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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011, or tax year beginning 09-01-2011 , and ending 08-31-2012

G Check all that apply

☐ Initial return

☐ Initial return of a former public charity

☐ Final return

☐ Amended return

☐ Address change

☐ Name change

Name of foundation
THE HARMON FOUNDATION

% JANET L MULLIGAN

Number and street (or P O box number if mail is not delivered to street address)
C/O TANTON CO LLP
37 W 57TH STREET 5TH FL

City or town, state, and ZIP code
NEW YORK, NY 10019

A Employer identification number
06-1180560

B Telephone number (see page 10 of the instructions)
(212) 583-1100

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 ☐

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, col. (c), line 16)
\$ 4,990,771

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 page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	195,100			
	2 Check ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities.	145,450	145,450		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	-304,491			
	b Gross sales price for all assets on line 6a _____ 712,950				
	7 Capital gain net income (from Part IV, line 2)		0		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
Operating and Administrative Expenses	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	 19,159	21,357		
	12 Total. Add lines 1 through 11	55,218	166,807		
	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule).				
	b Accounting fees (attach schedule).	 4,750	1,188	0	3,562
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see page 14 of the instructions)	 212	212		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule).	 20,900	18,561		568
	24 Total operating and administrative expenses.				
	Add lines 13 through 23	25,862	19,961	0	4,130
	25 Contributions, gifts, grants paid	247,450			247,450
	26 Total expenses and disbursements. Add lines 24 and 25	273,312	19,961	0	251,580
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-218,094			
	b Net investment income (if negative, enter -0-)		146,846		
	c Adjusted net income (if negative, enter -0-)				

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	210,177	267,956	267,956
	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 page 15 of the instructions)		13,930	13,930
	7	Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule)	2,642,963	 2,164,960	2,367,022
	c	Investments—corporate bonds (attach schedule).	100,343	 100,343	100,343
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	1,500,000	 1,500,000	2,232,103
	14	Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
Liabilities	15	Other assets (describe ▶ _____)	 3,385	 9,417	 9,417
	16	Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	4,456,868	4,056,606	4,990,771
	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 ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	4,456,868	4,056,606	
	30	Total net assets or fund balances (see page 17 of the instructions)	4,456,868	4,056,606	
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	4,456,868	4,056,606	

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	4,456,868
2	Enter amount from Part I, line 27a	2	-218,094
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3	4	4,238,774
5	Decreases not included in line 2 (itemize) ▶ _____ 	5	182,168
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	4,056,606

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

(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a 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	-304,491
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	223,512	5,035,962	0 044383
2009	182,250	4,503,308	0 04047
2008	274,074	4,081,682	0 067147
2007	223,249	5,163,132	0 043239
2006	244,040	5,389,224	0 045283

2 Total of line 1, column (d).	2	0 240522
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 048104
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.	4	4,600,098
5 Multiply line 4 by line 3.	5	221,283
6 Enter 1% of net investment income (1% of Part I, line 27b).	6	1,468
7 Add lines 5 and 6.	7	222,751
8 Enter qualifying distributions from Part XII, line 4.	8	251,580

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 VIExcise 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 ☐ and enter "N/A" on line 1			
		Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)			
b		Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		1	1,468
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	
3		Add lines 1 and 2.		3	1,468
4		Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	
5		Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	1,468
6		Credits/Payments			
a		2011 estimated tax payments and 2010 overpayment credited to 2011	6a	18	
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	18
8		Enter any penalty for underpayment of estimated tax Check here ☐ if Form 2220 is attached		8	32
9		Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	1,482
10		Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid.		10	
11		Enter the amount of line 10 to be Credited to 2012 estimated tax 0	Refunded	11	

Part VII-AStatements Regarding Activities

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? ☒		Yes	No
		1a		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)?			No
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file Form 1120-POL for this year?	1c		
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?	2		No
	If "Yes," attach a detailed description of the activities.			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes ☒	3		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		No
	If "Yes," attach the statement required by General Instruction T. ☒			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either			
	• By language in the governing instrument, or			
	• By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ☒ DE _____			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation .	8b	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)? If "Yes," complete Part XIV	9		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		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?	13	Yes	
Website address				
14	The books are in care of JANET L MULLIGAN Telephone no (212) 583-1100			
Located at 37 W 57TH ST 5TH FL NEW YORK NY ZIP+4 10019				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year.			
		15		
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?		Yes	No
		16		
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?				
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?				
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?				
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?				
(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)?				
(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).				
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.	1b		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c		
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 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		
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?			
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		
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)

