGATIONS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
GOVERNMENT DEBT - SCHWAB #3149	MKT VAL	\$ 13,335.	\$ 13,335.
		\$ 13,335.	\$ 13,335.
	TOTAL	\$ 13,335.	\$ 13,335.

STATEMENT 8
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK - SCHWAB #2833	MKT VAL	\$ 3,936,263.	\$ 3,936,263.
	TOTAL	\$ 3,936,263.	\$ 3,936,263.

THE NEXTGEN FOUNDATION CHARITABLE TRUST

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STATEMENT 9
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS - SCHWAB #3149	MKT VAL	\$ 497,616.	\$ 497,616.
	TOTAL	\$ 497,616.	\$ 497,616.

STATEMENT 10
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
<u>OTHER PUBLICLY TRADED SECURITIES</u>			
MUTUAL FUNDS - VANGUARD	MKT VAL	\$ 430,540.	\$ 430,540.
MUTUAL FUNDS - SCHWAB #3149	MKT VAL	4,868,195.	4,868,195.
SANDBRIDGE K-1 INVESTMENTS	MKT VAL	555,546.	555,546.
TOTAL OTHER PUBLICLY TRADED SECURITIES		\$ 5,854,281.	\$ 5,854,281.
<u>OTHER SECURITIES</u>			
MONEY MARKET FUND - SCHWAB #2833	MKT VAL	63,845.	63,845.
MONEY MARKET FUND - SCHWAB #3149	MKT VAL	282,137.	282,137.
TOTAL OTHER SECURITIES		\$ 345,982.	\$ 345,982.
TOTAL		\$ 6,200,263.	\$ 6,200,263.

STATEMENT 11
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
INCOME TAX RECEIVABLE	\$ 21,388.	\$ 21,388.
TOTAL	\$ 21,388.	\$ 21,388.

STATEMENT 12
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

PENALTIES	\$ 7.
UNREALIZED LOSSES ON INVESTMENTS	308,007.
TOTAL	\$ 308,014.

THE NEXTGEN FOUNDATION CHARITABLE TRUST

31-1480932

STATEMENT 13

FORM 990-PF, PART VIII, LINE 1

LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
ROBERT E. SMITH 10706 BEAVER DAM ROAD COCKEYSVILLE, MD 21117	PRESIDENT 1.00	\$ 0.	\$ 0.	\$ 0.
MELISSA W. SMITH 10706 BEAVER DAM ROAD COCKEYSVILLE, MD 21030	SECRETARY 1.00	0.	0.	0.
PAUL O. WALLACE 36 SOUTH CHARLES STREET BALTIMORE, MD 21201	TREASURER 1.00	0.	0.	0.
MARK D. KNOBLOCH 10706 BEAVER DAM ROAD COCKEYSVILLE, MD 21030	VICE PRESIDENT 1.00	0.	0.	0.
NED LAWRENCE 316 CHESHIRE FOREST DRIVE CHESAPEAKE, VA 23322	TRUSTEE 1.00	0.	0.	0.
CHARLOTTE LAWRENCE 316 CHESHIRE FOREST DRIVE CHESAPEAKE, VA 23322	TRUSTEE 1.00	0.	0.	0.
TOTAL		\$ 0.	\$ 0.	\$ 0.

STATEMENT 14

FORM 990-PF, PART XV, LINE 3A

RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
GARRISON FOREST SCHOOL 300 GARRISON FOREST ROAD OWINGS MILLS, MD 21117	NONE	PUBLIC	UNRESTRICTED	\$ 34,000.
GERSTELL ACADEMY 2500 OLD WESTMINSTER PIKE FINKSBURG, MD 21048	NONE	PUBLIC	UNRESTRICTED	39,000.
BOYS' LATIN SCHOOL 822 WEST LAKE AVENUE BALTIMORE, MD 21210	NONE	PUBLIC	UNRESTRICTED	10,000.

