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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

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

OMB No 1545-0052

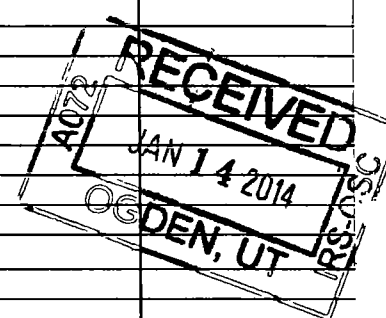
2011

For calendar year 2011 or tax year beginning 12/1/2011, and ending 11/30/2012

Name of foundation The Robert and Audrey Talbott Foundation		A Employer identification number 77-0389983
Number and street (or P O box number if mail is not delivered to street address) Foundation Source 501 Silverside Rd		B Telephone number (see instructions) (800) 839-1754
City or town, state, and ZIP code Wilmington DE 19809		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 ☒ 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) \$ 5,878,779		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐
J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) _____		

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

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
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	1	1		
4 Dividends and interest from securities	134,197	134,197		
5 a Gross rents				
b Net rental income or (loss)				
6 a Net gain or (loss) from sale of assets not on line 10	152,204			
b Gross sales price for all assets on line 6a	3,005,631			
7 Capital gain net income (from Part IV, line 2)		152,204		
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 Total. Add lines 1 through 11	286,402	286,402		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)	55,554			55,554
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)	37,629	37,629		
17 Interest				
18 Taxes (attach schedule) (see instructions)	1,800			
19 Depreciation (attach schedule) and depletion				
20 Occupancy	18,855			18,855
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)	34,246	1,053		33,193
24 Total operating and administrative expenses. Add lines 13 through 23	148,084	38,682		107,602
25 Contributions, gifts, grants paid	149,000			149,000
26 Total expenses and disbursements. Add lines 24 and 25	297,084	38,682		256,602
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-10,682			
b Net investment income (if negative, enter -0-)		247,720		
c Adjusted net income (if negative, enter -0-)				



For Paperwork Reduction Act Notice, see instructions.

(HTA)

Form **990-PF** (2011)

916-204

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			1,442		
	2 Savings and temporary cash investments			157,136	240,155	240,155
	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 ▶				1,321,258	1,321,258
	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)			2,657,717	4,074,580	4,317,366
	c Investments—corporate bonds (attach schedule)			1,469,166		
Liabilities	11 Investments—land, buildings, and equipment basis ▶					
	Less accumulated depreciation (attach schedule) ▶					
	12 Investments—mortgage loans			1,321,257		
	13 Investments—other (attach schedule)			39,957		
	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)			5,646,675	5,635,993	5,878,779
	17 Accounts payable and accrued expenses					
	18 Grants payable					
	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable (attach schedule)					
	22 Other liabilities (describe ▶)					
	23 Total liabilities (add lines 17 through 22)			0	0	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ☐					
	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ☒					
	27 Capital stock, trust principal, or current funds					
	28 Paid-in or capital surplus, or land, bldg, and equipment fund					
	29 Retained earnings, accumulated income, endowment, or other funds			5,646,675	5,635,993	
	30 Total net assets or fund balances (see instructions)			5,646,675	5,635,993	
	31 Total liabilities and net assets/fund balances (see instructions)			5,646,675	5,635,993	

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	5,646,675
2 Enter amount from Part I, line 27a	2	-10,682
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	5,635,993
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	5,635,993

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 3,005,631		2,853,426	152,204	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a			152,204	
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	152,204
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	358,282	5,908,211	0.060641
2009	284,691	5,867,054	0.048524
2008	221,200	5,336,015	0.041454
2007	226,258	4,401,970	0.051399
2006	204,971	4,757,601	0.043083
2 Total of line 1, column (d)			2 0.245101
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 0.049020
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			4 5,797,397
5 Multiply line 4 by line 3			5 284,188
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 2,477
7 Add lines 5 and 6			7 286,665
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.			8 256,602

