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

**2011**

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

For calendar year 2011 or tax year beginning **12/01, 2011, and ending 11/30, 2012**

Name of foundation **THE ROYALTY TRUST**  
**JANET MERRITT, ANDREA CHAMBERS, GREG MERRITT**

Number and street (or P O box number if mail is not delivered to street address) **CO TRUSTEES**  
**95 CENTENNIAL DRIVE**

Room/suite

City or town, state, and ZIP code **MEDFORD, NJ 08055**

**A Employer identification number**  
**20-6770692**

**B Telephone number (see instructions)**  
 ( ) -

**C** If exemption application is pending, check here

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

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

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

**G** Check all that apply

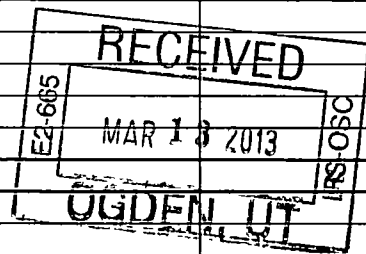
<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change

**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) **\$ 869,148.**

**J** Accounting method  Cash  Accrual  
 Other (specify) \_\_\_\_\_  
 (Part I, column (d) must be on cash basis)

<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Revenue</b>	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments		3.	3.	ATCH 1
	4 Dividends and interest from securities	21,515.	21,515.		ATCH 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	16,599.			
	b Gross sales price for all assets on line 6a	269,771.			
	7 Capital gain net income (from Part IV, line 2)		16,599.		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 <b>Total. Add lines 1 through 11</b>	38,117.	38,117.			
<b>Operating and Administrative Expenses</b>	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) <b>ATCH 3</b>				
	b Accounting fees (attach schedule) <b>ATCH 4</b>	2,850.			
	c Other professional fees (attach schedule) *	8,398.	8,123.		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)				
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) <b>ATCH 6</b>	60.			
	24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23	11,308.	8,123.		
	25 Contributions, gifts, grants paid	50,000.			50,000.
26 <b>Total expenses and disbursements</b> Add lines 24 and 25	61,308.	8,123.	0	50,000.	
27 Subtract line 26 from line 12.					
a Excess of revenue over expenses and disbursements	-23,191.				
b <b>Net investment income</b> (if negative, enter -0-)		29,994.			
c <b>Adjusted net income</b> (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	93,127.	5,257.	5,257.	
	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)	509,474.	517,637.	677,099.	
	c	Investments - corporate bonds (attach schedule)	115,036.	171,552.	186,792.	
	11	Investments - land, buildings, and equipment basis				
	Less accumulated depreciation (attach schedule)					
12	Investments - mortgage loans					
13	Investments - other (attach schedule)					
14	Land, buildings, and equipment basis					
	Less accumulated depreciation (attach schedule)					
15	Other assets (describe )					
16	<b>Total assets</b> (to be completed by all filers - see the instructions Also, see page 1, item I)	717,637.	694,446.	869,148.		
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	<b>Total liabilities</b> (add lines 17 through 22)			0		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds	999,998.	999,998.		
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
29	Retained earnings, accumulated income, endowment, or other funds	-282,361.	-305,552.			
30	<b>Total net assets or fund balances</b> (see instructions)	717,637.	694,446.			
31	<b>Total liabilities and net assets/fund balances</b> (see instructions)	717,637.	694,446.			

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	717,637.
2	Enter amount from Part I, line 27a	2	-23,191.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	694,446.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	694,446.

**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 PART IV SCHEDULE					
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					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any			
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss) <span style="float:right">{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }</span>			2	16,599.	
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	0	

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	43,884.	948,950.	0.046245
2009	40,000.	902,547.	0.044319
2008	29,500.	787,573.	0.037457
2007	65,865.	1,084,798.	0.060716
2006	57,706.	1,201,492.	0.048029
2 Total of line 1, column (d)			2 0.236766
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 0.047353
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4 888,565.
5 Multiply line 4 by line 3			5 42,076.
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 300.
7 Add lines 5 and 6			7 42,376.
8 Enter qualifying distributions from Part XII, line 4 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			8 50,000.

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

Table with 11 rows for excise tax calculation. Includes categories like 'Exempt operating foundations', 'Domestic foundations', and 'Credits/Payments'. Total tax due is 300, with 202 refunded.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Columns include question number, 'Yes', and 'No'. Questions cover political activities, unrelated business income, and substantial contributors.