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 page 22 of the 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 page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here.	☒	5b	
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? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i>	☐ Yes ☐ No		
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? <i>If "Yes" to 6b, file Form 8870.</i>		6b	No
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		7b	No

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
JANE HARMON 37 W 57TH STREET 5TH FL NEW YORK, NY 10019	TREASURER 0 5	0		
LEONARD LEIMAN 666 FIFTH AVE NEW YORK, NY 10103	SECRETARY 0 5	0		
JAMES HARMON 37 W57TH STREET NEW YORK, NY 10019	PRESIDENT 0 5	0		
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
Total number of other employees paid over \$50,000.				

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

Part IX-A

Summary of Direct Charitable Activities

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

	Expenses
1	
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	
All other program-related investments. See page 24 of the instructions	
3	
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	2,102,836
b	Average of monthly cash balances.	1b	547,137
c	Fair market value of all other assets (see page 24 of the instructions).	1c	2,020,177
d	Total (add lines 1a, b, and c).	1d	4,670,150
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	
2	Acquisition indebtedness applicable to line 1 assets.	2	0
3	Subtract line 2 from line 1d.	3	4,670,150
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	70,052
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	4,600,098
6	Minimum investment return. Enter 5% of line 5.	6	230,005

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	230,005
2a	Tax on investment income for 2011 from Part VI, line 5.	2a	1,468
b	Income tax for 2011 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	1,468
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	228,537
4	Recoveries of amounts treated as qualifying distributions.	4	
5	Add lines 3 and 4.	5	228,537
6	Deduction from distributable amount (see page 25 of the instructions).	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	228,537

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	251,580
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	251,580
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	1,468
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	250,112
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			
2	Undistributed income, if any, as of the end of 2011			
a	Enter amount for 2010 only. 246,242			
b	Total for prior years 2009 , 2008 , 2007			
3	Excess distributions carryover, if any, to 2011			
a	From 2006.			
b	From 2007.			
c	From 2008.			
d	From 2009.			
e	From 2010. 0			
f	Total of lines 3a through e. 0			
4	Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 251,580			
a	Applied to 2010, but not more than line 2a 246,242			
b	Applied to undistributed income of prior years (Election required—see page 26 of the instructions)			
c	Treated as distributions out of corpus (Election required—see page 26 of the instructions). . .			
d	Applied to 2011 distributable amount. 5,338			
e	Remaining amount distributed out of corpus 0			
5	Excess distributions carryover applied to 2011 0 0			
(If an amount appears in column (d), the same amount must be shown in column (a).)				
6	Enter the net total of each column as indicated below:			
a	Corpus Add lines 3f, 4c, and 4e Subtract line 5 0			
b	Prior years' undistributed income Subtract line 4b from line 2b.			
c	Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.			
d	Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions . . .			
e	Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions			
f	Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011 223,199			
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).			
8	Excess distributions carryover from 2006 not applied on line 5 or line 7 (see page 27 of the instructions).			
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. 0			

Part XIVPrivate 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)

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.	Tax year	Prior 3 years			(e) Total
		(a) 2011	(b) 2010	(c) 2009	(d) 2008	
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 XVSupplementary 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))

JAMES A HARMON

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

NA

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

Form 990-PF (2011)

Part XV **Supplementary Information** (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i> SEE SCHEDULE ATTACHED VARIOUS NEW YORK, NY 10019	NONE	SEC 501(C) (3)	GENERAL PURPOSE	247,450
Total			3a	247,450
b <i>Approved for future payment</i>				
Total			3b	

