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 , 2012, and ending , 20

Name of foundation: MICHAEL & LOUISE LYNCH CHARITABLE FOUNDATION, INC.

A Employer identification number: 27-0136524

Number and street (or P O box number if mail is not delivered to street address): 13 BRIGANTINE — Room/suite

B Telephone number (see instructions): 843-785-5326

City or town, state, and ZIP code: HILTON HEAD, SC 29928

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) ▶ $ 1,392,739

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).)*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1	Contributions, gifts, grants, etc., received (attach schedule)				
	2	Check ▶ ☐ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments				
	4	Dividends and interest from securities	74,204	74,204	74,204	
	5a	Gross rents	0			
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	11,895			
	b	Gross sales price for all assets on line 6a				
	7	Capital gain net income (from Part IV, line 2)		11,895		
	8	Net short-term capital gain			4,410	
	9	Income modifications			0	
	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)				
	12	**Total.** Add lines 1 through 11	86,099	86,099	78,614	
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc.				
	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) INVESTMENT MGMT FEES	7,988	7,988	7,988	7,988
	17	Interest				
	18	Taxes (attach schedule) (see instructions)				
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule)				
	24	**Total operating and administrative expenses.** Add lines 13 through 23	7,988	7,988	7,988	7,988
	25	Contributions, gifts, grants paid	75,500			75,500
	26	**Total expenses and disbursements.** Add lines 24 and 25	83,488	7,988	7,988	83,488
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	2,611			
	b	**Net investment income** (if negative, enter -0-)		78,111		
	c	**Adjusted net income** (if negative, enter -0-)			70,626	

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	98,258	12,295	12,295
	3	Accounts receivable ▶			
		Less: allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less: allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach schedule) ▶			
		Less: allowance for doubtful accounts ▶			
	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)	362,022	373496	402,160
	c	Investments—corporate bonds (attach schedule)	884,764	955,201	978,284
	11	Investments—land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)			
	14	Land, buildings, and equipment: basis ▶			
		Less: accumulated depreciation (attach schedule) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions. Also, see page 1, item I)	1,345,039	1,340,992	1,392,739
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	NONE	NONE	
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	1,345,039	1,340,992	
	25	Temporarily restricted	0	0	
	26	Permanently restricted	0	0	
		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 instructions)	1,345,039	1,340,992	
	31	**Total liabilities and net assets/fund balances** (see instructions)	1,345,039	1,340,992	

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	1,345,039
2	Enter amount from Part I, line 27a	2	2,611
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,347,650
5	Decreases not included in line 2 (itemize) ▶ NET CHANGE IN ACCRUED INVESTMENT INCOME	5	6,658
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	1,340,992

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				
b	SEE ATTACHED SCHEDULES			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b	SEE ATTACHED SCHEDULES			11,895
c				
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				
b				
c				
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	11,895
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	4,410

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			
2010			
2009			
2008			
2007			

2	**Total** of line 1, column (d)	2	
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	
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	
5	Multiply line 4 by line 3	5	
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	
7	Add lines 5 and 6	7	
8	Enter qualifying distributions from Part XII, line 4	8	

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	N/A
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	
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	
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a		
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	
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	
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶ **Refunded** ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation. ▶ $ N/A **(2)** On foundation managers. ▶ $ N/A			
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		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
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		X
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) ▶ SOUTH CAROLINA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		X

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

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

Website address ▶ N/A

14 The books are in care of ▶ MICHAEL D. LYNCH Telephone no. ▶ 843-785-5336
Located at ▶ 13 BRIGANTINE, HILTON HEAD, SC ZIP+4 ▶ 29928-5027

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		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies. | Yes | No

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

			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)?	1b		
	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		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? ☐ Yes ☒ No
If "Yes," list the years ▶ 20____ , 20____ , 20____ , 20____

			Yes	No
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions.)	2b		X

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

			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		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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** 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? **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
LOUISE L. LYNCH 13 BRIGANTINE HILTON HEAD, SC 29928	PRES	NONE	NONE	NONE
MICHAEL D. LYNCH 13 BRIGANTINE HILTON HEAD, SC 29928	VP/TREA	NONE	NONE	NONE

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

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE (NO EMPLOYEES)				

Total number of other employees paid over $50,000 ▶ NONE

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE OVER $50,000 MANAGED ACCOUNT FEES ON INVESTMENT ACCOUNTS		
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 FOUNDATION MADE DIRECT CHARITABLE CONTRIBUTIONS TO 11 (ELEVEN) OTHER §501(C)(3) CHARITABLE ORGANIZATIONS TOTALING $ 75,500	NONE
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 NONE (NOT APPLICABLE)	NONE
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3 ▶	NONE

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	None
b	Average of monthly cash balances	1b	
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	None
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	None
3	Subtract line 2 from line 1d	3	None
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	None
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	None
6	**Minimum investment return.** Enter 5% of line 5	6	None

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

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	None
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	None
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	None
b	Cash distribution test (attach the required schedule)	3b	None
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	

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				N/A
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only				
b Total for prior years: 20___,20___,20___				
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f **Total** of lines 3a through e				
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $				
a Applied to 2011, but not more than line 2a				
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				
e Remaining amount distributed out of corpus				
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				
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			N/A	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				N/A
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				
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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 . . . . . ▶ N/A

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	(e) Total
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 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).)

MICHAEL D. LYNCH

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 (NOT APPLICABLE)

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:

MICHAEL D. LYNCH VP/TREASURER (843-785-5336)
13 BRIGANTINE, HILTON HEAD, SC 29928

b The form in which applications should be submitted and information and materials they should include: COMPLETE INFORMATION ON CHARITABLE PURPOSE; PROVIDE EVIDENCE OF 501(C)(3) STATUS; PROVIDE PERCENTAGE OF DONATIONS RECEIVED USED EXCLUSIVELY FOR CHARITABLE PURPOSE (NOT INCLUDING ADMIN, OVERHEAD, TRAVEL, MARKETING, ETC.; PROVIDE DETAILED INFORMATION ON FINANCIALS & PROVIDE BUSINESS CHARITABLE REFERENCES.

c Any submission deadlines:

NONE

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

NONE

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 ATTACHED SCHEDULE			GENERAL SUPPORT	$75,500
Total ▶ 3a				
b Approved for future payment				
ARTS CENTER OF COASTAL CAROLINA		501(c)(3)	CONTRIBUTION PLEDGE	85,000
COLLEGE HEIGHTS FOUNDATION, INC OF WKU		501(c)(3)	CONTRIBUTION PLEDGE	66,000
				$151,000
SEE ATTACHED SCHEDULE			GENERAL SUPPORT	$ [illegible]
Total ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	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					
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					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)					

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 NONE

(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.)
	NOT APPLICABLE

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)		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.

(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) is based on all information of which preparer has any knowledge

▶ [signature] 4/29/13 ▶ VP/TREASURER

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Michael & Louise Lynch

Charitable Foundation, Inc.

27-0136524

Tax Year Ended December 31, 2012

Recap of Investment Income from Dividends & Interest (plus fees)

	Interest Income	Dividends	Qual Div
Master Account	$ -0-	$ 7,675	$ 7,081
Kanawha Account	$ -0-	$ 4,179	$ 4,118
Cincinnati Account	$ 61,845	$ 11	$ 0
Cincinnati Account (OID)	494		
Totals	$ 62,339	$11,865	$ 11,199

Investment Managed Account Fees:

Kanawha Management	$ 1,928
Cincinnati Asset Management	$ 6,060
Master Account (not a managed acc't)	$ 0
Totals	$ 7,988

Michael & Louise Lynch

Charitable Foundation, Inc.

