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

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

2012

Open to public inspection

For calendar year 2012 or tax year beginning

, and ending

Name of foundation MARKSBURY FAMILY FOUNDATION, INC.		A Employer identification number 26-4737208
Number and street (or P O box number if mail is not delivered to street address) 2433 OLDE BRIDGE LANE	Room/suite	B Telephone number 859-333-2661
City or town, state, and ZIP code LEXINGTON, KY 40513		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Final return ☐ Address change ☐ Initial return of a former public charity ☐ Amended return ☐ 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) \$ 7,674,001.	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify)	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))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received		4,800,703.			
2 Check ☐ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		1,297.	1,297.		STATEMENT 1
4 Dividends and interest from securities		59,836.	59,836.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-21,242.			
b Gross sales price for all assets on line 6a		3,415,089.			
7 Capital gain net income (from Part IV, line 2)			0.		
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)					
11 Other income					
12 Total Add lines 1 through 11		4,840,594.	61,133.	0.	
13 Compensation of officers, directors, trustees, etc		0.	0.	0.	0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 3		6,635.	3,317.	0.	3,318.
c Other professional fees					
17 Interest					
18 Taxes STMT 4		1,279.	0.	0.	0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 5		15.	0.	0.	15.
24 Total operating and administrative expenses Add lines 13 through 23		7,929.	3,317.	0.	3,333.
25 Contributions, gifts, grants paid		1,600,258.			1,600,258.
26 Total expenses and disbursements Add lines 24 and 25		1,608,187.	3,317.	0.	1,603,591.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		3,232,407.			
b Net investment income (if negative, enter -0-)			57,816.		
c Adjusted net income (if negative, enter -0-)				0.	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
Assets	1 Cash - non-interest-bearing			1,071.		
	2 Savings and temporary cash investments			3,196,441.	5,416,824.	5,416,824.
	3 Accounts receivable ▶					
	Less: allowance for doubtful accounts ▶					
	4 Pledges receivable ▶					
	Less: allowance for doubtful accounts ▶					
	5 Grants receivable					
	6 Receivables due from officers, directors, trustees, and other disqualified persons					
	7 Other notes and loans receivable ▶					
	Less: allowance for doubtful accounts ▶					
	8 Inventories for sale or use					
	9 Prepaid expenses and deferred charges					
	10a Investments - U.S. and state government obligations					
	b Investments - corporate stock					
	c Investments - corporate bonds					
	Liabilities	11 Investments - land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶						
12 Investments - mortgage loans						
13 Investments - other STMT 6				1,233,647.	2,238,016.	2,246,875.
14 Land, buildings, and equipment: basis ▶						
Less: accumulated depreciation ▶						
15 Other assets (describe ▶ STATEMENT 7)				1,576.	10,302.	10,302.
16 Total assets (to be completed by all filers)				4,432,735.	7,665,142.	7,674,001.
17 Accounts payable and accrued expenses						
18 Grants payable						
Net Assets or Fund Balances	19 Deferred revenue					
	20 Loans from officers, directors, trustees, and other disqualified persons					
	21 Mortgages and other notes payable					
	22 Other liabilities (describe ▶)					
23 Total liabilities (add lines 17 through 22)			0.	0.		
Foundations that follow SFAS 117, check here ▶ ☐	24 Unrestricted					
	25 Temporarily restricted					
	26 Permanently restricted					
	Foundations that do not follow SFAS 117, check here ▶ ☒					
	27 Capital stock, trust principal, or current funds			0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds			4,432,735.	7,665,142.	
	30 Total net assets or fund balances			4,432,735.	7,665,142.	
31 Total liabilities and net assets/fund balances			4,432,735.	7,665,142.		

