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Form 990-PF

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

OMB No 1545-0052

2011

Department of the Treasury Internal Revenue Service

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 05-01-2011, and ending 04-30-2012

Check all that apply: Initial return, Amended return, Initial return of a former public charity, Address change, Final return, Name change

Name of foundation: LEE ARTHUR CT; Employer identification number: 63-6110715; Telephone number: (336) 747-8182; City: CHARLOTTE, NC 28288; Fair market value: \$1,171,740

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 page 11 of the instructions))

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12), Operating and Administrative Expenses (13-26), and Summary (27-29).

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

Part II Balance Sheets		Beginning of year			End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing					
	2	Savings and temporary cash investments	22,432	70,269	70,269		
	3	Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____		0	0		
	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 page 15 of the instructions)					
	7	Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____ 0					
	8	Inventories for sale or use					
	9	Prepaid expenses and deferred charges					
	10a	Investments—U S and state government obligations (attach schedule)					
	b	Investments—corporate stock (attach schedule)	125,116 <input checked="" type="checkbox"/>	375,545	427,310		
	c	Investments—corporate bonds (attach schedule)	262,380 <input checked="" type="checkbox"/>	657,389	674,161		
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____					
	12	Investments—mortgage loans					
	13	Investments—other (attach schedule)	733,013		0		
	14	Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____					
15	Other assets (describe ▶ _____)						
16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	1,142,941	1,103,203	1,171,740			
Liabilities	17	Accounts payable and accrued expenses					
	18	Grants payable					
	19	Deferred revenue					
	20	Loans from officers, directors, trustees, and other disqualified persons					
	21	Mortgages and other notes payable (attach schedule)					
	22	Other liabilities (describe ▶ _____)					
23	Total liabilities (add lines 17 through 22)		0				
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	1,142,941	1,103,203			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund					
29	Retained earnings, accumulated income, endowment, or other funds						
30	Total net assets or fund balances (see page 17 of the instructions)	1,142,941	1,103,203				
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,142,941	1,103,203				

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	1,142,941
2	Enter amount from Part I, line 27a	2	-39,080
3	Other increases not included in line 2 (itemize) ▶ _____ <input checked="" type="checkbox"/>	3	1,094
4	Add lines 1, 2, and 3	4	1,104,955
5	Decreases not included in line 2 (itemize) ▶ _____ <input checked="" type="checkbox"/>	5	1,752
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,103,203

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a See Additional Data Table			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a See Additional Data Table			
b			
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) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a See Additional Data Table			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	-20,522
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	49,014	1,231,789	0.039791
2009	47,013	1,034,112	0.045462
2008	46,578	1,014,481	0.045913
2007			
2006			

2 Total of line 1, column (d).	2	0.131166
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	0.043722
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.	4	1,148,537
5 Multiply line 4 by line 3.	5	50,216
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	350
7 Add lines 5 and 6.	7	50,566
8 Enter qualifying distributions from Part XII, line 4.	8	53,016

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 on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the 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	350
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	350
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	350
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a	868
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	0
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d.	7	868
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	0
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	518
11	Enter the amount of line 10 to be Credited to 2012 estimated tax ▶ 352 Refunded ▶	11	166

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?		No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <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>		No
c Did the foundation file Form 1120-POL for this year?		No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ \$ _____ (2) On foundation managers ▶ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		No
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>		No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		No
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? <i>If "Yes," attach the statement required by General Instruction T.</i>		No
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?	Yes	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	Yes	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ AL _____		
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? <i>If "No," attach explanation .</i>	Yes	
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 on page 27)? <i>If "Yes," complete Part XIV</i>		No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		No

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 page 20 of the instructions).	11		No		
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No		
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ _____	13	Yes			
14 The books are in care of ▶ <u>WELLS FARGO NA</u> Telephone no ▶ <u>(336) 747-8182</u> Located at ▶ <u>1 WEST 4TH ST 4TH FLOOR WINSTON SALEM NC</u> ZIP+4 ▶ <u>271013818</u>					
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ <table border="1" style="display:inline-table; vertical-align:middle;"><tr><td style="width:50px; text-align:center;">15</td><td style="width:100px;"></td></tr></table>	15				
15					
16 At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	<input type="checkbox"/> Yes	<input type="checkbox"/> No		

