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 10/01 **, 2011, and ending** 09/30, **20** 12

Name of foundation FLORENCE C. GREGORY CHARITABLE TR(T)
000001598004

A Employer identification number 36-7338985

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
111 WEST MONROE STREET TAX DIV 10C

B Telephone number (see instructions) (312) 461-7271

City or town, state, and ZIP code
CHICAGO, IL 60603

C If exemption application is pending, check here ▶ ☐

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

D 1 Foreign organizations, check here ▶ ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization: [X] Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶ $ 17,772,457.

J Accounting method: [X] Cash ☐ Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis.)*

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

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

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc, received (attach schedule)				
	2	Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	551,718.	521,176.		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	630,047.			
	b	Gross sales price for all assets on line 6a 7,301,739.				
	7	Capital gain net income (from Part IV, line 2)		630,047.		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)		6,534.		
	12	**Total.** Add lines 1 through 11	1,181,765.	1,157,757.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	141,193.	127,073.		14,119.
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule)				
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule)				
	17	Interest				
	18	Taxes (attach schedule) (see instructions) STMT 1	23,398.	3,079.		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule) STMT 2	31.	16.		15.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	164,622.	130,168.		14,134.
	25	Contributions, gifts, grants paid	676,147.			676,147.
	26	**Total expenses and disbursements** Add lines 24 and 25	840,769.	130,168.		690,281.
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	340,996.			
	b	**Net investment income** (if negative, enter -0-)		1,027,589.		
	c	**Adjusted net income** (if negative, enter -0-)				

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

			Beginning of year	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			
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule)			
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans			
	13	Investments - other (attach schedule)	15,380,599.	15,719,057.	17,772,457.
	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)	15,380,599.	15,719,057.	17,772,457.
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)			
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. ▶ X			
	27	Capital stock, trust principal, or current funds	15,380,599.	15,719,057.	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see instructions)	15,380,599.	15,719,057.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	15,380,599.	15,719,057.	

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	15,380,599.
2	Enter amount from Part I, line 27a	2	340,996.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 3	3	3,226.
4	Add lines 1, 2, and 3	4	15,724,821.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 4	5	5,764.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	15,719,057.

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	PUBLICLY TRADED SECURITIES			
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	7,296,346.		6,671,692.	624,654.
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) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col (j), if any	
a				624,654.
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** 630,047.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 . . . . . **3**

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	302,123.	16,726,424.	0.018063
2009	557,732.	15,189,373.	0.036719
2008	696,400.	15,288,035.	0.045552
2007			
2006			

2	**Total** of line 1, column (d)	2	0.100334
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	0.033445
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	17,046,070.
5	Multiply line 4 by line 3	5	570,106.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	10,276.
7	Add lines 5 and 6	7	580,382.
8	Enter qualifying distributions from Part XII, line 4	8	690,281.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ [ ] and enter "N/A" on line 1. Date of ruling or determination letter ________ (attach copy of letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b	1	10,276.
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	10,276.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	NONE
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	10,276.
6	Credits/Payments		
a	2011 estimated tax payments and 2010 overpayment credited to 2011 — 6a: 4,955.		
b	Exempt foreign organizations - tax withheld at source — 6b: NONE		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: NONE		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments. Add lines 6a through 6d	7	4,955.
8	Enter any **penalty** for underpayment of estimated tax Check here [ ] if Form 2220 is attached	8	90.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	5,411.
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** ▶ Refunded ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ▶ $ ______ (2) On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ IL			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

Part VII-A Statements Regarding Activities *(continued)*

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

Website address ▶ N/A

14 The books are in care of ▶ BMO HARRIS BANK N.A. Telephone no ▶ (312)461-7271

Located at ▶ 111 WEST MONROE STREET, CHICAGO, IL ZIP + 4 ▶ 60603

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ________, ________, ________, ________			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	2b		X
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ________, ________, ________, ________			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969; **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b		X

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

		Yes	No
5a	During the year did the foundation pay or incur any amount to		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No		
	(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No		
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No		
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No		
b	If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?	**5b**	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐		
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53 4945-5(d)		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**	X
	If "Yes" to 6b, file Form 8870		
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**	

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 5		141,193.	-0-	-0-

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

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

Total number of other employees paid over $50,000 ▶ NONE

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		NONE
Total number of others receiving over $50,000 for professional services ▶		NONE

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 NONE	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See instructions	
3 NONE	
Total. Add lines 1 through 3 ▶	

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	17,199,691.
b	Average of monthly cash balances	1b	105,964.
c	Fair market value of all other assets (see instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	17,305,655.
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	NONE
3	Subtract line 2 from line 1d	3	17,305,655.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	259,585.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	17,046,070.
6	**Minimum investment return.** Enter 5% of line 5	6	852,304.

Part XI **Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6			1	852,304.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	10,276.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	10,276.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	842,028.
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	842,028.
6	Deduction from distributable amount (see instructions)			6	NONE
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	842,028.

