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**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

For calendar year 2012 or tax year beginning , and ending

|  |            |  |
|--|------------|--|
| Name of foundation<br><b>THE PAUL D. WASSEROTT FOUNDATION</b>  |            | A Employer identification number<br><b>04-3729982</b>  |
| Number and street (or P O box number if mail is not delivered to street address)<br><b>PO BOX 349</b>  | Room/suite | B Telephone number<br><b>570.696.4250</b>  |
| City or town, state, and ZIP code<br><b>WILKES BARRE, PA 18703</b>   |            | C If exemption application is pending, check here <input type="checkbox"/>   |
| G Check all that apply<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Final return<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Initial return of a former public charity<br><input type="checkbox"/> Amended return<br><input type="checkbox"/> Name change |            | D 1 Foreign organizations, check here <input type="checkbox"/><br>2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> |
| H Check type of organization<br><input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation<br><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust<br><input type="checkbox"/> Other taxable private foundation   |            | E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>  |
| I Fair market value of all assets at end of year (from Part II, col (c), line 16)<br>▶ \$ <b>3,343,836.</b> (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 <input type="checkbox"/>   |
| J Accounting method<br><input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) _____   |            |  |

| Part I Analysis of Revenue and Expenses<br>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a)) |  | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|--|------------------------------------|---------------------------|-------------------------|---|
| 1 Contributions, gifts, grants, etc., received   |  |                                    |                           | N/A                     |   |
| 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B  |  |                                    |                           |                         |   |
| 3 Interest on savings and temporary cash investments   |  | 27,940.                            | 27,940.                   |                         | STATEMENT 1   |
| 4 Dividends and interest from securities   |  | 73,461.                            | 73,457.                   |                         | STATEMENT 2   |
| 5a Gross rents   |  |                                    |                           |                         |   |
| b Net rental income or (loss)  |  |                                    |                           |                         |   |
| 6a Net gain or (loss) from sale of assets not on line 10   |  | 192,672.                           |                           |                         |   |
| b Gross sales price for all assets on line 6a<br>4,196,725.  |  |                                    |                           |                         |   |
| 7 Capital gain net income (from Part IV, line 2)   |  |                                    | 192,672.                  |                         |   |
| 8 Net short-term capital gain  |  |                                    |                           |                         |   |
| 9 Income modifications   |  |                                    |                           |                         |   |
| 10a Gross sales, less returns and allowances   |  |                                    |                           |                         |   |
| b Less: Cost of goods sold   |  |                                    |                           |                         |   |
| 11 Gross profit or (loss)  |  | 864.                               | 864.                      |                         | STATEMENT 3   |
| 12 Total. Add lines 1 through 11   |  | 294,937.                           | 294,933.                  |                         |   |
| 13 Compensation of officers, directors, trustees, etc  |  | 0.                                 | 0.                        |                         | 0.  |
| 14 Other employee salaries and wages   |  |                                    |                           |                         |   |
| 15 Pension plans, employee benefits  |  |                                    |                           |                         |   |
| 16a Legal fees   |  |                                    |                           |                         |   |
| b Accounting fees STMT 4   |  | 8,943.                             | 4,472.                    |                         | 4,471.  |
| c Other professional fees  |  |                                    |                           |                         |   |
| 17 Interest  |  |                                    |                           |                         |   |
| 18 Taxes STMT 5  |  | 7,777.                             | 1,777.                    |                         | 0.  |
| 19 Depreciation and depletion  |  |                                    |                           |                         |   |
| 20 Occupancy   |  |                                    |                           |                         |   |
| 21 Travel, conferences, and meetings   |  |                                    |                           |                         |   |
| 22 Printing and publications   |  |                                    |                           |                         |   |
| 23 Other expenses STMT 6   |  | 36,908.                            | 36,908.                   |                         | 0.  |
| 24 Total operating and administrative expenses. Add lines 13 through 23  |  | 53,628.                            | 43,157.                   |                         | 4,471.  |
| 25 Contributions, gifts, grants paid   |  | 170,000.                           |                           |                         | 170,000.  |
| 26 Total expenses and disbursements. Add lines 24 and 25   |  | 223,628.                           | 43,157.                   |                         | 174,471.  |
| 27 Subtract line 26 from line 12   |  |                                    |                           |                         |   |
| a Excess of revenue over expenses and disbursements  |  | 71,309.                            |                           |                         |   |
| b Net investment income (if negative, enter -0-)   |  |                                    | 251,776.                  |                         |   |
| c Adjusted net income (if negative, enter -0-)   |  |                                    |                           | N/A                     |   |

SCANNED MAY 29 2013

Revenue

Operating and Administrative Expenses

| Part II Balance Sheets  |   | Attached schedules and amounts in the description column should be for end-of-year amounts only |                | 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  |   |                | 152,818.              | 252,416.    | 252,416.   |
|   | 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      |   |                |                       |             |            |
|   | 7 Other notes and loans receivable ▶  |   |                |                       |             |            |
|   | Less allowance for doubtful accounts ▶  |   |                |                       |             |            |
|   | 8 Inventories for sale or use   |   |                |                       |             |            |
|   | 9 Prepaid expenses and deferred charges   |   |                |                       |             |            |
|   | 10a Investments - U S and state government obligations                                    |   |                |                       |             |            |
|   | b Investments - corporate stock   |   |                |                       |             |            |
|   | c Investments - corporate bonds   |   |                |                       |             |            |
| 11 Investments - land, buildings, and equipment basis ▶             |   |   |                |                       |             |            |
| Less accumulated depreciation ▶                                     |   |   |                |                       |             |            |
| 12 Investments - mortgage loans                                     |   |   |                |                       |             |            |
| 13 Investments - other  | STMT 7  |   |                | 2,996,621.            | 2,968,332.  | 3,091,420. |
| 14 Land, buildings, and equipment basis ▶                           |   |   |                |                       |             |            |
| Less accumulated depreciation ▶                                     |   |   |                |                       |             |            |
| 15 Other assets (describe ▶)  |   |   |                |                       |             |            |
| 16 Total assets (to be completed by all filers)                     |   |   |                | 3,149,439.            | 3,220,748.  | 3,343,836. |
| 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  |   |                |                       |             |            |
|   | 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 ▶ <input type="checkbox"/>                   |   |                |                       |             |            |
|   | and complete lines 24 through 26 and lines 30 and 31.                                     |   |                |                       |             |            |
|   | 24 Unrestricted   |   |                |                       |             |            |
|   | 25 Temporarily restricted   |   |                |                       |             |            |
|   | 26 Permanently restricted   |   |                |                       |             |            |
|   | Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> |   |                |                       |             |            |
|   | and complete lines 27 through 31.   |   |                |                       |             |            |
|   | 27 Capital stock, trust principal, or current funds                                       |   |                | 0.                    | 0.          |            |
| 28 Paid-in or capital surplus, or land, bldg, and equipment fund    |   |   | 0.             | 0.                    |             |            |
| 29 Retained earnings, accumulated income, endowment, or other funds |   |   | 3,149,439.     | 3,220,748.            |             |            |
| 30 Total net assets or fund balances                                |   |   | 3,149,439.     | 3,220,748.            |             |            |
| 31 Total liabilities and net assets/fund balances                   |   |   | 3,149,439.     | 3,220,748.            |             |            |

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<br>(must agree with end-of-year figure reported on prior year's return) | 1 | 3,149,439. |
| 2 Enter amount from Part I, line 27a  | 2 | 71,309.    |
| 3 Other increases not included in line 2 (itemize) ▶  | 3 | 0.         |
| 4 Add lines 1, 2, and 3   | 4 | 3,220,748. |
| 5 Decreases not included in line 2 (itemize) ▶  | 5 | 0.         |
| 6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30   | 6 | 3,220,748. |

**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<br>P - Purchase<br>D - Donation  | (c) Date acquired<br>(mo., day, yr.)         | (d) Date sold<br>(mo., day, yr.)  |
|--|--|---|--|---|
| 1a   |  |   |  |   |
| b SEE ATTACHED STATEMENTS  |  |   |  |   |
| c  |  |   |  |   |
| d  |  |   |  |   |
| e  |  |   |  |   |
| (e) Gross sales price  | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale   | (h) Gain or (loss)<br>(e) plus (f) minus (g) |   |
| a  |  |   |  |   |
| b  |  |   |  |   |
| c  |  |   |  |   |
| d  |  |   |  |   |
| e 4,196,725.   |  | 4,004,053.  | 192,672.                                     |   |
| 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) FMV as of 12/31/69   | (j) Adjusted basis<br>as of 12/31/69       | (k) Excess of col. (i)<br>over col. (j), if any   |  |   |
| a  |  |   |  |   |
| b  |  |   |  |   |
| c  |  |   |  |   |
| d  |  |   |  |   |
| e  |  |   | 192,672.                                     |   |
| 2 Capital gain net income or (net capital loss)  |  | { if gain, also enter in Part I, line 7<br>If (loss), enter -0- in Part I, line 7             |  | 2 192,672.  |
| 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)<br>If (loss), enter -0- in Part I, line 8 |  | 3 N/A   |

**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)<br>Base period years<br>Calendar year (or tax year beginning in)   | (b)<br>Adjusted qualifying distributions | (c)<br>Net value of noncharitable-use assets | (d)<br>Distribution ratio<br>(col. (b) divided by col. (c)) |
|--|--|--|---|
| 2011   | 178,060.                                 | 3,494,234.                                   | .050958   |
| 2010   | 176,135.                                 | 3,295,637.                                   | .053445   |
| 2009   | 206,024.                                 | 3,054,463.                                   | .067450   |
| 2008   | 220,892.                                 | 3,961,462.                                   | .055760   |
| 2007   | 217,413.                                 | 4,644,568.                                   | .046810   |
| 2 Total of line 1, column (d)  |  |  | 2 .274423   |
| 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 .054885   |
| 4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5   |  |  | 4 3,381,254.  |
| 5 Multiply line 4 by line 3  |  |  | 5 185,580.  |
| 6 Enter 1% of net investment income (1% of Part I, line 27b)   |  |  | 6 2,518.  |
| 7 Add lines 5 and 6  |  |  | 7 188,098.  |
| 8 Enter qualifying distributions from Part XII, line 4   |  |  | 8 174,471.  |

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 <input type="checkbox"/> and enter "N/A" on line 1<br>Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions) |    |        |
| b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b  | 1  | 5,036. |
| c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)  | 2  | 0.     |
| 2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)   | 3  | 5,036. |
| 3 Add lines 1 and 2  | 4  | 0.     |
| 4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)   | 5  | 5,036. |
| 5 Tax based on investment income Subtract line 4 from line 3 If zero or less, enter -0-  |    |        |
| 6 Credits/Payments   |    |        |
| a 2012 estimated tax payments and 2011 overpayment credited to 2012  | 6a | 3,301. |
| b Exempt foreign organizations - tax withheld at source  | 6b |        |
| c Tax paid with application for extension of time to file (Form 8868)  | 6c |        |
| d Backup withholding erroneously withheld  | 6d |        |
| 7 Total credits and payments Add lines 6a through 6d   | 7  | 3,301. |
| 8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached   | 8  | 25.    |
| 9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed  | 9  | 1,760. |
| 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 2013 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?  |     | X  |
| b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?<br>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 |     | 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<br>(1) On the foundation. ▶ \$ 0. (2) On foundation managers ▶ \$ 0.   |     |    |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ 0.   |     |    |
| 2 Has the foundation engaged in any activities that have not previously been reported to the IRS?<br>If "Yes," attach a detailed description of the activities   |     | 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   |     | X  |
| 4a 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?   |     |    |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?<br>If "Yes," attach the statement required by General Instruction T.  |     | X  |
| 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either<br>• By language in the governing instrument, or<br>• 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?<br>If "Yes," complete Part II, col. (c), and Part XV   | X   |    |
| 8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶<br>PA  |     |    |
| 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  | 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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV   |     | X  |
| 10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses  |     | X  |

N/A

**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?<br>Website address ► N/A   | 13 | X   |         |
| 14 | The books are in care of ► PAUL D. WASSEROTT Telephone no ► 570.696.4250<br>Located at ► PO BOX 349, WILKES BARRE, PA ZIP+4 ► 18703  |    |     |         |
| 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<br>► 15 N/A  |    |     |         |
| 16 | At any time during calendar year 2012, 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?<br>See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ► | 16 | Yes | No<br>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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| (2) | Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| (3) | Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| (4) | Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| (5) | Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |     |    |
| (6) | Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| b   | If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here<br>N/A<br>► <input type="checkbox"/>  | 1b  |    |
| c   | Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?   | 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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?<br>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) N/A  | 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<br>►  |     |    |
| 3a  | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  |     |    |
| b   | If "Yes," did it have excess business holdings in 2012 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 2012.) N/A | 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 2012?   | 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)?  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). N/A
- 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 |  |   |
| 6b |  | X |
| 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.

| (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 |
|---|---|---|---|---------------------------------------|
| PAUL D. WASSEROTT, JR<br>PO BOX 349<br>WILKES BARRE, PA 18703               | PRESIDENT/TREASURER                                       | 0.00                                      | 0.  | 0.                                    |
| MICHAEL MOLEWSKI<br>100 GATEWAY DRIVE, SUITE 300<br>LEHIGH VALLEY, PA 18002 | SECRETARY   | 0.00                                      | 0.  | 0.                                    |
| ELIZABETH F. WASSEROTT<br>PO BOX 349<br>WILKES BARRE, PA 18703              | VICE PRESIDENT  | 0.00                                      | 0.  | 0.                                    |
|   |   |   |   |                                       |