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	4,432,735.
2 Enter amount from Part I, line 27a	2	3,232,407.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	7,665,142.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	7,665,142.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE SCHEDULE ATTACHED		P	VARIOUS	VARIOUS
b SEE SCHEDULE ATTACHED		P	VARIOUS	VARIOUS
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 2,409,691.		2,420,378.	-10,687.
b 1,005,398.		1,015,953.	-10,555.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			-10,687.
b			-10,555.
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	-21,242.
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). If (loss), enter -0- in Part I, line 8		3	N/A

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes ☒ No

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

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

(a) 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	1,500,362.	1,942,972.	.772199
2010	1,506,224.	243,772.	6.178823
2009	0.	2,126.	.000000
2008	0.	0.	.000000
2007			

2 Total of line 1, column (d)	2	6.951022
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	1.737756
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	5,478,498.
5 Multiply line 4 by line 3	5	9,520,293.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	578.
7 Add lines 5 and 6	7	9,520,871.
8 Enter qualifying distributions from Part XII, line 4	8	1,603,591.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.
See the Part VI instructions.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ 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	1,156.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	1,156.
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	1,156.
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	1,160.
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	1,160.
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	4.
11	Enter the amount of line 10 to be: Credited to 2013 estimated tax ☐ Refunded ☒	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
1c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☐ \$ 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
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?	4a	X
4b 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	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, col (c), and Part XV	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ <u>KY</u>		
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

N/A

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► THE ORGANIZATION Telephone no. ► 859-333-2661
 Located at ► 2433 OLDE BRIDGE LANE, LEXINGTON, KY ZIP+4 ► 40513

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 N/A

16 At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?
 See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ►

16	Yes	No
		X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?		1c X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? If "Yes," list the years ►	☐ 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.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
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)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?		4b X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

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

N/A

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?

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.

(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
DAVIS L. MARKSBURY, JR. 2433 OLDE BRIDGE LANE LEXINGTON, KY 40513	CHAIRMAN/EXECUTIVE DIR. 0.25	0.	0.	0.
BEVERLY E. MARKSBURY 2433 OLDE BRIDGE LANE LEXINGTON, KY 40513	TREASURER/SECRETARY 0.25	0.	0.	0.
LOGAN RENEE MARKSBURY 2433 OLDE BRIDGE LANE LEXINGTON, KY 40513	DIRECTOR 0.25	0.	0.	0.
DAVIS L. MARKSBURY, III 2433 OLDE BRIDGE LANE LEXINGTON, KY 40513	DIRECTOR 0.25	0.	0.	0.

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

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

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

0

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

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

[illegible]

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

0

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		

Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Amount

1	N/A	
2		
All other program-related investments. See instructions.		
3		

Total. Add lines 1 through 3

0.

Form **990-PF** (2012)

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	1,646,012.
b Average of monthly cash balances	1b	3,905,613.
c Fair market value of all other assets	1c	10,302.
d Total (add lines 1a, b, and c)	1d	5,561,927.
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	5,561,927.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	83,429.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,478,498.
6 Minimum investment return. Enter 5% of line 5	6	273,925.

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	273,925.
2a Tax on investment income for 2012 from Part VI, line 5	2a	1,156.
b Income tax for 2012. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	1,156.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	272,769.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	272,769.
6 Deduction from distributable amount (see instructions)	6	0.
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	272,769.

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	1,603,591.
b Program-related investments - total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,603,591.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,603,591.

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				272,769.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010	1,495,945.			
e From 2011	1,404,372.			
f Total of lines 3a through e	2,900,317.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 1,603,591.				
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				272,769.
e Remaining amount distributed out of corpus	1,330,822.			
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	4,231,139.			
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 instr.			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)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	4,231,139.			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010	1,495,945.			
d Excess from 2011	1,404,372.			
e Excess from 2012	1,330,822.			

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		(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. 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).)

DAVIS L. MARKSBURY, JR.

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

NONE

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

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

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

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				
UNIVERSITY OF KENTUCKY WILLIAM B STURGILL DEVELOPMENT BLDG LEXINGTON, KY 40506-0015	NONE	501(C)(3) PUBLIC	DONATION TO THE DAVIS MARKSBURY BUILDING FUND	1,500,000.
CENTRE COLLEGE 600 WEST WALNUT STREET DANVILLE, KY 40422	NONE	501(C)(3) PUBLIC	DONATION FOR 2012 VICE PRESIDENTIAL DEBATE	33,333.
HOMES FOR OUR TROOPS 6 MAIN STREET TAUNTON, MA 02780	NONE	501(C)(3) PUBLIC	DONATION TO CONSTRUCT HOMES FOR SEVERELY DISABLED VETERANS AND THEIR FAMILIES	1,600.
BLUE GRASS COMMUNITY FOUNDATION 499 EAST HIGH STREET, SUITE 112 LEXINGTON, KY 40507	NONE	501(C)(3) PUBLIC	DONATION TO ENHANCE QUALITY OF LIFE IN THE BLUEGRASS REGION	65,325.
Total				3a 1,600,258.
b Approved for future payment				
NONE				
Total				3b 0.