Part XII **Qualifying Distributions** (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	690,281.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	690,281.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	10,276.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	680,005.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1 Distributable amount for 2011 from Part XI, line 7				842,028.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			676,145.	
b Total for prior years 20 09 ,20 ,20		NONE		
3 Excess distributions carryover, if any, to 2011				
a From 2006 — NONE				
b From 2007 — NONE				
c From 2008 — NONE				
d From 2009 — NONE				
e From 2010 — NONE				
f **Total** of lines 3a through e	NONE			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 690,281.				
a Applied to 2010, but not more than line 2a			676,145.	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2011 distributable amount				14,136.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2011 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	NONE			NONE
6 **Enter the net total of each column as indicated below:**				
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5	NONE			
b Prior years' undistributed income Subtract line 4b from line 2b		NONE		
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		NONE		
d Subtract line 6c from line 6b Taxable amount - see instructions		NONE		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				827,892.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	NONE			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	NONE			
9 **Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9				
a Excess from 2007 — NONE				
b Excess from 2008 — NONE				
c Excess from 2009 — NONE				
d Excess from 2010 — NONE				
e Excess from 2011 — NONE				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

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

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

	Tax year	Prior 3 years			(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 foundation had $5,000 or more in assets at any time during the year - see instructions.)

1 **Information Regarding Foundation Managers:**

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

N/A

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

N/A

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

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

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

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 *Paid during the year*				
SEE STATEMENT 8				
Total . . . . ▶ **3a**				676,147.
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See 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	551,718.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	630,047.	
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)				1,181,765.	

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 1,181,765.

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
	NOT APPLICABLE

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

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

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

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

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer or trustee — Date: 01/04/2013 — Title: VP & Tax Mgr

May the IRS discuss this return with the preparer shown below (see instructions)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
WESLEY HIRSCHBERG	Wesley Hirschberg	01/04/2013		P00162244
Firm's name ▶ THOMSON REUTERS (TAX & ACCOUNTING)			Firm's EIN ▶ 75-1297386	
Firm's address ▶ ONE NORTH DEARBORN ST., 5TH FL. CHICAGO, IL 60602			Phone no 312-873-6900	

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FOREIGN TAXES	939.	939.
FEDERAL TAX PAYMENT - PRIOR YE	15,364.	
FEDERAL ESTIMATES - PRINCIPAL	4,955.	
FOREIGN TAXES ON QUALIFIED FOR	1,645.	1,645.
FOREIGN TAXES ON NONQUALIFIED	495.	495.
TOTALS	23,398.	3,079.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
OTHER NON-ALLOCABLE EXPENSE -	15.		15.
OTHER NON-ALLOCABLE EXPENSE -	16.	16.	
TOTALS	31.	16.	15.

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION		AMOUNT
OID BASIS ADJUSTMENT		3,226.
	TOTAL	3,226.

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION		AMOUNT
ACCRUED INTEREST		5,764.
	TOTAL	5,764.

FLORENCE C. GREGORY CHARITABLE TR(T) 36-7338985

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

OFFICER NAME:
BMO HARRIS BANK N.A.
ADDRESS:
111 WEST MONROE
CHICAGO, IL 60603
TITLE:
TRUSTEE
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 2
COMPENSATION .... 141,193.

TOTAL COMPENSATION: 141,193.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
SAINT ANTHONY MEDICAL CENTER
ADDRESS:
5666 E. STATE STREET
ROCKFORD, IL 61108
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
PROGRAM SUPPORT
FOUNDATION STATUS OF RECIPIENT:
PUBLIC CHARITY
AMOUNT OF GRANT PAID .... 101,422.

RECIPIENT NAME:
CLAY COUNTY HOSPITAL
ADDRESS:
P.O. BOX 280
FLORA, IL 62839
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
PROGRAM SUPPORT
FOUNDATION STATUS OF RECIPIENT:
PUBLIC CHARITY
AMOUNT OF GRANT PAID .... 101,422.

RECIPIENT NAME:
EAA AVIATION FOUNDATION
ADDRESS:
P.O. BOX 3065
OSHKOSH, WI 54903
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
PROGRAM SUPPORT
FOUNDATION STATUS OF RECIPIENT:
PUBLIC CHARITY
AMOUNT OF GRANT PAID .... 101,422.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

RECIPIENT NAME:
SWEDISH AMERICAN HOSPITAL
ADDRESS:
1400 CHARLES STREET
ROCKFORD, IL 61104
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
PROGRAM SUPPORT
FOUNDATION STATUS OF RECIPIENT:
PUBLIC CHARITY
AMOUNT OF GRANT PAID .... 101,422.

RECIPIENT NAME:
ROCKFORD MEMORIAL HOSPITAL
ADDRESS:
2400 N. ROCKTON AVENUE
ROCKFORD, IL 61103
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
PROGRAM SUPPORT
FOUNDATION STATUS OF RECIPIENT:
PUBLIC CHARITY
AMOUNT OF GRANT PAID .... 101,422.

