Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545 0052

2012

For calendar year 2012, or tax year beginning , 2012, and ending ,

FRANKLIN COLE FOUNDATION
970 PARK AVENUE, #12N
NEW YORK, NY 10028-0324

A Employer identification number 13-6090752

B Telephone number (see the instructions) (212) 860-3529

C If exemption application is pending, check here ☐

D 1 Foreign organizations, check here ☐

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

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

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

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

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► $ 586,564.

J Accounting method ☐ Cash ☒ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis)

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)				
	2 Ck ► ☒ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	15,066.	15,066.	15,066.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	38,311.			
	b Gross sales price for all assets on line 6a 108,203.				
	7 Capital gain net income (from Part IV, line 2)		38,311.		
	8 Net short-term capital gain			220.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	53,377.	53,377.	15,286.	
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 1	7,500.	7,500.		
	c Other prof fees (attach sch) SEE ST 2	5,053.	5,053.		
	17 Interest				
	18 Taxes (attach schedule)(see instrs)				
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 3	1,189.	1,189.		
	24 **Total operating and administrative expenses.** Add lines 13 through 23	13,742.	13,742.		
	25 Contributions, gifts, grants paid PART XV	27,916.			27,916.
	26 **Total expenses and disbursements.** Add lines 24 and 25	41,658.	13,742.	0.	27,916.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	11,719.			
	b **Net investment income** (if negative, enter -0-)		39,635.		
	c **Adjusted net income** (if negative, enter 0)			15,286.	

SCANNED SEP 29 2014

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Part II Balance Sheets

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1	Cash – non-interest-bearing			
	2	Savings and temporary cash investments	20,554.	9,094.	9,094.
	3	Accounts receivable ►			
		Less allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach sch) ►			
		Less allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U S and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule) STATEMENT 4	202,847.	205,348.	441,331.
	c	Investments – corporate bonds (attach schedule) STATEMENT 5	101,948.	122,626.	136,139.
	11	Investments – land, buildings, and equipment basis ►			
		Less accumulated depreciation (attach schedule) ►			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule)			
	14	Land, buildings, and equipment basis ►			
		Less accumulated depreciation (attach schedule) ►			
	15	Other assets (describe ►)			
	16	**Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)	325,349.	337,068.	586,564.
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)			
	23	**Total liabilities** (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES		**Foundations that follow SFAS 117, check here ► [ ] and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		***Foundations that do not follow SFAS 117, check here* ► [X] and complete lines 27 through 31.**			
	27	Capital stock, trust principal, or current funds	318,264.	318,264.	
	28	Paid-in or capital surplus, or land, building, and equipment fund	44,322.	44,322.	
	29	Retained earnings, accumulated income, endowment, or other funds	-37,237.	-25,518.	
	30	**Total net assets or fund balances** (see instructions)	325,349.	337,068.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	325,349.	337,068.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	325,349.
2	Enter amount from Part I, line 27a	2	11,719.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	337,068.
5	Decreases not included in line 2 (itemize) ►	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	337,068.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day year)	(d) Date sold (month, day year)
1 a	SEE STATEMENT 6			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7	2	38,311.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	220.

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2011	28,516.	577,419.	0.049385
2010	33,645.	558,550.	0.060236
2009	32,001.	542,732.	0.058963
2008	33,916.	692,698.	0.048962
2007	39,316.	756,172.	0.051993

2	**Total** of line 1, column (d)	2	0.269539
3	Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.053908
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	561,485.
5	Multiply line 4 by line 3	5	30,269.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	396.
7	Add lines 5 and 6	7	30,665.
8	Enter qualifying distributions from Part XII, line 4	8	27,916.