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)	X
	(2) Other assets	1a(2)	X
b	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	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.		

[illegible]

- 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.

Signature of officer or trustee

4/8/15
Date

DIRECTOR
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

JENNIFER SHAH

Preparer's signature

James O. Neal

Date _____

3/21/13

Check ☐
self-employed

PTIN

P00448795

Firm's name ▶ DEAN DORTON ALLEN FORD, PLLC

Firm's EIN ► 27-3858252

Firm's address ► 106 W. VINE STREET, SUITE 600
LEXINGTON, KY 40507

Phone no. (859) 255-2341

Form **990-PF** (2012)

Schedule B(Form 990, 990-EZ,
or 990-PF)Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No 1545-0047

2012

Name of the organization

Employer identification number

MARKSBURY FAMILY FOUNDATION, INC.

26-4737208

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

☐ 501(c)() (enter number) organization☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐ 527 political organization

Form 990-PF

☒ 501(c)(3) exempt private foundation☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation☐ 501(c)(3) taxable private foundationCheck if your organization is covered by the **General Rule** or a **Special Rule**.**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.**General Rule**

- ☒
- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization

Employer identification number

MARKSBURY FAMILY FOUNDATION, INC.**26-4737208****Part I Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	MARKSBURY GIFTING TRUST C/O DEAN DORTON ALLEN FORD PLLC 106 WEST VINE STREET, SUITE 600 LEXINGTON, KY 40507	\$ 4,800,703.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution)

Employer identification number

26-4737208

Part II Noncash Property (see instructions) Use duplicate copies of Part II if additional space is needed

[illegible]

Name of organization

Employer identification number

MARKSBURY FAMILY FOUNDATION, INC.**26-4737208**

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this information once) ► \$ _____

Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee

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

SOURCE	AMOUNT
FIDELITY ACCOUNT	1,288.
PNC MONEY MARKET	9.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	1,297.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
FIDELITY ACCOUNT	59,836.	0.	59,836.
TOTAL TO FM 990-PF, PART I, LN 4	59,836.	0.	59,836.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	6,635.	3,317.	0.	3,318.
TO FORM 990-PF, PG 1, LN 16B	6,635.	3,317.	0.	3,318.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	1,279.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 18	1,279.	0.	0.	0.

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FILING FEE	15.	0.	0.	15.	
TO FORM 990-PF, PG 1, LN 23	15.	0.	0.	15.	

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	6
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
MUTUAL FUNDS	COST	2,238,016.	2,246,875.	
TOTAL TO FORM 990-PF, PART II, LINE 13		2,238,016.	2,246,875.	

FORM 990-PF	OTHER ASSETS		STATEMENT	7
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE	
DIVIDENDS RECEIVABLE	1,576.	10,302.	10,302.	
TO FORM 990-PF, PART II, LINE 15	1,576.	10,302.	10,302.	



2012 Informational Tax Reporting Statement

MARKSBURY FAMILY FOUNDATION Account No Z72-235920 Customer Service 800-544-6666
Recipient ID No 26-4737208 Payer's Fed ID Number 04-3523567

Note: This information is not reported to the IRS. It may assist you in tax return preparation.

2012 Proceeds from Broker and Barter Exchange Transactions*

Short-term transactions (h)

(IRS Form 1099-B box numbers are shown below in bold type)