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments. . . .					
3	Interest on savings and temporary cash investments					
4	Dividends and interest from securities. . . .			14	145,450	
5	Net rental income or (loss) from real estate					
a	Debt-financed property.					
b	Not debt-financed property.					
6	Net rental income or (loss) from personal property					
7	Other investment income.			01	19,159	
8	Gain or (loss) from sales of assets other than inventory			18	-304,491	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory. .					
11	Other revenue a _____					
b	_____					
c	_____					
d	_____					
e	_____					
12	Subtotal Add columns (b), (d), and (e). .				-139,882	
13	Total. Add line 12, columns (b), (d), and (e).			13	-139,882	

[illegible]

Part XVII

1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		Yes	No
a	Transfers from the reporting foundation to a noncharitable exempt organization of			
	(1) Cash.	1a(1)		No
	(2) Other assets.	1a(2)		No
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
	(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
	(3) Rental of facilities, equipment, or other assets.	1b(3)		No
	(4) Reimbursement arrangements.	1b(4)		No
	(5) Loans or loan guarantees.	1b(5)		No
	(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule				
(a) Name of organization		(b) Type of organization	(c) Description of relationship	
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		2013-01-15 Date	***** Title	
Paid Preparer's Use Only	Preparer's Signature		Date	PTIN
	Firm's name		Firm's EIN	
	Firm's address		Phone no	

May the IRS discuss this return with the preparer shown above? See instructions ☒ Yes ☐ No

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No 1545-0047

2011

Name of organization THE HARMON FOUNDATION	Employer identification number 06-1180560
--	---

Organization type (check one)

Filers of:	Section:
Form 990 or 990-EZ	☐ 501(c)() (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust not treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule—

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

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33¹/₃% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** \$5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

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

Name of organization THE HARMON FOUNDATION	Employer identification number 06-1180560
---	--

Part I

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	JAMES A HARMON C/O TANTON CO 37 W 57TH STREET NEW YORK, NY 10019	\$ 195,100	Person ☒ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

[illegible]

Name of organization THE HARMON FOUNDATION	Employer identification number 06-1180560
--	---

Part III

Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year. (Complete columns (a) through (e) and the following line entry)

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc , contributions of **\$1,000 or less** for the year (Enter this information once See instructions) ➤ \$

Use duplicate copies of Part III if additional space is needed

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

TY 2011 Accounting Fees Schedule

Name: THE HARMON FOUNDATION

EIN: 06-1180560

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	4,750	1,188		3,562

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2011 Depreciation Schedule

Name: THE HARMON FOUNDATION

EIN: 06-1180560

**TY 2011 Investments Corporate
Bonds Schedule****Name:** THE HARMON FOUNDATION**EIN:** 06-1180560

Name of Bond	End of Year Book Value	End of Year Fair Market Value
CORPORATE BONDS	100,343	100,343

**TY 2011 Investments Corporate
Stock Schedule****Name:** THE HARMON FOUNDATION**EIN:** 06-1180560

Name of Stock	End of Year Book Value	End of Year Fair Market Value
VARIOUS SECURITIES	2,164,960	2,367,022

TY 2011 Investments - Other Schedule

Name: THE HARMON FOUNDATION

EIN: 06-1180560

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
INVEST IN PSAM WORLDARB			
INVEST IN CARAVEL FD		1,500,000	2,232,103

TY 2011 Land, Etc. Schedule**Name:** THE HARMON FOUNDATION**EIN:** 06-1180560

TY 2011 Other Assets Schedule

Name: THE HARMON FOUNDATION

EIN: 06-1180560

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
ACCRUED INTEREST	3,385	9,417	9,417

TY 2011 Other Decreases Schedule**Name:** THE HARMON FOUNDATION**EIN:** 06-1180560

Description	Amount
SHARES CONTRIBUTED AT FMV IN EXCESS OF	0
BASIS	181,116
PRIOR PERIOD ADJUSTMENT	1,052

TY 2011 Other Expenses Schedule**Name:** THE HARMON FOUNDATION**EIN:** 06-1180560

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT ADVISORY FEES	18,561	18,561		
FILING FEE	568			568
FROM FLOW THRU INVESTMENT	1,771			