Part VII-A Statements Regarding Activities (continued)

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions) . . . . . 11 X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions) . . . . . 12 X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . . 13 X
Website address N/A
14 The books are in care of JANET MERRITT Telephone no 313-881-0500
Located at 95 CENTENNIAL MEDFORD, NJ ZIP + 4 08055
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here . . . . . 15
16 At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? . . . . . 16 Yes No

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.
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 X No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? . . . . . Yes X No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? . . . . . Yes X No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? . . . . . Yes X 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 X 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 X 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
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 X 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
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 X 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 X
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)

5a During the year did the foundation pay or incur any amount to... (1) Carry on propaganda... (2) Influence the outcome of any specific public election... (3) Provide a grant to an individual for travel, study, or other similar purposes? (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)? (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? 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)? 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? 6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? 6b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? 7b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

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).

Table with 5 columns: (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. Row 1: ATTACHMENT 7, 0, 0, 0.

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

Table with 5 columns: (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. Row 1: NONE.

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 instructions). If none, enter "NONE."

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

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

**Part IX-A** Summary of Direct Charitable Activities

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

**Part IX-B** Summary of Program-Related Investments (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	
<b>Total.</b> Add lines 1 through 3 . . . . . ▶	

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	879,708.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	22,388.
<b>c</b>	Fair market value of all other assets (see instructions)	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	902,096.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	902,096.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	13,531.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	888,565.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	44,428.

**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)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	44,428.
<b>2a</b>	Tax on investment income for 2011 from Part VI, line 5	<b>2a</b>	300.
<b>b</b>	Income tax for 2011 (This does not include the tax from Part VI)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	300.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	44,128.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	44,128.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	44,128.

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

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	50,000.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	50,000.
<b>5</b>	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)	<b>5</b>	300.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	49,700.

**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 . . . . .				44,128.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only . . . . .			29,690.	
b Total for prior years 20 09, 20 08, 20 07 . . . . .				
3 Excess distributions carryover, if any, to 2011				
a From 2006 . . . . .				
b From 2007 . . . . .				
c From 2008 . . . . .				
d From 2009 . . . . .				
e From 2010 . . . . .				
f Total of lines 3a through e . . . . .				
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 50,000 . . . . .				
a Applied to 2010, but not more than line 2a . . . . .			29,690.	
b Applied to undistributed income of prior years (Election required - see instructions) . . . . .				
c Treated as distributions out of corpus (Election required - see instructions) . . . . .				
d Applied to 2011 distributable amount . . . . .				20,310.
e Remaining amount distributed out of corpus . . . . .				
5 Excess distributions carryover applied to 2011 (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 . . . . .				
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 instructions . . . . .				
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 . . . . .				23,818.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions) . . . . .				
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see 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 . . . . .				

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)

2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Table with columns: Tax year (a) 2011, (b) 2010, Prior 3 years (c) 2009, (d) 2008, (e) Total. Rows include 2b (85% of line 2a), 2c (Qualifying distributions from Part XII), 2d (Amounts included in line 2c not used directly for active conduct of exempt activities), 2e (Qualifying distributions made directly for active conduct of exempt activities), 3 (Complete 3a b or c for the alternative test relied upon), 3a (Assets alternative test), 3b (Endowment alternative test), 3c (Support alternative test).

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	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)				
<p><b>a</b> Paid during the year</p> <p>ATTACHMENT 8</p>				
<b>Total</b> .....				50,000.
<b>b</b> Approved for future payment				
<b>Total</b> .....				<b>3b</b>



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

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code... a Transfers from the reporting foundation to a noncharitable exempt organization of (1) Cash (2) Other assets b Other transactions (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains N/A.

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 [X] No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Sign Here section containing signature of James N. Merritt, date 3/1/13, title trustee, and preparer information for Barbara Barrett, dated 02/06/2013, with firm name B BARRETT & ASSOCIATES.