27-0136524

Tax Year Ended December 31, 2012

Reconciliation of Book Value of Assets @ 12/31/2012:

	Cash	Equities	Corporate Bonds	Totals
Master Acc't	$ 3,028	$172,233	$ 46,965	$ 222,226
Kanawha Acc't	$ 2,026	$201,263	$ 0	$ 203,289
Cincinnati Acc't	$ 7,241	$ 0	$ 908,236	$ 915,477
Total Cost	$ 12,295	$373,496	$ 955,201	$1,340,992

Reconciliation of Fair Market Value of Assets @ 12/31/2012:

	Cash	Equities	Bonds	Totals
Master Acc't	$ 3,028	$185,813	$ 47,332	$ 236,173
Cincinnati Acc't	$ 7,241	$ 0	$930,952	$ 938,193
Kanawha Acc't	$ 2,026	$216,347	$ 0	$ 218,373
Total FMV	$ 12,295	$402,160	$978,284	$1,392,739

Your assets

Some prices, income and current values shown may be approximate As a result, gains and losses may not be accurately reflected See *Important information about your statement* at the end of this document for more information

Cash

Cash and money balances

Holding	Opening balance on Dec 1 ($)	Closing balance on Dec 31 ($)	Price per share on Dec 31 ($)	Average rate	Dividend/Interest period	Days in period
Cash	0 00	-1,000 00				
UBS SELECT PRIME CAPITAL	10,495 71	38,388 11	1 00	0 09%	Nov 1 to Nov 30	30
Total	**$10,495 71**	**$37,388.11**				

Cash alternatives

Money market funds

Money market funds are neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency Although money market funds seek to preserve the value of your investment at $1 00 per share, it is possible to lose money by investing in these funds

Total reinvested is the total of all reinvested dividends It does not include any cash dividends It is not a tax lot for the purposes of determining holding periods or cost basis The shares you receive each time you reinvest dividends become a separate tax lot

Cost basis is the total purchase cost of the security, including reinvested dividends The cost basis may need to be adjusted for return of capital payments in order to determine the adjusted cost basis for tax reporting purposes

Unrealized (tax) gain or loss is the difference between the current value and the cost basis and would generally be your taxable gain or loss if the security was sold on this date The unrealized (tax) gain or loss may need to be adjusted for return of capital payments in order to determine the realized gain or loss for tax reporting purposes

Investment return is the current value minus the amount you invested It does not include shares that are not reflected on your statement, including shares that have been realized as either a gain or a loss It also does not include cash dividends that were not reinvested

Holding	Number of shares	Purchase price/ Average price per share ($)	Client investment ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Investment return ($)	Holding period
UBS SELECT PRIME INSTITUTIONAL FUND	1,639 940	1 000	1,639 94	1,639 94	1 000	1,639 94			

EAI $2 Current yield 0 12%

Your assets (continued)

Equities

Common stock

Holding	Trade date	Number of shares	Purchase price/ Average price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
ABBOTT LABS Symbol ABT Exchange NYSE EAI $42 Current yield 0 85%	Aug 19, 11	75 000	48 120	3,609 00	65 500	4,912 50	1,303 50	LT
ASTRAZENECA PLC SPON ADR Symbol AZN Exchange NYSE EAI $855 Current yield 6 03%	Dec 2, 09	300 000	46 017	13,805 25	47 270	14,181 00	375 75	LT
AT&T INC Symbol T Exchange NYSE EAI $540 Current yield 5 34%	Jan 9, 12	300 000	29 947	9,031 35[2]	33 710	10,113 00	1,081 65	
BRITISH AMER TOBACCO PLC GB SPON ADR Symbol BTI Exchange AMEX EAI $842 Current yield 4 16%	Jan 6, 12	200 000	94 580	18,916 12	101 250	20,250 00	1,333 88	ST
COLGATE PALMOLIVE CO Symbol CL Exchange NYSE EAI $372 Current yield 2 37%	Jan 5, 12	150 000	90 784	13,617 62	104 540	15,681 00	2,063 38	ST
CSX CORPORATION Symbol CSX Exchange NYSE EAI $196 Current yield 2 84%	Jan 12, 12	350 000	23 560	8,246 25	19 730	6,905 50	-1,340 75	ST
DOMINION RESOURCES INC VA (NEW) Symbol D Exchange NYSE EAI $528 Current yield 4 08%	Jan 6, 12	250 000	52 367	13,091 86	51 800	12,950 00	-141 86	ST
FRONTIER COMMUNICATIONS CORP Symbol FTR Exchange OTC EAI $200 Current yield 9 35%	Jan 20, 12	500 000	5 110	2,555 25	4 280	2,140 00	-415 25	ST
JOHNSON & JOHNSON COM Symbol JNJ Exchange NYSE EAI $732 Current yield 3 48%	Jan 5, 12	300 000	65 476	19,643 07	70 100	21,030 00	1,386 93	ST
JPMORGAN CHASE & CO Symbol JPM Exchange NYSE EAI $60 Current yield 2 73%	Aug 19, 11	50 000	34 655	1,732 75	43 969	2,198 45	465 70	LT

continued next page

Your assets › Equities › Common stock (continued)

Holding	Trade date	Number of shares	Purchase price/ Average price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
KRAFT FOODS GROUP INC Symbol KRFT Exchange OTC EAI $132 Current yield 4 40%	Aug 18, 11	66 000	35 150	2,319 96	45 470	3,001 02	681 06	LT
MONDELEZ INTL INC Symbol MDLZ Exchange OTC EAI $104 Current yield 2 04%	Aug 18, 11	200 000	21 829	4,365 85	25 453	5,090 60	724 75	LT
PEPSICO INC Symbol PEP Exchange NYSE EAI $591 Current yield 3 14%	Nov 27, 09	150 000	62 220	9,333 00	68 430	10,264 50	931 50	LT
	Aug 18, 11	125 000	63 042	7,880 25	68 430	8,553 75	673 50	LT
Security total		275 000	62 594	17,213 25		18,818 25	1,605 00	
PFIZER INC Symbol PFE Exchange NYSE EAI $384 Current yield 3 83%	Jan 9, 12	400 000	21 891	8,756 63	25 079	10,031 60	1,274 97	ST
PHILIP MORRIS INTL INC Symbol PM Exchange NYSE EAI $340 Current yield 4 07%	Jan 6, 12	100 000	77 719	7,771 95	83 640	8,364 00	592 05	ST
PROCTER & GAMBLE CO Symbol PG Exchange NYSE EAI $281 Current yield 3 31%	Aug 19, 11	125 000	61 342	7,667 75	67 890	8,486 25	818 50	LT
3M CO Symbol MMM Exchange NYSE EAI $236 Current yield 2 54%	Aug 17, 11	100 000	81 052	8,105 25	92 850	9,285 00	1,179 75	LT
Total				**$160,449.16**		**$173,438.17**	**$12,989 01**	

Total estimated annual income: $6,435

[7] Value has been adjusted to include the amount of the disallowed loss as a result of a Wash Sale transaction

Your assets ▸ **Equities** (continued)

Closed end funds & Exchange traded products

Total reinvested is the total of all reinvested dividends It does not include any cash dividends It is not a tax lot for the purposes of determining holding periods or cost basis The shares you receive each time you reinvest dividends become a separate tax lot

Cost basis is the total purchase cost of the security, including reinvested dividends The cost basis may need to be adjusted for return of capital payments in order to determine the adjusted cost basis for tax reporting purposes

Unrealized (tax) gain or loss is the difference between the current value and the cost basis and would generally be your taxable gain or loss if the security was sold on this date The unrealized (tax) gain or loss may need to be adjusted for return of capital payments in order to determine the realized gain or loss for tax reporting purposes

Investment return is the current value minus the amount you invested It does not include shares that are not reflected on your statement, including shares that have been realized as either a gain or a loss It also does not include cash dividends that were not reinvested