See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country ▶ _____

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
1a During the year did the foundation (either directly or indirectly)				
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input 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 page 20 of the instructions)? . . . Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/>	1b			No
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			No
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 ▶ 20____, 20____, 20____, 20____				
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions).	2b			No
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____				
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.</i>)	3b			
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a			No
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			No

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

<p>5a During the year did the foundation pay or incur any amount to</p> <p>(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(3) Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(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 page 22 of the instructions). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach the statement required by Regulations section 53.4945–5(d).</p> <p>6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes" to 6b, file Form 8870.</p> <p>7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	5b	
	6b	No
	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 page 22 of the 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
WELLS FARGO BANK NA 1525 W WT HARRIS BLVD D1114-044 CHARLOTTE, NC 282881114	TRUSTEE 40	16,000		

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

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

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

3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE".

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

Total number of others receiving over \$50,000 for professional services. **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	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
3 All other program-related investments. See page 24 of the instructions	

Total. Add lines 1 through 3.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	1,120,553
b	Average of monthly cash balances.	1b	45,474
c	Fair market value of all other assets (see page 24 of the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	1,166,027
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	1,166,027
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	17,490
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,148,537
6	Minimum investment return. Enter 5% of line 5.	6	57,427

Part XI Distributable Amount (see page 25 of the 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	57,427
2a	Tax on investment income for 2011 from Part VI, line 5.	2a	350
b	Income tax for 2011 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	350
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	57,077
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	57,077
6	Deduction from distributable amount (see page 25 of the instructions).	6	0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	57,077

Part XII Qualifying Distributions (see page 25 of the 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	53,016
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	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	0
b	Cash distribution test (attach the required schedule).	3b	0
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	53,016
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 page 26 of the instructions).	5	350
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	52,666

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				57,077
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only.			19,238	
b Total for prior years 2009, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2011				
a From 2006.				0
b From 2007.				0
c From 2008.				0
d From 2009.				0
e From 2010.				0
f Total of lines 3a through e.	0			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ <u>53,016</u>				
a Applied to 2010, but not more than line 2a			19,238	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions).	0			
d Applied to 2011 distributable amount.				33,778
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 page 27 of the instructions		0		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			0	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				23,299
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions).	0			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see page 27 of the 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.	0			
b Excess from 2008.	0			
c Excess from 2009.	0			
d Excess from 2010.	0			
e Excess from 2011.	0			

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

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

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

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

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 of the instructions.)

1 Information Regarding Foundation Managers:

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

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

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

Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

- a** The name, address, and telephone number of the person to whom applications should be addressed

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

- c** Any submission deadlines

- 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 Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> See Additional Data Table				
Total				3a 49,016
b <i>Approved for future payment</i>				
Total				3b

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

1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code... 1a(1) Cash... 1a(2) Other assets... 1b(1) Sales of assets... 1b(2) Purchases of assets... 1b(3) Rental of facilities... 1b(4) Reimbursement arrangements... 1b(5) Loans or loan guarantees... 1b(6) Performance of services... 1c Sharing of facilities... 1d If the answer to any of the above is "Yes," complete the following schedule.

Table with 4 columns: (a) Line No, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code... [] Yes [x] No

b If "Yes," complete the following schedule. Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge. Signature of officer or trustee, Date, Title, Preparer's Signature, Date, Firm's name, Firm's address, Firm's EIN, Phone no, PTIN.

May the IRS discuss this return with the preparer shown above? See instructions [] Yes [x] No

Additional Data

Software ID:

Software Version:

EIN: 63-6110715

Name: LEE ARTHUR CT

Form 990PF - Special Condition Description:

Special Condition Description

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
62 AGILENT TECHNOLOGIES INC COM		2011-05-27	2012-03-14
65 AMERIPRISE FINANCIAL INC		2010-02-09	2012-02-21
3 APPLE COMPUTER INC COM		2010-07-12	2012-01-09
209 ATMEL CORP COM		2011-05-27	2011-11-07
130 BANK NEW YORK MELLON CORP COM		2011-08-25	2012-01-09
33 CIMAREX ENERGY CO		2010-07-12	2011-05-27
85 CORNING INC COM W/RTS EXP 07/15/2006		2010-07-13	2011-07-13
56 CORNING INC COM W/RTS EXP 07/15/2006		2010-07-12	2011-07-13
1589 825 EII INTERNATIONAL PROPERTY-I #30		2007-06-18	2012-03-19
178 FORD MTR CO DEL COM		2010-07-12	2011-09-15
80 FOREST LABS CL A		2010-11-04	2011-09-15
114 GAP INC COM		2009-06-29	2011-11-07
571 429 HARBOR FD INTL FD		2006-08-25	2012-03-19
53 HEWLETT-PACKARD CO COM		2009-04-28	2011-09-15
147 HOLOGIC INC		2011-07-13	2011-11-07
28 IAC/INTERACTIVECORP		2010-08-26	2011-09-15
1792 115 ING REAL ESTATE FUND CL-I #2190		2008-04-18	2012-03-19
50000 JPMORGAN CHASE & CO 4 500% 1/15/12		2005-06-16	2012-01-15
502 513 LAZARD EMERGING MKTS PTFL #638		2008-02-25	2012-03-19
7 MCKESSON HBOC INC COM		2009-10-19	2011-11-07
44 MEDCO HEALTH SOLUTIONS INC		2010-07-12	2011-07-13
619 387 MUNDER MIDCAP CORE GROWTH FD-Y #32		2010-02-23	2012-03-19
51 ONEOK INC NEW COM		2011-02-11	2011-05-27
6150 793 PIMCO COMMODITY REAL RET STRAT-I#45		2009-04-27	2012-03-19
45 T ROWE PRICE GRP INC COM		2011-02-11	2011-08-25
21 ROSS STORES INC COM		2009-06-29	2011-09-15
102 TEXAS INSTRS INC COM		2009-07-01	2011-09-15
33 3M CO COM		2009-11-09	2012-01-09
143 TYSON FOODS INC COM CL A		2010-07-12	2011-09-15
118 UNUMPROVIDENT CORP COM		2009-09-24	2011-05-27

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(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)
56 COVIDIEN PLC		2011-09-15	2012-01-09
36 PARTNERRE LTD COM		2010-01-15	2011-05-27
18 ACE LIMITED		2006-01-09	2011-11-07

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
2,779		3,061	-282
3,656		2,461	1,195
1,271		783	488
2,165		3,113	-948
2,685		2,641	44
3,027		2,454	573
1,452		1,498	-46
957		970	-13
26,216		40,000	-13,784
1,876		1,962	-86
2,638		2,709	-71
2,263		2,058	205
35,000		33,528	1,472
1,228		870	358
2,373		3,009	-636
1,164		692	472
30,215		27,343	2,872
50,000		49,746	254
10,000		10,946	-946
569		429	140
2,421		2,507	-86
20,000		14,141	5,859
3,573		3,073	500
42,625		65,000	-22,375
2,257		3,102	-845
1,653		763	890
2,814		2,216	598
2,761		2,530	231
2,486		2,516	-30
3,085		2,507	578

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(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)
2,528		2,680	-152
2,682		2,643	39
1,296		1,008	288

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - I

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) 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	
			-282
			1,195
			488
			-948
			44
			573
			-46
			-13
			-13,784
			-86
			-71
			205
			1,472
			358
			-636
			472
			2,872
			254
			-946
			140
			-86
			5,859
			500
			-22,375
			-845
			890
			598
			231
			-30
			578