RECIPIENT NAME:
SALVATION ARMY ROCKFORD
ADDRESS:
P.O. BOX 4159
ROCKFORD, IL 61110
AMOUNT OF GRANT PAID .... 101,422.

RECIPIENT NAME:
YMCA
ATTN: BOARD OF DIRECTORS
ADDRESS:
200 Y BLVD.
ROCKFORD, IL 61107
RELATIONSHIP:
NONE
PURPOSE OF GRANT:
PROGRAM SUPPORT
FOUNDATION STATUS OF RECIPIENT:
PUBLIC CHARITY
AMOUNT OF GRANT PAID .... 67,615.

FORM 990PF, PART XV, LINE 3 - CONTRIBUTIONS, GIFTS, GRANTS PAID

TOTAL GRANTS PAID:	676,147.

· *Details of assets in your account*

DESCRIPTION OF ASSET	QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
CASH & SHORT-TERM							
INVESCO STIT-GOVERN TAXADVANT	32,103 370	1 0000	32,103 37	32,103 37	0 00	6 44	0 02%
INVESCO STIT-GOVERN TAXADVANT (INCOME INVESTMENT)	73,860 470	1 0000	73,860 47	73,860 47	0 00	14 83	0 02%
TOTAL CASH & SHORT-TERM			**$105,963.84**	**$105,963 84**	**$0.00**	**$21.27**	**.02%**
FIXED INCOME/LOW VOLATILITY							
U.S government bonds							
FEDERAL FARM CREDIT BANK DTD 11/07/2006 5 000% 11/07/2016 NON CALLABLE MOODYS AAA S&P AA+	100,000 000	117 0750	117,075 00	115,369 00	1,706 00	5,000 00	4 27%
FEDERAL FARM CREDIT BANK DTD 12/12/2007 4 625% 12/15/2017 NON CALLABLE MOODYS AAA S&P AA+	100,000 000	119 2150	119,215 00	110,200 00	9,015 00	4,625 00	3 88%
FEDERAL FARM CREDIT BANK DTD 12/29/2000 6 125% 12/29/2015 NON CALLABLE MOODYS AAA S&P AA+	100,000 000	118 1860	118,186 00	121,019 00	-2,833 00	6,125 00	5 18%
FEDERAL HOME LOAN BANK DTD 11/26/2008 4 000% 12/13/2013 NON CALLABLE MOODYS AAA S&P AA+	100,000 000	104 5190	104,519 00	108,000 00	-3,481 00	4,000 00	3 83%
FEDERAL HOME LOAN BANK DTD 11/13/2009 4 125% 12/13/2019 NON CALLABLE MOODYS AAA S&P AA+	100,000 000	119 0720	119,072 00	114,350 00	4,722 00	4,125 00	3 46%

SA

• *Details of assets in your account (continued)*

DESCRIPTION OF ASSET	QUANTITY X	CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
FEDERAL HOME LOAN MORTGAGE CORP DTD 03/27/2009 3 750% 03/27/2019 NON CALLABLE MOODYS AAA S&P AA+	165,000 000	116 5350	192,282 75	164,224 89	28,057 86	6,187 50	3 22%
FEDERAL HOME LOAN MORTGAGE CORP DTD 06/29/2010 1 100% 12/27/2012 NON CALLABLE MOODYS AAA S&P AA+	200,000 000	100 2240	200,448 00	201,632 00	-1,184 00	2,200 00	1 10%
FEDERAL HOME LOAN MORTGAGE CORP DTD 12/09/2009 2 520% 12/09/2014 NON CALLABLE MOODYS AAA S&P AA+	150,000 000	104 6750	157,012 50	157,111 50	-99 00	3,780 00	2 41%
FEDERAL HOME LOAN MORTGAGE CORP DTD 07/26/2011 1 000% 08/20/2014 NON CALLABLE MOODYS AAA S&P AA+	100,000 000	101 2260	101,226 00	100,839 00	387 00	1,000 00	0 99%
FEDERAL NATIONAL MORTGAGE ASSN DTD 09/27/2010 1 625% 10/26/2015 NON CALLABLE MOODYS AAA S&P AA+	100,000 000	103 6560	103,656 00	102,570 40	1,085 60	1,625 00	1 57%
UNITED STATES TREASURY TIPS TREASURY INFLATION INDEX DTD 01/17/2006 2 000% 01/15/2016 NON CALLABLE MOODYS AAA S&P N/A	230,874 000	112 0940	258,795 90	255,661 99	3,133 91	4,617 48	1 78%
Total U S. government bonds			**$1,591,488.15**	**$1,550,977.78**	**$40,510.37**	**$43,284.98**	**2.72%**

Corporate and other taxable

Corporate

SK

· Details of assets in your account (continued)