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)

1 a	Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1 Date of ruling or determination letter _______ (attach copy of letter if necessary – see instrs)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b			1	793.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	0.
3	Add lines 1 and 2			3	793.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0.
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	793.
6	Credits/Payments				
a	2012 estimated tax pmts and 2011 overpayment credited to 2012	6a	3,923.		
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	3,923.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►			9	0.
10	**Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►			10	3,130.
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ►	3,130.	**Refunded** ►	11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1 a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
	*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** *On the foundation* ► $ 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? *If 'Yes,' attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6		X
7	Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► NY			
b	If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

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

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

Website address ► N/A

14 The books are in care of ► JEFFREY BUNZEL Telephone no ►

Located at ► 970 PARK AVENUE, APT. 12N NEW YORK NY ZIP + 4 ► 10028

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** — Check here N/A ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

			Yes	No
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?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If 'Yes,' enter the name of the foreign country ►			

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

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

				Yes	No
1 a	During the year did the foundation (either directly or indirectly)				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	☐ Yes ☒ No			
b	If any answer is 'Yes' to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		1 b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ► ☐				
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?		1 c		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? If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__	☐ Yes ☒ No			
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)		2 b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__				
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 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)*		3 b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4 a		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?		4 b		X

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

5a During the year did the foundation pay or incur any amount to			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No		
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No		
(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)	☐ Yes ☒ No		
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No		
b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?		**5b**	N/A
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?	N/A ☐ Yes ☐ No		
If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)			
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		**6b**	X
If 'Yes' to 6b, file Form 8870			
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	**7b**	

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

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

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
JEFFREY H. BUNZEL 970 PARK AVENUE, APT. 12N NEW YORK, NY 10028	TRUSTEE 0	0.	0.	0.
JOHN BUNZEL 970 PARK AVENUE, APT. 12N NEW YORK, NY 10028	TRUSTEE 0	0.	0.	0.
ROBERT BUNZEL 970 PARK AVENUE, APT. 12N NEW YORK, NY 10028	TRUSTEE 0	0.	0.	0.

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

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

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 (see instructions). If none, enter 'NONE.'

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

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	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3 ►	0.

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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	555,212.
b	Average of monthly cash balances	1b	14,824.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	570,036.
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	570,036.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	8,551.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	561,485.
6	**Minimum investment return.** Enter 5% of line 5	6	28,074.

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	28,074.
2a	Tax on investment income for 2012 from Part VI, line 5 — 2a 793.		
b	Income tax for 2012 (This does not include the tax from Part VI) — 2b		
c	Add lines 2a and 2b	2c	793.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	27,281.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	27,281.
6	Deduction from distributable amount (see instructions)	6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	27,281.

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	27,916.
b	Program-related investments – total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
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	27,916.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	27,916.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				27,281.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years 20___, 20___, 20___		0.		
3 Excess distributions carryover, if any, to 2012				
a From 2007 3,501.				
b From 2008				
c From 2009 5,294.				
d From 2010 5,959.				
e From 2011 243.				
f **Total** of lines 3a through e	14,997.			
4 Qualifying distributions for 2012 from Part XII, line 4 ► $ 27,916.				
a Applied to 2011, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2012 distributable amount				27,281.
e Remaining amount distributed out of corpus	635.			
5 Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	15,632.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	3,501.			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	12,131.			
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009 5,294.				
c Excess from 2010 5,959.				
d Excess from 2011 243.				
e Excess from 2012 635.				

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	Prior 3 years			
	(a) 2012	**(b)** 2011	**(c)** 2010	**(d)** 2009	**(e) Total**
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 Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** 'Assets' alternative test – enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year – see instructions.)

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
SEE STATEMENT 7				
Total			► **3a**	27,916.
b *Approved for future payment*				
Total			► **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	15,066.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	38,311.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				53,377.	
13 **Total.** Add line 12, columns (b), (d), and (e)				13	53,377.

(See worksheet in line 13 instructions to verify calculations)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)
N/A	

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

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

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

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

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

b If 'Yes,' complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

X [signature] Signature of officer or trustee X 9/18/14 Date ▶ Trustee Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
STUART L. JAFFE	[signature]	9/8/14		P00006551

Firm's name ▶ KIRSCH, KOHN & BRIDGE, LLP — Firm's EIN ▶ 95-3404284

Firm's address ▶ 15910 VENTURA BLVD., STE. 1100 ENCINO, CA 91436-2869 — Phone no (818) 907-6500

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	$ 7,500.	$ 7,500.		
TOTAL	$ 7,500.	$ 7,500.	$ 0.	$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MANAGEMENT FEES	$ 5,053.	$ 5,053.		
TOTAL	$ 5,053.	$ 5,053.	$ 0.	$ 0.