THE NEXTGEN FOUNDATION CHARITABLE TRUST

31-1480932

STATEMENT 14 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
PAUL'S PLACE 1118 WARD STREET BALTIMORE , MD 21230	NONE	PUBLIC	UNRESTRICTED	\$ 10,000.
MARYLAND FOOD BANK 2200 HALETHORPE FARMS ROAD BALTIMORE , MD 21227	NONE	PUBLIC	UNRESTRICTED	10,000.
RONALD MCDONALD HOUSE 635 WEST LEXINGTON STREET BALTIMORE, MD 21201	NONE	PUBLIC	UNRESTRICTED	10,000.
ROANOKE COLLEGE 221 COLLEGE LANE SALEM , VA 24153	NONE	PUBLIC	UNRESTRICTED	10,000.
UNIVERSITY OF COLORADO FOUNDATION PARENT 4740 WALNUT STREET BOULDER , CO 80301	NONE	PUBLIC	UNRESTRICTED	10,000.
LIVING CLASSROOMS FOUNDATION 802 SOUTH CAROLINE STREET BALTIMORE, MD 21231	NONE	PUBLIC	UNRESTRICTED	10,000.
NRA FOUNDATION 11250 WAPLES MILL ROAD FAIRFAX, VA 22030	NONE	PUBLIC	UNRESTRICTED	10,000.
FUR BEARERS UNLIMITED 2815 WASHINGTON AVENUE BEDFORD , IN 47421	NONE	PUBLIC	UNRESTRICTED	10,000.
OPERATION CARE PACKAGE 611 WILCOX STREET JOLIET , IL 60435	NONE	PUBLIC	UNRESTRICTED	5,000.
JERUSALEM PRAYER TEAM P.O. BOX 30000 PHOENIX , AZ 85046	NONE	PUBLIC	UNRESTRICTED	5,000.
COMMUNITY BIBLE STUDY INT'L 790 STOUT ROAD COLORADO SPRINGS , CO 80921	NONE	PUBLIC	UNRESTRICTED	5,000.
HOUSE OF RUTH 2201 ARGONNE DRIVE BALTIMORE, MD 21218	NONE	PUBLIC	UNRESTRICTED	5,000.

2011

FEDERAL STATEMENTS

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THE NEXTGEN FOUNDATION CHARITABLE TRUST

31-1480932

STATEMENT 14 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
LIFE OUTREACH INT'L P.O. BOX 982000 FORT WORTH , TX 76182	NONE	PUBLIC	UNRESTRICTED	\$ 5,000.
SUSAN G. KOMEN P.O. BOX 650309 DALLAS , TX 75265	NONE	PUBLIC	UNRESTRICTED	5,000.
ST. JOHN'S CHURCH WESTERN RUN PARISH, 3738 BUTLER RD REISTERSTOWN , MD 21136	NONE	PUBLIC	UNRESTRICTED	5,000.
BROWN MEMORIAL CHURCH 1316 PARK AVENUE BALTIMORE , MD 21217	NONE	PUBLIC	UNRESTRICTED	5,000.
WOUNDED WARRIOR PROJECT 7020 AC SKINNER PARKWAY, SUITE 100 JACKSONVILLE, FL 32256	NONE	PUBLIC	UNRESTRICTED	5,000.
HOMES FOR OUR TROOPS 6 MAIN STREET TAUTON , MA 02780	NONE	PUBLIC	UNRESTRICTED	5,000.
US SPORTSMEN'S ALLIANCE 801 KINGSMILL PARKWAY COLUMBUS , OH 43229	NONE	PUBLIC	UNRESTRICTED	5,000.
LADEW TOPIARY GARDENS 3535 JARRETTSVILLE PIKE MONKTON , MD 21111	NONE	PUBLIC	UNRESTRICTED	2,500.
VOICE OF THE MARTYRS P.O. BOX 443 BARTLESVILLE, OK 74005	NONE	PUBLIC	UNRESTRICTED	2,500.
TOTAL \$				<u>223,000.</u>

IN THE MATTER OF
THE NEXTGEN FOUNDATION
CHARITABLE TRUST

* IN THE
*
* CIRCUIT COURT FOR
*
* BALTIMORE COUNTY
*

* Case No. 03 - C - 11 - 5847
*

ORDER TO SHOW CAUSE

On the Petition For Assumption Of Limited Jurisdiction And Modification Of Trust Under The Maryland Uniform Charitable Trusts Administration Act (Cy Pres Doctrine) (the "Petition") filed by the Board of Trustees of the NextGen Foundation Charitable Trust (the "Trust") in the above-entitled action for an order modifying the Trust and to show cause before this Court why the relief requested in the Petition should not be granted, and good cause appearing; now, therefore,