DESCRIPTION OF ASSET	QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
AMGEN INC DTD 11/18/2004 4 850% 11/18/2014 NON CALLABLE MOODYS BAA1 S&P A+	100,000 000	108 5820	108,582 00	110,000 00	-1,418 00	4,850 00	4 47%
AT&T INC DTD 05/13/2008 5 600% 05/15/2018 NON CALLABLE MOODYS A2 S&P A-	55,000 000	122 5360	67,394 80	54,953 80	12,441 00	3,080 00	4 57%
BANK OF AMERICA CORP DTD 08/23/2007 6 000% 09/01/2017 NON CALLABLE MOODYS BAA2 S&P A-	100,000 000	115 6680	115,668 00	108,459 00	7,209 00	6,000 00	5 19%
BANK OF AMERICA CORPORATION DTD 11/07/2002 5 125% 11/15/2014 MOODYS BAA2 S&P A-	50,000 000	107 5010	53,750 50	50,962 05	2,788 45	2,562 50	4 77%
CISCO SYSTEMS INC DTD 02/22/2006 5 500% 02/22/2016 CALLABLE MOODYS A1 S&P A+	50,000 000	116 1360	58,068 00	48,471 00	9,597 00	2,750 00	4 74%
CITIGROUP INC DTD 05/12/2008 6 125% 05/15/2018 NON CALLABLE MOODYS BAA2 S&P A-	31,000 000	118 3820	36,698 42	34,031 80	2,666 62	1,898 75	5 17%
COMCAST CORP DTD 03/01/2010 5 150% 03/01/2020 NON CALLABLE MOODYS BAA1 S&P BBB+	150,000 000	118 9630	178,444 50	157,785 00	20,659 50	7,725 00	4 33%

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• *Details of assets in your account (continued)*

DESCRIPTION OF ASSET	QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
CONOCOPHILLIPS DTD 02/03/2009 4 750% 02/01/2014 NON CALLABLE MOODYS A1 S&P A	14,000 000	105 6300	14,788 20	14,260 40	527 80	665 00	4 50%
CREDIT SUISSE FB USA INC DTD 01/09/2004 5 125% 01/15/2014 NON-CALLABLE MOODYS A1 S&P A+	50,000 000	105 1130	52,556 50	50,799 45	1,757 05	2,562 50	4 88%
EATON CORP DTD 05/20/2008 5 600% 05/15/2018 NON CALLABLE MOODYS A3 S&P A-	55,000 000	118 9630	65,429 65	53,927 50	11,502 15	3,080 00	4 71%
EXELON GENERATION CO LLC DTD 09/23/2009 5 200% 10/01/2019 NON CALLABLE MOODYS BAA1 S&P BBB	100,000 000	113 5380	113,538 00	103,580 00	9,958 00	5,200 00	4 58%
GOLDMAN SACHS GROUP INC DTD 01/18/2008 5 950% 01/18/2018 NON CALLABLE MOODYS A3 S&P A-	50,000 000	116 1250	58,062 50	50,613 50	7,449 00	2,975 00	5 12%
JPMORGAN CHASE & CO DTD 02/25/2005 4 750% 03/01/2015 NON CALLABLE MOODYS A2 S&P A	50,000 000	108 7400	54,370 00	48,132 00	6,238 00	2,375 00	4 37%
KROGER CO DTD 01/16/2008 6 150% 01/15/2020 NON CALLABLE MOODYS BAA2 S&P BBB	100,000 000	122 3940	122,394 00	114,926 00	7,468 00	6,150 00	5 02%

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Details of assets in your account (continued)

DESCRIPTION OF ASSET	QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
MERRILL LYNCH & CO DTD 08/28/2007 6 400% 08/28/2017 NON CALLABLE MOODYS BAA2 S&P A-	250,000 000	116 3360	290,840 00	276,902 50	13,937 50	16,000 00	5 50%
MORGAN STANLEY DTD 02/26/2003 5 300% 03/01/2013 MOODYS BAA1 S&P A-	30,000 000	101 7600	30,528 00	30,640 20	-112 20	1,590 00	5 21%
ORACLE CORP DTD 04/09/2008 4 950% 04/15/2013 NON CALLABLE MOODYS A1 S&P A+	55,000 000	102 4750	56,361 25	56,118 15	243 10	2,722 50	4 83%
PHILIP MORRIS INTL INC DTD 03/26/2010 4 500% 03/26/2020 NON CALLABLE MOODYS A2 S&P A	100,000 000	117 3880	117,388 00	103,886 00	13,502 00	4,500 00	3 83%
RYDER SYSTEM INC MEDIUM TERM NOTE DTD 11/01/2006 5 850% 11/01/2016 NON CALLABLE MOODYS BAA1 S&P BBB	150,000 000	114 5290	171,793 50	166,875 00	4,918 50	8,775 00	5 11%
TARGET CORP DTD 07/16/2010 3 875% 07/15/2020 NON CALLABLE MOODYS A2 S&P A+	100,000 000	114 0150	114,015 00	99,542 00	14,473 00	3,875 00	3 40%
TIME WARNER INC DTD 10/17/2011 4 000% 01/15/2022 NON CALLABLE MOODYS BAA2 S&P BBB	150,000 000	110 2890	165,433 50	165,054 00	379 50	6,000 00	3 63%