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

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

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

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

**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

Total number of others receiving over \$50,000 for professional services ▶ 0

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

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

**Part IX-B** Summary of Program-Related Investments

| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2. | Amount |
|---|--------|
| 1 N/A   |        |
| 2   |        |
| 3 All other program-related investments. See instructions   |        |
| <b>Total.</b> Add lines 1 through 3 <span style="float: right;">▶</span>  | 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 | 3,083,765. |
| b | Average of monthly cash balances   | 1b | 348,980.   |
| c | Fair market value of all other assets  | 1c |            |
| d | Total (add lines 1a, b, and c)   | 1d | 3,432,745. |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)  | 1e | 0.         |
| 2 | Acquisition indebtedness applicable to line 1 assets   | 2  | 0.         |
| 3 | Subtract line 2 from line 1d   | 3  | 3,432,745. |
| 4 | Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)   | 4  | 51,491.    |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4        | 5  | 3,381,254. |
| 6 | Minimum investment return. Enter 5% of line 5  | 6  | 169,063.   |

**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  | 169,063. |
| 2a | Tax on investment income for 2012 from Part VI, line 5   | 2a | 5,036.   |
| b  | Income tax for 2012 (This does not include the tax from Part VI)                                 | 2b |          |
| c  | Add lines 2a and 2b  | 2c | 5,036.   |
| 3  | Distributable amount before adjustments Subtract line 2c from line 1                             | 3  | 164,027. |
| 4  | Recoveries of amounts treated as qualifying distributions  | 4  | 0.       |
| 5  | Add lines 3 and 4  | 5  | 164,027. |
| 6  | Deduction from distributable amount (see instructions)   | 6  | 0.       |
| 7  | Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1 | 7  | 164,027. |

**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 | 174,471. |
| 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  |          |
| 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 |          |
| 4 | Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4                        | 4  | 174,471. |
| 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 | 5  | 0.       |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4   | 6  | 174,471. |

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)<br>Corpus | (b)<br>Years prior to 2011 | (c)<br>2011 | (d)<br>2012 |
|---|---------------|----------------------------|-------------|-------------|
| <b>1</b> Distributable amount for 2012 from Part XI, line 7   |               |                            |             | 164,027.    |
| <b>2</b> Undistributed income, if any, as of the end of 2012  |               |                            |             |             |
| <b>a</b> Enter amount for 2011 only   |               |                            | 121,214.    |             |
| <b>b</b> Total for prior years.   |               | 0.                         |             |             |
| <b>3</b> Excess distributions carryover, if any, to 2012  |               |                            |             |             |
| <b>a</b> From 2007  |               |                            |             |             |
| <b>b</b> From 2008  |               |                            |             |             |
| <b>c</b> From 2009  |               |                            |             |             |
| <b>d</b> From 2010  |               |                            |             |             |
| <b>e</b> From 2011  |               |                            |             |             |
| <b>f</b> Total of lines 3a through e  | 0.            |                            |             |             |
| <b>4</b> Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 174,471.  |               |                            |             |             |
| <b>a</b> Applied to 2011, but not more than line 2a   |               |                            | 121,214.    |             |
| <b>b</b> Applied to undistributed income of prior years (Election required - see instructions)  |               | 0.                         |             |             |
| <b>c</b> Treated as distributions out of corpus (Election required - see instructions)  | 0.            |                            |             |             |
| <b>d</b> Applied to 2012 distributable amount   |               |                            |             | 53,257.     |
| <b>e</b> Remaining amount distributed out of corpus   | 0.            |                            |             |             |
| <b>5</b> Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))   | 0.            |                            |             | 0.          |
| <b>6</b> Enter the net total of each column as indicated below.   |               |                            |             |             |
| <b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5  | 0.            |                            |             |             |
| <b>b</b> Prior years' undistributed income Subtract line 4b from line 2b  |               | 0.                         |             |             |
| <b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed |               | 0.                         |             |             |
| <b>d</b> Subtract line 6c from line 6b Taxable amount - see instructions  |               | 0.                         |             |             |
| <b>e</b> Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instr   |               |                            | 0.          |             |
| <b>f</b> Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013  |               |                            |             | 110,770.    |
| <b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)   | 0.            |                            |             |             |
| <b>8</b> Excess distributions carryover from 2007 not applied on line 5 or line 7   | 0.            |                            |             |             |
| <b>9</b> Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a  | 0.            |                            |             |             |
| <b>10</b> Analysis of line 9  |               |                            |             |             |
| <b>a</b> Excess from 2008   |               |                            |             |             |
| <b>b</b> Excess from 2009   |               |                            |             |             |
| <b>c</b> Excess from 2010   |               |                            |             |             |
| <b>d</b> Excess from 2011   |               |                            |             |             |
| <b>e</b> Excess from 2012   |               |                            |             |             |

**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 2012, 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 |          |               |          | (e) Total |
|---|----------|----------|---------------|----------|-----------|
|   | (a) 2012 | (b) 2011 | Prior 3 years |          |           |
|   |          |          | (c) 2010      | (d) 2009 |           |
| 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                     |          |          |               |          |           |
| 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  |          |          |               |          |           |
| 3 Subtract line 2d from line 2c   |          |          |               |          |           |
| 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) )

PAUL D. WASSEROTT, JR

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 or e-mail of the person to whom applications should be addressed

**SEE STATEMENT 8**

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<br>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          |
|---|---|--------------------------------|----------------------------------|-----------------|
| <i>a Paid during the year</i>   |   |                                |                                  |                 |
| COMMISSION ON ECONOMIC OPPORTUNITY<br>PO BOX 1127<br>WILKES BARRE, PA 18703           | NONE  | PUBLIC                         | TO SUPPORT DONEE'S ACTIVIES      | 3,000.          |
| FM KIRBY CENTER<br>71 PUBLIC SQUARE<br>WILKES BARRE, PA 18701                         | NONE  | PUBLIC                         | TO SUPPORT DONEE'S ACTIVIES      | 5,000.          |
| GEISINGER HEALTH SYSTEM FOUNDATION<br>100 N. ACADEMY AVENUE<br>WILKES BARRE, PA 18701 | NONE  | PUBLIC                         | TO SUPPORT DONEE'S ACTIVIES      | 100,000.        |
| HEART TO HEART<br>32 CLARK ROAD<br>BROOKLINE, MA 024456030                            | NONE  | PUBLIC                         | TO SUPPORT DONEE'S ACTIVIES      | 12,000.         |
| KING'S COLLEGE<br>133 NORTH RIVER STREET<br>WILKES BARRE, PA 18711                    | NONE  | PUBLIC                         | TO SUPPORT DONEE'S ACTIVIES      | 5,000.          |
| <b>Total</b>  | <b>SEE CONTINUATION SHEET(S)</b>  |                                |                                  | <b>170,000.</b> |
| <i>b Approved for future payment</i>  |   |                                |                                  |                 |
| NONE  |   |                                |                                  |                 |
|   |   |                                |                                  |                 |
|   |   |                                |                                  |                 |
| <b>Total</b>  |   |                                |                                  | <b>0.</b>       |





THE PAUL D. WASSEROTT FOUNDATION

**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<br>P - Purchase<br>D - Donation | (c) Date acquired<br>(mo., day, yr) | (d) Date sold<br>(mo., day, yr) |
|----|--|--|-------------------------------------|---------------------------------|
| 1a | PUBLICLY TRADED SECURITIES - FIDELITY #938424  | P  |                                     | 12/31/12                        |
| b  | PUBLICLY TRADED SECURITIES - FIDELITY #938424  | P  |                                     | 12/31/12                        |
| c  | PUBLICLY TRADED SECURITIES - FIDELITY #938424  | P  |                                     | 12/31/12                        |
| d  | PUBLICLY TRADED SECURITIES - FIDELITY #938459  | P  |                                     | 12/31/12                        |
| e  | PUBLICLY TRADED SECURITIES - FIDELITY #938459  | P  |                                     | 12/31/12                        |
| f  | PUBLICLY TRADED SECURITIES - FIDELITY #295329  | P  |                                     | 12/31/12                        |
| g  | PUBLICLY TRADED SECURITIES - FIDELITY #295329  | P  |                                     | 12/31/12                        |
| h  | PUBLICLY TRADED SECURITIES - SCHWAB #7690  | P  |                                     | 12/31/12                        |
| i  | PUBLICLY TRADED SECURITIES - SCHWAB #7690  | P  |                                     | 12/31/12                        |
| j  | PUBLICLY TRADED SECURITIES - SCHWAB #8333  | P  |                                     | 12/31/12                        |
| k  | PUBLICLY TRADED SECURITIES - SCHWAB #8333  | P  |                                     | 12/31/12                        |
| l  | CAPITAL GAINS DIVIDENDS  |  |                                     |                                 |
| m  |  |  |                                     |                                 |
| n  |  |  |                                     |                                 |
| o  |  |  |                                     |                                 |

|   | (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|---|-----------------------|--|---|--|
| a | 232,447.              |  | 229,355.  | 3,092.                                       |
| b | 47,400.               |  | 46,340.   | 1,060.                                       |
| c | 1,927.                |  | 1,927.  | 0.   |
| d | 99,680.               |  | 98,141.   | 1,539.                                       |
| e | 184,415.              |  | 134,494.  | 49,921.                                      |
| f | 130,811.              |  | 145,607.  | -14,796.                                     |
| g | 388,285.              |  | 519,739.  | -131,454.                                    |
| h | 1,349,865.            |  | 1,265,988.                                      | 83,877.                                      |
| i | 883,913.              |  | 720,454.  | 163,459.                                     |
| j | 628,105.              |  | 620,880.  | 7,225.                                       |
| k | 236,201.              |  | 221,128.  | 15,073.                                      |
| l | 13,676.               |  |   | 13,676.                                      |
| m |                       |  |   |  |
| n |                       |  |   |  |
| o |                       |  |   |  |

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<br>as of 12/31/69 | (k) Excess of col (i)<br>over col (j), if any | (l) Losses (from col (h))<br>Gains (excess of col (h) gain over col (k),<br>but not less than "-0-") |
|---|------------------------|--------------------------------------|---|--|
| a |                        |                                      |   | 3,092.   |
| b |                        |                                      |   | 1,060.   |
| c |                        |                                      |   | 0.   |
| d |                        |                                      |   | 1,539.   |
| e |                        |                                      |   | 49,921.  |
| f |                        |                                      |   | -14,796.   |
| g |                        |                                      |   | -131,454.  |
| h |                        |                                      |   | 83,877.  |
| i |                        |                                      |   | 163,459.   |
| j |                        |                                      |   | 7,225.   |
| k |                        |                                      |   | 15,073.  |
| l |                        |                                      |   | 13,676.  |
| m |                        |                                      |   |  |
| n |                        |                                      |   |  |
| o |                        |                                      |   |  |

|   |   |   |   |          |
|---|---|---|---|----------|
| 2 | Capital gain net income or (net capital loss)   | { If gain, also enter in Part I, line 7<br>If (loss), enter "-0-" in Part I, line 7 } | 2 | 192,672. |
| 3 | Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)<br>If gain, also enter in Part I, line 8, column (c)<br>If (loss), enter "-0-" in Part I, line 8 | }   | 3 | N/A      |

**Part XV** Supplementary Information

**3 Grants and Contributions Paid During the Year (Continuation)**

| Recipient<br>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         |
|--|---|--------------------------------|----------------------------------|----------------|
| SALVATION ARMY<br>17 S PA AVE<br>WILKES BARRE, PA 18703                        | NONE  | PUBLIC                         | TO SUPPORT DONEE'S ACTIVIES      | 10,000.        |
| ST VINCENT DE PAUL KITCHEN<br>39 EAST JACKSON STREET<br>WILKES BARRE, PA 18701 | NONE  | PUBLIC                         | TO SUPPORT DONEE'S ACTIVIES      | 5,000.         |
| UNITED WAY<br>8 WEST MARKET STREET<br>WILKES BARRE, PA 18711                   | NONE  | PUBLIC                         | TO SUPPORT DONEE'S ACTIVIES      | 5,000.         |
| WVIA<br>100 WVIA WAY<br>PITTSSTON, PA 18640                                    | NONE  | PUBLIC                         | TO SUPPORT DONEE'S ACTIVIES      | 5,000.         |
| WYOMING SEMINARY<br>201 N SPRAGUE AVENUE<br>KINGSTON, PA 18704                 | NONE  | PUBLIC                         | TO SUPPORT DONEE'S ACTIVIES      | 10,000.        |
| YMCA<br>40 NORTHAMPTON ST<br>WILKES BARRE, PA 18701                            | NONE  | PUBLIC                         | TO SUPPORT DONEE'S ACTIVIES      | 10,000.        |
|  |   |                                |                                  |                |
|  |   |                                |                                  |                |
|  |   |                                |                                  |                |
|  |   |                                |                                  |                |
| <b>Total from continuation sheets</b>  |   |                                |                                  | <b>45,000.</b> |

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

| SOURCE   | AMOUNT  |
|--|---------|
| CHARLES SCHWAB                                 | 17,966. |
| FIDELITY INVESTMENTS                           | 9,974.  |
| TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A | 27,940. |

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

| SOURCE                           | GROSS AMOUNT | CAPITAL GAINS<br>DIVIDENDS | COLUMN (A)<br>AMOUNT |
|----------------------------------|--------------|----------------------------|----------------------|
| CHARLES SCHWAB                   | 54,584.      | 13,676.                    | 40,908.              |
| FIDELITY INVESTMENTS             | 32,553.      | 0.                         | 32,553.              |
| TOTAL TO FM 990-PF, PART I, LN 4 | 87,137.      | 13,676.                    | 73,461.              |

FORM 990-PF OTHER INCOME STATEMENT 3

| DESCRIPTION                           | (A)<br>REVENUE<br>PER BOOKS | (B)<br>NET INVEST-<br>MENT INCOME | (C)<br>ADJUSTED<br>NET INCOME |
|---------------------------------------|-----------------------------|-----------------------------------|-------------------------------|
| OTHER INVESTMENT INCOME               | 864.                        | 864.                              |                               |
| TOTAL TO FORM 990-PF, PART I, LINE 11 | 864.                        | 864.                              |                               |

