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

2012

Department of the Treasury  
Internal Revenue Service

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

Open to Public Inspection

For calendar year 2012 or tax year beginning

4/10/2012

, and ending

12/31/2012

Name of foundation <b>The Egon Foundation</b>		A Employer identification number <b>45-5017945</b>																																																																																					
Number and street (or P O box number if mail is not delivered to street address) <b>Foundation Source 501 Silverside Rd</b>		Room/suite <b>123</b>																																																																																					
City or town, state, and ZIP code <b>Wilmington DE 19809-1377</b>		<p><b>G</b> Check all that apply    <input checked="" type="checkbox"/> Initial return    <input type="checkbox"/> Initial return of a former public charity  <input type="checkbox"/> Final return    <input type="checkbox"/> Amended return  <input type="checkbox"/> Address change    <input type="checkbox"/> Name change</p> <p><b>H</b> Check type of organization    <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation  <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust    <input type="checkbox"/> Other taxable private foundation</p> <p><b>I</b> Fair market value of all assets at end of year (from Part II, col. (c), line 16) ► \$ <b>3,013,557</b>    <b>(Part I, column (d) must be on cash basis)</b></p>																																																																																					
				C If exemption application is pending, check here ► <input checked="" type="checkbox"/>																																																																																			
				D 1 Foreign organizations, check here ► <input type="checkbox"/>																																																																																			
				2. Foreign organizations meeting the 85% test, check here and attach computation ► <input type="checkbox"/>																																																																																			
				E If private foundation status was terminated under section 507(b)(1)(A), check here ► <input type="checkbox"/>																																																																																			
				F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ► <input type="checkbox"/>																																																																																			
<p><b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;"></th> <th style="width: 25%; text-align: center;">(a) Revenue and expenses per books</th> <th style="width: 25%; text-align: center;">(b) Net investment income</th> <th style="width: 25%; text-align: center;">(c) Adjusted net income</th> </tr> <tr> <th></th> <th></th> <th></th> <th style="text-align: center;">(d) Disbursements for charitable purposes (cash basis only)</th> </tr> </thead> <tbody> <tr> <td>1 Contributions, gifts, grants, etc., received (attach schedule)</td> <td style="text-align: right;">3,000,000</td> <td></td> <td></td> </tr> <tr> <td>2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B</td> <td></td> <td></td> <td></td> </tr> <tr> <td>3 Interest on savings and temporary cash investments</td> <td style="text-align: right;">112</td> <td style="text-align: right;">112</td> <td></td> </tr> <tr> <td>4 Dividends and interest from securities</td> <td style="text-align: right;">23,672</td> <td style="text-align: right;">23,672</td> <td></td> </tr> <tr> <td>5 a Gross rents</td> <td></td> <td></td> <td></td> </tr> <tr> <td>  b Net rental income or (loss)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>6 a Net gain or (loss) from sale of assets not on line 10</td> <td style="text-align: right;">3,425</td> <td></td> <td></td> </tr> <tr> <td>  b Gross sales price for all assets on line 6a</td> <td style="text-align: right;">196,596</td> <td></td> <td></td> </tr> <tr> <td>7 Capital gain net income (from Part IV, line 2)</td> <td></td> <td style="text-align: right;">3,425</td> <td></td> </tr> <tr> <td>8 Net short-term capital gain</td> <td></td> <td></td> <td></td> </tr> <tr> <td>9 Income modifications</td> <td></td> <td></td> <td></td> </tr> <tr> <td>10 a Gross sales less returns and allowances</td> <td></td> <td></td> <td></td> </tr> <tr> <td>  b Less Cost of goods sold</td> <td></td> <td></td> <td></td> </tr> <tr> <td>  c Gross profit or (loss) (attach schedule)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>11 Other income (attach schedule)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>12 Total. Add lines 1 through 11</td> <td style="text-align: right;">3,027,209</td> <td style="text-align: right;">27,209</td> <td style="text-align: right;">0</td> </tr> </tbody> </table>					(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 (attach schedule)	3,000,000			2 Check ► <input type="checkbox"/> if the foundation is not required to attach Sch B				3 Interest on savings and temporary cash investments	112	112		4 Dividends and interest from securities	23,672	23,672		5 a Gross rents				b Net rental income or (loss)				6 a Net gain or (loss) from sale of assets not on line 10	3,425			b Gross sales price for all assets on line 6a	196,596			7 Capital gain net income (from Part IV, line 2)		3,425		8 Net short-term capital gain				9 Income modifications				10 a 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	3,027,209	27,209	0												
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<b>Part II Balance Sheets</b>		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
<b>Assets</b>	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments		266,282	266,282
	3 Accounts receivable ►	1,780		
	Less allowance for doubtful accounts ►		1,780	1,780
	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			
	10 a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)		1,684,563	1,662,819
	c Investments—corporate bonds (attach schedule)		1,059,160	1,082,676
	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)	0	3,011,785	3,013,557
<b>Liabilities</b>	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 ► OUTSTANDING OPTIONS )		1,746	
	23 Total liabilities (add lines 17 through 22)	0	1,746	
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds		3,010,039	
	30 Total net assets or fund balances (see instructions)	0	3,010,039	
	31 Total liabilities and net assets/fund balances (see instructions)	0	3,011,785	