SK

· *Details of assets in your account (continued)*

DESCRIPTION OF ASSET		QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
VERIZON GLOBAL FDG CORP DTD 09/13/2005 4 900% 09/15/2015 NON CALLABLE MOODYS A3 S&P A-		50,000 000	112 5290	56,264 50	48,301 00	7,963 50	2,450 00	4 35%
WALT DISNEY COMPANY MEDIUM TERM NOTE DTD 12/22/2008 4 500% 12/15/2013 NON CALLABLE MOODYS A2 S&P A		55,000 000	104 9520	57,723 60	56,505 90	1,217 70	2,475 00	4 29%
WELLS FARGO COMPANY DTD 12/10/2007 5 625% 12/11/2017 NON CALLABLE MOODYS A2 S&P A+		55,000 000	120 0620	66,034 10	52,432 05	13,602 05	3,093 75	4 68%
International								
ROYAL BK OF SCOTLAND PLC DTD 01/11/2011 6 125% 01/11/2021 NON CALLABLE MOODYS A3 S&P A		100,000 000	119 4440	119,444 00	102,511 00	16,933 00	6,125 00	5 13%
TEMPLETON GLOBAL BOND FUND	TGBAX	25,056 117	13 3500	334,499 16	328,235 13	6,264 03	15,584 90	4 66%
TEVA PHARMA FIN II/III DTD 06/18/2010 3 000% 06/15/2015 NON CALLABLE MOODYS A3 S&P A-		150,000 000	106 2850	159,427 50	152,397 00	7,030 50	4,500 00	2 82%
TOTAL CAPITAL SA DTD 01/28/2011 4 125% 01/28/2021 NON CALLABLE MOODYS AA1 S&P AA-		100,000 000	113 9600	113,960 00	100,450 00	13,510 00	4,125 00	3 62%
Taxable funds								

SK

Details of assets in your account (continued)

DESCRIPTION OF ASSET		QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
FRANKLIN FLOATING RATE DAILY ACCESS FUND	FDAAX	40,729 780	9 1000	370,641 00	367,382 62	3,258 38	17,473 08	4 71%
ISHARES BARCLAYS TIPS BOND FUND	TIP	3,021 000	121 7600	367,836 96	335,244 83	32,592 13	8,099 30	2 20%
ISHARES BARCLAYS 1-3 YEAR CREDIT BOND FUND	CSJ	6,980 000	105 7600	738,204 80	730,087 85	8,116 95	12,005 60	1 63%
Other								
CASA GRANDE ARIZONA GENERAL OBLIGATION DTD 08/20/2009 4 050% 04/01/2013 NON CALLABLE MOODYS N/R S&P AA		100,000 000	101 3120	101,312 00	104,477 00	-3,165 00	4,050 00	4 00%
CLARK CNTY NEVADA REVENUE BOND DTD 12/08/2010 5 000% 07/01/2019 NON CALLABLE MOODYS AA1 S&P AA+		175,000 000	116 8750	204,531 25	193,978 75	10,552 50	8,750 00	4 28%
CMWLTH FING AUTH PENNSYLVANIA POWER REVENUE DTD 05/14/2009 4 684% 06/01/2014 NON CALLABLE MOODYS A1 S&P AA-		55,000 000	104 0090	57,204 95	59,793 25	-2,588 30	2,576 20	4 50%
FLORIDA STATE BRD OF EDU PUBLIC GENERAL OBLIGATION DTD 04/01/2010 4 900% 06/01/2021 CALLABLE MOODYS AA1 S&P AAA		100,000 000	116 2020	116,202 00	118,048 00	-1,846 00	4,900 00	4 22%