FORM 990-PF ACCOUNTING FEES STATEMENT 4

| DESCRIPTION                  | (A)<br>EXPENSES<br>PER BOOKS | (B)<br>NET INVEST-<br>MENT INCOME | (C)<br>ADJUSTED<br>NET INCOME | (D)<br>CHARITABLE<br>PURPOSES |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| ACCOUNTANT FEES              | 8,943.                       | 4,472.                            |                               | 4,471.                        |
| TO FORM 990-PF, PG 1, LN 16B | 8,943.                       | 4,472.                            |                               | 4,471.                        |

| FORM 990-PF                 | TAXES                        |                                   |                               | STATEMENT 5                   |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION                 | (A)<br>EXPENSES<br>PER BOOKS | (B)<br>NET INVEST-<br>MENT INCOME | (C)<br>ADJUSTED<br>NET INCOME | (D)<br>CHARITABLE<br>PURPOSES |
| FOREIGN TAX PAID            | 1,777.                       | 1,777.                            |                               | 0.                            |
| FEDERAL INCOME TAX          | 6,000.                       | 0.                                |                               | 0.                            |
| TO FORM 990-PF, PG 1, LN 18 | 7,777.                       | 1,777.                            |                               | 0.                            |

| FORM 990-PF                 | OTHER EXPENSES               |                                   |                               | STATEMENT 6                   |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION                 | (A)<br>EXPENSES<br>PER BOOKS | (B)<br>NET INVEST-<br>MENT INCOME | (C)<br>ADJUSTED<br>NET INCOME | (D)<br>CHARITABLE<br>PURPOSES |
| INVESTMENT FEES             | 36,908.                      | 36,908.                           |                               | 0.                            |
| TO FORM 990-PF, PG 1, LN 23 | 36,908.                      | 36,908.                           |                               | 0.                            |

| FORM 990-PF                            | OTHER INVESTMENTS   |            | STATEMENT 7          |
|--|---------------------|------------|----------------------|
| DESCRIPTION                            | VALUATION<br>METHOD | BOOK VALUE | FAIR MARKET<br>VALUE |
| SECURITIES                             | COST                | 2,968,332. | 3,091,420.           |
| TOTAL TO FORM 990-PF, PART II, LINE 13 |                     | 2,968,332. | 3,091,420.           |

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION  
PART XV, LINES 2A THROUGH 2D

STATEMENT 8

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

PAUL D. WASSEROTT, JR C/O MJ HUNTER  
PO BOX 349  
WILKES BARRE, PA 18703

TELEPHONE NUMBER

570-287-2176

FORM AND CONTENT OF APPLICATIONS

APPLICATIONS SHOULD BE SUBMITTED IN THE FORM OF A LETTER AND SHOULD CONTAIN A SPECIFIC PROPOSAL.

ANY SUBMISSION DEADLINES

APPLICATIONS ARE ACCEPTED AT ANY TIME.

RESTRICTIONS AND LIMITATIONS ON AWARDS

GRANTS ARE MADE TO THOSE PUBLIC CHARITIES AND/OR PRIVATE OPERATING FOUNDATIONS DETERMINED BY THE BOARD OF DIRECTORS TO BE MOST DESERVING OF FINANCIAL SUPPORT.

**Investment Detail - Cash and Money Market Funds [Sweep]**

|                   | Market Value     | % of Account Assets |
|-------------------|------------------|---------------------|
| Cash              | 87,005.33        | 4%                  |
| <b>Total Cash</b> | <b>87,005.33</b> | <b>4%</b>           |

|   | Market Value     | Current Yield | % of Account Assets |
|---|------------------|---------------|---------------------|
| Money Market Funds [Sweep]              | 44,075.89        | 0.01%         | 2%                  |
| SCH ADV CASH RESRV PREM: SWZXX          | 44,075.89        | 0.01%         | 2%                  |
| <b>Total Money Market Funds [Sweep]</b> | <b>44,075.89</b> |               | <b>2%</b>           |

|  | Market Value      | % of Account Assets |
|--|-------------------|---------------------|
| <b>Total Cash &amp; Money Market [Sweep]</b> | <b>131,081.22</b> | <b>6%</b>           |

**Investment Detail - Mutual Funds**

| Equity Funds               | Quantity    | Market Price | Market Value | % of Account Assets | Average Cost Basis | Cost Basis | Unrealized Gain or (Loss) |
|----------------------------|-------------|--------------|--------------|---------------------|--------------------|------------|---------------------------|
| COLUMBIA DIVIDEND INCOME 2 | 19,347.9590 | 14.7500      | 285,382.40   | 13%                 | 14.59              | 282,224.62 | 3,157.78                  |
| FD CL Z                    |             |              |              |                     |                    |            |                           |
| SYMBOL: GSFTX              |             |              |              |                     |                    |            |                           |

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**Investment Detail - Mutual Funds (continued)**

| Equity Funds (continued)                              | Quantity    | Market Price | Market Value | % of Account Assets | Average Cost Basis | Cost Basis | Unrealized Gain or (Loss) |
|---|-------------|--------------|--------------|---------------------|--------------------|------------|---------------------------|
| GRANDEUR PEAK GLBL OPPTY<br>INST<br>SYMBOL: GPGIX     | 55,907.1940 | 2.4900       | 139,208.91   | 6%                  | 2.29               | 128,105.17 | 11,103.74                 |
| JPMORGAN LARGE CAP GWTH<br>CL SLCT<br>SYMBOL: SEEGX   | 8,909.9300  | 23.9500      | 213,392.82   | 10%                 | 23.32              | 207,780.06 | 5,612.76                  |
| MFS INTL VALUE CL I<br>SYMBOL: MINIX                  | 9,731.5260  | 28.1700      | 274,137.09   | 12%                 | 26.85              | 261,267.32 | 12,869.77                 |
| NUVEEN SANTA BARBARA<br>DIV GROWTH I<br>SYMBOL: NSBRX | 11,009.2640 | 26.9800      | 297,029.94   | 13%                 | 25.97              | 285,936.32 | 11,093.62                 |
| OPPENHEIMER INTL GROWTH<br>FD CL Y<br>SYMBOL: OIGYX   | 7,249.2470  | 30.7100      | 222,624.38   | 10%                 | 27.46              | 199,076.48 | 23,547.90                 |
| RIVERNORTH CORE<br>OPPORTUNITY<br>SYMBOL: RNCOX       | 9,612.3280  | 11.5900      | 111,406.88   | 5%                  | 11.80              | 113,392.39 | (1,985.51)                |
| ROYCE PREMIER FUND<br>INVESTMENT CL<br>SYMBOL: RYPRX  | 5,557.5810  | 19.1600      | 106,483.25   | 5%                  | 18.70              | 103,937.37 | 2,545.88                  |
| WASATCH LONG SHORT FD<br>SYMBOL: FMLSX                | 4,799.6610  | 13.9300      | 66,859.28    | 3%                  | 13.08              | 62,789.01  | 4,070.27                  |

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**Investment Detail - Mutual Funds (continued)**

| Equity Funds (continued)                                   | Quantity          | Market Price | Market Value     | % of Account Assets | Average Cost Basis | Cost Basis       | Unrealized Gain or (Loss) |
|--|-------------------|--------------|------------------|---------------------|--------------------|------------------|---------------------------|
| WELLS FARGO ADVTG ABSLT 2<br>RETURN ADMIN<br>SYMBOL: WARDX | 6,490.4480        | 10.3100      | 66,916.52        | 3%                  | 10.26              | 66,592.00        | 324.52                    |
| <b>Total Equity Funds</b>                                  | <b>6,490.4480</b> |              | <b>66,916.52</b> |                     |                    | <b>66,592.00</b> | <b>324.52</b>             |

**Investment Detail - Other Assets**

| Other Assets                        | Quantity          | Market Price | Market Value      | % of Account Assets | Unrealized Gain or (Loss) | Holding Days | Holding Period |
|-------------------------------------|-------------------|--------------|-------------------|---------------------|---------------------------|--------------|----------------|
| SCHW US BRD MKT ETF<br>SYMBOL: SCHB | 9,345.0000        | 34.4100      | 321,561.45        | 14%                 | 15,512.70                 | 164          | Short-Term     |
| <b>Total Other Assets</b>           | <b>9,345.0000</b> |              | <b>321,561.45</b> |                     | <b>15,512.70</b>          |              |                |

|                                |                     |
|--------------------------------|---------------------|
| <b>Total Investment Detail</b> | <b>2,238,082.14</b> |
| <b>Total Account Value</b>     | <b>2,238,082.14</b> |
| <b>Total Cost Basis</b>        | <b>2,187,569.44</b> |

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**Investment Detail - Cash and Money Market Funds [Sweep]**

|                   | Market Value  | % of Account Assets |
|-------------------|---------------|---------------------|
| Cash              | 125.00        | <1%                 |
| <b>Total Cash</b> | <b>125.00</b> | <b>&lt;1%</b>       |

|  | Market Price | Quantity    | Market Value     | Current Yield | % of Account Assets |
|--|--------------|-------------|------------------|---------------|---------------------|
| <b>Money Market Funds [Sweep]</b>            |              |             |                  |               |                     |
| SCH ADV CASH RESRV PREM: SWZXX               | 1.0000       | 63,114.8100 | 63,114.81        | 0.01%         | 6%                  |
| <b>Total Money Market Funds [Sweep]</b>      |              |             | <b>63,114.81</b> |               | <b>6%</b>           |
| <b>Total Cash &amp; Money Market [Sweep]</b> |              |             | <b>63,239.81</b> |               | <b>6%</b>           |

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Schwab One® Account of  
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MGR: SAGE ADVISORY SERVICES

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**Investment Detail - Fixed Income**

| U.S. Treasuries              | Units Purchased    | Par | Market Price<br>Cost Per Unit | Market Value<br>Cost Basis | % of Account<br>Assets Acquired | Unrealized<br>Gain or (Loss) | Estimated<br>Annual Income                                | Yield to Maturity |
|------------------------------|--------------------|-----|-------------------------------|----------------------------|---------------------------------|------------------------------|---|-------------------|
| US TREAS NT 1%03/17          | 30,000.0000        |     | 101.7500                      | 30,525.00                  | 3%                              | (81.14)                      | 300.00  |                   |
| UST NOTE DUE 03/31/17        | 5,000.0000         |     | 102.0604                      | 5,103.02                   | 07/19/12                        | (15.52)                      | 0.55%   |                   |
| CUSIP: 912828SM3             | 20,000.0000        |     | 102.1417                      | 20,428.35                  | 07/31/12                        | (78.35)                      | 0.53%   |                   |
|                              | 5,000.0000         |     | 101.4954                      | 5,074.77                   | 08/16/12                        | 12.73                        | 0.66%   |                   |
| <i>Cost Basis</i>            |                    |     |                               | 30,606.14                  |                                 |                              | <b>Accrued Interest: 76.64</b>                            |                   |
| US TREAS NT 0.25%08/14       | 45,000.0000        |     | 100.0156                      | 45,007.02                  | 4%                              | (19.10)                      | 112.50  |                   |
| UST NOTE DUE 08/31/14        | 5,000.0000         |     | 100.3648                      | 5,018.24                   | 09/12/12                        | (17.46)                      | 0.25%   |                   |
| CUSIP: 912828TL4             | 15,000.0000        |     | 100.0534                      | 15,008.01                  | 09/12/12                        | (5.67)                       | 0.22%   |                   |
|                              | 25,000.0000        |     | 99.9995                       | 24,999.87                  | 11/01/12                        | 4.03                         | 0.25%   |                   |
| <i>Cost Basis</i>            |                    |     |                               | 45,026.12                  |                                 |                              | <b>Accrued Interest: 38.23</b>                            |                   |
| US TREAS NT 0.25%09/15       | 15,000.0000        |     | 99.7813                       | 14,967.20                  | 1%                              | (4.47)                       | 37.50   |                   |
| UST NOTE DUE 09/15/15        | 15,000.0000        |     | 99.8111                       | 14,971.67                  | 12/26/12                        | (4.47)                       | 0.31%   |                   |
| CUSIP: 912828TP5             |                    |     |                               |                            |                                 |                              | <b>Accrued Interest: 11.19</b>                            |                   |
| US TREAS NT 3.125%05/21      | 55,000.0000        |     | 113.2813                      | 62,304.72                  | 6%                              | (549,299.07)                 | 1,718.75  |                   |
| UST NOTES DUE 05/15/21       | 5,000.0000         |     | 11,082.0000                   | 55,411.93                  | 04/17/12                        | (548,435.93)                 | 45.12%  |                   |
| CUSIP: 912828QN3             | 15,000.0000        |     | 114.2332                      | 17,134.98                  | 06/26/12                        | (142.78)                     | 1.41%   |                   |
|                              | 5,000.0000         |     | 115.1754                      | 5,758.77                   | 07/06/12                        | (94.70)                      | 1.30%   |                   |
|                              | 30,000.0000        |     | 115.3668                      | 34,610.04                  | 07/31/12                        | (625.65)                     | 1.27%   |                   |
| <i>Cost Basis</i>            |                    |     |                               | 611,603.79                 |                                 |                              | <b>Accrued Interest: 223.16</b>                           |                   |
| <b>Total U.S. Treasuries</b> | <b>45,000.0000</b> |     |                               | <b>152,803.84</b>          | <b>15%</b>                      | <b>(549,463.78)</b>          | <b>2,168.75</b>   |                   |
|                              |                    |     |                               | <b>702,207.72</b>          |                                 |                              |   |                   |
|                              |                    |     |                               |                            |                                 |                              | <b>Total Accrued Interest for U.S. Treasuries: 349.22</b> |                   |

Total Accrued Interest for U.S. Treasuries: 349.22

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**Investment Detail - Fixed Income (continued)**

| Agency Securities              | Par                | Market Price | Market Value                          | % of Account Assets Acquired | Unrealized Gain or (Loss) | Estimated Annual Income | Yield to Maturity               |
|--------------------------------|--------------------|--------------|---------------------------------------|------------------------------|---------------------------|-------------------------|---------------------------------|
| FED HM LN MTG 2.5%16           | 45,000.0000        | 106.6464     | 47,990.88                             | 5%                           | (4,729,209.12)            | 1,125.00                | 77.01%                          |
| NOTES DUE 05/27/16             | 45,000.0000        | 10.616.0000  | <del>4,777,200.00</del><br>47,381.61  | 08/22/11                     | (4,729,209.12)            |                         |                                 |
| CUSIP: 3137EACT4               |                    |              |                                       |                              |                           |                         |                                 |
| MOODY'S: Aaa S&P: AA+          |                    |              |                                       |                              |                           |                         |                                 |
| <b>Total Agency Securities</b> | <b>45,000.0000</b> |              | <b>47,381.61</b>                      |                              | <b>(4,729,209.12)</b>     |                         |                                 |
|                                |                    |              | <b>Total Cost Basis: 4,777,200.00</b> |                              |                           |                         | <b>Accrued Interest: 106.25</b> |