8 Description, 1d Stock or Other Symbol, CUSIP									
Action	1a Date of Sale or Exchange	1b Date of Acquisition	1e Quantity Sold	2a Sales Price of Stocks, Bonds, etc (b)	3 Cost or Other Basis (a)	Gain/Loss (-)	5 Wash Sale Loss Disallowed	4 Federal Income Tax Withheld	13 State Tax Withheld
FIDELITY CONVERTIBLE SECURITIES, FCV SX, 316145200									
Sale	07/19/12	various	96 566	2,282 82	2,529 38	-246 56			
Sale	07/19/12	various	65 877	1,557 34	1,620 69	-63 35			
Subtotals				3,840.16	4,150.07(c)				
ISHARES BARCLAYS 1-3YR CD BD FD, CSJ, 464288646									
Sale	07/19/12	02/28/12	418 000	43,889 02	43,961 89	-72 87			
Sale	07/19/12	02/28/12	785 000	82,407 45	82,560 00	-152 55			
Sale	07/19/12	02/28/12	1,297 000	136,194 91	136,408 06	-213 15			
Sale	07/19/12	02/28/12	90 000	9,450 69	9,466 20	-15 51			
Sale	07/19/12	02/28/12	1,490 000	156,476 29	156,718 20	-241 91			
Sale	07/19/12	02/28/12	4,920 000	516,539 22	517,485 60	-946 38			
Sale	07/19/12	03/20/12	1,200 000	125,985 18	126,041 10	-55 92			
Sale	07/19/12	03/20/12	7,800 000	819,210 69	819,267 15	-56 46			
Subtotals				1,890,153.45	1,891,908.20(c)				
ISHARES TR MSCI ALL COUNTRY ASIA EX JAPA, AAXJ, 464288182									
Sale	02/27/12	04/11/11	100 000	5,707 30	6,426 65	-719 35			
ISHARES TR S&P U S PFD STK INDEX FD, PFF, 464288687									
Sale	07/19/12	06/07/12	900 000	35,531 92	34,490 16	1,041 76			
POWERSHARES GLOBAL EXCHANGE TRADED FD TR, PCY, 73936T573									
Sale	02/27/12	04/11/11	100.000	2,793 31	2,662 19	131 12			

Our records indicate that you are an exempt recipient for 1099 reporting purposes. This statement provided is based on IRS information reporting requirements for individuals as of the preparation date and is NOT furnished to the IRS. You may be subject to different income tax reporting requirements. Please contact your tax advisor if you have any questions.





2012 Informational Tax Reporting Statement

MARKSBURY FAMILY FOUNDATION
Account No 772-235920 Customer Service 800-544-6666
Recipient ID No 26-4737208 Payer's Fed ID Number 04-3523567

Note: This information is not reported to the IRS. It may assist you in tax return preparation.

2012 Proceeds from Broker and Barter Exchange Transactions*

Short-term transactions (h)

(IRS Form 1099-B box numbers are shown below in bold type)

8 Description, 1d Stock or Other Symbol, CUSIP									
Action	1a Date of Sale or Exchange	1b Date of Acquisition	1e Quantity Sold	2a Sales Price of Stocks, Bonds, etc (b)	3 Cost or Other Basis (a)	Gain/Loss (-)	5 Wash Sale Loss Disallowed	4 Federal Income Tax Withheld	13 State Tax Withheld
POWERSHARES INTER DVD ACHIEV POWERSHARES, PID, 73935X716									
Sale	02/27/12	04/26/11	300 000	4,639.51	5,009.67	-370.16			
PROSHARES SHORT S&P 500 PROSHARES, SH, 74347R503									
Sale	11/09/12	07/27/12	2,500 000	88,221.57	89,321.24	-1,099.67			
Sale	11/09/12	07/27/12	2,500 000	88,221.57	89,321.24	-1,099.67			
Sale	11/15/12	07/27/12	2,500 000	90,368.27	89,321.24	1,047.03			
Subtotals				266,811.41	267,963.72(c)				
SPDR INDEX SHS FDS S&P INTL DIVIDEND ETF, DWX, 78463X772									
Sale	07/19/12	01/23/12	100 000	4,374.98	4,874.01	-499.03			
Sale	07/19/12	01/23/12	1,900 000	83,221.74	92,606.14	-9,384.40			
Subtotals				87,596.72	97,480.15(c)				
SPDR SER TR S&P DIVID ETF, SDY, 78464A763									
Sale	07/19/12	05/14/12	500 000	28,154.41	27,593.80	560.61			
Sale	07/19/12	05/14/12	500 000	28,154.41	27,603.80	550.61			
Sale	07/19/12	06/07/12	1,000 000	56,308.84	55,089.95	1,218.89			
Subtotals				112,617.66	110,287.55(c)				

TOTALS

Short-Term Realized Gain	2,409,691.44	2,420,378.36(c)	0.00
Short-Term Realized Loss			4,550.02
Wash Sale Loss Disallowed			-15,236.94
			0.00
			TOTAL LOSS = 10,686.92

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2012 Informational Tax Reporting Statement

MARKSBURY FAMILY FOUNDATION Account No 272-235920 Customer Service 800-544-6666
Recipient ID No 26-4737208 Payer's Fed ID Number 04-3523567

Note: This information is not reported to the IRS. It may assist you in tax return preparation.