SK

• *Details of assets in your account (continued)*

DESCRIPTION OF ASSET		QUANTITY X	CURRENT UNIT VALUE	CURRENT TOTAL = MARKET VALUE	FEDERAL TAX - COST	UNREALIZED = GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
KENTUCKY ASSET / LIABILITY COMMN FACILITIES REVENUE DTD 03/03/2011 3 928% 04/01/2016 NON CALLABLE MOODYS AA3 S&P A+		150,000 000	107 4860	161,229 00	158,413 50	2,815 50	5,892 00	3 65%
KENTUCKY STATE FACILITIES REVENUE DTD 07/07/2011 1 270% 08/01/2013 NON CALLABLE MOODYS AA3 S&P A+		125,000 000	100 1740	125,217 50	125,172 50	45 00	1,587 50	1 27%
MET GOVT NASHVILLE TENNESSEE REVENUE BOND DTD 04/21/2010 5 817% 07/01/2021 NON CALLABLE MOODYS AA2 S&P A		100,000 000	119 2560	119,256 00	112,060 00	7,196 00	5,817 00	4 88%
OAKRIDGE MICHIGAN PUBLIC SCHS EDUCATION REVENUE DTD 01/27/2011 5 200% 05/01/2018 NON CALLABLE Q-SBLF MOODYS N/R S&P AA-		150,000 000	108 7930	163,189 50	174,885 00	-11,695 50	7,800 00	4 78%
Total Corporate and other taxable				**$5,478,282.14**	**$5,220,294.73**	**$257,987.41**	**$212,640.58**	3 88%
Alternatives-Low Volatility								
Opportunistic low volatility								
SPDR BARCLAYS CAPITAL HIGH YIELD BOND FUND	JNK	9,212 000	40 2100	370,414 52	366,727 08	3,687 44	25,812 02	6 97%
Total Alternatives-Low Volatility				**$370,414.52**	**$366,727.08**	**$3,687.44**	**$25,812.02**	**6.97%**
TOTAL FIXED INCOME/LOW VOLATILITY				**$7,440,184.81**	**$7,137,999.59**	**$302,185.22**	**$281,737.58**	**3.79%**

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· Details of assets in your account (continued)

DESCRIPTION OF ASSET		QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
EQUITY/HIGH VOLATILITY								
U.S. equity								
AES CORP Utilities	AES	13,312 000	10 9700	146,032 64	179,191 06	-33,158 42	2,129 92	1 46%
AFLAC INC Financials	AFL	1,495 000	47 8800	71,580 60	62,087 05	9,493 55	1,973 40	2 76%
ALLIANCE DATA SYSTEMS CORP Information technology	ADS	510 000	141 9500	72,394 50	69,358 11	3,036 39	0 00	0 00%
AMERIPRISE FINANCIAL INC Financials	AMP	2,390 000	56 6900	135,489 10	134,735 44	753 66	3,346 00	2 47%
AMGEN INC Health care	AMGN	2,247 000	84 2900	189,399 63	133,013 19	56,386 44	3,235 68	1 71%
APPLE INC Information technology	AAPL	487 000	667 1050	324,880 14	33,144 16	291,735 98	0 00	0 00%
ASTRAZENECA PLC AMERICAN DEPOSITORY RECEIPT Health care	AZN	2,687 000	47 8600	128,599 82	136,635 32	-8,035 50	7,657 95	5 95%
AUTOZONE INC Consumer discretionary	AZO	218 000	369 6700	80,588 06	45,197 94	35,390 12	0 00	0 00%
CBS CORPORATION CLASS B W/I Consumer discretionary	CBS	3,670 000	36 3300	133,331 10	85,886 14	47,444 96	1,761 60	1 32%
CF INDUSTRIES HOLDINGS INC Materials	CF	705 000	222 2400	156,679 20	125,366 61	31,312 59	1,128 00	0 72%
CHEVRON CORPORATION Energy	CVX	1,659 000	116 5600	193,373 04	176,286 89	17,086 15	5,972 40	3 09%

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· *Details of assets in your account (continued)*

DESCRIPTION OF ASSET		QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
COCA COLA ENTERPRISES INC Consumer staples	CCE	2,528 000	31 2700	79,050 56	55,818 24	23,232 32	1,617 92	2 05%
COMCAST CORP-CL A CL A COMMON STOCK Consumer discretionary	CMCSA	3,790 000	35 7450	135,473 55	90,853 72	44,619 83	2,463 50	1 82%
COMMUNITY HEALTH SYS INC NEW Health care	CYH	1,777 000	29 1400	51,781 78	51,357 79	423 99	0 00	0 00%
CUMMINS INC Industrials	CMI	1,124 000	92 2100	103,644 04	126,776 44	-23,132 40	2,248 00	2 17%
CVS CAREMARK CORP Consumer staples	CVS	1,034 000	48 4200	50,066 28	47,596 57	2,469 71	672 10	1 34%
DISCOVER FINL SVCS Financials	DFS	4,358 000	39 7300	173,143 34	136,661 61	36,481 73	1,743 20	1 01%
EASTMAN CHEMICAL CO Materials	EMN	1,245 000	57 0100	70,977 45	67,615 45	3,362 00	1,294 80	1 82%
ENERGIZER HLDGS INC Consumer staples	ENR	645 000	74 6100	48,123 45	50,727 64	-2,604 19	1,032 00	2 14%
EXXON MOBIL CORPORATION Energy	XOM	3,601 000	91 4500	329,311 45	278,246 72	51,064 73	8,210 28	2 49%
GENERAL ELECTRIC CORP Industrials	GE	0 000	22 7100	0 00	0 00	0 00	0 00	0 00%
GILEAD SCIENCES INC Health care	GILD	2,145 000	66 3300	142,277 85	86,232 65	56,045 20	0 00	0 00%
GOOGLE INC-CL A COMMON STOCK CL A Information technology	GOOG	52 000	754 5000	39,234 00	26,952 82	12,281 18	0 00	0 00%