Holding	Number of shares	Purchase price/ Average price per share ($)	Client investment ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized (tax) gain or loss ($)	Investment return ($)	Holding period
EATON VANCE TAX ADVANTAGED									
DIVID INCOME FUND									
Symbol EVT									
Trade date May 18, 12	750 000	15 711	11,783 34	11,783 34	16 500	12,375 00	591 66	591 66	ST
EAI $968 Current yield 7 82%									

Fixed income

Mutual funds

Total reinvested is the total of all reinvested dividends It does not include any cash dividends It is not a tax lot for the purposes of determining holding periods or cost basis The shares you receive each time you reinvest dividends become a separate tax lot

Cost basis is the total purchase cost of the security, including reinvested dividends The cost basis may need to be adjusted for return of capital payments in order to determine the adjusted cost basis for tax reporting purposes

Unrealized (tax) gain or loss is the difference between the current value and the cost basis and would generally be your taxable gain or loss if the security was sold on this date The unrealized (tax) gain or loss may need to be adjusted for return of capital payments in order to determine the realized gain or loss for tax reporting purposes

Investment return is the current value minus the amount you invested It does not include shares that are not reflected on your statement, including shares that have been realized as either a gain or a loss It also does not include cash dividends that were not reinvested

Holding	Number of shares	Purchase price/ Average price per share ($)	Client investment ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized (tax) gain or loss ($)	Investment return ($)	Holding period
WESTERN ASSET SHORT-TERM									
BOND FUND CLASS C1									
Symbol SSTLX									
Trade date Aug 16, 11	11,792 287	3 900	45,989 92	45,989 92	3 930	46,343 69	353 77		LT
Total reinvested	251 447	3 879		975 54	3 930	988 19	12 65		
EAI $590 Current yield 1 25%									
Security total	12,043 734	3 900	45,989 92	46,965 46		47,331 87	366 42	1,341 96	

Your Financial Advisor:
MICHAEL & WALTER MASSIE
703-734-8400/800-255-8045

Your assets (continued)

Your total assets

		Value on Dec 31 ($)	Percentage of your account	Cost basis ($)	Estimated annual income ($)	Unrealized gain or loss ($)
Cash	**Cash and money balances**	**37,388.11**	**13.74%**	**37,388.11**		
Cash alternatives	**Money market funds**	**1,639 94**	**0.60%**	**1,639.94**	**2.00**	
Equities	Common stock	173,438 17		160,449 16	6,435 00	12,989 01
	Closed end funds & Exchange traded products	12,375 00		11,783 34	968 00	591 66
	Total equities	**185,813.17**	**68.27%**	**172,232.50**	**7,403.00**	**13,580.67**
Fixed income	**Mutual funds**	**47,331.87**	**17.39%**	**46,965.46**	**590.00**	**366.42**
Total		**$272,173.09**	**100.00%**	**$258,226.01**	**$7,995.00**	**$13,947.09**

Account name: MICHAEL & LOUISE LYNCH
Friendly account name: Foundation -CAM
Account number: MV 26627 MW

Your Financial Advisor:
MICHAEL & WALTER MASSIE
703-734-8400/800-255-8045

Your assets

Some prices, income and current values shown may be approximate As a result, gains and losses may not be accurately reflected See *Important information about your statement* at the end of this document for more information

Cash

Cash and money balances

Holding	Opening balance on Dec 1 ($)	Closing balance on Dec 31 ($)	Price per share on Dec 31 ($)	Average rate	Dividend/Interest period	Days in period
Cash	3,159 52	0 00				
UBS SELECT PRIME CAPITAL	28,481 66	7,240 68	1 00	0 09%	Nov 1 to Nov 30	30
Total	**$31,641.18**	**$7,240.68**				

Fixed income

Corporate bonds and notes

Prices are obtained from independent quotation bureaus that use computerized valuation formulas to calculate current values Actual market values may vary and thus gains/losses may not be accurately reflected Cost basis has been adjusted for accreted original issue discount (OID) If you have made a tax election to deduct the premium amortization on taxable debt securities, you may request that UBS adjust cost basis for the bond premium amortization

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
VULCAN MATERIALS CO NTS +45BP RATE 06 300% MATURES 06/15/13 ACCRUED INTEREST $2 80 CUSIP 929160AJ8 Moody Ba3 S&P BB EAI $32 Current yield 6 18%	Aug 27, 08	1,000 000	99 692	996 92	102 000	1,020 00	23 08	LT
FOREST OIL CORP NTS B/E CALL@MW+50BP RATE 08 500% MATURES 02/15/14 ACCRUED INTEREST $96 33 CUSIP 346091BE0 Moody B2 S&P B- EAI $255 Current yield 7 99%	Jun 22, 12	3,000 000	103 750	3,112 50	106 374	3,191 22	78 72	ST

continued next page

Account name: MICHAEL & LOUISE LYNCH
Friendly account name: Foundation -CAM
Account number: MV 26627 MW

Your Financial Advisor:
MICHAEL & WALTER MASSIE
703-734-8400/800-255-8045

Your assets › **Fixed income** › **Corporate bonds and notes** (continued)

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
CITIGROUP INC NTS B/E RATE 04 750% MATURES 05/19/15 ACCRUED INTEREST $193 95 CUSIP 172967FD8 Moody Baa2 S&P A- EAI $1,663 Current yield 4 41%	Aug 19, 10	35,000 000	103 743	36,310 05	107 804	37,731 40	1,421 35	LT
PNC FUNDING CORP RATE 04 250% MATURES 09/21/15 ACCRUED INTEREST $354 16 CUSIP 693476BG7 Moody A3 S&P A- EAI $1,275 Current yield 3 90%	Jun 28, 11	30,000 000	107 684	32,305 20	108 995	32,698 50	393 30	LT
HCA INC B/E OBP FC081506 RATE 06 500% MATURES 02/15/16 ACCRUED INTEREST $589 33 CUSIP 404119AR0 Moody B3 S&P B- EAI $1,560 Current yield 5 98%	Jan 18, 12	24,000 000	104 000	24,960 00	108 750	26,100 00	1,140 00	ST
ARCH COAL INC NTS B/E OBP RATE 08 750% MATURES 08/01/16 CALLABLE ACCRUED INTEREST $911 45 CUSIP 039380AB6 Moody B3 S&P B- EAI $2,188 Current yield 8 41%	Jan 14, 11	3,000 000	110 250	3,307 50	104 000	3,120 00	-187 50	LT
	Apr 09, 12	19,000 000	104 250	19,807 50	104 000	19,760 00	-47 50	ST
	Apr 16, 12	1,000 000	103 250	1,032 50	104 000	1,040 00	7 50	ST
Original cost basis $1,930 00	May 31, 12	2,000 000	96 693	1,933 87	104 000	2,080 00	146 13	ST
Security total		25,000 000		26,081 37		26,000 00	-81 37	

continued next page

Account name: MICHAEL & LOUISE LYNCH
Friendly account name: Foundation -CAM
Account number: MV 26627 MW

Your Financial Advisor:
MICHAEL & WALTER MASSIE
703-734-8400/800-255-8045

Your assets › **Fixed income** › **Corporate bonds and notes** (continued)

