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

Open to Public Inspection

For calendar year 2012, or tax year beginning 01-01-2012 , and ending 12-31-2012

Name of foundation
BAYLEY FAMILY FOUNDATION

% FOUNDATION MGMT GROUP LLC

Number and street (or P O box number if mail is not delivered to street address) | Room/suite
1000 SECOND AVENUE 34TH FLOOR
Suite

City or town, state, and ZIP code
SEATTLE, WA 981041022

A Employer identification number
20-8113775

B Telephone number (see instructions)
(206) 667-0300

C If exemption application is pending, check here ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 3,830,135

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

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

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

	Line	Description	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc , received (attach schedule)	0			
	2	Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	136,355	136,355		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	24,320			
	b	Gross sales price for all assets on line 6a 622,706				
	7	Capital gain net income (from Part IV, line 2)		24,320		
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)	-264	-264		
	12	**Total.** Add lines 1 through 11	160,411	160,411		
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 schedule)				
	c	Other professional fees (attach schedule)	58,921	43,921		15,000
	17	Interest				
	18	Taxes (attach schedule) (see instructions)	2,623	1,470		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings	285			
	22	Printing and publications				
	23	Other expenses (attach schedule)	35			
	24	**Total operating and administrative expenses.** Add lines 13 through 23	61,864	45,391		15,000
	25	Contributions, gifts, grants paid	179,000			179,000
	26	**Total expenses and disbursements.** Add lines 24 and 25	240,864	45,391		194,000
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-80,453			
	b	**Net investment income** (if negative, enter -0-)		115,020		
	c	**Adjusted net income** (if negative, enter -0-)				

Part II	Balance Sheets — Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1	Cash—non-interest-bearing	218,289	177,793	177,793
2	Savings and temporary cash investments			
3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
5	Grants receivable			
6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments—U S and state government obligations (attach schedule)			
b	Investments—corporate stock (attach schedule)	2,156,013	2,348,393	2,348,393
c	Investments—corporate bonds (attach schedule)	1,250,942	1,296,078	1,296,078
11	Investments—land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
12	Investments—mortgage loans			
13	Investments—other (attach schedule)	6,335	5,928	5,928
14	Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)	0	1,943	1,943
16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	3,631,579	3,830,135	3,830,135
Liabilities 17	Accounts payable and accrued expenses			
18	Grants payable	225,000	165,000	
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)	1,800		
23	**Total liabilities** (add lines 17 through 22)	226,800	165,000	
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	3,404,779	3,665,135	
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
27	Capital stock, trust principal, or current funds			
28	Paid-in or capital surplus, or land, bldg , and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds			
30	**Total net assets or fund balances** (see page 17 of the instructions)	3,404,779	3,665,135	
31	**Total liabilities and net assets/fund balances** (see page 17 of the instructions)	3,631,579	3,830,135	

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	3,404,779
2	Enter amount from Part I, line 27a	2	-80,453
3	Other increases not included in line 2 (itemize) ▶	3	340,809
4	Add lines 1, 2, and 3	4	3,665,135
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	3,665,135

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1 a	SEE ATTACHMENT A ST	P		
b	SEE ATTACHMENT A LT	P		
c	CAPITAL GAIN DIVIDENDS	P		
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	126,110		124,810	1,300
b	495,104		473,576	21,528
c				1,492
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) **or** Losses (from col (h))
a				1,300
b				21,528
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	24,320
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2011	164,464	3,598,102	0 045709
2010	213,669	3,517,006	0 060753
2009	204,642	3,413,693	0 059947
2008	240,469	4,470,496	0 05379
2007	159,785	4,809,715	0 033221

2	**Total** of line 1, column (d).	2	0 25342
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 050684
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.	4	3,760,996
5	Multiply line 4 by line 3.	5	190,622
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	1,150
7	Add lines 5 and 6.	7	191,772
8	Enter qualifying distributions from Part XII, line 4.	8	194,000

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 page 18 of the instructions)**

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter ________ **(attach copy of letter if necessary–see instructions)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b			1	1,150
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	
3	Add lines 1 and 2			3	1,150
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	1,150
6	Credits/Payments				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	3,096		
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	3,096
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	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶			10	1,946
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ 1,152	**Refunded** ▶		11	794

Part VII-A **Statements Regarding Activities**

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		No
	*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		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ ________ **(2)** On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		No
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		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
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	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶WA			
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	Yes	
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		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

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		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶N/A