**Total Accrued Interest for Agency Securities: 106.25**

| Corporate Bonds                | Par               | Market Price    | Market Value                      | % of Account Assets Acquired | Unrealized Gain or (Loss) | Estimated Annual Income | Yield to Maturity              |
|--------------------------------|-------------------|-----------------|-----------------------------------|------------------------------|---------------------------|-------------------------|--------------------------------|
| AMB PROPERTY LP 6.625%19       | 5,000.0000        | 119.2179        | 5,960.90                          | <1%                          | (550,639.10)              | 331.25                  | 47.42%                         |
| BONDS DUE 12/01/19             | 5,000.0000        | 11,132.0000     | <del>556,600.00</del><br>5,517.68 | 06/13/11                     | (550,639.10)              |                         |                                |
| CALLABLE                       |                   |                 |                                   |                              |                           |                         |                                |
| CUSIP: 00163MAKO               |                   |                 |                                   |                              |                           |                         |                                |
| MOODY'S: Baa2 S&P: BBB-        |                   |                 |                                   |                              |                           |                         |                                |
| <b>APACHE CORP 3.25%22</b>     | <b>5,000.0000</b> | <b>105.9197</b> | <b>5,295.99</b>                   | <b>&lt;1%</b>                | <b>62.14</b>              | <b>162.50</b>           | <b>2.70%</b>                   |
| NOTES DUE 04/15/22             | 5,000.0000        | 104.6770        | 5,233.85                          | 06/20/12                     | 62.14                     |                         |                                |
| CALLABLE 01/15/22 AT 100.00000 |                   |                 |                                   |                              |                           |                         |                                |
| CUSIP: 037411AZ8               |                   |                 |                                   |                              |                           |                         |                                |
| MOODY'S: A3 S&P: A-            |                   |                 |                                   |                              |                           |                         |                                |
|                                |                   |                 |                                   |                              |                           |                         | <b>Accrued Interest: 34.31</b> |

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Schwab One® Account of  
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**Investment Detail - Fixed Income (continued)**

| Corporate Bonds (continued)         | Par             | Market Price  | Market Value            | % of Account | Unrealized     | Estimated                       |
|-------------------------------------|-----------------|---------------|-------------------------|--------------|----------------|---------------------------------|
|                                     | Units Purchased | Cost Per Unit | Cost Basis              | Assets       | Gain or (Loss) | Annual Income                   |
|                                     |                 |               |                         | Acquired     |                | Yield to Maturity               |
| <b>AUTOZONE INC 4%20</b>            | 10,000,0000     | 108.7091      | 10,870.91               | 1%           | (98.29)        | 400.00                          |
| NOTES DUE 11/15/20                  | 5,000,0000      | 109.1100      | 5,455.50                | 09/25/12     | (20.04)        | 2.74%                           |
| CALLABLE 08/15/20 AT 100.00000      | 5,000,0000      | 110.2740      | 5,513.70                | 11/02/12     | (78.24)        | 2.57%                           |
| CUSIP: 053332AL6                    |                 |               |                         |              |                |                                 |
| MOODY'S: Baa2 S&P: BBB              |                 |               | 10,969.20               |              |                |                                 |
| <i>Cost Basis</i>                   |                 |               |                         |              |                | <b>Accrued Interest: 51.12</b>  |
| <b>BANK OF AMERICA 5.75%16</b>      | 10,000,0000     | 109.2665      | 10,926.65               | 1%           | (1,005,273.35) | 575.00                          |
| NOTES DUE 08/15/16                  | 10,000,0000     | 10,162.0000   | <del>1,016,000.00</del> | 04/11/07     | (1,005,273.35) | 42.76%                          |
| CUSIP: 060505CL6                    |                 |               | 10,084.78               |              |                |                                 |
| MOODY'S: Baa3 S&P: BBB+             |                 |               |                         |              |                | <b>Accrued Interest: 217.22</b> |
| <b>BANK OF AMERICA 7.625%19</b>     | 10,000,0000     | 127.7165      | 12,771.65               | 1%           | (1,118,978.35) | 762.50                          |
| NOTES DUE 06/01/19                  | 5,000,0000      | 11,379.0000   | <del>568,000.00</del>   | 03/08/10     | (562,564.17)   | 43.90%                          |
| CALLABLE                            | 5,000,0000      | 11,256.0000   | <del>562,000.00</del>   | 04/27/10     | (556,414.17)   | 44.40%                          |
| CUSIP: 06051GDZ9                    |                 |               | 11,075.94               |              |                |                                 |
| MOODY'S: Baa2 S&P: A-               |                 |               |                         |              |                |                                 |
| <i>Cost Basis</i>                   |                 |               | 1,131,750.00            |              |                | <b>Accrued Interest: 63.54</b>  |
| <b>BARRICK GOLD CP 2.9%16F</b>      | 5,000,0000      | 104.9983      | 5,249.92                | <1%          | N/A            | 145.00                          |
| NOTES DUE 05/30/16                  | 5,000,0000      | N/A           | please provide          | 05/02/12     | N/A            | N/A                             |
| XTRO                                |                 |               | 5,093.95                |              |                |                                 |
| CALLABLE                            |                 |               |                         |              |                |                                 |
| CUSIP: 067901AF5                    |                 |               |                         |              |                |                                 |
| MOODY'S: N/A S&P: BBB+              |                 |               |                         |              |                | <b>Accrued Interest: 12.49</b>  |
| <b>BB&amp;T CORPORATION 3.95%16</b> | 10,000,0000     | 109.2539      | 10,925.39               | 1%           | (1,028,324.61) | 395.00                          |
| NOTES DUE 04/29/16                  | 5,000,0000      | 9,987.0000    | <del>499,000.00</del>   | 04/26/10     | (493,887.30)   | 63.04%                          |
| CUSIP: 05531FAF0                    | 5,000,0000      | 10,798.0000   | <del>500,000.00</del>   | 11/04/10     | (534,437.30)   | 68.80%                          |
| MOODY'S: A2 S&P: A-                 |                 |               | 10,290.34               |              |                |                                 |
| <i>Cost Basis</i>                   |                 |               | 1,030,250.99            |              |                | <b>Accrued Interest: 68.02</b>  |

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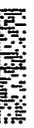
Schwab One® Account of  
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**Investment Detail - Fixed Income (continued)**

| Corporate Bonds (continued)   | Par                        | Market Price            | Market Value  | % of Account Assets Acquired | Unrealized Gain or (Loss)        | Estimated Annual Income |
|---|----------------------------|-------------------------|---|------------------------------|----------------------------------|-------------------------|
|   | Units Purchased            | Cost Per Unit           | Cost Basis  |                              |                                  | Yield to Maturity       |
| BEAR STEARNS CO 6.4%17<br>NOTES DUE 10/02/17<br>CUSIP: 073902PR3<br>MOODY'S: A2 S&P: A  | 10,000.0000<br>10,000.0000 | 120.2555<br>11,389.0000 | 12,025.55<br><del>11,389.00</del><br><i>11,389.60</i> | 1%<br>03/02/11               | (1,126,874.45)<br>(1,126,874.45) | 640.00<br>59.33%        |
| <b>Accrued Interest: 158.22</b>   |                            |                         |   |                              |                                  |                         |
| BHP BILLITON FIN 1%15F<br>NOTES DUE 02/24/15<br>CUSIP: 055451AN8<br>MOODY'S: A1 S&P: A+                                       | 10,000.0000<br>10,000.0000 | 100.8112<br>100.3610    | 10,081.12<br>10,036.10                                | <1%<br>06/13/12              | 45.02<br>45.02                   | 100.00<br>0.86%         |
| <b>Accrued Interest: 35.28</b>  |                            |                         |   |                              |                                  |                         |
| BK NOVA SCOTIA 1.375%17F<br>NOTES DUE 12/18/17<br>CALLABLE 11/18/17 AT 100.00000<br>CUSIP: 064159BE5<br>MOODY'S: Aa1 S&P: AA- | 5,000.0000<br>5,000.0000   | 100.2493<br>100.1890    | 5,012.47<br>5,009.45                                  | <1%<br>12/11/12              | 3.02<br>3.02                     | 68.75<br>1.33%          |
| <b>Accrued Interest: 2.48</b>   |                            |                         |   |                              |                                  |                         |
| BOARDWALK PIPE 5.875%16<br>NOTES DUE 11/15/16<br>CALLABLE<br>CUSIP: 096630AA6<br>MOODY'S: Baa2 S&P: BBB-                      | 5,000.0000<br>5,000.0000   | 113.1307<br>11,369.0000 | 5,656.54<br><del>5,684.70</del><br><i>5,684.70</i>    | <1%<br>09/22/10              | (562,793.46)<br>(562,793.46)     | 293.75<br>62.92%        |
| <b>Accrued Interest: 37.53</b>  |                            |                         |   |                              |                                  |                         |
| BOEING CO 3.5%15<br>NOTES DUE 02/15/15<br>CALLABLE<br>CUSIP: 097023AY1<br>MOODY'S: A2 S&P: A                                  | 5,000.0000<br>5,000.0000   | 106.0936<br>10,806.0000 | 5,304.68<br><del>5,403.45</del><br><i>5,403.45</i>    | <1%<br>08/22/11              | (534,995.32)<br>(534,995.32)     | 175.00<br>97.41%        |
| <b>Accrued Interest: 66.11</b>  |                            |                         |   |                              |                                  |                         |

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**Investment Detail - Fixed Income (continued)**

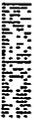
| Corporate Bonds (continued)     | Par             | Market Price  | Market Value                         | % of Account Assets Acquired | Unrealized Gain or (Loss) | Estimated Annual Income |
|---------------------------------|-----------------|---------------|--------------------------------------|------------------------------|---------------------------|-------------------------|
|                                 | Units Purchased | Cost Per Unit | Cost Basis                           |                              |                           | Yield to Maturity       |
| <b>BUNGE LTD FIN CP 4.1%16</b>  | 5,000.0000      | 107.0714      | 5,353.57                             | <1%                          | (496,946.43)              | 205.00                  |
| NOTES DUE 03/15/16              | 5,000.0000      | 10,046.0000   | <del>502,300.00</del><br>502,375     | 03/30/11                     | (496,946.43)              | 73.67%                  |
| CALLABLE                        |                 |               |                                      |                              |                           |                         |
| CUSIP: 120568AU4                |                 |               |                                      |                              |                           |                         |
| MOODY'S: Baa2 S&P: BBB-         |                 |               |                                      |                              |                           |                         |
| <b>CAPITAL ONE FIN 2.15%15</b>  | 5,000.0000      | 101.9487      | 5,097.44                             | <1%                          | (32.56)                   | 107.50                  |
| NOTES DUE 03/23/15              | 5,000.0000      | 102.6000      | 5,130.00                             | 11/29/12                     | (32.56)                   | 1.00%                   |
| CUSIP: 14040HAZ8                |                 |               |                                      |                              |                           |                         |
| MOODY'S: Baa1 S&P: BBB          |                 |               |                                      |                              |                           |                         |
| <b>CATERPILLAR FIN 1.375%14</b> | 5,000.0000      | 101.1998      | 5,059.99                             | <1%                          | (499,540.01)              | 68.75                   |
| NOTES DUE 05/20/14              | 5,000.0000      | 10,092.0000   | <del>504,000.00</del><br>5,046.75    | 09/12/11                     | (499,540.01)              | 115.01%                 |
| CUSIP: 14912L4V0                |                 |               |                                      |                              |                           |                         |
| MOODY'S: A2 S&P: A              |                 |               |                                      |                              |                           |                         |
| <b>COCA COLA ENTER 5.0%13</b>   | 10,000.0000     | 102.9142      | 10,291.42                            | <1%                          | (1,027,208.58)            | 500.00                  |
| NOTES DUE 08/15/13              | 10,000.0000     | 10,375.0000   | <del>1,027,500.00</del><br>10,114.63 | 02/12/09                     | (1,027,208.58)            | 79.67%                  |
| CALLABLE                        |                 |               |                                      |                              |                           |                         |
| CUSIP: 191219BS2                |                 |               |                                      |                              |                           |                         |
| MOODY'S: WR S&P: AA-            |                 |               |                                      |                              |                           |                         |
| <b>COLUMBUS SOUTHERN 5.5%13</b> | 5,000.0000      | 100.7929      | 5,039.65                             | <1%                          | (536,110.35)              | 275.00                  |
| SR NT-A DUE 03/01/13            | 5,000.0000      | 10,823.0000   | <del>544,150.00</del><br>5,167.78    | 02/04/11                     | (536,110.35)              | 999.00%                 |
| CALLABLE                        |                 |               |                                      |                              |                           |                         |
| CUSIP: 199575AR2                |                 |               |                                      |                              |                           |                         |
| MOODY'S: Baa1 S&P: BBB          |                 |               |                                      |                              |                           |                         |