IT IS ORDERED that the following interested persons

Gerstell Academy, Inc.
2500 Old Westminster Pike
Finksburg, Maryland 21048

Boys' Latin
822 West Lake Avenue
Baltimore, Maryland 21210

Garrison Forest School
300 Garrison Forest Road
Owings Mills, Maryland 21117

Baltimore Community Foundation
(FBO 9/11 Fund)
2 East Read Street, 9th Floor
Baltimore, Maryland 21202

Two Copy Fee

JULIE L. ENSOR, Clerk

Per. [Signature]

~~Julie L. Ensor~~ Clerk

Show cause in writing on or before August 15, 2011, why an Order should not be issued granting the relief requested in the Petition; and it is further;

ORDERED that a copy of the Petition and of this Show Cause Order be served on the above listed interested persons on or before July 28, 2011, by ordinary mail, and that such service shall constitute notice of the Petition and this Show Cause Order; and it is further;

Hearing Date:
August 22, 2011
at 9:30am

[Signature]
Judge, Circuit Court for Baltimore County,
Maryland

FILED JUL 13 2011

COPY

IN THE MATTER OF
THE NEXTGEN FOUNDATION
CHARITABLE TRUST

* IN THE
*
* CIRCUIT COURT FOR
*
* BALTIMORE COUNTY
*

* Case No

* 03C-11-5847

RECEIVED AND FILED
2011 JUN 10 PM 3:07
CLERK OF THE CIRCUIT COURT
BALTIMORE COUNTY

PETITION FOR ASSUMPTION OF LIMITED JURISDICTION AND MODIFICATION
OF TRUST UNDER THE MARYLAND UNIFORM CHARITABLE TRUSTS
ADMINISTRATION ACT (CY PRES DOCTRINE)

Petitioners, the Board of Trustees, (collectively referred to in this capacity as the "Trustees") of The NextGen Foundation Charitable Trust (the "Trust"), by and through its attorneys, Charles B Jones, Esquire and Thomas & Libowitz, P.A., hereby petition this Court for assumption of limited jurisdiction and for modification of the Trust under Maryland's Cy Pres Doctrine, pursuant to Maryland Code Ann. [Estates & Trusts] § 14-302 and Maryland Rule 10-501 and states as follows.

- 1 Robert Edward Cunningham Smith and Melissa Waldron Smith entered into a trust agreement (the "Trust Agreement") as settlors (collectively referred to herein as "Settlor") with Robert Edward Cunningham Smith, Paul Wallace, and Mark D Knobloch, as the initial trustees, on October 16th, 1996.¹
2. Jurisdiction and venue is proper in this Court because three (3) of the Trustees maintain offices in Baltimore County, Maryland
- 3 The trustees making up the Board of Trustees' names, addresses, ages, and telephone numbers are as follows
 - a. Walter E. Lawrence, Trustee; mailing address of 324 Old Drive, Chesapeake,

¹ A copy of the Trust Agreement is attached hereto as Exhibit A

Virginia 23322; is an adult; and whose telephone number is 757-620-2986.

- b Charlotte Lawrence, Trustee, mailing address of 324 Old Drive, Chesapeake, Virginia 23322; is an adult; and whose telephone number is 757-620-4320.
- c. Mark Knobloch, Trustee, mailing address of 210 Club Road, Baltimore, Maryland 21210, is an adult; and whose telephone number is 410-243-1777.
- d. Robert Smith, Trustee, mailing address c/o NEXTGEN, 10706 Beaver Dam Road, Cockeysville, Maryland 21030, is an adult, and whose telephone number is 400-568-1507
- e Melissa Smith, Trustee, mailing address c/o NEXTGEN, 10706 Beaver Dam Road, Cockeysville, Maryland 21030; is an adult, and whose telephone number is 400-568-1507
- f Paul Wallace, Trustee, mailing address of 36 S Charles Street, 18th Floor, Baltimore, Maryland 21201, is an adult, and whose telephone number is 410-685-5512

- 4. Petitioners are requesting this Court assume limited jurisdiction over the Trust solely for the purposes of modifying the Trust Agreement under The Maryland Uniform Charitable Trusts Administration Act ("Cy Pres Doctrine") codified at Maryland Code Ann. [Estates & Trusts] § 14-302.
- 5. The interested parties in this matter other than the Trustees consist of the supported organizations from the List of Supported Organizations (attached as part of Exhibit A), which have received beneficial distributions from the Trust as permitted under 24 CFR Section 1.509-4(d)(4(i). Those beneficiaries are as follows