14 The books are in care of ▶FOUNDATION MGMT GROUP LLC Telephone no ▶(206) 667-0300

Located at ▶1000 SECOND AVENUE 34TH FLOOR SEATTLE WA ZIP +4 ▶981041022

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

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

			Yes	No
16	At any time during calendar year 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		No

See instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes", enter the name of the foreign country ▶

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

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☑ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☑ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)?	1b		No
	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?	1c		No
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? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20____ , 20____ , 20____ , 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☑ No			
b	If "Yes," did it have excess business holdings in 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.)*	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

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**		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ **Yes** ☐ **No**			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ **Yes** ☑ **No**			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		**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?	**7b**		

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

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

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
See Additional Data Table				

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
Total number of other employees paid over $50,000 ▶				

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

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

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
Total number of others receiving over $50,000 for professional services. . . . . ▶		

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

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

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See page 24 of the instructions 3	
Total. Add lines 1 through 3. . . . . ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities	1a	3,598,629
b	Average of monthly cash balances	1b	217,698
c	Fair market value of all other assets (see instructions)	1c	1,943
d	**Total** (add lines 1a, b, and c)	1d	3,818,270
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	3,818,270
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	57,274
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	3,760,996
6	**Minimum investment return.** Enter 5% of line 5	6	188,050

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	188,050
2a	Tax on investment income for 2012 from Part VI, line 5	2a	1,150		
b	Income tax for 2012 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	1,150
3	Distributable amount before adjustments Subtract line 2c from line 1			3	186,900
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	186,900
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	186,900

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	194,000
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	0
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	0
b	Cash distribution test (attach the required schedule)	3b	0
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	194,000
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	1,150
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	192,850

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					186,900
2 Undistributed income, if any, as of the end of 2012					
a Enter amount for 2011 only.				0	
b Total for prior years 2010 , 2009 , 2008					
3 Excess distributions carryover, if any, to 2012					
a From 2007.					
b From 2008.					
c From 2009.					
d From 2010.	6,978				
e From 2011.					
f Total of lines 3a through e.		6,978			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 194,000					
a Applied to 2011, but not more than line 2a				0	
b Applied to undistributed income of prior years (Election required—see instructions).					
c Treated as distributions out of corpus (Election required—see instructions).					
d Applied to 2012 distributable amount.					186,900
e Remaining amount distributed out of corpus		7,100			
5 Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*					
6 Enter the net total of each column as indicated below:					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		14,078			
b Prior years' undistributed income Subtract line 4b from line 2b					
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.					
d Subtract line 6c from line 6b Taxable amount —see instructions					
e Undistributed income for 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)					
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions) . . .					
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a		14,078			
10 Analysis of line 9					
a Excess from 2008. . . .					
b Excess from 2009. . . .					
c Excess from 2010. . . .	6,978				
d Excess from 2011. . . .					
e Excess from 2012. . . .	7,100				

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

1a 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 organization 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**
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon **a** "Assets" alternative test—enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV **Supplementary Information (Complete this part only if the organization 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))

See Additional Data Table

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

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

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

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

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 Additional Data Table				
Total . . . . ▶ **3a**				179,000
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income (See instructions)
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	136,355	
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	24,320	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory. .					
11 Other revenue a PUBLICLY TRADED PARTNERSHIPS	900099		14	-264	
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e). .				160,411	

13 **Total.** Add line 12, columns (b), (d), and (e). 13 160,411

(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)

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

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

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

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

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

b If "Yes," complete the following schedule

(a) Name of organization	**(b)** Type of organization	**(c)** Description of relationship

Sign Here

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

******	2013-04-18	******
Signature of officer or trustee	Date	Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ☐	PTIN
LEONARD KAIDEN	LEONARD KAIDEN			

Firm's name ▶	BADER MARTIN PS	Firm's EIN ▶
Firm's address ▶	1000 SECOND AVENUE 34TH FLOOR SEATTLE, WA 981041022	Phone no (206) 621-1900

Form 990PF Part VIII Line 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
BJORN BAYLEY 1000 SECOND AVENUE 34TH FLOOR SEATTLE, WA 981041022	PRESIDENT/DIRECTOR 2 0	0	0	0
DAVID BAYLEY 1000 SECOND AVENUE 34TH FLOOR SEATTLE, WA 981041022	VICE PRESIDENT/DIRECTOR 2 0	0	0	0
DANIELLA BAYLEY 1000 SECOND AVENUE 34TH FLOOR SEATTLE, WA 981041022	VICE PRESIDENT/DIRECTOR 2 0	0	0	0
DANIEL ASHER 1000 SECOND AVENUE 34TH FLOOR SEATTLE, WA 981041022	SECRETARY 2 0	0	0	0
JACQUELIN BAYLEY 1000 SECOND AVENUE 34TH FLOOR SEATTLE, WA 981041022	TREASURER/DIRECTOR 2 0	0	0	0

Form 990PF Part XV Line 1a - 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).