**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	0
2 Enter amount from Part I, line 27a	2	3,010,039
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	3,010,039
5 Decreases not included in line 2 (itemize) ►	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	3,010,039

**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.)
<b>1a Publicly-traded Securities</b>				
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>(e) Gross sales price</b>	<b>(f) Depreciation allowed (or allowable)</b>	<b>(g) Cost or other basis plus expense of sale</b>	<b>(h) Gain or (loss) (e) plus (f) minus (g)</b>	
<b>a</b> 196,596		193,171	3,425	
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			<b>(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))</b>	
<b>(l) F M V as of 12/31/69</b>	<b>(j) Adjusted basis as of 12/31/69</b>	<b>(k) Excess of col. (l) over col. (j), if any</b>		
<b>a</b>			3,425	
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>2 Capital gain net income or (net capital loss)</b>	<b>{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }</b>		<b>2</b>	3,425
<b>3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)</b>				
<b>If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8</b>			<b>3</b>	0

**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			0 000000
2010			0 000000
2009			0 000000
2008			0 000000
2007			0 000000

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

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ►  and enter "N/A" on line 1  
 Date of ruling or determination letter \_\_\_\_\_ (attach copy of letter if necessary—see instructions)

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ►  and enter 1% of Part I, line 27b

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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)

5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-

6 Credits/Payments

a 2012 estimated tax payments and 2011 overpayment credited to 2012

6a	
6b	
6c	
6d	

b Exempt foreign organizations—tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments Add lines 6a through 6d

7	0
8	
9	441
10	0
11	0

8 Enter any penalty for underpayment of estimated tax Check here  if Form 2220 is attached

9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed**

10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid**

11 Enter the amount of line 10 to be **Credited to 2013 estimated tax** ►

Refunded ►

**Part VII-A Statements Regarding Activities**

1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

Yes	No
1a	X
1b	X
1c	X

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the 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*

c Did the foundation file Form 1120-POL for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year

(1) On the foundation ► \$ \_\_\_\_\_ (2) On foundation managers ► \$ \_\_\_\_\_

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ \_\_\_\_\_

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

*If "Yes," attach a detailed description of the activities*

2	X
3	X
4a	X
4b	N/A
5	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*

4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

b If "Yes," has it filed a tax return on Form 990-T for this year?

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

*If "Yes," attach the statement required by General Instruction T*

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	X
8b	X
9	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*

8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ►  
 DE

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*

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*

10 Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*

**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? Website address ►	13	X
14	The books are in care of ► c/o Foundation Source Located at ► 501 Silverside Road, Suite 123 Wilmington DE	Telephone no ►	(800) 839-1754
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	ZIP+4 ►	19809-1377
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 X No

**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)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X 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 ►	1b	N/A
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 ► 20_____ , 20_____ , 20_____ , 20_____	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X 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	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20_____ , 20_____ , 20_____ , 20_____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> X 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	N/A
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))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)–(5), did <b>any</b> 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)? Organizations relying on a current notice regarding disaster assistance check here			5b N/A
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? <i>If "Yes," attach the statement required by Regulations section 53 4945–5(d)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No		
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870</i>			6b X
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?			7b N/A

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

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

**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	00			
-----	00			
-----	00			
-----	00			
-----	00			
-----	00			

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



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

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

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

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

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

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

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	_____	
2	_____	
All other program-related investments See instructions		
3	_____	
<b>Total.</b> Add lines 1 through 3 ►		0

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	1,231,571
<b>b</b>	Average of monthly cash balances	<b>1b</b>	748,759
<b>c</b>	Fair market value of all other assets (see instructions)	<b>1c</b>	0
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	1,980,330
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d .	<b>3</b>	1,980,330
<b>4</b>	Cash deemed held for charitable activities Enter 1 ½ % of line 3 (for greater amount, see instructions)	<b>4</b>	29,705
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	<b>5</b>	1,950,625
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5 MIR Prorated - Short Year	<b>6</b>	71,078