<u>Name</u>	<u>Address & Telephone Number</u>	<u>Nature of Interest</u>
Gerstell Academy, Inc.	2500 Old Westminster Pike Finksburg, Maryland 21048 410-861-3000	Beneficiary
Garrison Forest School	300 Garrison Forest Road Owings Mills, Maryland 21117 410-363-1500	Beneficiary
Boys' Latin	822 West Lake Avenue Baltimore, Maryland 21210 410-377-5192	Beneficiary
Baltimore Community Foundation (FBO 9/11 Fund)	2 East Read Street, 9th Floor Baltimore, Maryland 21202 410-332-4171	Beneficiary

- 6 The nature, value, and location of the Trust property is as follows:

<u>Nature</u>	<u>Location</u>	<u>Value</u>
Cash and Marketable Securities	Charles Schwab	\$10.5 Million (approximately)

7. The Trust was initially established as a tax exempt "supporting organization" under Internal Revenue Code ("IRC") Section 509(a)(3), as opposed to a "private foundation". Throughout the Trust Agreement are provisions restricting administration of the Trust so that the Trust always meets the requirements of IRC Section 509(a)(3); see Sections 2.02, 3.08, 5.04, and 6.02 of the Trust Agreement.
8. Under the terms of IRC Section 509(a)(3), in order to qualify as a supporting organization, the Trust has to be operated in connection with one or more public charities. The Treasury Regulations thereunder require that a supporting organization be responsive to the needs of each public charity in order to be considered as operated in connection with such public charity. Notwithstanding the foregoing requirement, the Treasury

Regulations in effect at the time the Trust Agreement was executed contained an exception for charitable trusts. Pursuant to 26 CFR Section 1.509(a)-4(i)(2)(iii)(a)(1996), a charitable trust would be considered a supporting organization under IRC Section 509(a)(3) so long as it was

(a)...a charitable trust under State law; (b) [E]ach specified publicly supported organization is a named beneficiary under such charitable trust's governing instrument; and (c) [T]he beneficiary organization has the power to enforce the trust and compel an accounting under State law.

- 9 The Trust met all requirements under the foregoing Treasury Regulation when the Trust was created and was therefore classified as a supporting organization under IRC Section 509(a)(3)
10. The 2006 Pension Act signed into law on August 17, 2006 eliminated the foregoing exception for charitable trusts. 2006 Pension Act Section 1241(c)(3). Accordingly, in order for the Trust to continue to be considered a supporting organization under IRC Section 509(a)(3), it had to meet the tests outlined in the Treasury Regulations thereunder, which include the "responsiveness test" and "integral part test". 26 CFR Section 1.509(a)-4(i)(1)(i).
11. Without getting into the details of the responsiveness test and integral part test or the other requirements to which the Trust was subject following passage of the 2006 Pension Act, the Trustees certify that it is utterly impractical for the Trust to satisfy those tests. For example, part of the integral part test requires that the Trust maintain "a significant involvement in the operations..." of the specified public charities and that the specified public charities "are in turn dependent upon the [Trust] for the type of support which it provides." 26 CFR Section 1.509(a)-4(i)(3)(i) The Trust does not have the financial nor

administrative capabilities to meet the integral part test for all One Hundred Eighty-Nine (189) public charities specified in the Trust Agreement. Any attempt to financially support all of the specified public charities to the extent required in order to be a supporting organization would quickly exhaust the Trust's principal assets.

12. The Maryland Cy Pres doctrine, as codified, states as follows:

If a trust for charity is or becomes illegal, or impossible or impracticable of enforcement...and if the settlor or testator manifested a general intention to devote the property to charity, a court of equity, on application of any trustee,...may order an administration of the trust, devise or bequest as nearly as possible to fulfill the general charitable intention of the settlor or testator.

Md. Code Ann., [Est. & Trusts] § 14-302(a).

13. As certified above by the Trustees, it has become impractical to meet the requirements of IRC Section 509(a)(3) as required under the original Trust Agreement. Accordingly, the Trustees respectfully request this Court modify the Trust Agreement under Maryland's Cy Pres Doctrine so that the Trust may be classified as a private foundation and be able to operate and fulfill the general charitable intention of the Settlers.

14. Accordingly, the Trustees respectfully request this Court modify the Trust Agreement by restating the following Sections of the Trust Agreement.