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
BOEING CAPITAL CORP NTS 0BP RATE 02 125% MATURES 08/15/16 ACCRUED INTEREST $160 55 CUSIP 097014AN4 Moody A2 S&P A EAI $425 Current yield 2 04%	Aug 31, 11	20,000 000	101 781	20,356 20	104 073	20,814 60	458 40	LT
R R DONNELLEY & SONS CO 5BP B/E RATE 08 600% MATURES 08/15/16 ACCRUED INTEREST $974 66 CUSIP 257867AV3 Moody Ba3 S&P BB EAI $2,580 Current yield 8 00%	Aug 04, 11	30,000 000	109 250	32,775 00	107 500	32,250 00	-525 00	LT
LOCKHEED MARTIN CORP B/E 2 125% 091516 DTD090911 CALL@MW+20BP ACCRUED INTEREST $187 70 CUSIP 539830AX7 Moody Baa1 S&P A- EAI $638 Current yield 2 05%	Mar 29, 12	30,000 000	101 521	30,456 30	103 610	31,083 00	626 70	ST
PEABODY ENERGY CORP CL@M/H+50BP NTS RATE 07 375% MATURES 11/01/16 ACCRUED INTEREST $307 29 CUSIP 704549AE4 Moody Ba1 S&P BB+ EAI $1,844 Current yield 6 44%	Feb 29, 12	25,000 000	113 500	28,375 00	114 500	28,625 00	250 00	ST
BK OF NY MELLON CORP MED TERM NTS RATE 02 400% MATURES 01/17/17 CALLABLE ACCRUED INTEREST $163 99 CUSIP 06406HCA5 Moody Aa3 S&P A+ EAI $360 Current yield 2 29%	Jun 14, 12	15,000 000	103 150	15,472 50	104 760	15,714 00	241 50	ST

continued next page

Your assets › **Fixed income** › **Corporate bonds and notes** (continued)

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
INTL LEASE FIN CORP NTS B/E RATE 08 750% MATURES 03/15/17 ACCRUED INTEREST $592 56 CUSIP 459745GG4 Moody Ba3 S&P BBB- EAI $2,013 Current yield 7 58%	Jun 21, 12	23,000 000	113 250	26,047 50	115 500	26,565 00	517 50	ST
BANK OF AMER CORP B/E RATE 03 875% MATURES 03/22/17 ACCRUED INTEREST $319 68 CUSIP 06051GEQ8 Moody Baa2 S&P A- EAI $1,163 Current yield 3 57%	Mar 19, 12	30,000 000	99 708	29,912 40	108 452	32,535 60	2,623 20	ST
FRONTIER COMM CORP NTS 0BP B/E RATE 08 250% MATURES 04/15/17 ACCRUED INTEREST $139 33 CUSIP 35906AAF5 Moody Ba2 S&P BB EAI $660 Current yield 7 14%	Jun 21, 12	6,000 000	108 000	6,480 00	115.500	6,930 00	450 00	ST
	Oct 19, 12	2,000 000	115 750	2,315 00	115 500	2,310 00	-5 00	ST
Security total		8,000 000		8,795 00		9,240 00	445 00	
QWEST CORP NTS B/E 0BP RATE 06 500% MATURES 06/01/17 ACCRUED INTEREST $162 50 CUSIP 74913GAT2 Moody Baa3 S&P BBB- EAI $1,950 Current yield 5 57%	Aug 29, 12	30,000 000	116 772	35,031 60	116 760	35,028 00	-3 60	ST
UNITED TECHNOLOGIES CORP 5BP RATE 01 800% MATURES 06/01/17 ACCRUED INTEREST $45 00 CUSIP 913017BU2 Moody A2 S&P A EAI $540 Current yield 1 75%	May 24, 12	30,000 000	100 310	30,093 00	102 936	30,880 80	787 80	ST

continued next page

Your assets › Fixed income › Corporate bonds and notes (continued)

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
PEPSICO INC NTS B/E CALL@MW+10BP RATE 01 250% MATURES 08/13/17 INTEREST EARNED FROM 08/13/12 1ST INTEREST PAYMENT 02/13/13 ACCRUED INTEREST $143 75 CUSIP 713448CB2 Moody Aa3 S&P A- EAI $375 Current yield 1 25%	Aug 08, 12	30,000 000	99 484	29,845 20	100 376	30,112 80	267 60	ST
CHESAPEAKE ENERGY CORP MW+50BPS B/E RATE 06 500% MATURES 08/15/17 ACCRUED INTEREST $613 89 CUSIP 165167BS5 Moody Ba3 S&P BB- EAI $1,625 Current yield 5 99%	Feb 10, 12	22,000 000	103 250	22,715 00	108 500	23,870 00	1,155 00	ST
	May 15, 12	3,000 000	95 000	2,850 00	108 500	3,255 00	405 00	ST
Security total		25,000 000		25,565 00		27,125 00	1,560 00	
HEWLETT PACKARD CO CALL @ MW+30BP RATE 02 600% MATURES 09/15/17 ACCRUED INTEREST $229 66 CUSIP 428236BW2 Moody Baa1 S&P BBB+ EAI $780 Current yield 2 67%	Jun 12, 12	30,000 000	99 414	29,824 20	97 416	29,224 80	-599 40	ST
FERRELLGAS LP NTS B/E RATE 09 125% MATURES 10/01/17 CALLABLE ACCRUED INTEREST $570 31 CUSIP 315292AJ1 Moody B2 S&P B- EAI $2,281 Current yield 8 43%	May 09, 11	25,000 000	113 000	28,250 00	108 250	27,062 50	-1,187 50	LT

continued next page

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Richard

Your assets › **Fixed income** › **Corporate bonds and notes** (continued)

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
AES CORP NTS 8 000% 101517 DTD011808 FC041508 CALL@M/W +50BP ACCRUED INTEREST $388 44 CUSIP 00130HBH7 Moody Ba3 S&P BB- EAI $1,840 Current yield 6 93%	Nov 08, 12	23,000 000	115 125	26,478 75	115 500	26,565 00	86 25	ST
VERIZON COMMUNICATIONS CALL@MW+10BP RATE 01 100% MATURES 11/01/17 INTEREST EARNED FROM 11/07/12 1ST INTEREST PAYMENT 05/01/13 ACCRUED INTEREST $49 50 CUSIP 92343VBF0 Moody A3 S&P A- EAI $330 Current yield 1 10%	Nov 02, 12	30,000 000	99 788	29,936 40	99 551	29,865 30	-71 10	ST
GENERAL ELEC CAP CORP B/E RATE 01 600% MATURES 11/20/17 INTEREST EARNED FROM 11/20/12 1ST INTEREST PAYMENT 05/20/13 ACCRUED INTEREST $27 33 CUSIP 36962G6K5 Moody A1 S&P AA+ EAI $240 Current yield 1 60%	Nov 14, 12	15,000 000	99 871	14,980 65	100 065	15,009 75	29 10	ST
WALT DISNEY COMPANY/THE CALL@MW+10BP RATE 01 100% MATURES 12/01/17 INTEREST EARNED FROM 11/30/12 1ST INTEREST PAYMENT 06/01/13 ACCRUED INTEREST $18 33 CUSIP 25468PCV6 Moody A2 S&P A EAI $220 Current yield 1 10%	Nov 27, 12	20,000 000	99 289	19,857 80	100 210	20,042 00	184 20	ST

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Account name: MICHAEL & LOUISE LYNCH
Friendly account name: Foundation -CAM
Account number: MV 26627 MW

Your Financial Advisor:
MICHAEL & WALTER MASSIE
703-734-8400/800-255-8045

Your assets › **Fixed income** › **Corporate bonds and notes** (continued)