TY 2011 Other Income Schedule

Name: THE HARMON FOUNDATION

EIN: 06-1180560

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
MISCELLANEOUS INCOME	21,357	21,357	
from flow thru investment	-2,198		

TY 2011 Taxes Schedule

Name: THE HARMON FOUNDATION

EIN: 06-1180560

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAX PAID	212	212		

Additional Data

Software ID:
Software Version:
EIN: 06-1180560
Name: THE HARMON FOUNDATION

Form 990PF - Special Condition Description:

Special Condition Description

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

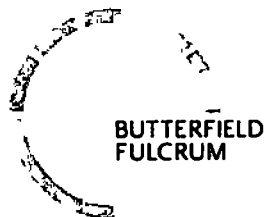
(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
2177 SH CORE-MARK HLDG CO INC	P		2011-08-30
14900 SH INTL BK RECON & DEV	P	2010-12-13	2011-09-28
7500 SH ALCOA INC	P	2007-04-26	2011-12-07
5000 SH ALCOA INC	P	2010-03-03	2011-12-14
2000 SH ENERPLUS CORP	P		2012-02-13
1000 SH CHESAPEAKE MIDSTREAM PARTNERS LP	P	2011-06-03	2012-05-08
358 SH ASBC CAP TRI TR	P	2011-06-02	2012-06-15
1400 SH GENERAL MTRS CO	P		2012-07-31
1000 SH NEW YORK CMNTY BANCORP INC COM	P		2012-08-24

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)
8			8
452,939		498,519	-45,580
73,861		270,011	-196,150
44,774		72,082	-27,308
46,795		58,355	-11,560
25,522		26,285	-763
8,950		9,116	-166
46,948		70,565	-23,617
13,153		12,508	645

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	
			8
			-45,580
			-196,150
			-27,308
			-11,560
			-763
			-166
			-23,617
			645



INVESTOR STATEMENT

AUGUST 1, 2012 THROUGH AUGUST 31, 2012

Investor Name: The Harmon Foundation
Share Class: The Caravel Fund (Offshore) Ltd. Series IV Class A
Prepared For: Janet Mulligan
Email: jmuligan@tantoncpas.com
Reporting Currency: USD

	<u>Period to Date</u>	<u>Year to Date</u>
Opening Balance	2,183,370	1,812,631
Opening Units	2,081.270	2,081.270
Funds In	0	0
Units In	0.000	0.000
Opening NAV	2,183,370	1,812,631
Profit	48,733	419,473
Management Fee	0	0
Incentive Fee	0	0
Net Profit	48,733	419,473
Funds out	0	0
Units out	0.000	0.000
Closing NAV as at 8/31/2012	2,232,103	2,232,103
Closing Unit Balance	2,081.270	2,081.270
Net Return %	2.232	23.142
Opening NAV/ Unit	1,049.056	
Closing NAV/ Unit	1,072.472	

NB 'Funds out' and 'Units out' are redemptions that become effective after the current period profit / loss allocation

'Funds In' and 'Units In' include subscriptions which relate to the 1st dealing day of the subsequent reporting period.

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 Bermuda

Tel: 902 493 7000
 Fax: 902 493 7631
 Email: investorservicesbermuda@bfgl.com
 Website: www.bfgl.com

Client Service Information

612 06-1180560

Your Investment Advisor: SH2

SHIKAR ASSET MANAGEMENT INC.
1633 BROADWAY 9TH FLOOR
NEW YORK NY 10019-6708

Contact Information

Telephone Number: (212) 888-6565
Fax Number: (212) 888-6596

Default Tax Lot Disposition Method for Mutual Funds: FIRST IN FIRST OUT

Default Tax Lot Disposition Method for Stocks in a Dividend Reinvestment Plan: FIRST IN FIRST OUT

Default Tax Lot Disposition Method for All Other Securities: FIRST IN FIRST OUT

Messages

Although a money market mutual fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in a money market mutual fund. Please see the money market mutual fund's prospectus or contact your investment professional for additional information.