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
130,477.		SHORT TERM PROPERTY TYPE: SECURITIES 133,770.				P	VAR	VAR
							-3,293.	
139,294.		LONG TERM PROPERTY TYPE: SECURITIES 119,402.				P	VAR	VAR
							19,892.	
TOTAL GAIN (LOSS) .....							<u>16,599.</u>	

ATTACHMENT 1

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
SCHWAB	3.	3.
TOTAL	<u>3.</u>	<u>3.</u>

ATTACHMENT 2

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
SCHWAB	21,515.	21,515.
TOTAL	<u>21,515.</u>	<u>21,515.</u>

FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>
LEGAL FEES	
TOTALS	

ATTACHMENT 4

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
ACCOUNTING FEES	2,850.			
TOTALS	<u>2,850.</u>			

ATTACHMENT 5

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
MANAGEMENT FEES	8,123.	8,123.
CUSTODY FEES	275.	
TOTALS	<u>8,398.</u>	<u>8,123.</u>

FORM 990PF, PART I - OTHER EXPENSES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>
MISCELLANEOUS	
STATE OF NEW JERSEY FILING FEE	60.
FOREIGN TAXES	
TOTALS	<u>60.</u>

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

ATTACHMENT 7

TITLE AND AVERAGE HOURS PER  
WEEK DEVOTED TO POSITION

NAME AND ADDRESS

JANET MERRITT  
95 CENTENNIAL DRIVE  
MEDFORD, NJ 08055

TRUSTEE

0 0 0

ANDREA CHAMBERS  
133 HOPEWELL RD.  
MARLTON, NJ 08053

TRUSTEE

0 0 0

GREGG MERRITT  
800 CHILVERS  
WHITING, NJ 08759

TRUSTEE

0 0 0

GRAND TOTALS

FORM 990FP, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 8

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
	FOUNDATION STATUS OF RECIPIENT			
CHILDREN'S HOSPITAL FOUNDATION PO BOX 779 PHILADELPHIA, PA 19101-7790	NONE 501(C)3		CHARITABLE PURPOSES	
DEBORAH HOSPITAL FOUNDATION 20 PINE MILL RD BROWNS MILLS, NJ 08015	2000 501(C)3		CHARITABLE PURPOSES	
THE CURTIS INSTITUTE OF MUSIC 1726 LOCUST STREET PHILADELPHIA, PA 19103	NONE 501(C)3		CHARITABLE PURPOSES	
OPERATION SMILE 6435 TIDEWATER DRIVE NORFOLK, VA 23509	NONE 501(C)3		RESTORATIVE SURGERY OF CLEFT PALATES	5,000.
AUTISM SPEAKS 496 KINGS HWY NORTH CHERRY HILL, NJ 08034	NONE 501(C)3		CHARITABLE PURPOSES	10,000.
UNITED WAY OF MARTIN COUNTY PO BOX 362 STUART, FL 34995	2000 501(C)3		CHARITABLE PURPOSES	2,000.

FORM 990FE, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 8 (CONT'D)

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR  
AND  
FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
ANIMAL ORPHANAGE OF VOORHEES PO BOX 1363 COOPER ROAD VOORHEES, NJ 08043	CHARITABLE PURPOSES	5,000.
LUPUS FOUNDATION OF AMERICA 500 OLD YORK RD JENKINTOWN, PA 19046	GENERAL FUND	5,000.
PULMONARY FIBROSIS FOUNDATION 13332 N. HALSTEAD ST SUITE 201 CHICAGO, IL 60622	GENERAL FUND	
MASONIC HOSPICE 902 JACKSONVILLE RD BURLINGTON, NJ 08016	GENERAL FUND	2,000.
VIRTUA HOSPITAL 50 LAKE CENTER MARLTON, NJ 08053	GENERAL FUND	8,000.
QUIXOTE QUEST 108 SOMERDALE RD VOORHEES, NJ 08043	GENERAL FUND	

FORM 990FE, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 8 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
	FOUNDATION STATUS OF RECIPIENT			
AMERICAN HEALTH ASSISTANCE FUND 22512 GATEWAY CENTER DR CLARKSBURG, MD 20871	NONE 501(C)3		GENERAL FUND	
BOYS AND GIRLS CLUB OF MARTIN COUNTY PO BOX 900 HOBE SOUND, FL 33475	NONE 501(C)3		GENERAL FUND	2,000.
PHILABUNDANCE 3616 SOUTH GALLOWAY STREET PHILADELPHIA, PA 19148	NONE 501(C)3		GENERAL FUND	1,000.
HURRICANE SANDY RELIEF PO BOX 6200 MERRIFIELD, VA 22116	NONE 501(C)3		HURICANE SANDY RELIEF	5,000.
YOUTH SERVICES INC 410 N 34 STREET PHILADELPHIA, PA 19104	NONE 501(C)3		GENERAL FUND	5,000.
			TOTAL CONTRIBUTIONS PAID	<u>50,000.</u>

Capital Gains and Losses

Attach to Form 1041, Form 5227, or Form 990-T. See the instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

Name of estate or trust THE ROYALTY TRUST
JANET MERRITT, ANDREA CHAMBERS, GREG MERRITT

Employer identification number 20-6770692

Note: Form 5227 filers need to complete only Parts I and II

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

Table with 6 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) Gain or (loss) for the entire year. Includes row 1a.