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• Details of assets in your account (continued)

DESCRIPTION OF ASSET		QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
HARMAN INTERNATIONAL INDS INC NEW COMMON STOCK Consumer discretionary	HAR	1,084 000	46 1600	50,037 44	52,595 35	-2,557 91	650 40	1 30%
HARRIS CORP DEL Information technology	HRS	1,031 000	51 2200	52,807 82	52,405 63	402 19	1,525 88	2 89%
INGREDION INC Consumer staples	INGR	2,301 000	55 1600	126,923 16	102,961 33	23,961 83	2,393 04	1 88%
INTEL CORP Information technology	INTC	7,077 000	22 6550	160,329 44	185,947 21	-25,617 77	6,369 30	3 97%
INTERNATIONAL BUSINESS MACHINES CORP CAPITAL STOCK Information technology	IBM	962 000	207 4500	199,566 90	121,521 38	78,045 52	3,270 80	1 64%
KLA-TENCOR CORP Information technology	KLAC	1,329 000	47 7050	63,399 95	64,615 58	-1,215 63	2,126 40	3 35%
KROGER CO Consumer staples	KR	5,015 000	23 5400	118,053 10	121,667 16	-3,614 06	3,009 00	2 55%
LENNOX INTERNATIONAL INC Industrials	LII	1,649 000	48 3600	79,745 64	80,059 94	-314 30	1,319 20	1 65%
LILLY ELI & CO Health care	LLY	3,600 000	47 4100	170,676 00	138,781 74	31,894 26	7,056 00	4 13%
LOCKHEED MARTIN CORP Industrials	LMT	1,050 000	93 3800	98,049 00	94,986 15	3,062 85	4,830 00	4 93%
MACY'S INC Consumer discretionary	M	4,584 000	37 6200	172,450 08	107,212 67	65,237 41	3,667 20	2 13%
MARATHON PETROLEUM CORPROATION Energy	MPC	1,404 000	54 5900	76,644 36	58,027 18	18,617 18	1,965 60	2 56%

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· Details of assets in your account (continued)

DESCRIPTION OF ASSET		QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
MCKESSON CORP Health care	MCK	2,082 000	86 0300	179,114 46	102,447 13	76,667 33	1,665 60	0 93%
MICROSOFT CORP Information technology	MSFT	4,795 000	29 7600	142,699 20	130,411 30	12,287 90	4,411 40	3 09%
NORTHROP GRUMMAN CORPORATION Industrials	NOC	1,688 000	66 4300	112,133 84	98,977 05	13,156 79	3,713 60	3 31%
NV ENERGY INC Utilities	NVE	7,142 000	18 0100	128,627 42	130,521 48	-1,894 06	4,856 56	3 78%
ORACLE CORPORATION Information technology	ORCL	7,118 000	31 4600	223,932 28	130,210 82	93,721 46	1,708 32	0 76%
PETSMART INC Consumer discretionary	PETM	1,571 000	68 9800	108,367 58	49,973 04	58,394 54	1,036 86	0 96%
PFIZER INC Health care	PFE	2,539 000	24 8500	63,094 15	46,895 08	16,199 07	2,234 32	3 54%
PPG INDUSTRIES INC Materials	PPG	1,084 000	114 8400	124,486 56	110,810 83	13,675 73	2,558 24	2 05%
RAYTHEON COMPANY COMMON STOCK NEW Industrials	RTN	1,715 000	57 1600	98,029 40	83,627 86	14,401 54	3,430 00	3 50%
TESORO CORP Energy	TSO	2,435 000	41 9000	102,026 50	56,192 01	45,834 49	1,168 80	1 15%
TIME WARNER CABLE INC Consumer discretionary	TWC	1,380 000	95 0600	131,182 80	105,311 25	25,871 55	3,091 20	2 36%
TJX COS INC Consumer discretionary	TJX	3,142 000	44 7900	140,730 18	68,955 18	71,775 00	1,445 32	1 03%

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· Details of assets in your account (continued)