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
CONOCOPHILLIPS CO NTS CALL@MW+10BP RATE 01 050% MATURES 12/15/17 INTEREST EARNED FROM 12/07/12 1ST INTEREST PAYMENT 06/15/13 CALLABLE ACCRUED INTEREST $21 00 CUSIP 20826FAB2 Moody A1 S&P A EAI $315 Current yield 1 05%	Dec 04, 12	30,000 000	99 771	29,931 30	99 683	29,904 90	-26 40	ST
INTEL CORP MED TERM NTS CALL@MW+12 5BP RATE 01 350% MATURES 12/15/17 INTEREST EARNED FROM 12/11/12 1ST INTEREST PAYMENT 06/15/13 ACCRUED INTEREST $7 50 CUSIP 458140AL4 Moody A1 S&P A+ EAI $135 Current yield 1 35%	Dec 04, 12	10,000 000	99 894	9,989 40	99 971	9,997 10	7 70	ST
MORGAN STANLEY RATE 05 950% MATURES 12/28/17 ACCRUED INTEREST $14 87 CUSIP 61744YAD0 Moody Baa1 S&P A- EAI $1,785 Current yield 5 25%	Aug 14, 12	30,000 000	106 341	31,902 30	113 240	33,972 00	2,069.70	ST
EQUINIX INC B/E CALL@MW+50BP RATE 08 125% MATURES 03/01/18 ACCRUED INTEREST $460 41 CUSIP 29444UAJ5 Moody Ba2 S&P BB- EAI $1,381 Current yield 7 37%	Apr 19, 12	17,000 000	110 374	18,763 58	110 250	18,742 50	-21 08	ST

continued next page

Your assets › **Fixed income** › **Corporate bonds and notes** (continued)

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
CABLEVISION SYSTEMS CORP								
OBP NTS B/E								
RATE 07 750% MATURES 04/15/18								
ACCRUED INTEREST $376 30								
CUSIP 12686CAZ2								
Moody B1 S&P B+								
EAI $1,783 Current yield 6 97%	Sep 20, 12	21,000 000	111 750	23,467 50	111 250	23,362 50	-105 00	ST
	Nov 14, 12	2,000 000	109 000	2,180 00	111 250	2,225 00	45 00	ST
Security total		23,000 000		25,647 50		25,587 50	-60 00	
OWENS ILL INC								
RATE 07 800% MATURES 05/15/18								
ACCRUED INTEREST $49 83								
CUSIP 690768BF2								
Moody B1 S&P BB-								
EAI $390 Current yield 6 77%	Nov 20, 12	5,000 000	115 000	5,750 00	115 250	5,762 50	12 50	ST
MOOG INC NTS B/E								
RATE 07 250% MATURES 06/15/18								
ACCRUED INTEREST $70 88								
CUSIP 615394AJ2								
Moody Ba3 S&P B+								
EAI $1,595 Current yield 6 90%	Apr 13, 12	22,000 000	106 625	23,457 50	105 125	23,127 50	-330 00	ST
GRAPHIC PACKAGING INTL								
OBP INC NTS B/E								
RATE 07 875% MATURES 10/01/18								
CALLABLE								
ACCRUED INTEREST $590 62								
CUSIP 38869PAH7								
Moody B2 S&P BB+								
EAI $2,363 Current yield 7 13%	Nov 08, 12	30,000 000	111 250	33,375 00	110 500	33,150 00	-225 00	ST
DAVITA INC B/E								
CALL@MW+50BP								
RATE 06 375% MATURES 11/01/18								
CALLABLE								
ACCRUED INTEREST $95 62								
CUSIP 23918KAL2								
Moody B2 S&P B								
EAI $574 Current yield 5 94%	Sep 21, 12	9,000 000	107 730	9,695 70	107 250	9,652 50	-43 20	ST

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Account name: MICHAEL & LOUISE LYNCH
Friendly account name: Foundation -CAM
Account number: MV 26627 MW

Your Financial Advisor:
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Your assets › **Fixed income** › **Corporate bonds and notes** (continued)

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
CCO HLDGS LLC/CAP CORP 7 000% 011519 DTD011111 FC071511 NTS B/E ACCRUED INTEREST $742 38 CUSIP 1248EPAS2 Moody. B1 S&P BB- EAI $1,610 Current yield 6 49%	Oct 26, 12	23,000 000	108 250	24,897 50	107 875	24,811 25	-86 25	ST
NRG ENERGY INC NTS B/E OBP RATE 07 625% MATURES 05/15/19 CALLABLE ACCRUED INTEREST $214 34 CUSIP 629377BR2 Moody B1 S&P BB- EAI $1,678 Current yield 7 13%	Sep 11, 12	22,000 000	107 000	23,540 00	107 000	23,540.00		ST
DELTA AIRLINES INC NTS FACTOR 0 869331912000 RATE 04 950% MATURES 05/23/19 CURRENT PAR VALUE 30,427 ACCRUED INTEREST $182 87 CUSIP 247361ZH4 Moody Baa2 S&P A- EAI $1,506 Current yield 4 54%	Nov 17, 10	35,000 000	101 500	30,883 01	109 000	33,165 43	2,282 42	LT
IRON MTN INC NTS B/E OBP RATE 07 750% MATURES 10/01/19 CALLABLE ACCRUED INTEREST $387 50 CUSIP 46284PAN4 Moody B1 S&P B+ EAI $1,550 Current yield 6 87%	Sep 11, 12	20,000 000	113 000	22,600 00	112 750	22,550 00	-50 00	ST

continued next page

Account name: MICHAEL & LOUISE LYNCH
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Your assets › **Fixed income** › **Corporate bonds and notes** (continued)

Holding	Trade date	Total face value at maturity ($)	Purchase price ($)	Cost basis ($)	Price on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
COMMUNITY HEALTH SYSTEMS 0BP RATE 08 000% MATURES 11/15/19 CALLABLE ACCRUED INTEREST $224 88 CUSIP 12543DAL4 Moody B3 S&P B EAI $1,760 Current yield 7 39%	Oct 23, 12	6,000 000	109 000	6,540 00	108 250	6,495 00	-45 00	ST
	Nov 30, 12	16,000 000	109 000	17,440 00	108 250	17,320 00	-120 00	ST
Security total		22,000 000		23,980 00		23,815 00	-165 00	
UNITED RENTALS NA INC +50BP RATE 09.250% MATURES 12/15/19 ACCRUED INTEREST $28 77 CUSIP 911365AU8 Moody B3 S&P B+ EAI $648 Current yield 8 11%	Dec 17, 12	7,000 000	114 350	8,004 50	114 000	7,980 00	-24 50	ST
Total		**$862,000.000**		**$908,235.83**		**$920,242.45**	**$12,006.62**	

Total accrued interest: $10,710.26

Total estimated annual income: $45,910

Your total assets

		Value on Dec 31 ($)	Percentage of your account	Cost basis ($)	Estimated annual income ($)	Unrealized gain or loss ($)
Cash	**Cash and money balances**	**7,240.68**	**0.77%**	**7,240.68**		
Fixed income	Corporate bonds and notes	920,242 45		908,235 83	45,910 00	12,006 62
	Total accrued interest	10,710.26				
	Total fixed income	**930,952.71**	**99.23%**	**908,235.83**	**45,910.00**	**12,006.62**
Total		**$938,193.39**	**100.00%**	**$915,476.51**	**$45,910.00**	**$12,006.62**

Your assets

Some prices, income and current values shown may be approximate As a result, gains and losses may not be accurately reflected See *Important information about your statement* at the end of this document for more information

Cash

Cash and money balances

Holding	Opening balance on Dec 1 ($)	Closing balance on Dec 31 ($)	Price per share on Dec 31 ($)	Average rate	Dividend/Interest period	Days in period
UBS SELECT PRIME CAPITAL	1,215 50	2,025 75	1 00	0 09%	Nov 1 to Nov 30	30