- a. The following section of the Trust Agreement to be restated as follows (new language emphasized): "2.02 The Trustees may (but shall not be required to) accept property, whether real, personal or mixed, by way of gift, bequest, devise or otherwise, from any person, firm, trust or corporation, to be held, administered, and disposed of in accordance with and pursuant to the provisions of this Trust; but no gift, bequest or devise of any such property shall be accepted by the Trustee if it is legally conditioned or limited in a manner as to require the

disposition of income or principal to any person or organization other than a Supported Organization or for any purpose other than a Qualified Purpose, or as shall in the opinion of the Trustees, jeopardize *the federal income tax exemption of this Trust.*”

- b. The following section of the Trust Agreement to be restated as follows (new language emphasized): “3 08 This Trust shall not carry on any activities other than those permitted to be carried on by (i) a corporation or trust described in Section 501(c)(3) of the Code and *tax-exempt under Section 509(a) of the Code*, and (ii) a Trust, contributions to which are deductible under Section 170(c)(2) of the Code.”
- c. The following section of the Trust Agreement to be restated as follows (new language emphasized): “5 04 Anything in this Agreement to the contrary notwithstanding, it is the intention of the Settlers to create a qualifying charitable trust under Sections *501(c)(3), 170(b)(1)(B), 509(a) of the Code*; therefore, no powers, authority or discretion either granted by this Agreement, by any By-Laws of the Trustees or by applicable state law which exceed or are inconsistent with those allowed under Sections *501(c)(3), 170(b)(1)(B), 509(a) and Chapter 42 of the Code* and the Federal Income Tax Regulations (the “Regulations”) thereunder are to be possessed or exercised by the Trustees.”
- d. The following section of the Trust Agreement to be restated as follows (new language emphasized): “6.02 Notwithstanding Section 6 01 above, no amendment of this Trust shall authorize the Trustees to conduct the affairs of this Trust in any manner or for any purpose contrary to the provisions of Sections

501(c)(3) and *Section 509(a) of the Code applicable to private foundations*. Any amendment which purports to allow the Trustees to conduct the affairs of this Trust in any manner or for any purpose contrary to the provisions of Sections 501(c)(3) and *509(a) of the Code* shall be invalid and void ab initio.”

15. In addition to the Trust Agreement, By-Laws are in place which govern much of the Trust’s operation and are effectively a part of the Trust Agreement² The Trustees respectfully request this Court modify the By-Laws by restating the following Sections of the By-Laws

- a. The following section of the By-Laws to be restated as follows (new language emphasized) “6 04 Amendment of Trust Instrument of By-Laws. Anything in these By-Laws to the contrary notwithstanding, these By-Laws or any provision hereof may be altered, amended or supplemented only upon proper notice and upon a two-thirds (2/3) vote Notwithstanding the Trustees ability to amend these By-Laws, no amendment shall authorize the Trustees or any officer to conduct the affairs of the Trust in any manner or for any purpose contrary to the provisions of Sections 501(c)(3) and *509(a) of the Code*. Any amendment which purports to allow the Trustees or officers to conduct the affairs of the Trust in any manner or for any purpose contrary to the provisions of Sections 501(c)(3) and *509(a) of the Code* shall be invalid and void ab initio.”

16. Since the Trust can no longer meet the requirements of a supporting organization under IRC Section 509(a)(3), the Internal Revenue Code and applicable Regulations provide that the Trust will be treated as a tax exempt “private foundation,” subject to the additional requirements governing operation of a private foundation in the Internal

² A copy of the By-Laws are attached hereto as Exhibit B

Revenue Code Accordingly, the Trustees respectfully request the following provisions be added as a new SECTION NINE to the Trust Agreement entitled "PRIVATE FOUNDATION PROVISIONS" so that the Trust may be properly administered as a private foundation.