DESCRIPTION OF ASSET		QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
TORO CO Industrials	TTC	3,158 000	39 7800	125,625 24	120,706 16	4,919 08	1,389 52	1 11%
TRAVELERS COMPANIES INC Financials	TRV	2,432 000	68 2600	166,008 32	117,537 74	48,470 58	4,474 88	2 70%
UNITEDHEALTH GROUP INC Health care	UNH	2,307 000	55 4100	127,830 87	124,358 53	3,472 34	1,960 95	1 53%
US BANCORP NEW Financials	USB	5,709 000	34 3000	195,818 70	146,510 82	49,307 88	4,453 02	2 27%
VALERO ENERGY CORP Energy	VLO	2,550 000	31 6800	80,784 00	57,348 48	23,435 52	1,785 00	2 21%
VERIZON COMMUNICATIONS Telecommunication services	VZ	717 000	45 5700	32,673 69	25,718 72	6,954 97	1,477 02	4 52%
WAL MART STORES INC Consumer staples	WMT	3,194 000	73 8000	235,717 20	170,185 11	65,532 09	5,078 46	2 15%
WELLS FARGO & CO Financials	WFC	4,954 000	34 5300	171,061 62	136,270 40	34,791 22	4,359 52	2 55%
Total U.S. equity				**$6,914,058.48**	**$5,393,491.87**	**$1,520,566 61**	**$140,968.16**	**2 04%**
U.S equity funds								
ISHARES S&P MIDCAP 400 GROWTH INDEX Mid cap growth	IJK	2,705 000	111 9600	302,851 80	217,898 03	84,953 77	2,307 37	0 76%
ISHARES S&P MIDCAP 400/BARRA VALUE INDEX FUND Mid cap value	IJJ	2,935 000	85 0100	249,504 35	195,721 65	53,782 70	4,308 58	1 73%
ISHARES S&P 500 GROWTH Large cap growth	IVW	10,185 000	77 8500	792,902 25	760,952 92	31,949 33	12,853 47	1 62%

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• Details of assets in your account (continued)

DESCRIPTION OF ASSET		QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
ISHARES TR RUSSEL 2000 VALUE INDEX Small cap value	IWN	2,751 000	73 9400	203,408 94	160,013 57	43,395 37	4,250 30	2 09%
TWC SMALL CAP GROWTH FUND Small cap growth	TGSCX	7,355 000	29 1100	214,104 05	186,964 10	27,139 95	0 00	0 00%
VANGUARD VALUE ETF Large cap value	VTV	8,395 000	58 7200	492,954 40	474,502 19	18,452 21	12,810 77	2 60%
Total U.S. equity funds				**$2,255,725.79**	**$1,996,052.46**	**$259,673.33**	**$36,530.49**	**1.62%**
International								
ALLIED WORLD ASSURANCE CO HOLDINGS Financials	AWH	636 000	77 2500	49,131 00	48,317 75	813 25	954 00	1 94%
ENERGY XXI BERMUDA Energy	EXXI	2,821 000	34 9600	98,622 16	103,832 26	-5,210 10	789 88	0 80%
ISHARES MSCI EAFE VALUE INDEX FUND Developed large cap	EFV	2 000	45 4100	90 82	89 03	1 79	3 93	4 33%
ISHARES TR MSCI EAFE GROWTH INDEX Developed large cap	EFG	1 000	56 4800	56 48	51 34	5 14	1 38	2 44%
SPDR S&P INTERNATIONAL SMALL CAP ETF Developed small cap	GWX	6,500 000	27 3300	177,645 00	166,149 10	11,495 90	6,207 50	3 49%
VANGUARD MSCI EMERGING MARKETS ETF Emerging	VWO	8,313 000	41 7200	346,818 36	338,963 41	7,854 95	11,895 90	3 43%
Total International				**$672,363.82**	**$657,402.89**	**$14,960.93**	**$19,852.59**	**2.95%**
Alternatives-High Volatility								
Hedge funds								
GATEWAY FUND Total return hedge funds	GTEYX	4,365 000	27 5100	120,081 15	118,815 30	1,265 85	2,134 49	1 78%

· *Details of assets in your account (continued)*

DESCRIPTION OF ASSET		QUANTITY	X CURRENT UNIT VALUE	= CURRENT TOTAL MARKET VALUE	- FEDERAL TAX COST	= UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	YIELD
Total Alternatives-High Volatility				**$120,081.15**	**$118,815.30**	**$1,265.85**	**$2,134.49**	**1.78%**
REITS								
ING REAL ESTATE FUND REAL ESTATE FD CL I Domestic reits	CRARX	1 827	17 2700	31 55	30 20	1 35	0 59	1 87%
VANGUARD REIT INDEX FUND Domestic reits	VGRSX	4,715 000	24 5800	115,894 70	118,818 00	-2,923 30	3,899 31	3 36%
Total REITS				**$115,926.25**	**$118,848.20**	**-$2,921.95**	**$3,899.90**	**3.36%**
Commodities								
PIMCO COMMODITY REALRETURN STRATEGY FUND Commodities	PCRIX	20,749 739	7 1400	148,153 14	190,482 60	-42,329 46	20,645 99	13 94%
Total Commodities				**$148,153.14**	**$190,482.60**	**-$42,329.46**	**$20,645.99**	**13.94%**
TOTAL EQUITY/HIGH VOLATILITY				**$10,226,308.63**	**$8,475,093.32**	**$1,751,215 31**	**$224,031.62**	**2.19%**
TOTAL ASSETS IN YOUR ACCOUNT				**$17,772,457.28**	**$15,719,056.75**	**$2,053,400.53**	**$505,790.47**	**2.85%**

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