STATEMENT 3
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	$ 191.	$ 191.		
MEALS & ENTERTAINMENT	698.	698.		
TAXES & LICENSES	300.	300.		
TOTAL	$ 1,189.	$ 1,189.	$ 0.	$ 0.

STATEMENT 4
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	COST	$ 205,348.	$ 441,331.
	TOTAL	$ 205,348.	$ 441,331.

STATEMENT 5
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	COST	$ 122,626.	$ 136,139.
	TOTAL	$ 122,626.	$ 136,139.

STATEMENT 6
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
1	100SH EXXON MOBIL CORP	PURCHASED	12/01/1966	10/16/2012
2	700SH HEWLETT PACKARD	PURCHASED	VARIOUS	5/11/2012
3	300SH HUBBELL INC B	PURCHASED	11/09/2000	VARIOUS
4	200SH JACOBS ENGINEERING GROUPS INC	PURCHASED	5/29/2003	1/26/2012
5	100SH MC CORMICK AND CO NON VOTING	PURCHASED	6/02/2005	2/17/2012
6	223SH PROLOGIS INC COM	PURCHASED	8/29/1997	5/11/2012
7	25,000SH VERIZON COMM INC	PURCHASED	4/09/2009	2/08/2012
8	100SH WEIS MARKETS INC	PURCHASED	2/11/2003	2/17/2012
9	100SH WEIS MARKETS INC	PURCHASED	3/25/2011	2/17/2012
10	CAPITAL GAIN DIVIDENDS			

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I)-(J)	(L) GAIN (LOSS)
1	9,164.		292.	8,872.				$ 8,872.
2	16,353.		13,192.	3,161.				3,161.
3	22,685.		7,259.	15,426.				15,426.
4	8,990.		3,760.	5,230.				5,230.
5	5,026.		3,442.	1,584.				1,584.
6	7,657.		10,222.	-2,565.				-2,565.
7	29,630.		24,579.	5,051.				5,051.
8	4,334.		3,032.	1,302.				1,302.
9	4,334.		4,114.	220.				220.
10								30.
							TOTAL	$ 38,311.

STATEMENT 7
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
AMERICAN RED CROSS 11355 OHIO AVENUE LOS ANGELES, CA 90025	NONE	501(C)(3)	PROTECT LIFE AND HEALTH	$ 1,000.

STATEMENT 7 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
C5 YOUTH FOUNDATION 1334 SOUTH CENTRAL AVENUE LOS ANGELES, CA 90021	TRUSTEE ON BOARD	501(C)(3)	HELP AT RISK YOUTH	$ 500.
HASTINGS LAW SCHOOL 200 MCALLISTER STREET SAN FRANCISCO, CA 94102	TRUSTEE GRAD	501(C)(3)	HELP SCHOLARSHIP STUDENTS	1,066.
LAW CENTER AGAINST GUN VIOLENCE 268 BUSH STREET, #555 SAN FRANCISCO, CA 94104	NONE	501(C)(3)	SUPPORT ANTI-GUN MOVEMENT	500.
LOS ANGELES COUNTY ART 5905 WILSHIRE BOULEVARD LOS ANGELES, CA 90012	NONE	501(C)(3)	SUPPORT THE ARTS	2,500.
MARINE HISTORICAL ASSOCIATION PO BOX 6000 MYSTIC, CT 06355	NONE	501(C)(3)	HISTORICAL PRESERVATION	250.
MUSEUM CONTEMPORARY ART 250 SOUTH GRAND AVENUE LOS ANGELES, CA 90012	NONE	501(C)(3)	SUPPORT THE ARTS	500.
PREP FOR PREP 328 W. 71ST STREET NEW YORK, NY 10023	NONE	501(C)(3)	SUPPORT YOUTH	500.
SECOND STAGE THEATER 307 W. 43RD STREET NEW YORK, NY 10036	TRUSTEE ON BOARD	501(C)(3)	SUPPORT THE ARTS	500.
SHERIFFS MEADOW 57 DAVID AVENUE VINEYARD HAVEN, MA 02568	NONE	501(C)(3)	LAND PRESERVATION	2,250.
VASSAR BOX 725, 124 RAYMOND AVENUE POUGHKEEPSIE, NY 12604	NONE	501(C)(3)	SUPPORT EDUCATION	500.
YOUNG PEOPLE'S CHORUS OF NEW YORK CITY 1995 BROADWAY, #305 NEW YORK, NY 10023	NONE	501(C)(3)	SUPPORT YOUTH	250.
WELLS COLLEGE 170 MAIN STREET AURORA, NY 13026	NONE	501(C)(3)	SUPPORT EDUCATION	750.