NP BJORN BAYLEY
JACQUELIN RG BAYLEY

Form 990PF Part XV Line 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*				
HOPE FOR HEROISM 5901 WILSON AVE SOUTH SEATTLE, WA 98118	NONE	EXEMPT	HUMAN SERVICES	30,000
AMERICAN FRIENDS OF LEKET ISRAEL 1402 TEANECK ROAD SUITE 223 TEANECK, NJ 076665000	NONE	EXEMPT	HUMAN SERVICES	5,000
FRED HUTCHINSON CANCER RESEARCH CTR PO BOX 19024 SEATTLE, WA 98109	NONE	EXEMPT	HEALTH	25,000
JEWISH FAMILY SERVICES 1601 - 16TH AVENUE SEATTLE, WA 98122	NONE	EXEMPT	HUMAN SERVICES	30,000
AMERICAN FRIENDS OF THE SHALOM HARTMAN INST ONE PENNSYLVANIA PLAZA SUITE 1606 NEW YORK, NY 10119	NONE	EXEMPT	EDUCATION	25,000
JEWISH FEDERATION OF GREATER SEATTLE 2301 THIRD AVENUE SEATTLE, WA 98121	NONE	EXEMPT	HUMAN SERVICES	25,000
WATER 1ST INTERNATIONAL 1904 -3RD AVENUE SUITE 1012 SEATTLE, WA 98101	NONE	EXEMPT	HUMAN SERVICES	5,000
JEWISH DAY SCHOOL OF METROPOLITAN SEATTLE 15749 NE 4TH STREET BELLEVUE, WA 98008	NONE	EXEMPT	EDUCATION	4,000
FARESTART 700 VIRGINA STREET SEATTLE, WA 98101	NONE	EXEMPT	HUMAN SERVICES	5,000
UW HARBORVIEW MEDICAL CENTER BOX 358045 SEATTLE, WA 98195	NONE	EXEMPT	HEALTH SERVICES	25,000
Total . . . . ▶ **3a**				179,000

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2012 Depreciation Schedule

Name: BAYLEY FAMILY FOUNDATION

EIN: 20-8113775

TY 2012 Investments Corporate Bonds Schedule

Name: BAYLEY FAMILY FOUNDATION

EIN: 20-8113775

Name of Bond	End of Year Book Value	End of Year Fair Market Value
BONDS - CORP/INTL	1,114,102	1,114,102
BONDS - GOVERNMENT	181,976	181,976

TY 2012 Investments Corporate Stock Schedule

Name: BAYLEY FAMILY FOUNDATION

EIN: 20-8113775

Name of Stock	End of Year Book Value	End of Year Fair Market Value
EQUITIES	2,005,274	2,005,274
MUTUAL FUNDS	343,119	343,119

TY 2012 Investments - Other Schedule

Name: BAYLEY FAMILY FOUNDATION

EIN: 20-8113775

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
PUBLICLY TRADED PARTNERSHIPS	FMV	5,928	5,928

TY 2012 Land, Etc. Schedule

Name: BAYLEY FAMILY FOUNDATION

EIN: 20-8113775

TY 2012 Other Assets Schedule

Name: BAYLEY FAMILY FOUNDATION

EIN: 20-8113775

Description	Beginning of Year - Book Value	End of Year - Book Value	End of Year - Fair Market Value
PREPAID FEDERAL EXCISE TAX	0	1,943	1,943

TY 2012 Other Expenses Schedule

Name: BAYLEY FAMILY FOUNDATION

EIN: 20-8113775

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LICENSE FEES	35			

TY 2012 Other Income Schedule

Name: BAYLEY FAMILY FOUNDATION

EIN: 20-8113775

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
PUBLICLY TRADED PARTNERSHIPS	-674	-674	
MISCELLANEOUS INCOME	410	410	