Accrued Interest Summary

	Current Period		Year-to-Date	
	Yieldable	Non Yieldable	Yieldable	Non Yieldable
Accrued Interest Paid				
Corporate Bond	0.00	0.00	-6,032.44	0.00
Total Accrued Interest Paid	\$0.00	\$0.00	-\$6,032.44	\$0.00

Portfolio Holdings

Quantity	Description	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-day Yield
Cash, Money Funds, and FDIC Deposits 3.00% of Portfolio						
51,655.240	DREYFUS TREASURY PRIME INV SH	111,601.90	51,655.24	0.00	0.03	0.00%
Total Money Market		\$111,601.90	\$51,655.24	\$0.00	\$0.03	
Total Cash, Money Funds, and FDIC Deposits						
		\$111,601.90	\$51,655.24	\$0.00	\$0.03	

Pershing Advisor Solutions, a BNY Mellon company
 One Pershing Plaza, Jersey City, NJ 07399
 (877) 870-7230
 Member F.N.R.A., S.P.C.

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Investment Account Statement

CIN 06-1180560

Statement Period: 08/01/2012 - 08/31/2012

Portfolio Holdings (continued)

Quantity	Description	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
Fixed Income 59.00% of Portfolio (In Maturity Date Sequence)						
Corporate Bonds						
450,000.000	ZIONS BANCORPORATION FIXED RT SR NT 7.750% 09/23/14 B/E DTD 09/23/09 1ST CPN DTE 03/23/10 CPN PMT SEMI ANNUAL ON MAR 23 AND SEP 23 S & P Rating BBB-	109.2400	491,580.00	15,306.25	34,875.00	7.09%
	Security Identifier: 989701AX5					
100,000.000	MCMORAN EXPLORATION CO SR NT 11.875% 11/15/14 B/E DTD 11/14/07 CALLABLE 08/31/12 @ 105.938 CALLABLE 11/15/13 @ 100.000 1ST CPN DTE 05/15/08 CPN PMT SEMI ANNUAL ON MAY 15 AND NOV 15 Moody Rating CAA1 S & P Rating B-	104.8750	104,875.00	3,496.53	11,875.00	11.32%
	Security Identifier: 582411AF1					
50,000.000	PENNEY J C INC DEB 7.650% 08/15/16 REG DTD 08/19/96 1ST CPN DTE 02/15/97 CPN PMT SEMI ANNUAL ON FEB 15 AND AUG 15 Moody Rating BA3 S & P Rating B+	100.5000	50,250.00	170.00	3,825.00	7.61%
	Security Identifier: 708160B14					
50,000.000	COMMERCIAL METALS CO SR NT 6.500% 07/15/17 B/E DTD 07/17/07 CALLABLE 1ST CPN DTE 01/15/08 CPN PMT SEMI ANNUAL ON JAN 15 AND JUL 15 Moody Rating BA2 S & P Rating BB+	102.5000	51,250.00	415.28	3,250.00	6.34%
	Security Identifier: 201723AH6					
150,000.000	TEREX CORP NEW SR SUB NT 8.000% 11/15/17 B/E DTD 11/13/07 CALLABLE 11/15/12 @ 104.000 CALLABLE 11/15/15 @ 100.000 1ST CPN DTE 05/15/08 CPN PMT SEMI ANNUAL ON MAY 15 AND NOV 15 Moody Rating CAA1 S & P Rating B	104.7500	157,125.00	3,533.33	12,000.00	7.63%
	Security Identifier: 880779AU7					

Portfolio Holdings (continued)

CIN 06-1180560

Quantity	Description	Market Price	Market Value	Accrued Interest	Estimated Annual Income	Estimated Yield
Fixed Income (continued)						
Corporate Bonds (continued)						
150,000.000	ATLAS PIPELINE PARTNERS L P ATLAS PIPELINE FIN C ORP SR NT 8.750% 06/15/18 B/E DTD 06/27/08 CALLABLE 06/15/13 @ 104.375 CALLABLE 06/15/16 @ 100.000 1ST CPN DTE 06/15/09 CPN PMT SEMI ANNUAL ON JUN 15 AND DEC 15 Moody Rating B3 S & P Rating B Security Identifier 04939MAE9	107.2500	160,875.00	2,770.83	13,125.00	8.15%
100,000.000	UNITED RENTALS NORTH AMER INC GDT FIXED RT SR SUB NT 8.375% 09/15/20 B/E DTD 10/26/10 CALLABLE 09/15/15 @ 104.188 CALLABLE 09/15/18 @ 100.000 1ST CPN DTE 03/15/11 CPN PMT SEMI ANNUAL ON MAR 15 AND SEP 15 Moody Rating CAA1 S & P Rating B- Security Identifier 911365ANW4	107.0000	107,000.00	3,861.81	8,375.00	7.82%
Total Corporate Bonds: 1,050,000.000			\$1,172,955.00	\$29,554.03	\$87,375.00	