**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 )**

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	71,078
<b>2a</b>	Tax on investment income for 2012 from Part VI, line 5	<b>2a</b>	441
<b>b</b>	Income tax for 2012 (This does not include the tax from Part VI )	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	441
<b>3</b>	Distributable amount before adjustments Subtract line 2c from line 1	<b>3</b>	70,637
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b>	Add lines 3 and 4	<b>5</b>	70,637
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7</b>	<b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1	<b>7</b>	70,637

**Part XII Qualifying Distributions (see instructions)**

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
<b>a</b>	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	<b>1a</b>	12,018
<b>b</b>	Program-related investments—total from Part IX-B	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the	<b>3a</b>	
<b>a</b>	Suitability test (prior IRS approval required)	<b>3b</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>4</b>	12,018
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	<b>5</b>	
<b>5</b>	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)	<b>6</b>	12,018
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4		

**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				70,637
2 Undistributed income, if any, as of the end of 2012			0	
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		0		
4 Qualifying distributions for 2012 from Part XII, line 4 ► \$ 12,018				12,018
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		0		
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				
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				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013			0	
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				58,619
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)****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				<input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)		
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				0		
c	Qualifying distributions from Part XII, line 4 for each year listed				0		
d	Amounts included in line 2c not used directly for active conduct of exempt activities				0		
e	Qualifying distributions made directly for active conduct of exempt activities				0		
	Subtract line 2d from line 2c				0		
3	Complete 3a, b, or c for the alternative test relied upon						
a	"Assets" alternative test—enter				0		
(1)	Value of all assets				0		
(2)	Value of assets qualifying under section 4942(j)(3)(B)(i)				0		
b	"Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				0		
c	"Support" alternative test—enter				0		
(1)	Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				0		
(2)	Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(III)				0		
(3)	Largest amount of support from an exempt organization				0		
(4)	Gross investment income				0		

**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) )

Ashley Glover

John Drummond Jr

John Drummond Sr

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	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
<b>Name and address (home or business)</b>				
<b>a Paid during the year</b>				
<b>Total</b>				► 3a 0
<b>b Approved for future payment</b>				
<b>Total</b>				► 3b 0

## Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions )
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	112	
4 Dividends and interest from securities			14	23,672	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	3,425	
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)		0		27,209	0
13 Total Add line 12, columns (b), (d), and (e)			13		27,209

**Part VI.B. Relationship of Activities to the Accomplishment of Exempt Purposes**

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

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?

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

a Transfers from the reporting foundation to a noncharitable exempt organization of:

**b Other transactions**

(1) Sales of assets to a noncharitable exempt organization . . . . .  
(2) Purchases of assets from a noncharitable exempt organization . . . . .  
(3) Rental of facilities, equipment, or other assets . . . . .  
(4) Reimbursement arrangements . . . . .  
(5) Loans or loan guarantees . . . . .  
(6) Performance of services or membership or fundraising solicitations . . . . .

**c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees . . . . . **1c**

**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.

Yes  No

**b** If "Yes," complete the following schedule.

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

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.

**Sign  
Here**

~~111~~

37

Title

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

Signature of filer or trustee		Date	Date		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name		Preparer's signature	Date	PTIN
	Jeffrey D. Haskell		Jeffrey D. Haskell	4/16/2013	Check <input type="checkbox"/> if self-employed
	Firm's name ► Foundation Source				Firm's EIN ► 51-0398347
Firm's address ► One Hollow Lane, Suite 212, Lake Success, NY 11042				Phone no (800) 839-1754	

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

OMB No 1545-0047

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

**2012****Name of the organization****Employer identification number**The Ergon Foundation

45-5017945

**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 foundation**Check 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)

## Name of organization

The Ergon Foundation

## Employer identification number

45-5017945

**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	Drummond, Jr., John 345 W. 14th Street Panama City FL 32401 Foreign State or Province _____ Foreign Country _____	\$ 500,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	Drummond, Sr., John 120 N. Walston Bridge Road Jasper AL 35504 Foreign State or Province _____ Foreign Country _____	\$ 2,000,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
3	Glover, Ashley 345 W. 14th Street Panama City FL 32401 Foreign State or Province _____ Foreign Country _____	\$ 500,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	----- ----- Foreign State or Province _____ Foreign Country _____	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	----- ----- Foreign State or Province _____ Foreign Country _____	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	----- ----- Foreign State or Province _____ Foreign Country _____	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
	----- ----- Foreign State or Province _____ Foreign Country _____	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

The Ergon Foundation

Employer identification number

45-5017945

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	.....	\$ .....	.....
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	.....	\$ .....	.....
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	.....	\$ .....	.....
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	.....	\$ .....	.....
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	.....	\$ .....	.....
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	.....	\$ .....	.....