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**Investment Detail - Fixed Income (continued)**

| Corporate Bonds (continued)    | Par             | Market Price  | Market Value                      | % of Account Assets Acquired | Unrealized Gain or (Loss) | Estimated Annual Income |
|--------------------------------|-----------------|---------------|-----------------------------------|------------------------------|---------------------------|-------------------------|
|                                | Units Purchased | Cost Per Unit | Cost Basis                        |                              |                           | Yield to Maturity       |
| COMCAST 6.3%17                 | 5,000.0000      | 122.3761      | 6,118.81                          | <1%                          | 75.71                     | 315.00                  |
| BONDS DUE 11/15/17             | 5,000.0000      | 120.8620      | 6,043.10                          | 06/29/12                     | 75.71                     | 2.15%                   |
| CALLABLE                       |                 |               |                                   |                              |                           |                         |
| CUSIP: 20030NAU5               |                 |               |                                   |                              |                           |                         |
| MOODY'S: Baa1 S&P: BBB+        |                 |               |                                   |                              |                           |                         |
| <b>Accrued Interest: 40.25</b> |                 |               |                                   |                              |                           |                         |
| CONAGRA FOODS 5.875%14         | 5,000.0000      | 106.2507      | 5,312.54                          | <1%                          | (541,137.46)              | 293.75                  |
| NOTES DUE 04/15/14             | 5,000.0000      | 10,929.0000   | <del>546,466.00</del><br>5,464.50 | 09/18/09                     | (541,137.46)              | 79.33%                  |
| CALLABLE                       |                 |               |                                   |                              |                           |                         |
| CUSIP: 205887BE1               |                 |               |                                   |                              |                           |                         |
| MOODY'S: Baa2 S&P: BBB-        |                 |               |                                   |                              |                           |                         |
| <b>Accrued Interest: 62.01</b> |                 |               |                                   |                              |                           |                         |
| CONOCOPHILLIPS C 1.05%17       | 5,000.0000      | 99.6608       | 4,983.04                          | <1%                          | (20.51)                   | 52.50                   |
| NOTES DUE 12/15/17             | 5,000.0000      | 100.0710      | 5,003.55                          | 12/04/12                     | (20.51)                   | 1.03%                   |
| CALLABLE 11/15/17 AT 100.00000 |                 |               |                                   |                              |                           |                         |
| CUSIP: 20826FAB2               |                 |               |                                   |                              |                           |                         |
| MOODY'S: A1 S&P: A             |                 |               |                                   |                              |                           |                         |
| <b>Accrued Interest: 3.50</b>  |                 |               |                                   |                              |                           |                         |
| CORN PRODS INTL 3.2%15         | 5,000.0000      | 104.8689      | 5,243.45                          | <1%                          | (518,006.55)              | 160.00                  |
| NOTES DUE 11/01/15             | 5,000.0000      | 10,465.0000   | <del>529,256.00</del><br>5,232.50 | 02/02/12                     | (518,006.55)              | 91.98%                  |
| CALLABLE                       |                 |               |                                   |                              |                           |                         |
| CUSIP: 219023AE8               |                 |               |                                   |                              |                           |                         |
| MOODY'S: Baa2 S&P: BBB         |                 |               |                                   |                              |                           |                         |
| <b>Accrued Interest: 26.67</b> |                 |               |                                   |                              |                           |                         |
| DEERE JOHN CAP CP 0.7%15       | 5,000.0000      | 100.0062      | 5,000.31                          | <1%                          | (23.89)                   | 35.00                   |
| MED TRMNT DUE 09/04/15         | 5,000.0000      | 100.4840      | 5,024.20                          | 12/04/12                     | (23.89)                   | 0.52%                   |
| CUSIP: 24422ERV3               |                 |               |                                   |                              |                           |                         |
| MOODY'S: A2 S&P: A             |                 |               |                                   |                              |                           |                         |
| <b>Accrued Interest: 11.08</b> |                 |               |                                   |                              |                           |                         |

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**Investment Detail - Fixed Income (continued)**

| Corporate Bonds (continued)    | Par             | Market Price  | Market Value          | % of Account Assets Acquired | Unrealized Gain or (Loss) | Estimated Annual Income | Yield to Maturity        |
|--------------------------------|-----------------|---------------|-----------------------|------------------------------|---------------------------|-------------------------|--------------------------|
|                                | Units Purchased | Cost Per Unit | Cost Basis            | Acquired                     |                           |                         |                          |
| DIRECTV HLDGS LLC 5%21         | 10,000.0000     | 112.0680      | 11,206.80             | 1%                           | (1,034,943.20)            | 500.00                  |                          |
| BONDS DUE 03/01/21             | 5,000.0000      | 10,028.0000   | <del>50,140.00</del>  | 03/11/11                     | (495,796.60)              | 40.33%                  |                          |
| CALLABLE                       | 5,000.0000      | 10,895.0000   | <del>54,750.00</del>  | 09/07/11                     | (539,146.60)              | 42.92%                  |                          |
| CUSIP: 25459HBA2               |                 |               | 10,461.70             |                              |                           |                         |                          |
| MOODY'S: Baa2 S&P: BBB         |                 |               | 1,046,150.00          |                              |                           |                         | Accrued Interest: 166.66 |
| Cost Basis                     |                 |               |                       |                              |                           |                         |                          |
| DOMINION RES INC VA 5%13       | 5,000.0000      | 100.9209      | 5,046.05              | <1%                          | (526,353.95)              | 250.00                  |                          |
| SR NT 03-D DUE 03/15/13        | 5,000.0000      | 10,628.0000   | <del>53,140.00</del>  | 09/02/09                     | (526,353.95)              | 95.86%                  |                          |
| CALLABLE                       |                 |               | 5,080.91              |                              |                           |                         |                          |
| CUSIP: 25746UAM1               |                 |               |                       |                              |                           |                         | Accrued Interest: 73.61  |
| MOODY'S: Baa2 S&P: A-          |                 |               |                       |                              |                           |                         |                          |
| DOW CHEM CO 3%22               | 5,000.0000      | 99.9842       | 4,999.21              | <1%                          | 70.91                     | 150.00                  |                          |
| BONDS DUE 11/15/22             | 5,000.0000      | 98.5660       | 4,928.30              | 11/06/12                     | 70.91                     | 3.16%                   |                          |
| CALLABLE 08/15/22 AT 100.00000 |                 |               |                       |                              |                           |                         |                          |
| CUSIP: 260543CH4               |                 |               |                       |                              |                           |                         | Accrued Interest: 19.58  |
| MOODY'S: Baa2 S&P: BBB         |                 |               |                       |                              |                           |                         |                          |
| DOW CHEMICAL CO 7.6%14         | 3,000.0000      | 109.0876      | 3,272.63              | <1%                          | (345,387.37)              | 228.00                  |                          |
| NOTES DUE 05/15/14             | 3,000.0000      | 11,622.0000   | <del>348,660.00</del> | 03/21/11                     | (345,387.37)              | 104.94%                 |                          |
| CALLABLE                       |                 |               | 3,330.00              |                              |                           |                         |                          |
| CUSIP: 260543BW2               |                 |               |                       |                              |                           |                         | Accrued Interest: 29.13  |
| MOODY'S: Baa2 S&P: BBB         |                 |               |                       |                              |                           |                         |                          |
| ELECTRONIC DATA SYS 6%13       | 5,000.0000      | 102.5834      | 5,129.17              | <1%                          | (535,370.83)              | 300.00                  |                          |
| BONDS DUE 08/01/13             | 5,000.0000      | 10,810.0000   | <del>54,000.00</del>  | 02/02/09                     | (535,370.83)              | 80.22%                  |                          |
| CALLABLE                       |                 |               | 5,405.05              |                              |                           |                         |                          |
| CUSIP: 285661AD6               |                 |               |                       |                              |                           |                         | Accrued Interest: 125.00 |
| MOODY'S: Baa1 S&P: BBB+        |                 |               |                       |                              |                           |                         |                          |

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**Investment Detail - Fixed Income (continued)**

| Corporate Bonds (continued)   | Units Purchased            | Par | Market Price<br>Cost Per Unit | Market Value<br>Cost Basis                        | % of Account<br>Assets<br>Acquired | Unrealized<br>Gain or (Loss)     | Estimated<br>Annual Income<br>Yield to Maturity |
|---|----------------------------|-----|-------------------------------|---|------------------------------------|----------------------------------|---|
| ENSCO PLC 4.7%21F<br>NOTES DUE 03/15/21<br>CALLABLE<br>CUSIP: 29358QAA7<br>MOODY'S: Baa1 S&P: BBB+        | 5,000,0000<br>5,000,0000   |     | 112.3461<br>111.7580          | 5,617.31<br>5,587.90                              | <1%<br>07/18/12                    | 29.41<br>29.41                   | 235.00<br>3.13%                                 |
| <b>Accrued Interest: 69.19</b>  |                            |     |                               |   |                                    |                                  |   |
| ENTRPRS PRO OPER 6.5%19<br>BONDS DUE 01/31/19<br>CALLABLE<br>CUSIP: 29379VAC7<br>MOODY'S: Baa2 S&P: BBB   | 5,000,0000<br>5,000,0000   |     | 125.5364<br>11,018.0000       | 6,276.82<br><del>550,000.00</del><br>5,509.20     | <1%<br>02/23/10                    | (544,623.18)<br>(544,623.18)     | 325.00<br>45.11%                                |
| <b>Accrued Interest: 136.32</b>   |                            |     |                               |   |                                    |                                  |   |
| EQUITY RESIDENT 5.125%16<br>BONDS DUE 03/15/16<br>CALLABLE<br>CUSIP: 29476LAC1<br>MOODY'S: Baa1 S&P: BBB+ | 5,000,0000<br>5,000,0000   |     | 111.6321<br>10,896.0000       | 5,581.61<br><del>544,000.00</del><br>5,448.45     | <1%<br>01/12/12                    | (539,218.39)<br>(539,218.39)     | 256.25<br>85.16%                                |
| <b>Accrued Interest: 75.45</b>  |                            |     |                               |   |                                    |                                  |   |
| FIRST HORIZON 5.375%15<br>NOTES DUE 12/15/15<br>CUSIP: 320517AA3<br>MOODY'S: Baa2 S&P: BBB-               | 5,000,0000<br>5,000,0000   |     | 109.1413<br>10,533.0000       | 5,457.07<br><del>526,650.00</del><br>5,266.50     | <1%<br>03/23/11                    | (521,192.93)<br>(521,192.93)     | 268.75<br>76.91%                                |
| <b>Accrued Interest: 11.94</b>  |                            |     |                               |   |                                    |                                  |   |
| GEN ELEC CAP CP 5.4%17<br>MED TRM NT DUE 02/15/17<br>CUSIP: 36962G2G8<br>MOODY'S: A1 S&P: AA+             | 10,000,0000<br>10,000,0000 |     | 114.7989<br>10,331.0000       | 11,479.89<br><del>4,000,000.00</del><br>10,331.20 | 1%<br>12/07/09                     | (1,021,620.11)<br>(1,021,620.11) | 540.00<br>54.19%                                |
| <b>Accrued Interest: 204.00</b>   |                            |     |                               |   |                                    |                                  |   |
| GEN ELEC CAP CP 4.375%20<br>MED TRM NT DUE 09/16/20<br>CUSIP: 36962G4R2<br>MOODY'S: A1 S&P: AA+           | 10,000,0000<br>10,000,0000 |     | 111.0572<br>9,753.0000        | 11,105.72<br><del>975,300.00</del><br>9,753.10    | 1%<br>03/24/11                     | (964,194.28)<br>(964,194.28)     | 437.50<br>42.11%                                |
| <b>Accrued Interest: 127.60</b>   |                            |     |                               |   |                                    |                                  |   |

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**Investment Detail - Fixed Income (continued)**

| Corporate Bonds (continued)     | Par             | Market Price  | Market Value          | % of Account Assets Acquired | Unrealized Gain or (Loss) | Estimated Annual Income |
|---------------------------------|-----------------|---------------|-----------------------|------------------------------|---------------------------|-------------------------|
|                                 | Units Purchased | Cost Per Unit | Cost Basis            | Acquired                     |                           | Yield to Maturity       |
| <b>GEORGIA POWER CO 3%16</b>    | 5,000.0000      | 106.7631      | 5,338.16              | <1%                          | (525,011.84)              | 150.00                  |
| NOTES DUE 04/15/16              | 5,000.0000      | 10,607.0000   | <del>500,000.00</del> | 01/23/12                     | (525,011.84)              | 84.32%                  |
| CALLABLE                        |                 |               | 5,303.60              |                              |                           |                         |
| CUSIP: 373334JV4                |                 |               |                       |                              |                           |                         |
| MOODY'S: A3 S&P: A              |                 |               |                       |                              |                           |                         |
| <b>GOLDMAN SACHS 5.375%20</b>   | 10,000.0000     | 114.3621      | 11,436.21             | 1%                           | (1,025,813.79)            | 537.50                  |
| MED TRM NT DUE 03/15/20         | 5,000.0000      | 10,583.0000   | <del>529,150.00</del> | 10/18/10                     | (523,431.89)              | 42.91%                  |
| CUSIP: 38141EA58                | 5,000.0000      | 10,162.0000   | <del>500,000.00</del> | 03/08/11                     | (502,381.89)              | 44.22%                  |
| MOODY'S: A3 S&P: A-             |                 |               | 10,372.95             |                              |                           |                         |
| Cost Basis                      |                 |               | <del>100,250.00</del> |                              |                           |                         |
| <b>GOLDMAN SACHS GP 5.75%16</b> | 5,000.0000      | 113.4012      | 5,670.06              | <1%                          | (522,929.94)              | 287.50                  |
| NOTES DUE 10/01/16              | 5,000.0000      | 10,572.0000   | <del>520,000.00</del> | 03/04/10                     | (522,929.94)              | 58.69%                  |
| CUSIP: 38141GER1                |                 |               | 5,201.96              |                              |                           |                         |
| MOODY'S: A3 S&P: A-             |                 |               |                       |                              |                           |                         |
| <b>HCP INC 5.375%21</b>         | 5,000.0000      | 113.4516      | 5,672.58              | <1%                          | (494,927.42)              | 268.75                  |
| BONDS DUE 02/01/21              | 5,000.0000      | 10,012.0000   | <del>500,000.00</del> | 01/20/11                     | (494,927.42)              | 40.08%                  |
| CALLABLE 11/01/20 AT 100.00000  |                 |               | 5,006.77              |                              |                           |                         |
| CUSIP: 40414LAD1                |                 |               |                       |                              |                           |                         |
| MOODY'S: Baa1 S&P: BBB+         |                 |               |                       |                              |                           |                         |
| <b>HEALTH CARE REIT 4.7%17</b>  | 5,000.0000      | 111.7500      | 5,587.50              | <1%                          | (29.65)                   | 235.00                  |
| NOTES DUE 09/15/17              | 5,000.0000      | 112.3430      | 5,617.15              | 12/13/12                     | (29.65)                   | 1.96%                   |
| CALLABLE                        |                 |               |                       |                              |                           |                         |
| CUSIP: 42217KAT3                |                 |               |                       |                              |                           |                         |
| MOODY'S: Baa2 S&P: BBB-         |                 |               |                       |                              |                           |                         |
| <b>Accrued Interest: 31.67</b>  |                 |               |                       |                              |                           |                         |
| <b>Accrued Interest: 158.26</b> |                 |               |                       |                              |                           |                         |
| <b>Accrued Interest: 71.88</b>  |                 |               |                       |                              |                           |                         |
| <b>Accrued Interest: 111.98</b> |                 |               |                       |                              |                           |                         |
| <b>Accrued Interest: 69.19</b>  |                 |               |                       |                              |                           |                         |