Total Fixed Income: 1,050,000.000

Quantity	Description	Market Price	Market Value	Estimated Annual Income	Estimated Yield
Equities 38.00% of Portfolio					
Common Stocks					
1,000.000	ACCESS MIDSTREAM PARTNERS LP UNIT CUSIP: 00434L109 Dividend Option: Cash Security Identifier: ACMP	30.1300	30,130.00	1,680.00	5.57%
10,000.000	ALCOA INC COM CUSIP: 013817101 Dividend Option: Cash Security Identifier: AA	8.5600	85,600.00	1,200.00	1.40%
7,500.000	KKR FINANCIAL HDGS LLC COM CUSIP: 48248A306 Dividend Option: Cash Security Identifier: KFN	9.0300	67,725.00	6,300.00	9.30%
2,000.000	LINN ENERGY LLC UNIT REPSTG LTD LIABILITY CO INTS CUSIP: 536020100 Dividend Option: Cash	39.7600	79,520.00	5,800.00	7.29%

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Investment Account Statement

Statement Period: 08/01/2012 - 08/31/2012

Portfolio Holdings (continued) EIN 06-1180560

Quantity	Description	Market Price	Market Value	Estimated Annual Income	Estimated Yield
Equities (continued)					
Common Stocks (continued)					
Security Identifier LINE					
2,500.000	NEW YORK CMNTY BANCORP INC COM	13.2600	33,150.00	2,500.00	7.54%
	CUSIP: 649445103				
	Dividend Option Cash				
Security Identifier NYB					
			\$296,125.00	\$17,480.00	
Total Common Stocks					
Preferred Stocks (Listed by expiration date)					
2,142.000	ASBC CAP TR I TR ORIGINATED SECS	25.5300	54,685.26	4,083.19	7.46%
	QUARTERLY 7 625% MAT 6/15/32				
	CALLABLE 5/30/07				
	CUSIP: 00209E207				
	Dividend Option Cash				
Security Identifier ABW PRA					
2,400.000	EXCEL TR INC CUM RED PFD STK SER B 8 125%	26.1300	62,712.00	4,875.00	7.77%
	CUSIP: 30068C307				
	Dividend Option Cash				
Security Identifier EXL PRB					
1,000.000	M&T CAP TR IV 8.5% GTD ENHANCED TR PFD	26.0600	26,060.00	2,125.00	8.15%
	SECS MAT 1/31/68 CALLABLE 1/31/13@				
	25.00				
	CUSIP: 55292C203				
	Dividend Option Cash				
Security Identifier MTB PRA					
3,500.000	PRIVATEBANCORP CAP TR IV GTD TR PFD	26.6000	93,100.00	8,750.00	9.39%
	SEC 10% MAT 6/15/68 CALLABLE 6/15/13@				
	25.00				
	CUSIP: 74272L208				
	Dividend Option Cash				
Security Identifier PVTBP					
2,500.000	ZIONS BANCORP DEPOSITARY SHS	26.3300	65,825.00	6,069.44	9.22%
	REPSTG 1/40TH PERP SER C 9 50%				
	CALLABLE				
	CUSIP: 989701503				
	Dividend Option Cash				

Portfolio Holdings (continued)