2012 Proceeds from Broker and Barter Exchange Transactions*

Long-term transactions (h)

(IRS Form 1099-B box numbers are shown below in bold type)

8 Description, 1d Stock or Other Symbol, CUSIP	1a Date of Sale or Exchange	1b Date of Acquisition	1e Quantity Sold	2a Sales Price of Stocks, Bonds, etc (b)	3 Cost or Other Basis (a)	Gain/Loss (-)	5 Wash Sale Disallowed	4 Federal Income Tax Withheld	13 State Tax Withheld
FIDELITY CONVERTIBLE SECURITIES, FCVXS, 316145200									
Sale	07/19/12	various	4,936 553	116,700 11	129,304 76	-12,604 65			
ISHARES BARCLAYS 1-3YR CD BD FD, CSJ, 464288646									
Sale	07/19/12	04/26/11	20 000	2,099 95	2,101 80	-1 85			
Sale	07/19/12	04/26/11	100 000	10,499 76	10,485 00	14 76			
Subtotals				12,599.71	12,586.80(c)				
ISHARES TR MSCI ALL COUNTRY ASIA EX JAPA, AAXJ, 464288182									
Sale	02/27/12	01/18/11	200 000	11,409 04	12,777 60	-1,368 56			
Sale	02/27/12	01/18/11	400 000	22,829 18	25,555 20	-2,726 02			
Subtotals				34,238.22	38,332.80(c)				
ISHARES TR MSCI EMERGING MKTS INDEX FD, EEM, 464287234									
Sale	02/27/12	01/18/11	100 000	4,378 08	4,783 89	-405 81			
Sale	02/27/12	01/18/11	2,400 000	105,073 94	114,813 60	-9,739 66			
Subtotals				109,452.02	119,597 49(c)				
ISHARES TR RUSSELL 2000 INDEX FD, IWM, 464287655									
Sale	02/28/12	01/18/11	200 000	16,576 70	16,027 98	548 72			
Sale	02/28/12	01/18/11	400 000	33,152 60	32,055 96	1,096 64			
Sale	02/28/12	01/18/11	400 000	33,152 60	32,055 20	1,097 40			
Subtotals				82,881.90	80,139.14(c)				
ISHARES TR S&P 500 INDEX FD, PFF, 464288687									
Sale	07/19/12	01/18/11	100 000	3,948 04	3,901 31	46 73			
Sale	07/19/12	01/18/11	1,500 000	59,219 86	58,519 58	700 28			

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2012 Informational Tax Reporting Statement

MARKSBURY FAMILY FOUNDATION Account No Z72-235920 Customer Service 800-544-6666
Recipient ID No 26-4737208 Payer's Fed ID Number 04-3523567

Note: This information is not reported to the IRS. It may assist you in tax return preparation.

2012 Proceeds from Broker and Barter Exchange Transactions *

Long-term transactions (h)

(IRS Form 1099-B box numbers are shown below in bold type)

8 Description, 1d Stock or Other Symbol, CUSIP									
Action	1a Date of Sale or Exchange	1b Date of Acquisition	1e Quantity Sold	2a Sales Price of Stocks, Bonds, etc (b)	3 Cost or Other Basis (a)	Gain/Loss (-)	5 Wash Sale Loss Disallowed	4 Federal Income Tax Withheld	15 State Tax Withheld
ISHARES TR S&P U S PFD STK INDEX FD, PFF, 464288687									
Sale	07/19/12	04/11/11	100 000	3,947 99	3,961 59	-13 60			
Sale	07/19/12	04/26/11	400 000	15,791 96	15,928 95	-136 99			
Subtotals				82,907.85	82,311.43(c)				
JPMORGAN CHASE & CO ALERIAN MLP INDEX ET, AMJ, 46625H365									
Sale	02/27/12	01/18/11	238 000	9,792 96	8,863 12	929 84			
Sale	02/27/12	01/18/11	762 000	31,353 94	28,388 14	2,965 80			
Sale	02/27/12	01/18/11	900 000	37,039 19	33,529 31	3,509 88			
Subtotals				78,186.09	70,780.57(c)				
POWERSHARES GLOBAL EXCHANGE TRADED FD TR, PCY, 73936T573									
Sale	02/27/12	12/14/10	200 000	5,583 61	5,393 49	190 12			
Sale	02/27/12	01/18/11	189 000	5,276 52	5,017 01	259 51			
Sale	02/27/12	01/18/11	911 000	25,447 05	24,182 50	1,264 55			
Subtotals				36,307.18	34,593.00(c)				
POWERSHARES INTER DVD ACHIEV POWERSHARES, PID, 73935X716									
Sale	02/27/12	01/18/11	6,800 000	105,162 16	106,980 32	-1,818 16			
SPDR SER TR S&P DIVID ETF, SDY, 78464A763									
Sale	07/19/12	01/18/11	2,000 000	112,617 66	104,825 48	7,792 18			
Sale	07/19/12	04/26/11	100 000	5,630 88	5,501 95	128 93			
Subtotals				118,248.54	110,327.43(c)				