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**Investment Detail - Fixed Income (continued)**

| Corporate Bonds (continued)  | Par                      | Market Price            | Market Value                                | % of Account Assets Acquired | Unrealized Gain or (Loss)       | Estimated Annual Income |
|--|--------------------------|-------------------------|---|------------------------------|---------------------------------|-------------------------|
|  | Units Purchased          | Cost Per Unit           | Cost Basis                                  |                              |                                 | Yield to Maturity       |
| HJ HEINZ 5.35%13<br>NOTES DUE 07/15/13<br>CALLABLE<br>CUSIP: 423074AJ2<br>MOODY'S: Baa2 S&P: BBB+        | 5,000.0000<br>5,000.0000 | 102.4942<br>11,065.0000 | 5,124.71<br><del>5,532.90</del><br>5,532.90 | <1%<br>11/29/10              | (548,125.29)<br>(548,125.29)    | 267.50<br>117.69%       |
| HSBC FINANCE CORP 5%15<br>BONDS DUE 06/30/15<br>SYMBOL: HFCJ5F15.F<br>MOODY'S: Baa1 S&P: A               | 5,000.0000<br>5,000.0000 | 108.7816<br>10,438.0000 | 5,439.08<br><del>5,219.00</del><br>5,219.00 | <1%<br>03/24/10              | (516,460.92)<br>(516,460.92)    | 250.00<br>70.52%        |
| JEFFERIES GROUP 5.125%18<br>NOTES DUE 04/13/18<br>CALLABLE<br>CUSIP: 472319AK8<br>MOODY'S: Baa3 S&P: BBB | 5,000.0000<br>5,000.0000 | 104.7500<br>9,965.0000  | 5,237.50<br><del>4,982.60</del><br>4,982.60 | <1%<br>04/08/11              | (493,012.50)<br>(493,012.50)    | 256.25<br>55.11%        |
| JOHN DEERE CAP 1.875%13<br>NOTES DUE 06/17/13<br>CUSIP: 24422EQX0<br>MOODY'S: A2 S&P: A                  | 5,000.0000<br>5,000.0000 | 100.6938<br>10,235.0000 | 5,034.69<br><del>5,117.65</del><br>5,117.65 | <1%<br>07/29/11              | (506,715.31)<br>(506,715.31)    | 93.75<br>999.00%        |
| KROGER CO 2.2%17<br>NOTES DUE 01/15/17<br>CALLABLE<br>CUSIP: 501044CP4<br>MOODY'S: Baa2 S&P: BBB         | 5,000.0000<br>5,000.0000 | 103.2014<br>10,221.0000 | 5,160.07<br><del>5,110.85</del><br>5,110.85 | <1%<br>02/14/12              | (505,889.93)<br>(505,889.93)    | 110.00<br>74.66%        |
| METLIFE INC 7.717%19<br>BONDS DUE 02/15/19<br>CUSIP: 59156RAT5<br>MOODY'S: A3 S&P: A-                    | 5,000.0000<br>5,000.0000 | 130.6610<br>12,284.0000 | 6,533.05<br><del>6,172.10</del><br>6,172.10 | <1%<br>07/26/11              | (607,666.95)<br>(607,666.95)    | 385.85<br>53.25%        |
|  |                          |                         |   |                              | <b>Accrued Interest: 123.35</b> |                         |
|  |                          |                         |   |                              | <b>Accrued Interest: 55.52</b>  |                         |
|  |                          |                         |   |                              | <b>Accrued Interest: 3.65</b>   |                         |
|  |                          |                         |   |                              | <b>Accrued Interest: 50.72</b>  |                         |
|  |                          |                         |   |                              | <b>Accrued Interest: 145.77</b> |                         |

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11/16/12

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**Investment Detail - Fixed Income (continued)**

| Corporate Bonds (continued)    | Par             | Market Price  | Market Value          | % of Account Assets Acquired | Unrealized Gain or (Loss) | Estimated Annual Income |
|--------------------------------|-----------------|---------------|-----------------------|------------------------------|---------------------------|-------------------------|
|                                | Units Purchased | Cost Per Unit | Cost Basis            |                              |                           | Yield to Maturity       |
| NORDSTROM INC 4.75%20          | 5,000.0000      | 115.9876      | 5,799.38              | <1%                          | (534,000.82)              | 237.50                  |
| BONDS DUE 05/01/20             | 5,000.0000      | 107,796.0000  | <del>559,666.00</del> | 08/12/11                     | (534,000.62)              | 46.23%                  |
| CALLABLE                       |                 |               | 5,398.97              |                              |                           |                         |
| CUSIP: 655664AN0               |                 |               |                       |                              |                           |                         |
| MOODY'S: Baa1 S&P: A-          |                 |               |                       |                              |                           | Accrued Interest: 39.58 |
| ONEOK PARTNERS 3.375%22        | 5,000.0000      | 102.1233      | 5,106.17              | <1%                          | 93.37                     | 168.75                  |
| BONDS DUE 10/01/22             | 5,000.0000      | 100.2560      | 5,012.80              | 09/18/12                     | 93.37                     | 3.34%                   |
| CALLABLE 07/01/22 AT 100.00000 |                 |               |                       |                              |                           |                         |
| CUSIP: 68268NAJ2               |                 |               |                       |                              |                           |                         |
| MOODY'S: Baa2 S&P: BBB         |                 |               |                       |                              |                           | Accrued Interest: 50.63 |
| PEPSICO INC 0.75%15            | 5,000.0000      | 100.4205      | 5,021.03              | <1%                          | (21.87)                   | 37.50                   |
| NOTES DUE 03/05/15             | 5,000.0000      | 100.8580      | 5,042.90              | 09/28/12                     | (21.87)                   | 0.39%                   |
| CALLABLE                       |                 |               |                       |                              |                           |                         |
| CUSIP: 713448BX5               |                 |               |                       |                              |                           | Accrued Interest: 12.08 |
| MOODY'S: Aa3 S&P: A-           |                 |               |                       |                              |                           |                         |
| PFIZER INC 5.35%15             | 5,000.0000      | 110.2020      | 5,510.10              | <1%                          | (564,039.90)              | 267.50                  |
| NOTES DUE 03/15/15             | 5,000.0000      | 11,391.0000   | <del>569,556.00</del> | 02/24/12                     | (564,039.90)              | 107.05%                 |
| CALLABLE                       |                 |               | 5,695.55              |                              |                           |                         |
| CUSIP: 717081DA8               |                 |               |                       |                              |                           | Accrued Interest: 78.76 |
| MOODY'S: A1 S&P: AA            |                 |               |                       |                              |                           |                         |
| PRUDENTIAL FIN 5.15%13         | 5,000.0000      | 100.1435      | 5,007.18              | <1%                          | (519,992.82)              | 257.50                  |
| NOTES DUE 01/15/13             | 5,000.0000      | 10,500.0000   | <del>565,000.00</del> | 10/30/09                     | (519,992.82)              | 102.45%                 |
| CUSIP: 74432QBE4               |                 |               | 5,064.19              |                              |                           |                         |
| MOODY'S: Baa2 S&P: A           |                 |               |                       |                              |                           | Accrued Interest: 65.09 |

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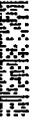
Account Number  
Statement Period  
December 1-31, 2012

**Investment Detail - Fixed Income (continued)**

**Corporate Bonds (continued)**

|   | Units Purchased          | Par        | Market Price<br>Cost Per Unit | Market Value<br>Cost Basis                    | % of Account<br>Assets<br>Acquired | Unrealized<br>Gain or (Loss) | Estimated<br>Annual Income<br>Yield to Maturity |
|---|--------------------------|------------|-------------------------------|---|------------------------------------|------------------------------|---|
| <b>ROYAL BK CDA 2.875%16F</b><br>NOTES DUE 04/19/16<br>CUSIP: 78008K5V1<br>MOODY'S: Aa3 S&P: AA-                | 5,000.0000<br>5,000.0000 | 5,000.0000 | 105.9824<br>105.8510          | 5,299.12<br>5,292.55                          | <1%<br>05/10/12                    | 6.57<br>6.57                 | 143.75<br>1.34%                                 |
| <b>Accrued Interest: 28.75</b>  |                          |            |                               |   |                                    |                              |   |
| <b>SAFEMAY INC 6.35%17</b><br>SR NOTES DUE 08/15/17<br>CALLABLE<br>CUSIP: 786514BP3<br>MOODY'S: Baa3 S&P: BBB   | 5,000.0000<br>5,000.0000 | 5,000.0000 | 113.6349<br>11,664.0000       | 5,681.75<br><del>5,000.0000</del><br>5,832.80 | <1%<br>07/27/10                    | (577,518.25)<br>(577,518.25) | 317.50<br>56.21%                                |
| <b>Accrued Interest: 119.94</b>   |                          |            |                               |   |                                    |                              |   |
| <b>SEMPRA ENERGY 6.5%16</b><br>NOTES DUE 06/01/16<br>CALLABLE<br>CUSIP: 816851AN9<br>MOODY'S: Baa1 S&P: BBB+    | 5,000.0000<br>5,000.0000 | 5,000.0000 | 117.3794<br>9,977.0000        | 5,868.97<br><del>498,856.00</del><br>4,988.90 | <1%<br>05/12/09                    | (492,981.03)<br>(492,981.03) | 325.00<br>54.59%                                |
| <b>Accrued Interest: 27.08</b>  |                          |            |                               |   |                                    |                              |   |
| <b>SHELL INTL FIN 4%14F</b><br>NOTES DUE 03/21/14<br>CALLABLE<br>CUSIP: 822582AF9<br>MOODY'S: Aa1 S&P: AA       | 5,000.0000<br>5,000.0000 | 5,000.0000 | 104.4170<br>N/A               | 5,220.85<br>please provide<br>5,019.15        | <1%<br>05/02/12                    | N/A<br>N/A                   | 200.00<br>N/A                                   |
| <b>Accrued Interest: 55.56</b>  |                          |            |                               |   |                                    |                              |   |
| <b>STARBUCKS CORP 6.25%17</b><br>SR NOTES DUE 08/15/17<br>CALLABLE<br>CUSIP: 855244AC3<br>MOODY'S: Baa3 S&P: A- | 5,000.0000<br>5,000.0000 | 5,000.0000 | 120.3437<br>11,597.0000       | 6,017.19<br><del>579,832.81</del><br>5,798.80 | <1%<br>08/12/10                    | (573,832.81)<br>(573,832.81) | 312.50<br>56.45%                                |
| <b>Accrued Interest: 118.06</b>   |                          |            |                               |   |                                    |                              |   |

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**Investment Detail - Fixed Income (continued)**

| Corporate Bonds (continued)     | Par             | Market Price  | Market Value          | % of Account    | Unrealized     | Estimated     |
|---------------------------------|-----------------|---------------|-----------------------|-----------------|----------------|---------------|
|                                 | Units Purchased | Cost Per Unit | Cost Basis            | Assets Acquired | Gain or (Loss) | Annual Income |
| <b>SYMANTEC CORP 2.75%17</b>    | 5,000.0000      | 102.9950      | 5,149.75              | <1%             | 127.65         | 137.50        |
| NOTES DUE 06/15/17              | 5,000.0000      | 100.4420      | 5,022.10              | 06/19/12        | 127.65         | 2.65%         |
| CALLABLE 05/15/17 AT 100.00000  |                 |               |                       |                 |                |               |
| CUSIP: 871503AJ7                |                 |               |                       |                 |                |               |
| MOODY'S: Baa2 S&P: BBB          |                 |               |                       |                 |                |               |
| <b>TARGET CORP 1.125%14</b>     | 5,000.0000      | 101.0164      | 5,050.82              | <1%             | (497,799.18)   | 56.25         |
| NOTES DUE 07/18/14              | 5,000.0000      | 10,057.0000   | <del>502,850.00</del> | 08/03/11        | (497,799.18)   | 108.09%       |
| CUSIP: 87612EAW6                |                 |               | 5,028.70              |                 |                |               |
| MOODY'S: A2 S&P: A+             |                 |               |                       |                 |                |               |
| <b>TOYOTA MTR CRED 3.2%15</b>   | 5,000.0000      | 106.0020      | 5,300.10              | <1%             | (55.75)        | 160.00        |
| NOTES DUE 06/17/15              | 5,000.0000      | 107.1170      | 5,355.85              | 05/03/12        | (55.75)        | 0.87%         |
| CALLABLE                        |                 |               |                       |                 |                |               |
| CUSIP: 89233P4B9                |                 |               |                       |                 |                |               |
| MOODY'S: Aa3 S&P: AA-           |                 |               |                       |                 |                |               |
| <b>UNITEDHEALTH GR 4.875%13</b> | 5,000.0000      | 101.0544      | 5,052.72              | <1%             | (482,547.28)   | 243.75        |
| NT DUE 04/01/13                 | 5,000.0000      | 9,752.0000    | <del>497,600.00</del> | 01/05/07        | (482,547.28)   | 60.59%        |
| CALLABLE                        |                 |               | 4,876.30              |                 |                |               |
| CUSIP: 91324PAE2                |                 |               |                       |                 |                |               |
| MOODY'S: A3 S&P: A              |                 |               |                       |                 |                |               |
| <b>UNITEDHEALTH GRP 4.7%21</b>  | 5,000.0000      | 115.8917      | 5,794.59              | <1%             | (494,955.41)   | 235.00        |
| NOTES DUE 02/15/21              | 5,000.0000      | 10,015.0000   | <del>500,750.00</del> | 02/15/11        | (494,955.41)   | 40.29%        |
| CALLABLE 11/15/20 AT 100.00000  |                 |               | 5,007.50              |                 |                |               |
| CUSIP: 91324PBP6                |                 |               |                       |                 |                |               |
| MOODY'S: A3 S&P: A              |                 |               |                       |                 |                |               |