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)				
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	4,954	
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0	
3 Add lines 1 and 2		3	4,954	
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4		
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	4,954	
6 Credits/Payments				
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	2,116		
b Exempt foreign organizations—tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	9,729		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments. Add lines 6a through 6d	7	11,845		
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8	0		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	6,891		
11 Enter the amount of line 10 to be Credited to 2012 estimated tax ☐ 6,891 Refunded ☐	11	0		

Part VII-A Statements Regarding Activities

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

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 ▶ _____				
14	The books are in care of ▶ Robert Talbott Telephone no ▶ _____			
	Located at ▶ P.O. Box 223137 Carmel CA ZIP+4 ▶ 93923-3137			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ▶	15		
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16	Yes	No
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶			X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ 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)? Organizations relying on a current notice regarding disaster assistance check here ▶ ☐	1b	X
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 ▶ 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ 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	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011?	4b	X

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No
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? ☐ Yes ☒ No
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? ☐ Yes ☒ No

5b	N/A	
6b		X
7b	N/A	

Part VII 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 ATTACHMENT				

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				
	00			
	00			
	00			
	00			
	00			

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		
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		
2		
3	All other program-related investments. See instructions	

Total. Add lines 1 through 3

0

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	3,982,389
b	Average of monthly cash balances	1b	582,035
c	Fair market value of all other assets (see instructions)	1c	1,321,258
d	Total (add lines 1a, b, and c)	1d	5,885,682
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	
3	Subtract line 2 from line 1d	3	5,885,682
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	88,285
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,797,397
6	Minimum investment return. Enter 5% of line 5	6	289,870

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	289,870
2a	Tax on investment income for 2011 from Part VI, line 5	2a	4,954
b	Income tax for 2011 (This does not include the tax from Part VI)	2b	0
c	Add lines 2a and 2b	2c	4,954
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	284,916
4	Recoveries of amounts treated as qualifying distributions	4	0
5	Add lines 3 and 4	5	284,916
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	284,916

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	256,602
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	0
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	256,602
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	0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	256,602

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				284,916
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			194,012	
b Total for prior years 20____, 20____, 20____		0		
3 Excess distributions carryover, if any, to 2011				
a From 2006	0			
b From 2007	0			
c From 2008	0			
d From 2009	0			
e From 2010	0			
f Total of lines 3a through e	0			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 256,602				
a Applied to 2010, but not more than line 2a			194,012	
b Applied to undistributed income of prior years (Election required—see instructions)		0		
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2011 distributable amount				62,590
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0			0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see instructions		0		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				222,326
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)	0			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 2007	0			
b Excess from 2008	0			
c Excess from 2009	0			
d Excess from 2010	0			
e Excess from 2011	0			

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

N/A

1 a 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)

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

Tax year	Prior 3 years			(e) Total
(a) 2011	(b) 2010	(c) 2009	(d) 2008	
0				0
0	0	0	0	0
0				0
				0
0	0	0	0	0
0	0	0	0	0
				0
0				0
				0
				0
				0
				0

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))

NONE

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

NONE

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see 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

www.fsrequests.com/talbott

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

See Line 2a

c Any submission deadlines

See Line 2a

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

See Line 2a

Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Recipient(s) paid during the year

Name

LOYOLA MARYMOUNT UNIVERSITY

Street

1 LMU DR STE 2800

City

LOS ANGELES

State

CA

Zip Code

90045

Foreign Country**Relationship**

N/A

Foundation Status

509(a)(1)

Purpose of grant/contribution

ARTsmart Program

Amount

15,000

Name

LYCEUM OF MONTEREY COUNTY

Street

1073 6TH ST

City

MONTEREY

State

CA

Zip Code

93940

Foreign Country**Relationship**

N/A

Foundation Status

509(a)(1)