TY 2012 Other Increases Schedule

Name: BAYLEY FAMILY FOUNDATION

EIN: 20-8113775

Description	Amount
ACCRUAL/CASH ADJUSTMENT	60,000
UNREALIZED GAIN(LOSS)	280,809

TY 2012 Other Professional Fees Schedule

Name: BAYLEY FAMILY FOUNDATION

EIN: 20-8113775

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BROKER & COMMISSION FEES	38,921	38,921		
MANAGEMENT FEES	20,000	5,000		15,000

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TY 2012 Taxes Schedule

Name: BAYLEY FAMILY FOUNDATION

EIN: 20-8113775

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAXES	1,470	1,470		
FEDERAL EXCISE TAX	1,153			

Description	Acq Date (TD)	Sale Date (TD)	Proceeds	Cost	Gaın/(Loss)
23 131 SHS DWS SHORT DURATION A	7/24/2012	8/13/2012	215 21	213 96	1 25
340 822 SHS DWS SHORT DURATION A	VARIOUS	8/13/2012	3,169 65	3,139 49	30 16
6,000 SH SCONTRA ABBOTT LAB, 5 1/8% DUE 4/1/19	11/12/2012	11/27/2012	7,233 30	6,048 75	1,184 55
645 59 SHS USAIRWAYS GROUP, 6 25%, DUE 4/22/23	8/13/2012	10/22/2012	645 59	683 52	(37 93)
96 SHS GENERAL DYNAMICS CORP	5/20/2011	2/2/2012	6,692 08	7,028 16	(336 08)
25 SHS GENERAL DYNAMICS CORP	8/3/2011	2/2/2012	1,742 73	1,635 25	107 48
57 SHS GREEN MOUNTAIN COFFEE ROASTER INC	11/7/2011	3/12/2012	2,989 97	3,924 67	(934 70)
67 SHS MEDTRONIC INC	5/20/2011	1/31/2012	2,598 79	2,825 92	(227 13)
137 SHS MERCK & CO INC	5/20/2011	5/14/2012	5,235 75	5,083 77	151 98
169 SHS WALGREEN CO	5/20/2011	2/1/2012	5,585 39	7,437 32	(1,851 93)
10 SHS BAKER HIGHES INC	8/10/2011	1/17/2012	478 87	585 31	(106 44)
80 SHS BAKER HUGHES INC	8/10/2011	3/2/2012	3,923 57	4,682 51	(758 94)
36 SHS CHUBB CORP	5/31/2011	3/27/2012	2,413 68	2,288 92	124 76
30 SHS CONOCOPHILLIPS	5/31/2011	4/13/2012	2,220 11	2,190 90	29 21
20 SHS CONOCOPHILLIPS	5/31/2011	4/13/2012	1,480 07	1,460 60	19 47
25 SHS GAP INC DELAWARE	7/27/2011	4/25/2012	695 97	482 37	213 60
110 SHS JPMORGAN CHASE & CO	5/31/2011	5/11/2012	4,092 23	4,724 06	(631 83)
95 SHS MICROSOFT CORP	5/31/2011	4/10/2012	2,887 98	2,365 47	522 51
50 SHS NORTHROP GRUMMAN CORP	5/31/2011	2/2/2012	2,924 99	3,261 39	(336 40)
70 SHS NORTHROP GRUMMAN CORP	5/31/2011	2/3/2012	4,083 88	4,565 95	(482 07)
40 SHS TEXAS INSTRUMENTS INC	6/6/2011	4/10/2012	1,272 59	1,339 26	(66 67)
1,000 SHS US TRSY NOTES SER F-2018, 3 75%, DUE 11/15/18	1/17/2012	6/5/2012	1,178 83	1,164 10	14 73