Summary rows for Part I: 1b (Total short-term gain or loss: -3,293), 2 (Short-term capital gain or loss from Forms 4684, 6252, 6781, and 8824), 3 (Net short-term gain or loss from partnerships, S corporations, and other estates or trusts), 4 (Short-term capital loss carryover), 5 (Net short-term gain or loss: -3,293).

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

Table with 6 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Sales price, (e) Cost or other basis, (f) Gain or (loss) for the entire year. Includes row 6a.

Summary rows for Part II: 6b (Total long-term gain or loss: 19,892), 7 (Long-term capital gain or loss from Forms 2439, 4684, 6252, 6781, and 8824), 8 (Net long-term gain or loss from partnerships, S corporations, and other estates or trusts), 9 (Capital gain distributions), 10 (Gain from Form 4797, Part I), 11 (Long-term capital loss carryover), 12 (Net long-term gain or loss: 19,892).

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2011

<b>Part III Summary of Parts I and II</b>		(1) Beneficiaries' (see instr)	(2) Estate's or trust's	(3) Total
<b>Caution: Read the instructions before completing this part.</b>				
<b>13</b> Net short-term gain or (loss)	<b>13</b>			-3,293.
<b>14</b> Net long-term gain or (loss):				
<b>a</b> Total for year	<b>14a</b>			19,892.
<b>b</b> Unrecaptured section 1250 gain (see line 18 of the wrksht)	<b>14b</b>			
<b>c</b> 28% rate gain	<b>14c</b>			
<b>15</b> Total net gain or (loss). Combine lines 13 and 14a	<b>15</b>			16,599.

**Note:** If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV If line 15, column (3), is a net loss, complete Part IV and the Capital Loss Carryover Worksheet, as necessary

<b>Part IV Capital Loss Limitation</b>	
<b>16</b> Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of	<b>16</b> ( )
<b>a</b> The loss on line 15, column (3) or <b>b</b> \$3,000	

**Note:** If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the Capital Loss Carryover Worksheet in the instructions to figure your capital loss carryover

**Part V Tax Computation Using Maximum Capital Gains Rates**

**Form 1041 filers.** Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero

**Caution:** Skip this part and complete the Schedule D Tax Worksheet in the instructions if

- Either line 14b, col (2) or line 14c, col (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

**Form 990-T trusts.** Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero Skip this part and complete the Schedule D Tax Worksheet in the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero

<b>17</b> Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	<b>17</b>			
<b>18</b> Enter the smaller of line 14a or 15 in column (2) but not less than zero	<b>18</b>			
<b>19</b> Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	<b>19</b>			
<b>20</b> Add lines 18 and 19	<b>20</b>			
<b>21</b> If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0-	<b>21</b>			
<b>22</b> Subtract line 21 from line 20 If zero or less, enter -0-	<b>22</b>			
<b>23</b> Subtract line 22 from line 17 If zero or less, enter -0-	<b>23</b>			
<b>24</b> Enter the smaller of the amount on line 17 or \$2,300	<b>24</b>			
<b>25</b> Is the amount on line 23 equal to or more than the amount on line 24?	<b>25</b>			
<input type="checkbox"/> <b>Yes.</b> Skip lines 25 and 26, go to line 27 and check the "No" box				
<input type="checkbox"/> <b>No.</b> Enter the amount from line 23				
<b>26</b> Subtract line 25 from line 24	<b>26</b>			
<b>27</b> Are the amounts on lines 22 and 26 the same?	<b>27</b>			
<input type="checkbox"/> <b>Yes.</b> Skip lines 27 thru 30, go to line 31				
<input type="checkbox"/> <b>No.</b> Enter the smaller of line 17 or line 22				
<b>28</b> Enter the amount from line 26 (If line 26 is blank, enter -0-)	<b>28</b>			
<b>29</b> Subtract line 28 from line 27	<b>29</b>			
<b>30</b> Multiply line 29 by 15% ( 15)				<b>30</b>
<b>31</b> Figure the tax on the amount on line 23 Use the 2011 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)				<b>31</b>
<b>32</b> Add lines 30 and 31				<b>32</b>
<b>33</b> Figure the tax on the amount on line 17 Use the 2011 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)				<b>33</b>
<b>34</b> Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)				<b>34</b>