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Quantity	Description	Market Price	Market Value	Estimated Annual Income	Estimated Yield
Equities (continued)					
Preferred Stocks (continued)					
Security Identifier: ZB PRC					
Total Preferred Stocks					
			\$302,382.26	\$25,902.63	
Real Estate Investment Trusts					
12,500,000	LEXINGTON RLTY TR COM	9.3800	117,250.00	6,250.00	5.33%
	CUSIP: 529043101				
	Dividend Option: Cash				
Security Identifier: LXP					
Total Real Estate Investment Trusts					
			\$117,250.00	\$6,250.00	
Total Equities					
			\$715,757.26	\$49,632.63	

Total Portfolio Holdings

Description	Market Value	Accrued Interest	Estimated Annual Income
	\$1,890,367.50	\$29,554.03	\$136,957.66

Disclosures and Other Information

Pricing - This section includes the net market value of the securities in your account on a settlement date basis, including short positions, at the close of the statement period. The market prices have been obtained from quotation services, which we believe to be reliable; however, we cannot guarantee their accuracy. Securities for which a price is not available are marked "N/A" and are omitted from the Total.

The estimated annual income (EAI) and estimated current yield (ECY) figures are estimates and for informational purposes only. These figures are not considered to be a forecast or guarantee of future results. These figures are computed using information from providers believed to be reliable; however, no assurance can be made as to the accuracy. Since interest and dividend rates are subject to change at any time, and may be affected by current and future economic, political, and business conditions, they should not be relied on for making investment, trading, or tax decisions. These figures assume that the position quantities, interest and dividend rates, and prices remain constant. A capital gain or return of principal may be included in the figures for certain securities, thereby overstating them. Refer to www.pershing.com/business_continuity.html for specific details as to formulas used to calculate the figures. Accrued interest represents interest earned but not yet received.

The Estimated Price as of Date only appears when the price date does not equal the statement date and the price indicated is estimated since it is not reflective of a last trade price on a recognized exchange.

Reinvestment - The dollar amount of Mutual Fund distributions, Money Market Fund dividend income, Bank Deposit interest income, or dividends for other securities shown on your Statement may have been reinvested. You will not receive confirmation of these reinvestments. However, information pertaining to these transactions which would otherwise appear on confirmations, including the time of execution and the name of the person from whom your security was purchased, will be furnished to you upon written request to your introducing firm. In dividend reinvestment transactions, Pershing acts as your agent and receives payment for order flow, the source and nature of which payment will be furnished to you upon written request to your introducing firm.

Option Disclosure - Information with respect to commissions and other charges incurred in connection with the execution of option transactions has been included in confirmations previously furnished to you. A summary of this information is available to you promptly upon your written request directed to your introducing firm. In order to assist your introducing firm in maintaining current background and financial information concerning your option accounts, please promptly advise them in writing of any material change in your investment objectives or financial situation. Expiring options which are valuable are exercised automatically pursuant to the exercise by exception procedure of the Options Clearing Corporation. Additional information regarding this procedure is available upon written request to your introducing firm.

Foreign Currency Transactions - Pershing may execute foreign currency transactions as principal for your account. Pershing may automatically convert foreign currency to or from U.S. dollars for dividends and similar corporate action transactions unless you instruct your financial organization otherwise. Pershing's currency conversion rate will not exceed the highest interbank conversion rate identified from customary banking sources on the conversion date or the prior business day, increased by up to 1%, unless a particular rate is required by applicable law. Your financial organization may also increase the currency conversion rate. This conversion rate may differ from rates in effect on the date you executed a transaction, incurred a charge, or received a credit. Transactions converted by agents (such as depositories) will

CLIENT STATEMENT | For the Period August 1-31, 2012

Active Assets Account
052-119203-301
THE HARMON FOUNDATION
JAMES HARMON

Holdings EIN 66-1180560

INTERESTED PARTY COPY

This section reflects the impact of positions purchased/sold on a trade date basis, and will include positions purchased and omit positions sold in the current month. Please see the "Unsettled Purchases/Sales Activity" section for more information.

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the statement period indicated, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement. Fixed income securities are sorted by maturity or pre-refunding date, and alphabetically within date. Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate. Structured products appear in various statement product categories and are identified as "Structured Products" in the Security Description column. Estimated accrued interest, estimated annual income and estimated yield for structured products with a contingent income feature (such as Range Accrual Notes or Contingent Income Notes) assume specified accrual conditions are met during the relevant observation period and payment in full of all contingent interest. If you hold structured products, please see "Special Considerations Regarding Structured Products" in the Disclosure section.