Our records indicate that you are an exempt recipient for 1099 reporting purposes. This statement provided is based on IRS information reporting requirements for individuals as of the preparation date and is NOT furnished to the IRS. You may be subject to different income tax reporting requirements. Please contact your tax advisor if you have any questions.



2012 Informational Tax Reporting Statement

MARKSBURY FAMILY FOUNDATION Account No Z72-235920 Customer Service 800-544-6666
Recipient ID No 26-4737208 Payer's Fed ID Number 04-3523567

Note: This information is not reported to the IRS. It may assist you in tax return preparation.

2012 Proceeds from Broker and Barter Exchange Transactions*

Long-term transactions (h)

(IRS Form 1099-B box numbers are shown below in bold type)

8 Description, 1d Stock or Other Symbol, CUSIP		1a Date of Sale or Exchange	1b Date of Acquisition	1e Quantity Sold	2a Sales Price of Stocks, Bonds, etc. (b)	3 Cost or Other Basis (a)	Gain/Loss (-)	5 Wash Sale Loss Disallowed	4 Federal Income Tax Withheld	13 State Tax Withheld	15 State Tax Withheld
VANGUARD INDEX FDS VANGUARD REIT ETF FOR, VNQ, 922908553											
Sale	02/27/12	12/14/10		100,000	6,169 08	5,350 06	819 02				
Sale	02/27/12	01/18/11		100,000	6,174 29	5,502 33	671 96				
Sale	02/27/12	01/18/11		950,000	58,655 74	52,279 86	6,375 88				
Subtotals					70,999.11	63,132.25(c)					
VANGUARD TAX-MANAGEDINTL FD MSCI EAFE ET, VEA, 921943858											
Sale	02/27/12	01/18/11		200,000	6,809 03	7,439 73	-630 70				
Sale	02/27/12	01/18/11		400,000	13,618 05	14,862 00	-1,243 95				
Subtotals					20,427.08	22,301.73(c)					
WISDOMTREE EMERG MKTS EQUITY INCOME FUND, DEM, 97717W315											
Sale	02/27/12	01/18/11		100,000	5,788 87	6,002 14	-213 27				
Sale	02/27/12	01/18/11		385,000	22,287 17	23,103 81	-816 64				
Sale	02/27/12	01/18/11		915,000	52,984 95	54,909 06	-1,924 11				
Subtotals					81,060.99	84,015.01(c)					
WISDOMTREE TR GLOBALEX US REAL ESTATE FU, DRW, 97717W331											
Sale	02/27/12	12/14/10		100,000	2,677 47	3,009 13	-331 66				
Sale	02/27/12	01/18/11		700,000	18,742 26	20,482 42	-1,740 16				
Sale	02/27/12	01/18/11		1,300,000	34,807 05	38,058 95	-3,251 90				
Subtotals					56,226 78	61,550.50(c)					
TOTALS					1,005,397.74	1,015,953.23(c)					
Long-Term Realized Gain							28,412.20				
Long-Term Realized Loss							-38,967.69				
Wash Sale Loss Disallowed							0 00				
TOTAL LOSS =							10,555.49				

*Our records indicate that you are an exempt recipient for 1099 reporting purposes. This statement provided is based on IRS information reporting requirements for individuals as of the preparation date and is NOT furnished to the IRS. You may be subject to different income tax reporting requirements. Please contact your tax advisor if you have any questions.

