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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

05/09, 2012, and ending

12/31, 2012

Name of foundation D'ANIELLO FAMILY FOUNDATION INC.		A Employer identification number 46-1233894
Number and street (or P O box number if mail is not delivered to street address) 1001 PENNSYLVANIA AVENUE, SUITE #220S		B Telephone number (see instructions) () -
City or town, state, and ZIP code WASHINGTON, DC 20004		C If exemption application is pending, check here ☐
G Check all that apply:	☒ Initial return ☐ Final return ☐ Address change	☐ Initial return of a former public charity ☐ Amended return ☐ Name change
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test check here and attach computation ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 45,619,768.		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
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)
1 Contributions, gifts, grants, etc., received (attach schedule)		49,758,805.			
2 Check ☐ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		8.	8.		ATCH 1
4 Dividends and interest from securities		62,637.			ATCH 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		221,589.			
b Gross sales price of all assets on line 6a		4,071,740.			
7 Capital gain/loss (from Part IV, line 2)			221,589.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11		50,043,039.	221,597.		
13 Compensation of officers, directors, trustees, etc		0			
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees (attach schedule)					
b Accounting fees (attach schedule)					
c Other professional fees (attach schedule)					
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		0			
25 Contributions, gifts, grants paid		4,000,000.			4,000,000.
26 Total expenses and disbursements Add lines 24 and 25		4,000,000.			4,000,000.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		46,043,039.			
b Net investment income (if negative, enter -0-)			221,597.		
c Adjusted net income (if negative, enter -0-)					

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Part II Balance Sheets		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1 Cash - non-interest-bearing		623,232.	623,232.	
	2 Savings and temporary cash investments				
	3 Accounts receivable ▶				
	Less: allowance for doubtful accounts ▶				
	4 Pledges receivable ▶				
	Less: allowance for doubtful accounts ▶				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see 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)		40,549,077.	44,996,536.	
	b Investments - corporate stock (attach schedule)				
	c Investments - corporate bonds (attach schedule)				
	Liabilities	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	41,172,309.	45,619,768.	
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)	0	0			
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ☐ and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ☒ X				
	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		41,172,309.		
	30 Total net assets or fund balances (see instructions)	0	41,172,309.		
	31 Total liabilities and net assets/fund balances (see instructions)	0	41,172,309.		

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	46,043,039.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	46,043,039.
5 Decreases not included in line 2 (itemize) ▶	5	4,870,730.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	41,172,309.

**ATCH 3

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs MLC Co)			(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a SEE PART IV SCHEDULE					
b					
c					
d					
e					

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

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			
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	221,589.
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	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.

NOT AVAILABLE FOR INITIAL YEAR RETURNS

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 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.	8	

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	1	4,432.
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	4,432.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	4,432.
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	0
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	4,432.
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
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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?		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?		X
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?		X
If "Yes," attach a detailed description of the activities		
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		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		X
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?		X
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?	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	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ VA, _____		
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	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		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	X	

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
Website address ▶ N/A				
14	The books are in care of ▶ DANIEL A. D'ANIELLO Telephone no. ▶			
	Located at ▶ 1001 PENNSYLVANIA AVENUE, SUITE #220S WASHINGTON, DC ZIP+4 ▶ 20004			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here	15		
and enter the amount of tax-exempt interest received or accrued during the year				
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	Yes	No
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes," enter the name of the foreign country ▶				X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b	X
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 ▶		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?	4b	X

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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

X

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
ATCH 5		0	0	0

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

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

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

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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 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See instructions	
3 NONE	
Total. Add lines 1 through 3 ▶	

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
a	Average monthly fair market value of securities	1a
b	Average of monthly cash balances	1b 36,815.
c	Fair market value of all other assets (see instructions)	1c 2,658,023.
d	Total (add lines 1a, b, and c)	1d 2,694,838.
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
3	Subtract line 2 from line 1d	3 2,694,838.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4 40,423.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 2,654,415.
6	Minimum investment return. Enter 5% of line 5	6 85,942.

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 85,942.
2a	Tax on investment income for 2012 from Part VI, line 5	2a 4,432.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b
c	Add lines 2a and 2b	2c 4,432.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3 81,510.
4	Recoveries of amounts treated as qualifying distributions	4
5	Add lines 3 and 4	5 81,510.
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 81,510.

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 4,000,000.
b	Program-related investments - total from Part IX-B	1b
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3	Amounts set aside for specific charitable projects that satisfy the:	
a	Suitability test (prior IRS approval required)	3a
b	Cash distribution test (attach the required schedule)	3b
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 4,000,000.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5 0
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6 4,000,000.

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				81,510.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only				
b Total for prior years 20 <u>10</u> , 20 <u>09</u> , 20 <u>08</u>				
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: ► \$ <u>4,000,000.</u>				
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				81,510.
e Remaining amount distributed out of corpus	3,918,490.			
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	3,918,490.			
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				
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				
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	3,918,490.			
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	3,918,490.			

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

NOT APPLICABLE

- 1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling
- b** Check box to indicate whether the foundation is a private operating foundation described in section

4942(j)(3) or	4942(j)(5)
---------------	------------

		Tax year	Prior 3 years			(e) Total
		(a) 2012	(b) 2011	(c) 2010	(d) 2009	
2 a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b	85% of line 2a					
c	Qualifying distributions from Part XII, line 4 for each year listed					
d	Amounts included in line 2c not used directly for active conduct of exempt activities					
e	Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3	Complete 3a, b, or c for the alternative test relied upon					
a	"Assets" alternative test - enter					
	(1) Value of all assets					
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i).					
b	"Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c	"Support" alternative test - enter					
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).					
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942 (j)(3)(B)(iii)					
	(3) Largest amount of support from an exempt organization					
	(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

DANIEL A. D'ANIELLO

- 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.