Gain/Loss      Royalty Trust FYE 113012

S/T

24,390	24,298	(92)
5,616	8,212	2,596
16,260	16,152	(108)
14,191	8,213	(5,978)
5,198	4,106	(1,092)
16,260	16,190	(70)
8,786	10,231	1,445
16,260	16,255	(5)
<u>26,809</u>	<u>26,820</u>	<u>11</u>
133,770	130,477	(3,293)

L/T

119,402	139,294	19,892
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14,599

NorthStar Asset Management  
 REALIZED GAINS AND LOSSES - SETTLED TRADES  
**THE ROYALTY TRUST**

**Janet Merritt, Gregory Merritt & Andrea Merritt-Chambers, Trustees**

**Schwab # 4116-7407 NAM # 100500**

*From 12-01-11 Through 11-30-12*

Open Date	Close Date	Quantity	Security	Cost		Gain Or Loss	
				Basis	Proceeds	Short Term	Long Term
12-23-05	01-09-12	800	VANGUARD MSCI EMERGING MARKETS ETF	24,188	31,307		7,119
01-06-06	02-08-12	100	CANADIAN NATIONAL RAILWAY CO	4,010	7,848		3,838
01-06-06	02-08-12	20	CANADIAN NATIONAL RAILWAY CO	802	1,570		768
12-20-11	03-14-12	300,000	VANGUARD SHORT-TERM BOND ETF	24,390	24,298	-92	
10-06-10	03-15-12	100	ALLERGAN INC	6,620	9,194		2,574
08-29-11	03-15-12	15	APPLE INC	5,616	8,212	2,596	
12-20-11	03-28-12	200,000	VANGUARD SHORT-TERM BOND ETF	16,260	16,152	-108	
05-23-11	04-02-12	200	BAKER HUGHES INC.	14,191	8,213	-5,978	
01-09-12	04-02-12	100	BAKER HUGHES INC.	5,198	4,106	-1,091	
05-12-09	04-20-12	160	iSHARES BRAZIL	7,861	9,967		2,106
12-20-11	04-20-12	200,000	VANGUARD SHORT-TERM BOND ETF	16,260	16,190	-69	
02-08-12	05-17-12	100	EVEREST RE GROUP LTD	8,786	10,231	1,445	
06-16-11	07-19-12	300	CELANESE CORP	13,977	10,147		-3,829
12-23-05	07-19-12	300	ISHARES INC MSCI PACIFIC INDX FD	9,730	12,202		2,472
01-11-11	07-19-12	400	ISHARES MSCI CANADA INDEX FUND	12,380	10,236		-2,143
06-01-09	07-19-12	169	ISHARES MSCI ALL COUNTRY ASIA EX JPN	7,382	8,682		1,300
06-01-09	07-19-12	51	ISHARES MSCI ALL COUNTRY ASIA EX JPN	2,227	2,620		393

NorthStar Asset Management  
 REALIZED GAINS AND LOSSES - SETTLED TRADES  
**THE ROYALTY TRUST**

**Janet Merritt, Gregory Merritt & Andrea Merritt-Chambers, Trustees**

**Schwab # 4116-7407 NAM # 100500**

*From 12-01-11 Through 11-30-12*

Open Date	Close Date	Quantity	Security	Cost		Gain Or Loss	
				Basis	Proceeds	Short Term	Long Term
05-12-09	07-19-12	30	ISHARES MSCI ALL COUNTRY ASIA EX JPN	1,241	1,541		301
12-23-05	07-19-12	314	PROCTER & GAMBLE	18,404	20,331		1,928
12-23-05	07-19-12	350	VANGUARD MSCI EMERGING MARKETS ETF	10,582	13,648		3,065
12-20-11	11-08-12	200.000	VANGUARD SHORT-TERM BOND ETF	16,260	16,255		-5
08-13-12	11-08-12	330.000	VANGUARD SHORT-TERM BOND ETF	26,809	26,820		11
TOTAL GAINS						4,052	25,864
TOTAL LOSSES						-7,344	-5,973
TOTAL REALIZED GAIN/LOSS				253,172	269,771	-3,292	19,892
					16,599		