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

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	
			-152
			39
			288

Form 990PF Part XV Line 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 <i>Paid during the year</i>				
PEOPLE TO PEOPLE HEALTH FD INCATTENTION BARBARA KABAKOFF MILLWOOD,VA 22646	NONE	PUBLIC CHARITY	CONTRIBUTION	2,452
SALVATION ARMYATTENTION CAPT BERT LIND ANNISTON,AL 36202	NONE	PUBLIC CHARITY	CONTRIBUTION	742
GIRL SCOUTS OF N CENTRAL AL ATTNSHELIA SMITH VP OF FIN BIRMINGHAM,AL 35242	NONE	PUBLIC CHARITY	CONTRIBUTION	742
SALVATION ARMYPO BOX 218 ANNISTON,AL 36202	NONE	PUBLIC CHARITY	CONTRIBUTION	1,710
CHOCOLOCCO COUNCIL BSAPO BOX 43307 BIRMINGHAM,AL 35243	NONE	PUBLIC CHARITY	CONTRIBUTION	1,710
GREATER ALA COUNCIL NO1 INC BOY SCOUTS OF AMERICABOY SCOUTS OF AMERICA BIRMINGHAM,AL 35243	NONE	PUBLIC CHARITY	CONTRIBUTION	2,452
FIRST UNITED METHODIST CHURCHATTENTION LAURA FULLER ANNISTON,AL 36202	NONE	PUBLIC CHARITY	CONTRIBUTION	34,304
THE BOYS AND GIRLS CLUB ATTENTION JOHNNY BYRD ANNISTON,AL 36202	NONE	PUBLIC CHARITY	CONTRIBUTION	2,452
YMCA OF CALHOUN COUNTYATTN JERRY ADKINS ANNISTON,AL 36202	NONE	PUBLIC CHARITY	CONTRIBUTION	2,452
Total				49,016

**TY 2011 Investments Corporate
Bonds Schedule**

Name: LEE ARTHUR CT

EIN: 63-6110715

Name of Bond	End of Year Book Value	End of Year Fair Market Value
10138MAB1 BOTTLING GROUP 4.625	45,568	45,992
22541LAM5 CREDIT SUISSE 5.125	50,853	52,673
369604AY9 GENERAL ELECTRIC 5.0	76,302	77,480
46625HCA6 JPMORGAN CHASE 4.500		
931142BT9 WALMART STORES 4.550	39,911	41,638
256210105 DODGE & COX FD COM	75,000	75,165
693390551 PIMCO TOTAL RETURN	125,000	128,446
72369B406 PIONEER HIGH YIELD	121,000	112,583
693391559 PIMCO EMERGING MKTS	69,274	80,302
94985D582 WF ADVANTAGE INTERN.	54,481	59,882

**TY 2011 Investments Corporate
Stock Schedule****Name:** LEE ARTHUR CT**EIN:** 63-6110715

Name of Stock	End of Year Book Value	End of Year Fair Market Value
124857202 CBS CORP NEW	3,130	4,239
20030N101 COMCAST CORP CL A	3,043	3,854
345370860 FORD MOTOR CO		
364760108 GAP INC		
437076102 HOME DEPOT INC	2,037	4,454
778296103 ROSS STORES INC	1,225	4,305
92927K102 WABCO HOLDINGS INC	2,949	3,025
126650100 CVS CAREMARK CORP		
902494103 TYSON FOODS INC		
931142103 WALMART STORES INC	2,596	3,004
166764100 CHEVRON CORP	2,930	3,836
171798101 CIMAREX ENERGY CO		
20825C104 CONOCOPHILLIPS	2,212	2,865
30231G102 EXXON MOBIL CORP	1,731	2,418
406216101 HALLIBURTON CO	2,791	2,909
637071101 NATIONAL OILWELL VAR	3,020	2,879
674599105 OCCIDENTAL PETE CORP	2,148	3,284
03076C106 AMERIPRISE FINL INC		
46625H100 JPMORGAN CHASE & CO	2,897	2,966
754730109 RAYMOND JAMES FINL	3,107	2,930
74144T108 T ROWE PRICE GROUP		
91529Y106 UNUM GROUP		
031162100 AMGEN INC	2,071	2,631
110122108 BRISTOL MYERS SQUIBB	2,121	3,204
14149Y108 CARDINAL HEALTH INC	2,668	3,170
345838106 FOREST LABS INC		
478160104 JOHNSON & JOHNSON	1,906	2,409
58155Q103 MCKESSON CORP	2,146	3,199
58405U102 MEDCO HEALTH SOLUTNS		
235851102 DANAHER CORP	2,774	3,362