Purpose of grant/contribution

Lyceum Technological Education Program

Amount

5,000

Name

MONTEREY COUNTY RAPE CRISIS CENTER

Street

173 SARGENT CT

City

MONTEREY

State

CA

Zip Code

93940

Foreign Country**Relationship**

N/A

Foundation Status

509(a)(1)

Purpose of grant/contribution

Personal Safety and Child Abuse Prevention Program

Amount

5,000

Name

MONTEREY COUNTY YOUTH MUSEUM

Street

425 WASHINGTON ST

City

MONTEREY

State

CA

Zip Code

93940

Foreign Country**Relationship**

N/A

Foundation Status

509(a)(1)

Purpose of grant/contribution

Access for All Initiative

Amount

5,000

Name

MONTEREY MUSEUM OF ART

Street

559 PACIFIC ST

City

MONTEREY

State

CA

Zip Code

93940

Foreign Country**Relationship**

N/A

Foundation Status

509(a)(2)

Purpose of grant/contribution

Education Department Support Fund

Amount

5,000

Name

RANCHO CIELO INC

Street

PO BOX 6948

City

SALINAS

State

CA

Zip Code

93912

Foreign Country**Relationship**

N/A

Foundation Status

509(a)(1)

Purpose of grant/contribution

Rancho Cielo Drummond Culinary Academy Program

Amount

10,000

Form 990-PF, Part XV, Line 3a - Grants and Contributions Paid During the Year

Recipient(s) paid during the year

Name

SANTA CATALINA SCHOOL

Street

1500 MARK THOMAS DR

City

MONTEREY

State

CA

Zip Code

93940

Foreign Country**Relationship**

N/A

Foundation Status

509(a)(1)

Purpose of grant/contribution

Talbott Scholars Program

Amount

10,000

Name

SUNSET CULTURAL CENTER

Street

PO BOX 1950

City

CARMEL

State

CA

Zip Code

93921

Foreign Country**Relationship**

N/A

Foundation Status

509(a)(1)

Purpose of grant/contribution

Arts-in-Education Program

Amount

10,000

Name

YORK SCHOOL

Street

9501 YORK RD

City

MONTEREY

State

CA

Zip Code

93940

Foreign Country**Relationship**

N/A

Foundation Status

509(a)(1)

Purpose of grant/contribution

York School Financial Aid Program

Amount

10,000

Name**Street****City****State****Zip Code****Foreign Country****Relationship****Foundation Status****Purpose of grant/contribution****Amount**

0

Name**Street****City****State****Zip Code****Foreign Country****Relationship****Foundation Status****Purpose of grant/contribution****Amount**

0

Name**Street****City****State****Zip Code****Foreign Country****Relationship****Foundation Status****Purpose of grant/contribution****Amount**

0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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			14	1	
4 Dividends and interest from securities			14	134,197	
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	152,204	
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)		0		286,402	0
13 Total. Add line 12, columns (b), (d), and (e)				13	286,402

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

[illegible]

Form 990-PF, Part I, Line 16a - Legal Fees

TOTAL:		55,554	0	0	55,554
	Description	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purpose
1	General Governance Matters and Counseling	55,554	0		55,554
2					
3					
4					
5					
6					
7					
8					
9					
10					

Form 990-PF, Part I, Line 16c - Other Professional Fees

TOTAL:		37,629	37,629	0	0
	Description	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purpose
1	Investment Management Services	37,629	37,629		0
2					
3					
4					
5					
6					
7					
8					
9					
10					

Form 990-PF, Part I, Line 18 - Taxes

TOTAL:		1,800	0	0	0
	Description	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purpose
1	Estimated Tax for 2012	1,800	0		0
2					
3					
4					
5					
6					
7					
8					
9					
10					

Form 990-PF, Part I, Line 23 - Other Expenses

TOTAL:		34,246	1,053	0	33,193
	Description	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purpose
1	Administrative Fees	26,271	0	0	26,271
2	Administrative Set-Up Fee	6,750	0		6,750
3	Bank Charges	1,053	1,053		0
4	Communications	12	0		12
5	Filing Fees	100	0		100
6	Website Monthly Maintenance	60	0		60
7					
8					
9					
10					