2,000 SHS US TRSY NOTES SER F-2018, 3 75%, DUE 11/15/18	3/23/2012	6/5/2012	2,357 66	2,283 91	73 75
2,000 SHS US TRSY NOTE 1 375%, DUE 11/15/12	7/10/2012	9/17/2012	2,003 91	2,008 36	(4 45)
5,000 SHS GENERAL ELECTRIC CAP CORP, 4 8%, DUE 5/1/13	6/22/2011	1/6/2012	5,231 45	5,329 00	(97 55)
5,000 SHS AT&T INC, 1 6%, DUE 2/15/17	8/6/2012	8/8/2012	5,103 10	5,119 16	(16 06)
5,000 SHS GENERAL ELECTRIC CAP CORP, 5 625%, DUE 9/15/17	1/6/2012	8/8/2012	5,856 60	5,541 38	315 22
5,000 SHS INTEL CORP, 1 95%, DUE 10/1/16	10/26/2011	8/8/2012	5,225 20	5,097 85	127 35
2 054 SHS CAPITAL INCOME BUILDER FUND CLASS F1	5/31/2011	4/23/2012	104 51	108 80	(4 29)
2 224 SHS CAPITAL WORLD GROWTH & INCOME FUND CL F1	5/31/2011	4/23/2012	76 48	84 93	(8 45)
1 664 SHS INTERNATIONAL GROWTH & INCOME FUND CL F1	5/31/2011	4/23/2012	47 81	55 81	(8 00)
9 505 SHS NEW PERSPECTIVE FUND CLASS F	5/31/2011	1/23/2012	261 00	287 24	(26 24)
2 751 SHS NEW PERSPSECTIVE FUND CLASS F	5/31/2011	4/23/2012	79 37	83 14	(3 77)
962 SHS NEW WORLD FUND CLASS F1	5/31/2011	4/23/2012	48 55	53 92	(5 37)
278 SHS CENTURYLINK INC	8/10/2011	5/15/2012	10,772 47	9,346 36	1,426 11
12 SHS CENTURYLINK INC	9/12/2011	5/15/2012	465 00	392 28	72 72
38 SHS JPMORGAN CHASE & CO	10/4/2011	3/8/2012	1,531 18	1,083 06	448 12
60 SHS MOTOROLA MOBILITY HOLDINGS INC	11/22/2011	5/22/2012	2,400 00	2,319 21	80 79
24 SHS MOTOROLA MOBILITY HOLDINGS INC	12/6/2011	5/22/2012	960 00	932 55	27 45
10 SHS MOTOROLA MOBILITY HOLDINGS INC	1/5/2012	5/22/2012	400 00	387 07	12 93
689 SHS NUVEEN QUALITY PFD INCOME FD 2	9/8/2011	3/8/2012	5,986 82	5,509 81	477 01
391 SHS POWERSHARES EXCH TRADED FD TR II PORTFOLIO	6/3/2011	3/8/2012	5,626 97	5,624 93	2 04
25 SHS POWERSHARES EXCH TRADED FD TR II PORTFOLIO	6/23/2011	3/8/2012	359 78	356 00	3 78
230 SHS HUMAN GENOME SCIENCES INC	10/27/2011	7/31/2012	3,275 12	2,416 93	858 19
180 SHS ROYAL BK SCOTLAND GP 7 25 SER-T	3/8/2012	10/4/2012	4,159 14	3,239 66	919 48
063 SHS ALPINE GLOBAL PREMIER PPTY FD	8/29/2011	8/16/2012	0 43	0 40	0 03
440 SHS BLACKROCK RES & COMM STRAT TR	8/29/2011	8/16/2012	6 20	7 14	(0 94)
649 SHS MACQUARIE/FST GLOBAL INFRS	8/19/2011	8/16/2012	10 33	8 94	1 39
009 SHS WESTERN ASSET GLOBAL HIGH FD	8/29/2011	8/16/2012	0 12	0 11	0 01
					-
Total Short Term			126,110 43	124,809 60	1,300 83