New Treasury regulations require that we report on Form 1099-B after the close of the tax year your adjusted cost basis and classify the gain or loss as either long-term or short-term on the sale of covered securities acquired on or after January 1, 2011. These regulations also require that we make basis adjustments due to wash sales, certain corporate actions and transfers by gift or inheritance, which will be reflected on your Form 1099-B. Cost basis is reflected on monthly statements for informational purposes only and should not be used in the preparation of your income tax returns. Please refer to the Disclosures section of this statement for additional information.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Cash, Deposits and Money Market Funds are generally displayed on a settlement date basis. However, Global Currency Deposits may include both settled and unsettled positions. Estimated Annual Income, Accrued Interest and APY% will only be displayed for fully settled positions. In the event, all or a portion of a Global Currency Deposit position is unsettled as of month end, this data will not be available.

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield
CASH	\$20.26			
MS ACTIVE ASSETS MONEY TRUST	294,296.94	29.43	0.010	
	Percentage of Assets %	Market Value		Estimated Annual Income
	35.8%	\$294,317.20		Accrued Interest
				\$29.43
				\$0.00

CASH, DEPOSITS AND MONEY MARKET FUNDS

Money market funds seek to maintain a share price of \$1.00, therefore the dollar amounts listed equal the number of shares. Additional information concerning these transactions is available upon request. For more information about the pricing of Money Market Funds, please see the Disclosures section of the statement.

The money market funds reflected above include the balances in your automatic sweep feature, if any, and may include other money market funds that have been purchased in your account.

Active Assets Account
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**THE HARMON FOUNDATION
JAMES HARMON**

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COMMON STOCKS

Morgan Stanley & Co. LLC (Morgan Stanley), Citi Investment Research & Analysis (CIRA), and Standard & Poor's equity research ratings may be shown for certain securities. All research ratings represent the "opinions" of the research provider and are not representations or guarantees of performance. Because the applicable research report contains more complete information regarding the analyst's opinions, analysis, and rating, you should read the entire research report and not infer its contents from the rating. Where a particular company is covered by both Morgan Stanley and CIRA, you can and should view both research reports. CIRA's equity research ratings are (1) Buy, (2) Neutral and (3) Sell. For ease of comparison, Morgan Stanley and Standard & Poor's equity research ratings have been normalized to a 1 (Buy), 2 (Hold), and 3 (Sell). Please refer to the end of this statement for a summary guide describing Morgan Stanley, CIRA and Standard & Poor's ratings. Morgan Stanley Smith Barney LLC does not take responsibility for, and does not guarantee the accuracy, completeness, or timeliness of research prepared for Standard & Poor's.

[illegible]

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
	50.9%	\$410,556.25	\$418,489.04	\$4,471.75 LT	\$9,923.68	3.7%
STOCKS					\$0.00	

OTHER MUTUAL FUNDS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
LEGG MASON WA INST LIQUID RES A (CILXX)		109,820.500	\$0.000	\$0.00	\$109,820.50		\$216.00	0.19

Share Price: \$1,000; Dividend Cash: Capital Gains Cash



CLIENT STATEMENT | For the Period August 1-31, 2012

Active Assets Account
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THE HARMON FOUNDATION
JAMES HARMON

Holdings

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MUTUAL FUNDS	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
	13.4%	\$0.00	\$109,820.50		\$216.00	0.20%

Transactions in mutual fund positions held directly at the Fund Company are not included in the total above and are not reflected on the Summary Page.
For more information about the pricing of Money Market Funds, please see the Disclosures section of the statement.

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
TOTAL MARKET VALUE	100.0%	\$410,556.25	\$822,626.74	\$4,471.75 LT	\$10,169.11	1.24%

TOTAL VALUE (includes accrued interest)

1 - This information reflects your requested adjustments to the transaction details.

Unrealized Gain/(Loss) Totals only reflect positions that have cost basis information available. Cash, MMF, Deposits and positions stating 'Please Provide' are not included.