- a "9.01 The Trust shall not permit any part of its net earnings to inure to the benefit of its trustees, officers or other private individuals or entities, except that the Trust shall be authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the charitable purposes set forth herein."
- b "9.02 Except as provided and permitted under Sections 501(h) and 4911 of the Code, no substantial part of the activities of the Trust shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Trust shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office "
- c "9.03 The Trust shall have no power directly or indirectly to engage in any activity which would invalidate its status as a trust exempt from federal income taxation under Section 501(c)(3) of the Code or as a trust, the contributions to which are deductible under Section 170(c)(2), 2055(a)(3), or 2522(a)(2) of the Code."
- d "9.04 The Trust shall distribute its net income for each tax year at a time and in a manner that will not cause it to become subject to tax on the undistributed income imposed by Section 4942 of the Code."
- e. "9.05 The Trust shall not engage in any act of self-dealing as defined in Section

4941(d) of the Code.”

f “9.06 The Trust shall not retain any excess business holdings as defined in Section 4943(c) of the Code.”

g “9.07 The Trust shall not make any investments in a manner that would subject it to tax under Section 4944 of the Code.”

h “9.08 The Trust shall not make any taxable expenditures as defined in Section 4945(d) of the Code.”

WHEREAS, Petitioners respectfully request this Court issue an Order stating:

- A. Assuming jurisdiction over the Trust for the limited purposes requested in this Petition,
- B. Modifying the provisions described in paragraph 14 herein to the terms of the Trust Agreement;
- C. Modifying the provisions described in paragraph 15 herein to the terms of the Bylaws;
- D. Adding the provisions described in paragraph 16 herein to the terms of the Trust Agreement;
- E. Directing all interested persons to show cause in writing within twenty (20) days why the above relief should not be granted; and
- F. That, any other relief as may be appropriate be granted.

[Remainder of page intentionally left blank.]

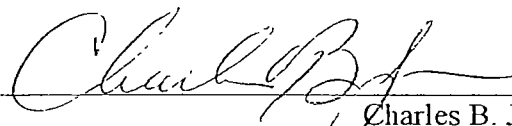
VERIFICATION

Petitioners solemnly affirm under the penalties of perjury that the contents of the foregoing document are true to the best of their knowledge, information and belief.

Board of Trustees of the NextGen Foundation Charitable Trust

By 
Robert Smith, Member of Board of Trustees

Respectfully Submitted,


Charles B. Jones
Attorney for Petitioners
Thomas & Libowitz, P.A.
100 Light Street, Suite #1100
Baltimore, Maryland 21202
410-752-2468

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Form **8868**

(Rev. January 2012)

Department of the Treasury
Internal Revenue Service**Application for Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

► **File a separate application for each return.**

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

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

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

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only ☐*All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns***Enter filer's identifying number, see instructions**

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	THE NEXTGEN FOUNDATION CHARITABLE TRUST	<input checked="" type="checkbox"/> 31-1480932
	Number, street, and room or suite number. If a P.O. box, see instructions	Social security number (SSN)
	10706 BEAVER DAM ROAD	<input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	COCKEYSVILLE, MD 21030	

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

04

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

- The books are in the care of ► THE NEXTGEN FOUNDATION CHAR. T

Telephone No. ► (410) 568-1638 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 11/15, 20 12, to file the exempt organization return for the organization named above. The extension is for the organization's return for

- ☐ calendar year 20 ____ or
- ☒ tax year beginning 4/01, 20 11, and ending 3/31, 20 12

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	\$	14,751.
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	\$	21,388.
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.**BAA For Paperwork Reduction Act Notice, see Instructions.**

Form 8868 (Rev. 1-2012)

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print File by the extended due date for filing the return. See instructions	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	THE NEXTGEN FOUNDATION CHARITABLE TRUST	<input checked="" type="checkbox"/> 31-1480932
	Number, street, and room or suite number. If a P.O. box, see instructions	Social security number (SSN)
	GROSS MENDELSON & ASSOCIATES P.A. 36 S CHARLES ST STE 1800	<input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	BALTIMORE, MD 21201-3102	

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

04

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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in care of ☒ THE NEXTGEN FOUNDATION CHAR. T
Telephone No ☒ (410) 568-1638 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

- 4 I request an additional 3-month extension of time until 2/15, 20 13
- 5 For calendar year _____, or other tax year beginning 4/01, 20 11, and ending 3/31, 20 12
- 6 If the tax year entered in line 5 is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension TAXPAYER RESPECTFULLY REQUESTS ADDITIONAL TIME TO GATHER INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE TAX RETURN.

8a 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	8a \$	14,751.
8b 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 and any amount paid previously with Form 8868	8b \$	21,388.
8c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	8c \$	0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ☐

Title ☒ TRUSTEE

Date ☐

BAA

FIFZ0502L 07/29/11

Form 8868 (Rev 1-2012)