Description	Acq Date (TD)	Sale Date (TD)	Proceeds	Cost	Gain/(Loss)
10410 769 SHS DWS SHORT DURATION A	VARIOUS	8/13/2012	96,820 05	99,000 52	(2,180 47)
10,000 SHS BEAR STEARNS CO INC 6 4%, DUE 10/2/17	4/28/2009	4/19/2012	11,686 10	9,747 30	1,938 80
5,000 SHS SELECT MED COPR SR SUB NT, 7 625%, DUE 2/1/15	6/9/2010	5/10/2012	5,075 00	4,712 50	362 50
3,000 SHS SELECT MED CORP SR SUB NT, 7 625%, DUE 2/1/15	12/14/2010	5/10/2012	3,045 00	2,992 50	52 50
4,000 SHS ABBOTT TY660, 5 125%, DUE 4/1/19	5/29/2009	11/12/2012	4,822 20	4,032 30	789 90
2,000 SHS COMCAST CORP, 6 5%, DUE 1/15/17	6/9/2008	7/10/2012	2,397 96	2,048 42	349 54
10,000 SHS COMCAST CORP, 6 5%, DUE 1/15/17	4/13/2009	7/10/2012	11,989 80	9,993 90	1,995 90
45,000 SHS RAYTHEON CO, 4 4%, DUE 2/15/20	6/14/2011	11/27/2012	51,924 60	46,763 98	5,160 62
59 SHS BECTON DICKINSON & CO	5/20/2011	9/11/2012	4,624 07	5,232 71	(608 64)
16 SHS BECTON DICKINSON & CO	8/3/2011	9/11/2012	1,253 98	1,273 28	(19 30)
165 SHS MCGRAW HILL COS INC	5/20/2011	11/8/2012	8,465 26	7,003 89	1,461 37
18 SHS MCGRAW HILL COS INC	8/3/2011	11/8/2012	923 48	792 54	130 94
58 SHS MEDTRONIC INC	5/20/2011	11/8/2012	2,398 99	2,446 31	(47 32)
52 SHS MEDTRONIC INC	8/3/2011	11/8/2012	2,150 81	1,769 56	381 25
668 SHS KRAFT FOODS GROUP INC	5/20/2011	10/1/2012	31 62	24 99	6 63
14,000 SHS FNMA GLOBAL DEBS, 4 625%, DUE 10/15/13	6/1/2011	6/5/2012	14,819 14	15,291 64	(472 50)
185 SHS KEYCORP	5/31/2011	6/4/2012	1,268 42	1,551 74	(283 32)
125 SHS MICROSOFT CORP	1/24/2011	4/10/2012	3,799 98	3,566 25	233 73
80 SHS US BANCORP DEL	5/31/2011	6/4/2012	2,304 37	2,032 69	271 68
16,000 SHS US TREAS NTS SER F-2018, 3 75%, DUE 11/15/18	6/1/2011	6/5/2012	18,861 24	17,522 50	1,338 74
10 SHS FRANKLIN RESOURCES INC	5/31/2011	12/31/2012	1,253 06	1,293 90	(40 84)
58 SHS GAP INC	7/27/2011	8/29/2012	879 37	482 37	397 00
25 SHS GAP INC	7/27/2011	8/30/2012	906 73	482 37	424 36
2 SHS GAP INC	7/27/2011	8/31/2012	71 81	38 59	33 22
3 SHS GAP INC	7/27/2011	9/4/2012	107 69	57 88	49 81
15 SHS GAP INC	7/27/2011	9/6/2012	538 49	289 42	249 07
2 SHS GAP INC	7/27/2011	12/4/2012	62 99	38 59	24 40
23 SHS GAP INC	7/27/2011	12/5/2012	724 52	443 78	280 74
2 SHS GREENHILL & CO INC	7/15/2011	12/28/2012	104 23	102 74	1 49