STATEMENT 7 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
WARDLAW HARTRIDGE SCHOOL 1295 INMAN AVENUE EDISON, NJ 08820	NONE	501(C)(3)	SUPPORT EDUCATION	$ 200.
UNUSUAL SUSPECTS THEATRE COMPANY 617 S. OLIVE STREET, #812 LOS ANGELES, CA 90014	TRUSTEE - BOARD	501(C)(3)	SUPPORT AT RISK YOUTH	500.
ST. MATTHEW'S CHURCH 1031 BIENVENEDA AVENUE PACIFIC PALISADES, CA 90272	NONE	501(C)(3)	SUPPORT COMMUNITY PROGRAMS	1,000.
SPECIAL OPERATIONS WARRIOR FOUNDATION 1137 MARBELLA PLAZA DRIVE TAMPA, FL 33619	NONE	501(C)(3)	VETERANS	500.
SALVATION ARMY 1533 4TH STREET SANTA MONICA, CA 90401	NONE	501(C)(3)	SUPPORT THE UNDERPRIVILEGED	1,000.
PRINCETON UNIVERSITY PRINCETON, NJ 08544	NONE	501(C)(3)	SUPPORT EDUCATION	3,000.
PHILLIPS EXETER ACADEMY 20 MAIN STREET EXETER, NH 03833	NONE	501(C)(3)	SUPPORT EDUCATION	200.
NEW HORIZONS 15725 PARTHENIA STREET NORTH HILLS, CA 91343	TRUSTEE OF BOARD	501(C)(3)	EMPOWER INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES	1,250.
NAOMI BERRIE DIABETES CENTER 1150 ST. NICHOLS AVENUE NEW YORK, NY 10032	NONE	501(C)(3)	MEDICAL RESEARCH	1,000.
MASTERS SCHOOL 49 CLINTON AVENUE DOBBS FERRY, NY 10522	NONE	501(C)(3)	SUPPORT EDUCATION	150.
LAKESIDE SCHOOL 14050 1ST AVENUE, N.E. SEATTLE, WA 98125	NONE	501(C)(3)	SUPPORT EDUCATION	250.
KENYON COLLEGE 106 COLLEGE PARK DRIVE GAMBIER, OH 43022	NONE	501(C)(3)	SUPPORT EDUCATION	500.

STATEMENT 7 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
JUVENILE DIABETES RESEARCH FOUNDATION 432 PARK AVENUE SOUTH, 15TH FL. NEW YORK , NY 10016	NONE	501(C)(3)	MEDICAL RESEARCH	$ 500.
HO'ONIPA'A NO HANA 100 THE EMBARCADERO, PENTHOUSE SAN FRANCISCO, CA 94105	NONE	501(C)(3)	LAND PRESERVATION	1,500.
HARVARD-WESTLAKE SCHOOL 700 N. FARING ROAD LOS ANGELES, CA 90077	NONE	501(C)(3)	SUPPORT EDUCATION	2,500.
HARVARD UNIVERSITY 124 MOUNT AUBURN ST., RM 430N CAMBRIDGE, MA 01238	NONE	501(C)(3)	SUPPORT EDUCATION	1,000.
FLETCHER SCHOOL 160 PACKARD AVENUE MEDFORD, MA 02155	NONE	501(C)(3)	SUPPORT EDUCATION	1,000.
DALE TURNER FAMILY YMCA 19290 AURORA AVENUE N. SHORELINE, WA 98133	NONE	501(C)(3)	SUPPORT COMMUNITY	500.
AMERICAN CANCER ASSOCIATION 1710 WEBSTER STREET OAKLAND, CA 94612	NONE	501(C)(3)	MEDICAL RESEARCH	300.
			TOTAL	$ 27,916.