Equities

Common stock

Holding	Trade date	Number of shares	Purchase price/ Average price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
ABBOTT LABS								
Symbol ABT Exchange NYSE								
EAI $42 Current yield 0 85%	Dec 1, 10	75 000	47 028	3,527 10	65 500	4,912 50	1,385 40	LT
ADOBE SYSTEMS INC (DELAWARE)								
Symbol ADBE Exchange OTC	Dec 1, 10	150 000	28 306	4,245 98	37 680	5,652 00	1,406 02	LT
	May 27, 11	50 000	34 376	1,718 83	37 680	1,884 00	165 17	LT
Security total		200 000	29 824	5,964 81		7,536 00	1,571 19	
AMERICAN INTL GROUP INC COM NEW								
Symbol AIG Exchange NYSE	Aug 11, 06	7 000	1,217 101	8,519 71	35 300	247 10	-8,272 61	LT
APACHE CORP								
Symbol APA Exchange NYSE								
EAI $34 Current yield 0 87%	Feb 25, 10	50 000	100 400	5,020 00	78 500	3,925 00	-1,095 00	LT
BAKER HUGHES INC								
Symbol BHI Exchange NYSE								
EAI $75 Current yield 1 47%	Nov 3, 11	75 000	56 530	4,239 75	40 847	3,063 52	-1,176.23	LT
	Feb 28, 12	50 000	50 810	2,540 50	40 847	2,042 35	-498 15	ST
Security total		125 000	54 242	6,780 25		5,105 87	-1,674 38	

continued next page

Your assets › **Equities** › **Common stock** (continued)

Holding	Trade date	Number of shares	Purchase price/ Average price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
BARD C R INC Symbol BCR Exchange NYSE EAI $60 Current yield 0 82%	Apr 28, 09	75 000	71 920	5,394 00	97 740	7,330 50	1,936 50	LT
BECTON DICKINSON & CO Symbol BDX Exchange NYSE EAI $149 Current yield 2 54%	Jan 18, 08	75 000	87 990	6,599 25	78 190	5,864 25	-735 00	LT
BERKSHIRE HATHAWAY INC NEW CL B Symbol BRK B Exchange NYSE	Apr 28, 09	100 000	58 580	5,858 00	89 700	8,970 00	3,112 00	LT
CATERPILLAR INC Symbol CAT Exchange NYSE EAI $104 Current yield 2 32%	Jul 31, 06	50 000	70 560	3,528 00	89 608	4,480 40	952 40	LT
CERNER CORP Symbol CERN Exchange OTC	Jul 31, 06	150 000	20 005	3,000 75	77 510	11,626 50	8,625 75	LT
COLGATE PALMOLIVE CO Symbol CL Exchange NYSE EAI $186 Current yield 2 37%	Sep 17, 10	75 000	77 116	5,783 70	104 540	7,840 50	2,056 80	LT
DEVON ENERGY CORP NEW Symbol DVN Exchange NYSE EAI $60 Current yield 1 54%	Dec 18, 09	75 000	69 840	5,238 00	52 040	3,903 00	-1,335 00	LT
DU PONT DE NEMOURS Symbol DD Exchange NYSE EAI $172 Current yield 3 82%	Dec 17, 08	100 000	27 016	2,701 68	44 978	4,497 80	1,796 12	LT
ECOLAB INC Symbol ECL Exchange NYSE EAI $92 Current yield 1 28%	Jul 24, 09	100 000	39 159	3,915 90	71 900	7,190 00	3,274 10	LT
EMC CORP MASS Symbol EMC Exchange NYSE	Jul 31, 06	300 000	10 270	3,081 00	25 300	7,590 00	4,509 00	LT
	Aug 9, 11	100 000	22 100	2,210 00	25 300	2,530 00	320 00	LT
Security total		400 000	13 228	5,291 00		10,120 00	4,829 00	
EMERSON ELECTRIC CO Symbol EMR Exchange NYSE EAI $123 Current yield 3 10%	Apr 28, 09	75 000	32 409	2,430 71	52 960	3,972 00	1,541 29	LT

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Your Financial Advisor:
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Your assets › **Equities** › Common stock (continued)

Holding	Trade date	Number of shares	Purchase price/ Average price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
ENSCO PLC CL A								
Symbol ESV Exchange NYSE								
EAI $225 Current yield 2 53%	Aug 12, 09	100 000	42 175	4,217 50	59 280	5,928 00	1,710 50	LT
	Aug 9, 11	50 000	42 580	2,129 00	59 280	2,964 00	835 00	LT
Security total		150 000	42 310	6,346 50		8,892 00	2,545 50	
FMC CORP NEW								
Symbol FMC Exchange NYSE								
EAI $54 Current yield 0 92%	Jul 24, 09	100 000	22 465	2,246 50	58 520	5,852 00	3,605 50	LT
HEWLETT PACKARD CO								
Symbol HPQ Exchange NYSE								
EAI $79 Current yield 3 70%	Feb 20, 08	150 000	46 981	7,047 24	14 250	2,137 50	-4,909 74	LT
INTEL CORP								
Symbol INTC Exchange OTC								
EAI $270 Current yield 4 36%	Dec 17, 08	300 000	15 457	4,637 34	20 620	6,186 00	1,548 66	LT
JOHNSON & JOHNSON COM								
Symbol JNJ Exchange NYSE								
EAI $244 Current yield 3 48%	Jul 31, 06	100 000	62 580	6,258 00	70 100	7,010 00	752 00	LT
JPMORGAN CHASE & CO								
Symbol JPM Exchange NYSE								
EAI $240 Current yield 2 73%	May 2, 08	200 000	48 740	9,748 00	43 969	8,793 80	-954 20	LT
LOWES COMPANIES INC								
Symbol LOW Exchange NYSE								
EAI $224 Current yield 1 80%	Apr 26, 11	150 000	26 378	3,956 70	35 520	5,328 00	1,371 30	LT
	May 27, 11	100 000	24 358	2,435 80	35 520	3,552 00	1,116 20	LT
	Aug 9, 11	100 000	18 699	1,869 92	35 520	3,552 00	1,682 08	LT
Security total		350 000	23 607	8,262 42		12,432 00	4,169 58	
METLIFE INC								
Symbol MET Exchange NYSE								
EAI $111 Current yield 2 25%	Aug 10, 12	150 000	34 759	5,213 91	32 940	4,941 00	-272 91	ST
MICROSOFT CORP								
Symbol MSFT Exchange OTC								
EAI $276 Current yield 3 44%	Jul 31, 06	300 000	24 150	7,245 00	26 709	8,012 70	767 70	LT
MYLAN INC								
Symbol MYL Exchange OTC	Aug 9, 11	200 000	17 977	3,595 56	27 450	5,490 00	1,894 44	LT

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Account name: MICHAEL & LOUISE LYNCH
Friendly account name: Foundtn Kanawha
Account number: MV 26572 AE

Your Financial Advisor:
MICHAEL MASSIE
703-734-8400/800-255-8045

Your assets › **Equities** › **Common stock** (continued)

Holding	Trade date	Number of shares	Purchase price/ Average price per share ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
NATL-OILWELLVARCO INC								
Symbol· NOV Exchange NYSE								
EAI $39 Current yield 0 76%	Feb 25, 11	75 000	78 860	5,914 50	68 350	5,126 25	-788 25	LT
NORFOLK STHN CORP								
Symbol NSC Exchange NYSE								
EAI $200 Current yield 3 23%	Aug 16, 06	100 000	44 870	4,487 00	61 840	6,184 00	1,697 00	LT
PARKER HANNIFIN CORP								
Symbol PH Exchange NYSE								
EAI $123 Current yield 1 93%	Jan 18, 08	75 000	61 740	4,630 50	85 060	6,379 50	1,749 00	LT
TIDEWATER INC								
Symbol TDW Exchange NYSE								
EAI $100 Current yield 2 24%	Sep 17, 10	100 000	41 888	4,188 84	44 680	4,468 00	279 16	LT
TUPPERWARE BRANDS CORP								
Symbol TUP Exchange NYSE								
EAI $180 Current yield 2 25%	Oct 19, 11	75 000	54 410	4,080 75	64 100	4,807 50	726 75	LT
	Jun 4, 12	50 000	51 950	2,597 50	64 100	3,205 00	607 50	ST
Security total		125 000	53 426	6,678 25		8,012 50	1,334 25	
UNILEVER NV N Y SHS NEW								
NETHERLANDS SPON SPON ADR								
Symbol. UN Exchange NYSE								
EAI $156 Current yield 2 72%	Oct 19, 11	150 000	33 326	4,998 90	38 300	5,745 00	746 10	LT
WELLS FARGO & CO NEW								
Symbol WFC Exchange NYSE								
EAI $43 Current yield 2 57%	Jul 31, 06	34 000	275 573	9,369 50	34 180	1,162 12	-8,207 38	LT
	Aug 16, 06	15 000	263 629	3,954 44	34 180	512 70	-3,441 74	LT
Security total		49 000	271 917	13,323 94		1,674 82	-11,649 12	
3M CO								
Symbol MMM Exchange NYSE								
EAI $236 Current yield 2 54%	Aug 16, 06	50 000	70 740	3,537 00	92 850	4,642 50	1,105 50	LT
	Aug 9, 11	50 000	80 430	4,021 50	92 850	4,642 50	621 00	LT
Security total		100 000	75 585	7,558 50		9,285 00	1,726 50	
Total				**$191,933.76**		**$214,143.49**	**$22,209.73**	