Accrued Interest: 6.11

Accrued Interest: 25.47

Accrued Interest: 6.22

Accrued Interest: 60.94

Accrued Interest: 88.78

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**Investment Detail - Fixed Income (continued)**

| Corporate Bonds (continued)  | Par                        | Market Price            | Market Value   | % of Account Assets Acquired | Unrealized Gain or (Loss)        | Estimated Annual Income         |
|--|----------------------------|-------------------------|--|------------------------------|----------------------------------|---------------------------------|
|  | Units Purchased            | Cost Per Unit           | Cost Basis   |                              |                                  | Yield to Maturity               |
| US BANCORP 3.15%15<br>NOTES DUE 03/04/15<br>CUSIP: 91159HGU8<br>MOODY'S: A1 S&P: A+  | 5,000.0000<br>5,000.0000   | 105.3327<br>9,998.0000  | 5,266.64<br><del>499,999.00</del><br><i>4,999.05</i>     | <1%<br>03/19/10              | (494,633.36)<br>(494,633.36)     | 157.50<br>73.76%                |
| VALERO ENERGY 9.375%19<br>NOTES DUE 03/15/19<br>CALLABLE<br>CUSIP: 91913YANO<br>MOODY'S: Baa2 S&P: BBB                       | 5,000.0000<br>5,000.0000   | 137.4362<br>11,430.0000 | 6,871.81<br><del>571,500.00</del><br><i>5,715.25</i>     | <1%<br>06/15/09              | (564,628.19)<br>(564,628.19)     | 468.75<br>41.51%                |
| VERIZON COMM INC 5.5%18<br>BONDS DUE 02/15/18<br>CALLABLE<br>CUSIP: 92343VAL8<br>MOODY'S: A3 S&P: A-                         | 10,000.0000<br>10,000.0000 | 119.7167<br>10,874.0000 | 11,971.67<br><del>1,087,400.00</del><br><i>10,874.30</i> | 1%<br>06/04/10               | (1,075,428.33)<br>(1,075,428.33) | 550.00<br>51.54%                |
| VODAFONE GROUP PL 5%13F<br>DUE 12/16/13<br>CALLABLE<br>CUSIP: 92857WAF7<br>MOODY'S: A3 S&P: A-                               | 10,000.0000<br>10,000.0000 | 104.2387<br>N/A         | 10,423.87<br>please provide<br><i>10,854.90</i>          | <1%<br>05/02/12              | N/A<br>N/A                       | 500.00<br>N/A                   |
| VORNADO REALTY 4.25%15<br>NOTES DUE 04/01/15<br>CALLABLE 01/01/15 AT 100.00000<br>CUSIP: 929043AF4<br>MOODY'S: Baa2 S&P: BBB | 5,000.0000<br>5,000.0000   | 105.0303<br>10,109.0000 | 5,251.52<br><del>595,450.00</del><br><i>5,054.90</i>     | <1%<br>12/17/10              | (500,198.48)<br>(500,198.48)     | 212.50<br>82.55%                |
|  |                            |                         |  |                              |                                  | <b>Accrued Interest: 51.19</b>  |
|  |                            |                         |  |                              |                                  | <b>Accrued Interest: 138.02</b> |
|  |                            |                         |  |                              |                                  | <b>Accrued Interest: 207.78</b> |
|  |                            |                         |  |                              |                                  | <b>Accrued Interest: 20.83</b>  |
|  |                            |                         |  |                              |                                  | <b>Accrued Interest: 53.13</b>  |

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**Investment Detail - Fixed Income (continued)**

| Corporate Bonds (continued)   | Par                        | Market Price            | Market Value   | % of Account Assets Acquired | Unrealized Gain or (Loss)        | Estimated Annual Income | Yield to Maturity              |
|---|----------------------------|-------------------------|--|------------------------------|----------------------------------|-------------------------|--------------------------------|
| WACHOVIA CORP 5.75%17<br>NOTES DUE 06/15/17<br>CUSIP: 929903DT6<br>MOODY'S: A2 S&P: A+                                      | 5,000.0000<br>5,000.0000   | 118.1564<br>10,124.0000 | 5,907.82<br><del>5,000,000.00</del><br><b>5,062.25</b> | <1%<br>07/21/09              | (500,292.18)<br>(500,292.18)     | 287.50<br>49.65%        |                                |
| WASTE MGMT INC 2.9%22<br>NOTES DUE 09/15/22<br>CALLABLE 06/15/22 AT 100.00000<br>CUSIP: 94106LAY5<br>MOODY'S: Baa3 S&P: BBB | 5,000.0000<br>5,000.0000   | 99.3146<br>99.6630      | 4,965.73<br>4,983.15                                   | <1%<br>09/06/12              | (17.42)<br>(17.42)               | 145.00<br>2.93%         | Accrued Interest: 12.78        |
| WELLS FARGO CO 5.625%17<br>NOTES DUE 12/11/17<br>CUSIP: 949746NX5<br>MOODY'S: A2 S&P: A+                                    | 10,000.0000<br>10,000.0000 | 119.0144<br>11,287.0000 | 11,901.44<br><del>11,287.00</del><br><b>11,287.40</b>  | 1%<br>08/19/10               | (1,116,798.56)<br>(1,116,798.56) | 582.50<br>54.26%        | Accrued Interest: 43.90        |
| <b>Total Corporate Bonds</b>  | <b>20,000.0000</b>         |                         | <b>30,737,252.15</b>                                   | <b>42%</b>                   | <b>(30,515,718.69)</b>           | <b>18,977.50</b>        | <b>Accrued Interest: 31.25</b> |

Total Accrued Interest for Corporate Bonds: 4,498.53

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**Investment Detail - Fixed Income (continued)**

| Mortgage Pools              | Units Purchased | Par | Market Price<br>Cost Per Unit | Market Value<br>Cost Basis | % of Account<br>Assets Acquired | Unrealized<br>Gain or (Loss) | Estimated<br>Annual Income<br>Yield to Maturity |
|-----------------------------|-----------------|-----|-------------------------------|----------------------------|---------------------------------|------------------------------|---|
|                             |                 |     |                               |                            |                                 |                              |   |
| FNMA PL 850862 FLT 2035     | 15,000.0000     |     | 104.5006                      | 3,944.92                   | <1%                             | 172.71                       | N/A   |
| DUE 12/01/35                | 15,000.0000     |     | 99.9257                       | 3,772.21                   | 01/18/06                        | 172.71                       | N/A   |
| CUSIP: 31408GJF5            |                 |     |                               |                            |                                 |                              |   |
| FACTOR= .251667850          |                 |     |                               |                            |                                 |                              |   |
| REMAIN PRN=\$3,775.02       |                 |     |                               |                            |                                 |                              |   |
| <b>Total Mortgage Pools</b> |                 |     |                               | 3,944.92                   |                                 | 172.71                       | N/A   |
|                             |                 |     |                               | <b>Total Cost Basis:</b>   |                                 | 3,772.21                     | N/A   |

| CMO & Asset Backed Securities | Units Purchased | Par | Market Price<br>Cost Per Unit | Market Value<br>Cost Basis | % of Account<br>Assets Acquired | Unrealized<br>Gain or (Loss) | Estimated<br>Annual Income<br>Yield to Maturity |
|-------------------------------|-----------------|-----|-------------------------------|----------------------------|---------------------------------|------------------------------|---|
|                               |                 |     |                               |                            |                                 |                              |   |
| ALLY AUTO REC TR 0.7%14       | 10,000.0000     |     | 100.1801                      | 10,018.01                  | <1%                             | 18.47                        | N/A   |
| ASSET BACKD DUE 02/15/14      | 10,000.0000     |     | 99.9954                       | 9,999.54                   | 05/22/12                        | 18.47                        | N/A   |
| ALLYA-2012-3-A2               |                 |     |                               |                            |                                 |                              |   |
| CUSIP: 02005EAB6              |                 |     |                               |                            |                                 |                              |   |
| MOODY'S: Aaa S&P: AAA         |                 |     |                               |                            |                                 |                              |   |
| FACTOR=1.000000000            |                 |     |                               |                            |                                 |                              |   |
| REMAIN PRN=\$10,000.00        |                 |     |                               |                            |                                 |                              |   |
| ALLY AUTO REC TR 0.48%15      | 10,000.0000     |     | 100.0590                      | 10,005.90                  | <1%                             | 6.44                         | N/A   |
| ASSET BACKD DUE 05/15/15      | 10,000.0000     |     | 99.9946                       | 9,999.46                   | 08/07/12                        | 6.44                         | N/A   |
| ALLYA-2012-4-A2               |                 |     |                               |                            |                                 |                              |   |
| CUSIP: 02006EAB5              |                 |     |                               |                            |                                 |                              |   |
| MOODY'S: Aaa S&P: AAA         |                 |     |                               |                            |                                 |                              |   |
| FACTOR=1.000000000            |                 |     |                               |                            |                                 |                              |   |
| REMAIN PRN=\$10,000.00        |                 |     |                               |                            |                                 |                              |   |

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**Investment Detail - Fixed Income (continued)**

| CMO & Asset Backed Securities<br>(continued) | Par         | Units Purchased | Market Price<br>Cost Per Unit | Market Value<br>Cost Basis | % of Account<br>Assets<br>Acquired | Unrealized<br>Gain or (Loss) | Estimated<br>Annual Income<br>Yield to Maturity |
|--|-------------|-----------------|-------------------------------|----------------------------|------------------------------------|------------------------------|---|
| AMERICREDIT AUTO 0.49%16                     | 5,000.0000  | 5,000.0000      | 100.0112                      | 5,000.56                   | <1%                                | 0.73                         | N/A   |
| ASSET BACKD DUE 04/08/16                     | 5,000.0000  | 5,000.0000      | 99.9966                       | 4,999.83                   | 09/05/12                           | 0.73                         | N/A   |
| AMCAR-2012-4-A2                              |             |                 |                               |                            |                                    |                              |   |
| CUSIP: 03063XAC9                             |             |                 |                               |                            |                                    |                              |   |
| S&P: AAA                                     |             |                 |                               |                            |                                    |                              |   |
| FACTOR=1.000000000                           |             |                 |                               |                            |                                    |                              |   |
| REMAIN PRN=\$5,000.00                        |             |                 |                               |                            |                                    |                              |   |
| CARMX AUTO 0.84%15                           | 10,000.0000 | 10,000.0000     | 100.5913                      | 10,059.13                  | <1%                                | 61.19                        | N/A   |
| ASSET BACKD DUE 11/15/15                     | 10,000.0000 | 10,000.0000     | 99.9794                       | 9,997.94                   | 06/06/12                           | 61.19                        | N/A   |
| CARMX-2012-2-A3                              |             |                 |                               |                            |                                    |                              |   |
| CUSIP: 14313JAC5                             |             |                 |                               |                            |                                    |                              |   |
| MOODY'S: Aaa                                 |             |                 |                               |                            |                                    |                              |   |
| FACTOR=1.000000000                           |             |                 |                               |                            |                                    |                              |   |
| REMAIN PRN=\$10,000.00                       |             |                 |                               |                            |                                    |                              |   |
| CARMX AUTO OWNR 0.52%17                      | 10,000.0000 | 10,000.0000     | 99.9877                       | 9,998.77                   | <1%                                | (13.94)                      | N/A   |
| ASSET BACKD DUE 07/17/17                     | 10,000.0000 | 10,000.0000     | 100.1271                      | 10,012.71                  | 10/09/12                           | (13.94)                      | N/A   |
| CARMX-2012-3-A3                              |             |                 |                               |                            |                                    |                              |   |
| CUSIP: 14313KAC2                             |             |                 |                               |                            |                                    |                              |   |
| MOODY'S: Aaa S&P: AAA                        |             |                 |                               |                            |                                    |                              |   |
| FACTOR=1.000000000                           |             |                 |                               |                            |                                    |                              |   |
| REMAIN PRN=\$10,000.00                       |             |                 |                               |                            |                                    |                              |   |

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**Investment Detail - Fixed Income (continued)**

| CMO & Asset Backed Securities<br>(continued) | Par         | Market Price<br>Cost Per Unit | Market Value<br>Cost Basis | % of Account<br>Assets<br>Acquired | Unrealized<br>Gain or (Loss) | Estimated<br>Annual Income<br>Yield to Maturity |
|--|-------------|-------------------------------|----------------------------|------------------------------------|------------------------------|---|
| CITIBANK CR CARD 4.15%17                     | 5,000.0000  | 109.1078                      | 5,455.39                   | <1%                                | (21.90)                      | N/A   |
| ASSET BACKD DUE 07/07/17                     | 5,000.0000  | 109.5458                      | 5,477.29                   | 12/06/12                           | (21.90)                      | N/A   |
| CCCIT 2003-A7 A7                             |             |                               |                            |                                    |                              |   |
| CUSIP: 17305EBU8                             |             |                               |                            |                                    |                              |   |
| MOODY'S: Aaa S&P: AAA                        |             |                               |                            |                                    |                              |   |
| FACTOR=1.000000000                           |             |                               |                            |                                    |                              |   |
| REMAIN PRN=\$5,000.00                        |             |                               |                            |                                    |                              |   |
| HONDO AUTOMOBILE 0.94%16                     | 10,000.0000 | 100.3927                      | 10,039.27                  | <1%                                | 57.24                        | N/A   |
| REMIC DUE 12/21/16                           | 10,000.0000 | 99.8203                       | 9,982.03                   | 06/28/11                           | 57.24                        | N/A   |
| HONDO 2010-3 A4                              |             |                               |                            |                                    |                              |   |
| CUSIP: 43813BAD4                             |             |                               |                            |                                    |                              |   |
| MOODY'S: Aaa                                 |             |                               |                            |                                    |                              |   |
| FACTOR=1.000000000                           |             |                               |                            |                                    |                              |   |
| REMAIN PRN=\$10,000.00                       |             |                               |                            |                                    |                              |   |
| HYUNDAI AUTO REC 0.53%19                     | 10,000.0000 | 100.0538                      | 10,005.38                  | <1%                                | (8.36)                       | N/A   |
| ASSET BACKD DUE 10/15/19                     | 10,000.0000 | 100.1374                      | 10,013.74                  | 10/10/12                           | (8.36)                       | N/A   |
| HART-2012-C-A3                               |             |                               |                            |                                    |                              |   |
| CUSIP: 44890KAC0                             |             |                               |                            |                                    |                              |   |
| MOODY'S: Aaa S&P: AAA                        |             |                               |                            |                                    |                              |   |
| FACTOR=1.000000000                           |             |                               |                            |                                    |                              |   |
| REMAIN PRN=\$10,000.00                       |             |                               |                            |                                    |                              |   |