STOCKS

COMMON STOCKS

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

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
3M COMPANY (MMM)	8/18/05	100.000	$72 408	$7,240 83	**$9,285.00**	$2,044.17 LT A	$236 00	2 54
Share Price $92 850, Rating Morgan Stanley 1, Citigroup 2, S&P 2, Next Dividend Payable 03/2013								
ABBOTT LABORATORIES (ABT)	3/10/92	100 000	14.793	1,479 34	6,550.00	5,070 66 LT A		
	10/23/92	400 000	13 834	5,533 77	26,200 00	20,666 23 LT A		
	Total	500 000		7,013 11	**32,750.00**	25,736 89 LT	280 00	0 85
Share Price $65 500, Rating Morgan Stanley 2, Citigroup 3, S&P 1, Next Dividend Payable 02/2013								
APACHE CORP (APA)	5/6/09	100 000	82 473	8,247 34	**7,850.00**	(397 34) LT	68 00	0 86
Share Price $78 500, Rating Morgan Stanley 2, Citigroup 1, S&P 1, Next Dividend Payable 02/2013								
APPLE INC (AAPL)	12/14/11	15 000	386.602	5,799 03	7,982 59	2,183 56 LT		
	7/25/12	10 000	580.790	5,807 90	5,321 73	(486 17) ST		
	Total	25 000		11,606.93	**13,304.32**	2,183 56 LT (486 17) ST	265 00	1 99
Share Price $532 173, Rating Morgan Stanley 1, Citigroup 2, S&P 1, Next Dividend Payable 02/2013								
BERKSHIRE HATHAWAY CL-B NEW (BRK'B)	8/11/03	150 000	50 112	7,516.83	**13,455.00**	5,938 17 LT	—	—
Share Price $89 700, Rating S&P 2								
DOW CHEMICAL CO (DOW)	3/24/11	300 000	37.313	11,193.85	**9,698.82**	(1,495 03) LT	384 00	3 95
Share Price $32 329, Rating Morgan Stanley 2, Citigroup 1, S&P 2, Next Dividend Payable 03/2013								
DU PONT EI DE NEMOURS & CO (DD)	6/24/08	250 000	45 750	11,437 50	**11,244.62**	(192 88) LT A	430 00	3 82
Share Price $44 979, Rating Morgan Stanley 2, Citigroup 2, S&P 3, Next Dividend Payable 03/2013								
EMC CORP MASS (EMC)	10/26/12	400 000	24 116	9,646 50	**10,120.00**	473 50 ST	—	—
Share Price $25 300, Rating Morgan Stanley 1, Citigroup 2, S&P 1								
EXXON MOBIL CORP (XOM)	12/1/66	500 000	2 917	1,458 59	**43,275.00**	41,816 41 LT A	1,140 00	2 63
Share Price $86 550, Rating Morgan Stanley 2, Citigroup 1, S&P 1, Next Dividend Payable 03/2013								
GILEAD SCIENCE (GILD)	12/19/06	400 000	32 685	13,074.00	29,380 00	16,306 00 LT A		
	2/17/12	100 000	47.457	4,745.68	7,345 00	2,599 32 ST		