Total estimated annual income: $3,897

Account name: MICHAEL & LOUISE LYNCH
Friendly account name: Foundtn Kanawha
Account number: MV 26572 AE

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Your assets › **Equities** (continued)

Closed end funds & Exchange traded products

Total reinvested is the total of all reinvested dividends It does not include any cash dividends It is not a tax lot for the purposes of determining holding periods or cost basis The shares you receive each time you reinvest dividends become a separate tax lot

Cost basis is the total purchase cost of the security, including reinvested dividends The cost basis may need to be adjusted for return of capital payments in order to determine the adjusted cost basis for tax reporting purposes

Unrealized (tax) gain or loss is the difference between the current value and the cost basis and would generally be your taxable gain or loss if the security was sold on this date The unrealized (tax) gain or loss may need to be adjusted for return of capital payments in order to determine the realized gain or loss for tax reporting purposes

Investment return is the current value minus the amount you invested It does not include shares that are not reflected on your statement, including shares that have been realized as either a gain or a loss It also does not include cash dividends that were not reinvested

Holding	Number of shares	Purchase price/ Average price per share ($)	Client investment ($)	Cost basis ($)	Price per share on Dec 31 ($)	Value on Dec 31 ($)	Unrealized (tax) gain or loss ($)	Investment return ($)	Holding period
POWERSHARES WILDERHILL CLEAN ENERGY PORTFOLIO									
Symbol PBW									
Trade date Jul 31, 06	530 000	17 510	9,280 30	9,280 30	4 080	2,162 40	-7,117 90	-7,117 90	LT
EAI $86 Current yield 3 98%									

Warrants

Holding	Trade date	Number of warrants	Purchase price per warrant ($)	Cost basis ($)	Price per warrant on Dec 31 ($)	Value on Dec 31 ($)	Unrealized gain or loss ($)	Holding period
WARRANTS AMERICAN INTL GROUP INC								
Expires Jan 19, 21	Jan 20, 11	3 000	16 290	48 87	13 800	41 40	-7 47	LT

Your total assets

		Value on Dec 31 ($)	Percentage of your account	Cost basis ($)	Estimated annual income ($)	Unrealized gain or loss ($)
Cash	**Cash and money balances**	**2,025.75**	**0.93%**	**2,025.75**		
Equities	Common stock	214,143 49		191,933 76	3,897 00	22,209 73
	Closed end funds & Exchange traded products	2,162 40		9,280 30	86 00	-7,117 90
	Warrants	41 40		48 87		-7 47
	Total equities	**216,347.29**	**99.07%**	**201,262.93**	**3,983.00**	**15,084.36**
Total		**$218,373.04**	**100.00%**	**$203,288.68**	**$3,983.00**	**$15,084.36**

Michael & Louise Lynch

Charitable Foundation, Inc.

EIN 27-0136524

Reconciliation of Capital Gain Income (Loss) for 12/31/2012

	Net STCG	Net STCL	Net LTCG	Net LTCL
Master Account	0	0	$ 7	0
Kanawha Account	$ 1,140	0	$ 0	$ 258
Cincinnati Account	$ 3,819	$ 549	$11,548	$3,812
Totals	$ 4,959	$ 549	$11,555	$4,070

Net Short Term Capital Gains	$ 4,410
Net Long Term Capital Gains	$ 7,485
Total Capital Gains	$11,895

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Select Account
(MV 26547) Foundatn-Master

Year
2012 Go

2012 Realized Gain/Loss Summary for (MV 26547) Foundatn-Master

	Gain	Loss	Total
Short Term	$0 00	$0 00	$0 00
Long Term	$6.72	$0 00	$6 72
Term Not Applicable	$0.00	$0 00	$0.00
Portfolio Total*:	**$6.72**	**$0.00**	**$6.72**

2012 Realized Gain/Loss Summary for (MV 26547) Foundatn-Master

Description	Ticker/Cusip	Quantity	Purchase Amount	Sale Amount	Realized Gain/Loss		More Info
KRAFT FOODS GROUP INC	KRFT	0.667	$23.44	$30 16	$6 72	28.67%	Cost Basis
Portfolio Totals*:			**$23.44**	**$30.16**	**$6.72**	**28.67%**	

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Select Account **Year**

(MV 26572) Foundtn Kanawha 2012

2012 Realized Gain/Loss Summary for (MV 26572) Foundtn Kanawha

	Gain	Loss	Total
Short Term	$1,140.02	$0.00	$1,140.02
Long Term	$0 00	$-257.83	$-257.83
Term Not Applicable	$0 00	$0.00	$0 00
Portfolio Total*:	**$1,140.02**	**$-257.83**	**$882.19**

2012 Realized Gain/Loss Summary for (MV 26572) Foundtn Kanawha

Description	Ticker/Cusip	Quantity	Purchase Amount	Sale Amount	Realized Gain/Loss		More Info
BRISTOL MYERS SQUIBB CO	BMY	200.000	$5,679.84	$6,819.86	$1,140 02	20.07%	Cost Basis
CONS ENERGY INC	CNX	100.000	$3,914.00	$3,656 17	$-257.83	-6.59%	Cost Basis
Portfolio Totals*:			**$9,593.84**	**$10,476.03**	**$882.19**	**9.20%**	

Select Account (MV 26627) Foundation -CAM   **Year** 2012   Go

2012 Realized Gain/Loss Summary for (MV 26627) Foundation -CAM

	Gain	Loss	Total
Short Term	$3,819 45	$-549 02	$3,270 43
Long Term	$11,548 48	$-3,812 52	$7,735 96
Term Not Applicable	$0 00	$0 00	$0 00
Portfolio Total*:	**$15,367.93**	**$-4,361.54**	*** $11,006.39**