140 SHS LINEAR TECHNOLOGY CORP	7/27/2011	10/2/2012	4,600 53	4,207 69	392 84
125 SHS MICROSOFT CORP	5/31/2011	11/14/2012	3,375 97	3,112 46	263 51
25 SHS MICROSOFT CORP	5/31/2011	12/7/2012	661 23	622 49	38 74
110 SHS MICROSOFT CORP	5/31/2011	12/13/2012	2,972 03	2,738 97	233 06
50 SHS MORGAN STANLEY	5/31/2011	11/20/2012	821 06	1,198 87	(377 81)
156 SHS MORGAN STANLEY	5/31/2011	11/21/2012	2,536 66	3,740 47	(1,203 81)
175 SHS MORGAN STANLEY	5/31/2011	11/23/2012	2,870 37	4,196 05	(1,325 68)
19 SHS MORGAN STANLEY	5/31/2011	11/23/2012	313 33	455 57	(142 24)
125 SHS UNITED STS STL CP	5/31/2011	7/16/2012	2,480 00	5,734 73	(3,254 73)
25 SHS UNITED STS STL CP	5/31/2011	8/27/2012	515 24	1,146 95	(631 71)
15 SHS UNITED STS STL CP	7/28/2011	8/27/2012	309 14	608 45	(299 31)
4 SHS WEYERHAEUSER CO	5/31/2011	10/2/2012	104 79	85 55	19 24
36 SHS WEYERHAEUSER CO	5/31/2011	10/3/2012	944 15	769 97	174 18
35 SHS WEYERHAEUSER CO	5/31/2011	12/21/2012	983 49	748 58	234 91
18 SHS WEYERHAEUSER CO	5/31/2011	12/24/2012	511 24	384 98	126 26
42 SHS WEYERHAEUSER CO	5/31/2011	12/26/2012	1,175 97	898 30	277 67
16 SHS WEYERHAEUSER CO	5/31/2011	12/28/2012	444 12	342 21	101 91
49 SHS WEYERHAEUSER CO	5/31/2011	12/31/2012	1,350 47	1,048 01	302 46
15 SHS SCHLUMBERGER LTD	10/19/2010	12/28/2012	1,020 62	946 53	74 09
9,000 SHS US TSY NOTE, 1 375%, DUE 11/15/12	6/1/2011	7/26/2012	9,033 05	9,028 98	4 07
7,000 SHS US TSY NOTE, 1 375%, DUE 11/15/12	6/1/2011	8/21/2012	7,019 96	7,017 26	2 70
3,000 SHS US TSY NOTE, 1 375%, DUE 11/15/12	6/1/2011	9/17/2012	3,005 86	3,005 05	0 81
4,000 SHS US TSY NOTE, 1 375%, DUE 11/15/12	9/16/2011	9/17/2012	4,007 81	4,057 19	(49 38)
8,000 SHS US TSY NOTE, 2 625%, DUE 11/15/20	6/1/2011	12/18/2012	8,725 63	7,813 75	911 88
5,000 SHS US TSY NOTE, 2 625%, DUE 11/15/20	7/6/2011	12/18/2012	5,453 52	4,848 05	605 47
2,000 SHS US TSY NOTE, 2 625%, DUE 11/15/20	11/28/2011	12/18/2012	2,181 41	2,121 88	59 53
1,000 SHS US TSY NOTE, 2 625%, DUE 11/15/20	12/5/2011	12/18/2012	1,090 69	1,051 06	39 63
740 SHS TELECOM CORP NEW ZEALAND LTD	6/1/2011	6/27/2012	7,155 63	5,514 30	1,641 33
1,830 SHS CHIMERA INVESTMENT CORP	6/1/2011	8/21/2012	4,392 08	7,023 54	(2,631 46)