CONTINUED

012748 MSGDT116

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
	Total	500 000		17,819 68	**36,725.00**	16,306 00 LT 2,599 32 ST	—	—
Share Price $73 450, Rating Morgan Stanley 1, Citigroup 1, S&P 1								
HUBBELL INC B (HUB'B)	11/9/00	100 000	24 196	2,419 59	8,463 00	6,043 41 LT A		
	2/11/03	200 000	31 208	6,241 54	16,926 00	10,684 46 LT A		
	Total	300 000		8,661 13	**25,389.00**	16,727 87 LT	540 00	2.12
Share Price $84 630, Rating Morgan Stanley 1, Next Dividend Payable 03/2013								
INTL BUSINESS MACHINES CORP (IBM)	8/22/03	100 000	84 653	8,465 32	19,155 00	10,689 68 LT A		
	6/8/04	100 000	89 348	8,934.83	19,155.00	10,220 17 LT A		
	Total	200 000		17,400 15	**38,310.00**	20,909 85 LT	680 00	1 77
Share Price $191 550, Rating Morgan Stanley 2, Citigroup 1, S&P 1, Next Dividend Payable 03/2013								
JACOBS ENGINEERING GROUP INC (JEC)	5/29/03	200 000	18 802	3,760 39	8,514 00	4,753 61 LT A		
	7/8/04	400 000	19 559	7,823 77	17,028 00	9,204 23 LT A		
	Total	600 000		11,584 16	**25,542.00**	13,957 84 LT	—	—
Share Price $42 570, Rating Citigroup 2H, S&P 1								
JOHNSON & JOHNSON (JNJ)	3/5/92	700 000	12 222	8,555 58	**49,070.00**	40,514 42 LT A	1,708 00	3.48
Share Price $70 100, Rating Morgan Stanley 2, Citigroup 1, S&P 1, Next Dividend Payable 03/2013								
ORACLE CORP (ORCL)	2/17/12	300 000	28 914	8,674 34	**9,996.00**	1,321 66 ST	72 00	0 72
Share Price $33 320, Rating Morgan Stanley 1, Citigroup 1, S&P 2, Next Dividend Payable 03/2013								
PEPSICO INC NC (PEP)	12/14/11	100.000	65.320	6,531 97	6,843.00	311 03 LT		
	2/17/12	100 000	63 188	6,318 77	6,843 00	524 23 ST		
	Total	200 000		12,850 74	**13,686.00**	311 03 LT 524 23 ST	430 00	3 14
Share Price $68 430, Rating Morgan Stanley 1, Citigroup 2, S&P 1, Next Dividend Payable 01/02/13								
PRECISION CASTPARTS CORP (PCP)	9/20/01	200 000	10 274	2,054 73	**37,884.00**	35,829 27 LT A	24 00	0 06
Share Price $189 420, Rating Citigroup 1, S&P 1, Next Dividend Payable 03/2013								
PROCTER & GAMBLE (PG)	9/18/09	100.000	58 282	5,828 15	6,789.00	960.85 LT		
	12/14/11	50 000	66 030	3,301 52	3,394 50	92 98 LT		
	Total	150.000		9,129 67	**10,183.50**	1,053 83 LT	337 20	3 31
Share Price $67 890, Rating Morgan Stanley 2, Citigroup 1, S&P 2, Next Dividend Payable 02/2013								

CONTINUED

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
QUALCOMM INC (QCOM)	5/11/12	200 000	63 100	12,620 06	**12,371.92**	(248 14) ST	200 00	1 61
Share Price $61 860, Rating Morgan Stanley 1, Citigroup 1, S&P 1, Next Dividend Payable 03/2013								
SCHLUMBERGER LTD (SLB)	8/21/98	200 000	24 982	4,996 41	**13,859.72**	8,863 31 LT A	220 00	1 58
Share Price $69 299, Rating Morgan Stanley 1, Citigroup 1, S&P 2, Next Dividend Payable 01/11/13								
UNITED PARCEL SERVICE INC CL-B (UPS)	6/28/05	100.000	70 448	7,044 83	**7,373.00**	328 17 LT A	228 00	3 09
Share Price $73 730, Rating Citigroup 1, S&P 1, Next Dividend Payable 03/2013								
WALT DISNEY CO HLDG CO (DIS)	4/26/11	200 000	42 975	8,594 94	**9,958.00**	1,363 06 LT	150 00	1 50
Share Price $49 790, Rating Morgan Stanley 1, Citigroup 1, S&P 1, Next Dividend Payable 12/2013								

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / Accrued Interest	Yield %
STOCKS	73.0%	$205,347.90	$441,330.90	$231,798.60 LT	$7,392.20	1.67%
				$4,184.40 ST	$0.00	