**Part I, Line 16c (990-PF) - Other Professional Fees**

		5,057	5,057	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	Investment Management Services	5,057	5,057		0

**Part I, Line 18 (990-PF) - Taxes**

		95	95	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Foreign Tax Paid	95	95		0

**Part I, Line 23 (990-PF) - Other Expenses**

		12,018	0	0	12,018
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	Administrative Fees	3,918	0		3,918
2	Administrative Set-Up Fee	6,750	0		6,750
3	Delaware Incorporation Fees	500	0		500
4	IRS Application Fees	850	0		850

**Part II, Line 10b (990-PF) - Investments - Corporate Stock**

	Description	Num Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year
1	ASTRAZENECA	1,700		80,155		80,359
2	AT&T CORP COM NEW	2,500		91,300		84,275
3	BHP BILLITON LIMITED	1,000		69,189		78,420
4	CENTURY LINK INC	2,000		81,730		78,240
5	CORNING INC	4,540		54,753		57,295
6	DEERE CO	500		38,808		43,210
7	DUKE ENERGY CO	1,500		96,969		95,699
8	EMC CORP-MASS	2,290		55,310		57,937
9	ENERGIZER HOLDINGS INC	425		31,827		33,992
10	GENERAL ELECTRIC CO	3,000		65,246		62,970
11	H J HEINZ COMPANY	1,000		55,848		57,680
12	INTEL CORP	4,000		94,518		82,480
13	JOHNSON & JOHNSON	1,000		68,374		70,100
14	JP MORGAN CHASE & CO	1,500		58,260		65,954
15	LINN CO, LLC	2,300		86,937		83,122
16	MCDONALD'S CORP	600		53,415		52,926
17	MICROSOFT CORPORATION	2,000		61,177		53,419
18	NATL OILWELL VARCO	535		39,070		36,567
19	QUALCOMM INC	800		50,851		49,488
20	ROYAL DUTCH SHELL PLC SPONS ADR B	1,000		70,627		70,890
21	SEADRILL LTD	1,500		59,976		55,200
22	SOUTHERN CO	2,000		89,676		85,620
23	TARGET CORPORATION	600		37,912		35,502
24	UNILEVER N V N Y	1,100		39,235		42,130
25	VODAFONE GROUP PLC	2,000		54,466		50,380
26	REGIONS FINANCIAL CORPORATION	4,000		98,934		98,964

**Part II, Line 10c (990-PF) - Investments - Corporate Bonds**

Description	Interest Rate	Maturity Date	Book Value Beg of Year	0	1,059,160	0	1,082,676
				Book Value End of Year	FMV Beg of Year	FMV End of Year	
1 ALCOA INC - 6 150% - 02/15/2011				108,538		109,214	
2 CONSOL ENERGY INC - 8 000% - 04/01/201				109,200		108,250	
3 GECC - 7 125% - 12/15/2049				108,997		113,029	
4 HEWLETT-PACKARD CO - 4 050% - 09/15/2				98,660		98,060	
5 INGRAM MICRO INC NT - 5 000% - 08/10/20				102,426		102,645	
6 JPMORGAN CHASE VAR PEEP				111,900		113,351	
7 MORGAN STANLEY-5 6250%-09/23/2019				102,861		113,098	
8 PEABODY ENERGY CORP NOTE - 6 500%				104,625		107,250	
9 SAFEWAY INC-04 75%-12/01/2021				97,753		103,029	
10 WELLS FARGO NTS - 7 980% - 02/28/2049				114,200		114,750	

**Part VII-A, Line 10 (990-PF) - Substantial Contributors**

	Name	Check "X" if Business	Street	City	State	Zip Code	Foreign Country
1	Ashley Glover		345 W 14th Street	Panama City	FL	32401	
2	Carla M Drummond		345 W 14th Street	Panama City	FL	32401	
3	John Drummond Jr		345 W 14th Street	Panama City	FL	32401	
4	John Drummond Sr		120 N Walston Bridge Road	Jasper	AL	35504	
5	Jonathan P Glover		345 W 14th Street	Panama City	FL	32401	
6	Toni S Drummond		120 N Walston Bridge Road	Jasper	AL	35504	

**Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers**

								0	0	0	Expense Account
1	John Drummond Jr		Foundation Source 501 Silverside Rd	Wilmington	DE	19809		Pres / Dir / Sec	100	0	0
2	John Drummond Sr		Foundation Source 501 Silverside Rd	Wilmington	DE	19809		VP / Dir	100	0	0
3	Ashley Glover		Foundation Source 501 Silverside Rd	Wilmington	DE	19809		VP / Dir	100	0	0