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*Charles SCHWAB*  
INSTITUTIONAL

Schwab One® Account of  
PAUL D WASSEROTT FOUNDATION  
MGR: SAGE ADVISORY SERVICES

Account Number  
Statement Period  
December 1-31, 2012

**Investment Detail - Fixed Income (continued)**

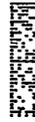
| CMO & Asset Backed Securities<br>(continued)   | Par         | Market Price<br>Cost Per Unit | Market Value<br>Cost Basis | % of Account<br>Assets<br>Acquired | Unrealized<br>Gain or (Loss) | Estimated<br>Annual Income<br>Yield to Maturity |
|--|-------------|-------------------------------|----------------------------|------------------------------------|------------------------------|---|
|  |             |                               |                            |                                    |                              |   |
| MERCEDES-BENZ 0.47% 16   | 10,000.0000 | 99.9052                       | 9,990.52                   | <1%                                | (8.52)                       | N/A   |
| ASSET BACKD DUE 10/17/16   | 10,000.0000 | 99.9904                       | 9,999.04                   | 09/11/12                           | (8.52)                       | N/A   |
| MBART 2012-1 A3<br>CUSIP: 587680AC3<br>MOODY'S: Aaa S&P: AAA<br>FACTOR=1.0000000000<br>REMAIN PRIN=\$10,000.00 |             |                               |                            |                                    |                              |   |
| TOYOTA AUTO REC 0.46% 16   | 5,000.0000  | 99.8663                       | 4,993.32                   | <1%                                | (6.20)                       | N/A   |
| ASSET BACKD DUE 07/15/16   | 5,000.0000  | 99.9904                       | 4,999.52                   | 09/18/12                           | (6.20)                       | N/A   |
| TAOT-2012-B-A3<br>CUSIP: 89231NAC7<br>MOODY'S: Aaa S&P: AAA<br>FACTOR=1.0000000000<br>REMAIN PRIN=\$5,000.00   |             |                               |                            |                                    |                              |   |
| TOYOTA AUTO REC 0.53% 14   | 10,000.0000 | 100.0659                      | 4,291.82                   | <1%                                | 2.91                         | N/A   |
| ASSET BACKD DUE 04/15/14   | 10,000.0000 | 99.9985                       | 4,288.91                   | 09/21/11                           | 2.91                         | N/A   |
| TAOT 2011-B A2<br>CUSIP: 89236QAB7<br>MOODY'S: Aaa S&P: AAA<br>FACTOR= .428898904<br>REMAIN PRIN=\$4,288.99    |             |                               |                            |                                    |                              |   |

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**Investment Detail - Fixed Income (continued)**

| CMO & Asset Backed Securities<br>(continued) | Par         | Market Price<br>Cost Per Unit | Market Value<br>Cost Basis | % of Account<br>Assets<br>Acquired | Unrealized<br>Gain or (Loss) | Estimated<br>Annual Income<br>Yield to Maturity |
|--|-------------|-------------------------------|----------------------------|------------------------------------|------------------------------|---|
| WACHOVIA BANK 4.748%41                       | 10,000.0000 | 103.2595                      | 8,747.29                   | <1%                                | (174.36)                     | N/A   |
| REMIC DUE 02/15/41                           | 10,000.0000 | 105.3177                      | 8,921.65                   | 05/08/12                           | (174.36)                     | N/A   |
| WBCMT 2004-C10 A4                            |             |                               |                            |                                    |                              |   |
| CUSIP: 929766NQ2                             |             |                               |                            |                                    |                              |   |
| MOODY'S: Aaa S&P: AAA                        |             |                               |                            |                                    |                              |   |
| FACTOR= .847116776                           |             |                               |                            |                                    |                              |   |
| REMAIN PRIN=\$8,471.17                       |             |                               |                            |                                    |                              |   |
| WORLD FINANCIAL 1.76%21                      | 5,000.0000  | 99.3037                       | 4,965.19                   | <1%                                | (34.68)                      | N/A   |
| ASSET BACKD DUE 05/17/21                     | 5,000.0000  | 99.9974                       | 4,999.87                   | 07/13/12                           | (34.68)                      | N/A   |
| WFNMT-2012-B-A                               |             |                               |                            |                                    |                              |   |
| CUSIP: 981464DB3                             |             |                               |                            |                                    |                              |   |
| MOODY'S: NR S&P: AAA                         |             |                               |                            |                                    |                              |   |
| FACTOR=1.000000000                           |             |                               |                            |                                    |                              |   |
| REMAIN PRIN=\$5,000.00                       |             |                               |                            |                                    |                              |   |

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**Charles SCHWAB**  
INSTITUTIONAL

Schwab One® Account of  
**PAUL D WASSEROTT FOUNDATION**  
**MGR: SAGE ADVISORY SERVICES**

Account Number  
Statement Period  
**December 1-31, 2012**

**Investment Detail - Fixed Income (continued)**

| CMO & Asset Backed Securities<br>(continued)   | Units Purchased     | Par | Market Price | Market Value             | Cost Basis        | % of Account Assets Acquired | Unrealized Gain or (Loss) | Estimated Annual Income | Yield to Maturity |
|--|---------------------|-----|--------------|--------------------------|-------------------|------------------------------|---------------------------|-------------------------|-------------------|
| WORLD OMNI AUTO 0.64%17                        | 5,000.0000          |     | 100.7865     | 5,039.33                 |                   | <1%                          | 39.70                     | N/A                     |                   |
| ASSET BACKD DUJE 02/15/17                      | 5,000.0000          |     | 99.9926      | 4,999.63                 |                   | 07/11/12                     | 39.70                     | N/A                     |                   |
| WOART-2012-A-A3                                |                     |     |              |                          |                   |                              |                           |                         |                   |
| CUSIP: 98157HAB3                               |                     |     |              |                          |                   |                              |                           |                         |                   |
| MOODY'S: Aaa S&P: AAA                          |                     |     |              |                          |                   |                              |                           |                         |                   |
| FACTOR=1 000000000                             |                     |     |              |                          |                   |                              |                           |                         |                   |
| REMAIN PRIN=\$5,000.00                         |                     |     |              |                          |                   |                              |                           |                         |                   |
| <b>Total CMO &amp; Asset Backed Securities</b> | <b>115,000.0000</b> |     |              | <b>108,608.88</b>        |                   | <b>10%</b>                   | <b>(81.28)</b>            | <b>N/A</b>              |                   |
|  |                     |     |              | <b>Total Cost Basis:</b> | <b>108,691.16</b> |                              |                           |                         |                   |

|                           |                     |  |  |                          |                      |            |                        |                  |  |
|---------------------------|---------------------|--|--|--------------------------|----------------------|------------|------------------------|------------------|--|
| <b>Total Fixed Income</b> | <b>723,000.0000</b> |  |  | <b>755,777.72</b>        |                      | <b>72%</b> | <b>(35,594,240.16)</b> | <b>2,167,135</b> |  |
|                           |                     |  |  | <b>Total Cost Basis:</b> | <b>36,329,123.24</b> |            |                        |                  |  |

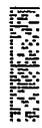
Accrued interest represents the interest that would be received if the fixed income investment was sold prior to the coupon payment. Estimated Annual Income ("EAI") and Estimated Yield ("EY") calculations are for informational purposes only. The actual income and yield might be lower or higher than the estimated amounts. EY is based upon EAI and the current price of the security and will fluctuate. For certain types of securities, the calculations could include a return of principal or capital gains in which case EAI and EY would be overstated. EY and EAI are not promptly updated to reflect when an issuer has missed a regular payment or announced changes to future payments, in which case EAI and EY will continue to display at a prior rate.

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**Investment Detail - Other Assets**

| Other Assets   | Quantity | Market Price | Market Value | Account Assets Acquired | Unrealized Gain or (Loss) | Holding Days | Holding Period |
|--|----------|--------------|--------------|-------------------------|---------------------------|--------------|----------------|
|  |          |              |              |                         |                           |              |                |
| ISHARES MSCI VAL IDX FD<br>SYMBOL: EFV                         | 640,000  | 48.6400      | 31,129.60    | 3%                      | 600.07                    | 74           | Short-Term     |
| ISHARES S&P 500 VALUE<br>S&P 500 VALUE INDEX FD<br>SYMBOL: IVE | 462,000  | 66.3900      | 30,672.18    | 3%                      | 1,588.29                  | 689          | Long-Term      |
|  | 277,000  | 63.3693      | 17,553.32    | 02/11/11                | 836.71                    | 556          | Long-Term      |
|  | 76,000   | 59.9200      | 4,553.92     | 06/24/11                | 491.72                    | 203          | Short-Term     |
|  | 26,000   | 61.1169      | 1,589.04     | 06/11/12                | 137.10                    | 153          | Short-Term     |
|  | 33,000   | 63.4045      | 2,092.35     | 07/31/12                | 98.52                     | 28           | Short-Term     |
|  | 50,000   | 65.9052      | 3,295.26     | 12/03/12                | 24.24                     |              |                |
| <i>Cost Basis</i>  |          |              | 29,083.89    |                         |                           |              |                |
| ISHARES TR MSCI EAFE FD<br>MSCI EAFE INDEX FUND<br>SYMBOL: EFA | 549,000  | 56.8600      | 31,216.14    | 3%                      | 4,099.15                  | 203          | Short-Term     |
|  | 412,000  | 48.4694      | 19,969.43    | 06/11/12                | 3,456.89                  | 153          | Short-Term     |
|  | 87,000   | 50.2709      | 4,373.57     | 07/31/12                | 573.25                    | 28           | Short-Term     |
|  | 50,000   | 55.4798      | 2,773.99     | 12/03/12                | 69.01                     |              |                |
| <i>Cost Basis</i>  |          |              | 27,116.99    |                         |                           |              |                |
| ISHARES TR S&P 100 INDEX<br>S & P 100 INDEX<br>SYMBOL: OEF     | 755,000  | 64.6900      | 50,781.65    | 5%                      | (945.10)                  | 153          | Short-Term     |
|  | 285,000  | 63.9005      | 18,211.65    | 07/31/12                | 225.00                    | 74           | Short-Term     |
|  | 400,000  | 67.4511      | 26,980.44    | 10/18/12                | (1,104.44)                | 28           | Short-Term     |
|  | 100,000  | 65.3466      | 6,534.66     | 12/03/12                | (65.66)                   |              |                |
| <i>Cost Basis</i>  |          |              | 51,726.75    |                         |                           |              |                |
| S P D R S&P 500 ETF TR<br>EXPIRING 01/22/2118<br>SYMBOL: SPY   | 575,000  | 142.4100     | 81,885.75    | 8%                      | 7,670.09                  | 1005         | Long-Term      |
|  | 115,000  | 117.8568     | 13,553.54    | 04/01/10                | 2,823.61                  | 810          | Long-Term      |
|  | 36,000   | 118.4272     | 4,263.38     | 10/13/10                | 863.38                    | 753          | Long-Term      |
|  | 17,000   | 123.4694     | 2,098.98     | 12/09/10                | 321.99                    | 556          | Long-Term      |
|  | 36,000   | 127.1080     | 4,575.89     | 06/24/11                | 550.87                    | 472          | Long-Term      |
|  | 108,000  | 120.9982     | 13,067.81    | 09/16/11                | 2,312.47                  |              |                |

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**Investment Detail - Other Assets (continued)**

| Other Assets (continued)          | Quantity | Market Price | Market Value     | Acquired | Unrealized | Holding Days | Holding Period |
|-----------------------------------|----------|--------------|------------------|----------|------------|--------------|----------------|
|                                   |          |              |                  |          |            |              |                |
| <b>S P D R S&amp;P 500 ETF TR</b> | 125.0000 | 139.0072     | 17,375.90        | 04/17/12 | 425.35     | 258          | Short-Term     |
|                                   | 27.0000  | 133.6455     | 3,608.43         | 06/11/12 | 236.64     | 203          | Short-Term     |
|                                   | 41.0000  | 138.6358     | 5,684.07         | 07/31/12 | 154.74     | 153          | Short-Term     |
|                                   | 70.0000  | 142.6808     | 9,987.66         | 12/03/12 | (18.96)    | 28           | Short-Term     |
|                                   |          |              | <b>74,215.66</b> |          |            |              |                |

**Cost Basis**

|                         |          |  |                   |     |           |  |  |
|-------------------------|----------|--|-------------------|-----|-----------|--|--|
| Total Other Assets      | 303.0000 |  | 225,885.32        | 22% | 13,072.50 |  |  |
| <b>Total Cost Basis</b> |          |  | <b>212,812.82</b> |     |           |  |  |

Total Investment Detail 104170285

Total Account Value 104170285  
Total Cost Basis 8854179605

*Cost Basis = \$95,182.61*

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