CORPORATE FIXED INCOME

CORPORATE BONDS

Security Description	Trade Date	Face Value	Orig. Unit Cost / Adj. Unit Cost	Orig. Total Cost / Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / Accrued Interest	Yield %
HEWLETT PACKARD COMPANY	12/3/12	20,000.000	$100 872	$20,174.30			$525 00	2 59
CUSIP 428236BT9			$100 842	$20,168.38	**$20,235.40**	$67 02 ST	$32 08	
Unit Price $101 177, Coupon Rate 2 625%, Matures 12/09/2014, Int Semi-Annually Jun/Dec 09, Yield to Maturity 2 003%, Moody BAA1 S&P BBB+, Issued 12/09/11								
SOUTHWESTERN BELL TELEPHONE CO	4/10/08	30,000.000	109 499	32,849.70			2,100 00	6 09
DEBENTURE			103 707	31,111 98	**34,462.80**	3,350 82 LT A	1,050 00	
CUSIP 845335BQ0								
Unit Price $114 876, Coupon Rate 7 000%, Matures 07/01/2015, Int Semi-Annually Jan/Jul 01, Yield to Maturity 963%, Moody A2 (-) S&P A-, Issued 07/01/93								
HARTFORD FINL SVCS GRP	4/1/10	10,000 000	101 964	10,196 35			537 50	4 75
CUSIP 416515AT1			101 269	10,126.94	**11,298.50**	1,171.56 LT	158 26	
Unit Price $112 985, Coupon Rate 5 375%, Matures 03/15/2017, Int Semi-Annually Mar/Sep 15, Yield to Maturity 2 130%, Moody BAA3 S&P BBB, Issued 03/09/07								

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012748 MSGDT116

CORPORATE FIXED INCOME

CORPORATE BONDS (CONTINUED)

Security Description	Trade Date	Face Value	Orig. Unit Cost / Adj. Unit Cost	Orig. Total Cost / Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / Accrued Interest	Yield %
ROWAN COMPANIES INC	9/9/10	25,000.000	103 324	25,831 00			1,250 00	4 50
CUSIP 779382AN0			102 337	25,584.27	**27,772.50**	2,188.23 LT	416 66	
Unit Price $111 090, Coupon Rate 5 000%, Matures 09/01/2017, Int Semi-Annually Mar/Sep 01, Yield to Maturity 2 469%, Moody BAA3 S&P BBB-, Issued 08/30/10								
FRONTIER COMMUNICATIONS	2/8/12	25,000 000	102 824	25,706 00			2,031 25	7 06
CUSIP 35906AAB4			102 522	25,630 51	**28,750.00**	3,119 49 ST	507 81	
Unit Price $115 000, Coupon Rate 8 125%, Matures 10/01/2018, Int Semi-Annually Apr/Oct 01, Yield to Maturity 5 081%, Moody BA2 S&P BB, Issued 10/01/09								
MORGAN STANLEY	4/1/10	10,000 000	100 048	10,004 75			550 00	4 90
CUSIP 61747YCM5			100 037	10,003 67	**11,217.90**	1,214 23 LT	236 80	
Unit Price $112 179, Coupon Rate 5 500%, Matures 01/26/2020, Int Semi-Annually Jan/Jul 26, Yield to Maturity 3 538%, Moody BAA1 S&P A-, Issued 01/26/10								

	Face Value / Percentage of Assets %	Orig. Total Cost / Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / Accrued Interest	Yield %
CORPORATE FIXED INCOME	120,000.000	$124,762.10			$6,993.75	5.23%
		$122,625.75	$133,737.10	$7,924.84 LT	$2,401.61	
				$3,186.51 ST		
TOTAL CORPORATE FIXED INCOME (incl.accr.int)	22.5%		$136,138.71			

Watchlist and CreditWatch Indicators (*) = developing/uncertain (+) = On Watchlist/CreditWatch Upgrade (-) = On Watchlist/CreditWatch Downgrade
For more information on Watchlist and CreditWatch Indicators, please go to our website at www morganstanley com/bondratings or contact your financial advisor

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income / Accrued Interest	Yield %
TOTAL MARKET VALUE	100.0%	$327,973.65	$602,011.58	$239,723.44 LT	$14,389.16	2.38%
				$7,370.91 ST	$2,401.61	
TOTAL VALUE (includes accrued interest)			$604,413.19			

A - You executed this transaction elsewhere and later transferred the security to your Morgan Stanley Smith Barney LLC Account Another financial institution has provided us with the transaction detail for this position
Unrealized Gain/(Loss) totals only reflect positions that have cost basis and/or market value information available Cash, MMF, Deposits and positions stating 'Please Provide' are not included