2012 Realized Gain/Loss Summary for (MV 26627) Foundation -CAM

Description	Ticker/Cusip	Quantity	Purchase Amount	Sale Amount	Realized Gain/Loss		More Info
AMER AIRLINES INC NTS	023771R75	40,000 000	$31,610 72	$29,430 08	$-2,180 64	-6 90%	Cost Basis
FORD MOTOR CREDIT CO LLC	345397VP5	20,000 000	$21,570 00	$23,250 00	$1,680 00	7 79%	Cost Basis
DU PONT DE NEMOURS NTS	263534BX6	20,000 000	$21,420 00	$21,819 40	$399 40	1 86%	Cost Basis
BANK OF AMER CORP NTS	060505AX2	25,000 000	$24,605 25	$25,564 75	$959 50	3 90%	Cost Basis
FOREST OIL CORP NTS B/E	346091BE0	4,000 000	$4,150 00	$4,409 45	$259 45	6 25%	Cost Basis
COMMUNITY HEALTH SYSTEMS	12543DAF7	30,000 000	$30,525 00	$31,350 00	$825 00	2 70%	Cost Basis
MORGAN STANLEY MW+15BP	61746SBR9	35,000 000	$36,677 90	$36,781 15	$103 25	0 28%	Cost Basis
DOLLAR GENL CORP NTS B/E	256677AA3	24,000 000	$24,000 00	$25,230 00	$1,230 00	5 12%	Cost Basis
COTT BEVERAGES INC NTS	221643AD1	6,000 000	$6,195 00	$6,585 00	$390 00	6 30%	Cost Basis
INTL LEASE FIN CORP NTS	459745FW0	30,000 000	$32,875 00	$33,225 00	$350 00	1 06%	Cost Basis
CONOCOPHILLIPS NTS B/E	20825CAM6	25,000 000	$25,118 25	$26,098 00	$979 75	3 90%	Cost Basis
DIAGEO FIN B/E	25244SAF8	35,000 000	$35,175 70	$37,019 15	$1,843 45	5 24%	Cost Basis
GRAPHIC PACKAGING INTL	38869PAF1	30,000 000	$33,534 38	$32,662 50	$-871 88	-2 60%	Cost Basis
J P MORGAN CHASE & CO	46625HHP8	35,000 000	$34,830 25	$36,257 55	$1,427 30	4 10%	Cost Basis
HUNTSMAN INTL LLC NTS	44701QAV4	25,000 000	$24,687 50	$25,000 00	$312 50	1 27%	Cost Basis
IRON MTN	462846AC0	10,000 000	$9,962 50	$10,000 00	$37 50	0 38%	Cost Basis
LAMAR MEDIA CORP	513075AM3	21,000 000	$21,303 75	$21,122 43	$-181 32	-0 85%	Cost Basis
TENDER LAMAR MEDIA CORP	51399ABH1	4,000 000	N/A	$4,023 32	N/A	N/A	Cost Basis
HCA INC	404119AP4	2,000 000	$2,010 00	$2,160 00	$150 00	7 46%	Cost Basis
CCO HLDGS LLC/CAP CORP	1248EPAQ6	23,000 000	$24,997 50	$25,127 50	$130 00	0 52%	Cost Basis
MEDIACOM BROADBAND LLC	58446VAE1	35,000 000	$35,525 00	$35,831 25	$306 25	0 86%	Cost Basis
AES CORP NTS B/E	00130HBQ7	35,000 000	$40,687 50	$41,868 75	$1,181 25	2 90%	Cost Basis
EOG RESOURCES INC NTS	26875PAF8	35,000 000	$36,078 00	$36,921 85	$843 85	2 34%	Cost Basis
NRG ENERGY INC NTS	629377AX0	25,000 000	$25,943 75	$26,031 25	$87 50	0 34%	Cost Basis
UNITED RENTALS NA INC	911365AV6	35,000 000	$40,337 50	$39,550 00	$-787 50	-1 95%	Cost Basis
TIME WARNER CABLE INC	88732JAV0	35,000 000	N/A	$37,185 40	N/A	N/A	Cost Basis
THERMO FISHER SCIENTIFIC	883556AS1	30,000 000	$31,632 90	$31,585 20	$-47 70	-0 15%	Cost Basis
SELECT MEDICAL CORP	816196AJ8	17,000 000	$17,446 25	$17,255 00	$-191 25	-1 10%	Cost Basis
VERIZON COMMUNICATIONS	92343VAC8	30,000 000	$33,656 10	$34,656 90	$1,000 80	2 97%	Cost Basis
VULCAN MATERIALS CO NEW	929160AE9	1,000 000	$962 67	$1,000 00	$37 33	3 88%	Cost Basis
WACHOVIA BANK NA GLOBAL	92976GAD3	35,000 000	$36,952 25	$37,684 85	$732 60	1 98%	Cost Basis
Portfolio Totals*:			*** $744,470.62**	**$796,685.73**	*** $11,006.39**	*** 1.48%**	

**Total realized gain/loss does not include positions without a cost basis*

Michael & Louise Lynch Charitable Foundation, Inc.

EIN 27-0136524

Tax Year Ended December 31, 2012

Schedule of Support & Donations:

	Name	Address	Relationship	Purpose	Status	Amount
1.	St. Jude's Children's Hospital	501 St. Jude Place Memphis, TN 38105	None	General Support	501(c)(3)	$2,500
2.	Michael J. Fox Foundation	Po Box 780 New York, NY 10008	None	General Support	501(c)(3)	$1,500
3.	Western Kentucky University	College Heights Foundation 1906 College Heights Blvd. Bowling Green, KY 42101	None	General Support	501(c)(3)	$33,500
4.	Marine Corps Scholarship Foundation	121 S. St. Asaph St. Alexandria, VA 22314	None	General Support	501(c)(3)	$ 1,500
5.	Arts Center of Coastal Carolina	14 Shelter Cove Lane Hilton Head Island, SC 29928-3543	None	General Support	501(c)(3)	$20,000

6. Juvenile Diabetes Research Foundation Capitol Chapter	1400 K Street NW, Suite 725 Washington, DC 20005	None	General Support	501(c)(3)	$5,000
7. Hilton Head Humane Association	10 Humane Way Hilton Head Island, SC 29926-1430	None	General Support	501(c)(3)	$5,000
8. Marine Corps Toys For Tots	PO Box 227 Alexandria, VA 22314	None	General Support	501(c)(3)	$1,000
9. Wounded Warrior Project	4899 Belfort Road, Suite 300 Jacksonville, FL 32256	None	General	501(c)(3)	$2,500
10. Hilton Head Island Children's Center	8 Nature's Way Hilton Head, SC 29926	None	General Support	501(c)(3)	$ 2,000
11. Shy-Drager's Syndrome /Multiple System Atrophy SDS/MSA Support Group	8311 Brier Creek Pkwy Suite 105-434 Raleigh, NC 27617	None	General Support	501(c)(3)	$ 1,000

i.	$75,500

Form **8868**

(Rev. January 2013)

Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . ▶ ☒

• If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (*e-file*). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions. MICHAEL & LOUISE LYNCH CHARITABLE FOUNDATION INC.	Employer identification number (EIN) or 27-0136524
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 13 BRIGANTINE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. HILTON HEAD, SC 29928	

Enter the Return code for the return that this application is for (file a separate application for each return) 04

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

• The books are in the care of ▶ MICHAEL D. LYNCH, VP/TREASURER

Telephone No. ▶ 843-785-5326 FAX No. ▶ 843-785-5326

• If the organization does not have an office or place of business in the United States, check this box . . . . ▶ ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ________ . If this is for the whole group, check this box . . . ▶ ☐ . If it is for part of the group, check this box . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until AUGUST 15 20 13 to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ ☒ calendar year 20 12 or

▶ ☐ tax year beginning ____________, 20 ___, and ending ____________, 20 ___.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ N/A
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ N/A
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ NONE

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box . . . . ▶ ☐

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

		Enter filer's identifying number, see instructions
Type or print	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	

Enter the Return code for the return that this application is for (file a separate application for each return) . . . . ☐☐

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of ▶ ____________________

Telephone No. ▶ ____________________ FAX No. ▶ ____________________

• If the organization does not have an office or place of business in the United States, check this box . . . . ▶ ☐

• If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) __________ . If this is for the whole group, check this box . . . ▶ ☐ . If it is for part of the group, check this box . . . . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until ____________________ , 20 ____ .

5 For calendar year ____ , or other tax year beginning ____________ , 20 ____ , and ending ____________ , 20 ____ .

6 If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension ____________________

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Title ▶ Date ▶