Form 990-PF, Part II, Line 7 - Other Notes

TOTAL: 2,013,000 1,321,258 1,321,258 1,321,258															
	Borrower's Name	501(c)(3) Org	Original Amount	Balance Due BV	Allow for Doubt Acc End of Yr	Balance Due FMV	Security Provided	Date of Note	Matunty Date	Repay Terms	Interest Rate	Purpose of Loan	Consid Descrip	Consid FMV	Relatshp
1	Robert S Talbott		2,013,000	1,321,258	1,321,258	1,321,258	NONE	9/6/2004	9/6/2020	Annual Installment	5.03%	Sale by estate in exchange for a promissory note, subsequently assigned to foundation pursuant to the estate administration exception under Treasury Regulation Section 53.4941(d)- 1(b)(3) and -2(c)(3)	N/A		DP
2															
3															
4															
5															
6															
7															
8															
9															
10															

Form 990-PF, Part II, Line 10b - Investments - Corporate Stock

		TOTAL	4,074,580	4,317,366
	Description	Shares	Book Value End of Year	FMV End of Year
1	DOUBLELINE TOTAL RETURN BOND (DBLTX)	17,102	190,531	194,282
2	DOUBLELINE TOTAL RETURN BOND CL N (DLTNX)	26,983	302,559	306,260
3	EATON V ATLANTA CAPTL (A) (EAASX)	17,928	290,439	305,306
4	LONGLEAF PARTNERS FUND (LLPFX)	6,685	194,767	174,553
5	LOOMIS SAYLES BOND FUND (LSBDX)	19,164	221,835	288,990
6	NEUBERGER BERMAN EQTY (A) (NBHAX)	13,312	151,285	155,885
7	NUVEEN SYMPHONY CREDIT OPPORTUNITIES FUND (NCOAX)	16,504	351,412	361,762
8	OAKMARK GLOBAL I FUND (OAKGX)	9,126	173,042	205,710
9	OSTERWEIS STRATEGIC INCOME FUND (OSTIX)	27,191	315,019	318,956
10	PIMCO ALL ASSET CLASS A (PASAX)	15,823	200,000	200,949
11	PIMCO EMERGING LOCAL BOND FUND (PELBX)	21,960	221,916	239,368
12	PIMCO TOTAL RETURN FUND (PTTRX)	24,867	264,735	288,960
13	SPDR GOLD TR GOLD SHS (GLD)	368	39,958	61,106
14	SPDR S&P 500 ETF TRUST (SPY)	700	94,668	99,505
15	STRK SPDR S&P CH ETF (GXC)	600	40,851	41,574
16	VANGUARD HIGH DIV YIELD (VYM)	3,530	168,965	175,547
17	VANGUARD MSCI EMERGING MARKETS ETF (VWO)	4,645	169,929	195,183
18	VIRTUS MULTI-SECTOR SHORT TERM BOND FUND CLASS A (NARAX)	62,000	301,007	306,278
19	YACKTMAN FUND, INC (THE) (YACKX)	20,763	381,662	397,192

Form 990-PF, Part VIII, Line 1 - Compensation of Officers, Directors, Trustees and Foundation Managers

							TOTAL:			
	Name	Street	City	State	Zip Code	Title	Avg Hrs	Comp	Benefits	Expense Acct
1	Robert S Talbott	501 Silverside Rd Ste 123	Wilmington	DE	19809	President / Chair	1	0	0	0
2	Sarah Case Hawthorne	501 Silverside Rd Ste 123	Wilmington	DE	19809	Director / Secretary / Treasurer	1	0	0	0
3	John H Gibbons (removed in May 2012)	501 Silverside Rd Ste 123	Wilmington	DE	19809	Director	1	0	0	0
4										
5										
6										
7										
8										
9										
10										