Name of Stock	End of Year Book Value	End of Year Fair Market Value
369604103 GENERAL ELECTRIC CO	2,510	3,172
907818108 UNION PACIFIC CORP	2,717	3,373
913017109 UNITED TECHNOLOGIES	2,351	3,511
88579Y101 3M CO		
037833100 APPLE INC		
17275R102 CISCO SYSTEMS INC	2,264	2,378
219350105 CORNING INC		
428236103 HEWLETT PACKARD CO		
44919P508 IAC INTERACTIVE CORP	1,706	3,322
458140100 INTEL CORP	2,914	3,521
459200101 IBM CORP		
594918104 MICROSOFT CORP	2,843	3,169
68389X105 ORACLE CORP	2,497	3,146
882508104 TEXAS INSTRUMENTS		
774415103 ROCKWOOD HOLDGS INC		
92343V104 VERIZON COMMUNICATNS	2,704	3,271
682680103 ONEOK INC		
H0023R105 ACE LIMITED		
G6852T105 PARTNERRE LTD		
H89128104 TYCO INTERNATIONAL	2,469	4,097
344849104 FOOT LOCKER INC	2,712	3,824
36191G107 GNC HOLDINGS INC	3,187	3,789
126650100 CVS CAREMARK	2,386	3,793
247916208 DENBURY RESOURCES	3,218	3,142
316773100 FIFTH BANK	2,871	3,343
59156R108 METLIFE INC	3,065	2,522
902973304 US BANCORP	2,986	3,410
151020104 CELGENE	2,877	3,282
74835Y101 QUESTOR PHARM	2,887	3,053
91324P102 UNITED HEALTH GROUP	3,035	3,257

Name of Stock	End of Year Book Value	End of Year Fair Market Value
018581108 ALLIANCE DATA	2,780	3,469
037833100 APPLE INC	1,826	4,088
268648102 E M C CORP MASS	2,756	3,442
459200101 IBM CORP	1,597	4,142
871503108 SYMANTEC CORP	3,048	2,596
88632Q103 TIBCO SOFTWARE	2,857	4,047
774415103 ROCKWOOD HOLDGS	3,129	3,542
26441C105 DUKE ENERGY	2,579	2,850
H0023R105 ACE LIMITED	1,952	2,963
G4412G101 HERBALIFE LTD	2,747	3,375
26203E836 DREYFUS BOSTON COMP	12,000	11,937
26203E851 DREYFUS BOSTON COMP	11,145	12,122
626124242 MUNDER MIDCAP CORE	29,859	42,585
04314H204 ARTISAN INTERNATIONA	30,000	29,740
411511306 HARBOR INTERNATIONAL	36,306	36,718
52106N889 LAZARD EMERGING MKTS	34,054	30,048
22544R305 CREDIT SUISSE COMMOD	45,000	43,255
44981V706 ING REAL ESTATE	48,209	55,073

TY 2011 Investments - Other Schedule

Name: LEE ARTHUR CT

EIN: 63-6110715

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
693390551 PIMCO TOT RTN FD II			
72369B406 PIONEER HI YLD #724			
94985D582 WELLS FARGO FD #4705			
693391559 PIMCO EMERG MKT #137			
26203E836 DREYFUS BOSTON #6941			
26203E851 DREYFUS BOSTON #6944			
626124242 MUNDER MIDCAP #32			
411511306 HARBOR INTL FD #2011			
52106N889 LAZARD EMERGING #638			
26852M105 EII INTERNATL FD #30			
44981V706 ING RE FD #2190			
722005667 PIMCO COMMOD FD #45			

TY 2011 Other Decreases Schedule**Name:** LEE ARTHUR CT**EIN:** 63-6110715

Description	Amount
MUTUAL FUNDS POSTING NEXT TAX YR EFF. CURRENT YR.	1,016
RETURN OF CAPITAL ADJUSTMENTS	726
ROUNDING	10

TY 2011 Other Increases Schedule

Name: LEE ARTHUR CT

EIN: 63-6110715

Description	Amount
MUTUAL FUNDS POSTING CURRENT TAX YEAR EFF. PREV TAX YR	1,094

TY 2011 Other Professional Fees Schedule

Name: LEE ARTHUR CT

EIN: 63-6110715

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT MGMT FEES- SUBJECT T	1,280	1,280		

TY 2011 Taxes Schedule

Name: LEE ARTHUR CT

EIN: 63-6110715

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAXES	3	3		0
FEDERAL ESTIMATES - PRINCIPAL	591	0		0
FOREIGN TAXES ON QUALIFIED FOR	311	311		0
FOREIGN TAXES ON NONQUALIFIED	22	22		0