Description	Acq Date (TD)	Sale Date (TD)	Proceeds	Cost	Gain/(Loss)
1,110 SHS KIMBALL INTERNATIONAL INC CL B	6/1/2011	8/29/2012	12,591 66	7,226 10	5,365 56
320 SHS MONDELEZ INTL INC	7/29/2011	10/8/2012	8,848 38	7,180 52	1,667 86
255 SHS PLUM CREEK TIMBER CO INC REI	6/1/2011	8/21/2012	10,347 97	10,204 54	143 43
669 SHS KRAFT FOODS GROUP INC	7/29/2011	10/1/2012	31 67	24 35	7 32
5,000 SHS ABBOTT LABS, 5 6%, DUE 11/30/17	6/10/2011	8/8/2012	6,121 66	5,710 80	410 86
5,000 SHS ALLSTATE CORP, 6 2%, DUE 5/16/14	6/10/2011	8/8/2012	5,477 55	5,422 27	55 28
5,000 SHS AMEX, 4 875%, DUE 7/15/13	6/10/2011	8/8/2012	5,176 60	5,157 18	19 42
5,000 SHS COMCAST CORP, 5 3%, DUE 1/15/14	6/10/2011	8/8/2012	5,318 55	5,286 46	32 09
5,000 SHS CONOCOPHILLIPS, 4 6% DUE 1/15/15	6/10/2011	8/8/2012	5,476 40	5,368 61	107 79
5,000 SHS DEVON ENERGY, 6 3%, DUE 1/15/19	6/10/2011	8/8/2012	6,154 95	5,851 08	303 87
5,000 SHS EI DU PONT, 3 25%, DUE 1/15/15	6/22/2011	8/8/2012	5,313 30	5,192 29	121 01
3,000 SHS GOLDMAN SACHS, 5 125%, DUE 1/15/15	6/10/2011	7/16/2012	3,162 27	3,158 30	3 97
2,000 SHS GOLDMAN SACHS, 5 125%, DUE 1/15/15	6/10/2011	8/1/2012	2,115 92	2,103 59	12 33
5,000 SHS IBM CORP, 4 75%, DUE 11/29/12	6/30/2011	8/8/2012	5,039 85	5,061 79	(21 94)
5,000 SHS JP MORGAN CHASE, 3 7%, DUE 1/20/15	6/10/2011	6/8/1914	5,273 05	5,164 96	108 09
5,000 SHS KRAFT FOODS INC, 6 5%, DUE 8/11/17	6/10/2011	8/8/2012	6,097 25	5,762 96	334 29
5,000 SHS MICROSOFT CORP, 3 0%, DUE 10/1/20	6/22/2011	8/8/2012	5,458 15	4,834 30	623 85
5,000 SHS PFIZER INC, 5 35%, DUE 3/15/15	6/30/2011	8/8/2012	5,606 50	5,451 20	155 30
5,000 SHS PROCTER & GAMBLE, 4 7%, DUE 2/15/19	6/30/2011	8/8/2012	5,916 55	5,439 93	476 62
5,000 SHS WAL-MART STORES, 4 5%, DUE 7/1/15	6/10/2011	8/8/2012	5,544 85	5,390 60	154 25
5,000 SHS WALGREEN CO, 5 25%, DUE 1/15/19	6/10/2011	8/8/2012	5,786 75	5,565 13	221 62
5,000 SHS WALT DISNEY CO, 4 5%, DUE 12/15/13	6/10/2011	8/8/2012	5,269 00	5,234 19	34 81
5,000 SHS WELLS FARGO CO, 5 625%, DUE 12/11/17	6/10/2011	8/8/2012	5,949 60	5,512 53	437 07
86 SHS AMERICAN CAP INC BUILDER F1	5/31/2011	7/23/2012	44 02	45 55	(1 53)
2 233 SHS AMERICAN CAP INC BUILDER F1	5/31/2011	10/17/2012	119 84	118 28	1 56
1 834 SHS AMERICAN CAP WORLD GROWTH & INCOME F1	5/31/2011	7/23/2012	60 98	70 04	(9 06)
4 597 SHS AMERICAN CAP WORLD GROWTH & INCOME F1	5/31/2011	10/17/2012	169 23	175 56	(6 33)
1 400 SHS AMERICAN INTL GROWTH & INCOME F1	5/31/2011	7/23/2012	38 00	46 96	(8 96)
3 431 SHS AMERICAN INTL GROWTH & INCOME F1	5/31/2011	10/17/2012	105 02	115 08	(10 06)
2 267 SHS AMERICAN NEW PERSPECTIVE F1	5/31/2011	7/23/2012	62 99	68 51	(5 52)
5 583 SHS AMERICAN NEW PERSPECTIVE F1	5/31/2011	10/17/2012	172 45	168 72	3 73
818 SHS AMERICAN NEW WORLD F1	5/31/2011	7/23/2012	39 02	45 85	(6 83)
1 950 SHS AMERICAN NEW WORLD F1	5/31/2011	10/17/2012	103 37	109 30	(5 93)
57 SHS ALPINE GLOBAL PREMIER PPTY FD	8/29/2011	10/4/2012	418 43	359 59	58 84
2 SHS ENERGY SEL SECT SPDR FD	6/3/2011	10/4/2012	147 73	151 16	(3 43)
29 SHS MACQUARIE/FST TR GLOBAL INFRS	8/29/2011	10/4/2012	461 78	398 52	63 26
81 SHS NUVEEN DIVERSIFIED DIV & INC FD	6/3/2011	10/4/2012	980 89	951 41	29 48
756 SHS NUVEEN MULT CURR ST GV INC FD	6/3/2011	8/16/2012	9 62	11 09	(1 47)
5 SHS NUVEEN QUAL PFD INCOME FUND 2	9/8/2011	10/4/2012	47 50	39 98	7 52
1 SH SPDR GOLD TR GOLD SHS	6/3/2011	10/4/2012	173 70	150 37	23 33
142 SHS SPDR S&P DIVIDEND	6/3/2011	10/4/2012	8,334 02	7,608 04	725 98
35 SHS SPDR S&P DIVIDEND	7/19/2011	10/4/2012	2,054 16	1,883 31	170 85
32 SHS SPDR S&P DIVIDEND	7/21/2011	10/4/2012	1,878 09	1,740 87	137 22
2 SHS SPDR S&P DIVIDEND	9/12/2011	10/4/2012	117 38	97 86	19 52
154 SHS UTILITIES SEL SECT SPDR FUND	9/12/2011	10/4/2012	5,680 05	5,021 94	658 11
88 SHS VANGUARD GROWTH ETF	6/3/2011	10/4/2012	6,457 73	5,637 67	820 06
11 SHS VANGUARD GROWTH ETF	7/19/2011	10/4/2012	807 22	721 46	85 76
86 SHS WESTERN ASSET GLOBAL HIGH FD	8/29/2011	10/4/2012	1,175 60	1,038 61	136 99
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Total Long Term			495,104 26	473,576 46	21,527 80
Total			621,214 69	598,386 06	22,828 63