N/A

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:
-

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
Name and address (home or business)				
a Paid during the year ATCH 6				
Total			▶ 3a	4,000,000.
b Approved for future payment				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
f _____						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments						
4 Dividends and interest from securities				14	62,645.	
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	221,589.	
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)					284,234.	
13 Total. Add line 12, columns (b), (d), and (e)						284,234.

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

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. | | |

[illegible]

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

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

**Sign
Here**

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

Signature of officer or trustee _____ Date 11/14/13 Title DIRECTOR

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

**Paid
Preparer
Use Only**

Print/Type preparer's name STEVEN E. ROSE	Preparer's signature 	Date 11/13/2013	Check ☒ if self-employed	PTIN P00435324
Firm's name ▶ ROSEMCKENNA, PLLC			Firm's EIN ▶ 45-4149985	
Firm's address ▶ 919 EIGHTEENTH STREET, NW STE 400 WASHINGTON, DC 20006			Phone no 202-862-1880	

Form **990-PF** (2012)

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

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

OMB No 1545-0047

2012

Name of the organization

D'ANIELLO FAMILY FOUNDATION INC.

Employer identification number

46-1233894

Organization type (check one):

Filers of:**Section:**

Form 990 or 990-EZ

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

Form 990-PF

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

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

Special Rules

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

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization D'ANIELLO FAMILY FOUNDATION INC.

Employer identification number
46-1233894**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	DANIEL D'ANIELLO 1001 PENNSYLVANIA AVENUE, SUITE #220S WASHINGTON, DC 20004	\$ 488,848.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
2	DANIEL D'ANIELLO 1001 PENNSYLVANIA AVENUE, SUITE #220S WASHINGTON, DC 20004	\$ 49,269,957.	Person ☒ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		\$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Employer identification number	46-1233894
--------------------------------	------------

[illegible]

Name of organization D'ANIELLO FAMILY FOUNDATION INC.

Employer identification number

46-1233894

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

Use duplicate copies of Part III if additional space is needed.

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

**SCHEDULE D
(Form 1041)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

► Attach to Form 1041, Form 5227, or Form 990-T.
► Information about Schedule D (Form 1041) and its separate instructions is at
www.irs.gov/form1041.

OMB No 1545-0092

2012

Name of estate or trust

D'ANIELLO FAMILY FOUNDATION INC.

Employer identification number

46-1233894

Note: Form 5227 filers need to complete *only* Parts I and II.

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					
b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b					1b 47,982.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824					2
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts					3
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2011 Capital Loss Carryover Worksheet					4 ()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back					5 47,982.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					
b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b					6b 173,607.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824					7
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts					8
9 Capital gain distributions					9
10 Gain from Form 4797, Part I					10
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2011 Capital Loss Carryover Worksheet					11 ()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back					12 173,607.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2012

Part III Summary of Parts I and II**Caution:** Read the instructions *before* completing this part.

		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13	Net short-term gain or (loss)	13		47,982.
14	Net long-term gain or (loss):			
a	Total for year	14a		173,607.
b	Unrecaptured section 1250 gain (see line 18 of the wrkst.)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a ▶	15		221,589.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and **do not** complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the **smaller** of:
a The loss on line 15, column (3) or b \$3,000 **16** ()

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** in the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.

Caution: Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if:

- Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the **Schedule D Tax Worksheet** in the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17	
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18	
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19	
20	Add lines 18 and 19	20	
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- . . . ▶	21	
22	Subtract line 21 from line 20. If zero or less, enter -0-	22	
23	Subtract line 22 from line 17. If zero or less, enter -0-	23	
24	Enter the smaller of the amount on line 17 or \$2,400	24	
25	Is the amount on line 23 equal to or more than the amount on line 24? ☐ Yes. Skip lines 25 and 26; go to line 27 and check the "No" box. ☐ No. Enter the amount from line 23	25	
26	Subtract line 25 from line 24	26	
27	Are the amounts on lines 22 and 26 the same? ☐ Yes. Skip lines 27 thru 30; go to line 31 ☐ No. Enter the smaller of line 17 or line 22	27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	
29	Subtract line 28 from line 27	29	
30	Multiply line 29 by 15% (.15)	30	
31	Figure the tax on the amount on line 23. Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	31	
32	Add lines 30 and 31	32	
33	Figure the tax on the amount on line 17. Use the 2012 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)	33	
34	Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)	34	

Schedule D (Form 1041) 2012

Department of the Treasury
Internal Revenue Service

▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

OMB No 1545-0092

2012

► Information about Schedule D (Form 1041) and its separate instructions is at www.irs.gov/form1041.

Name of estate or trust

Employer identification number

D'ANIELLO FAMILY FOUNDATION INC.

46-1233894

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less[illegible]

1b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 1b	47,982.
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For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D-1 (Form 1041) 2012

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FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
1,602,690.		PORTSMOUTH VA BE PROPERTY TYPE: SECURITIES 1,429,083.				D	12/14/2010 173,607.	12/20/2012
2,469,050.		VIRGINIA COLLE BE PROPERTY TYPE: SECURITIES 2,421,068.				D	01/11/2012 47,982.	12/20/2012
TOTAL GAIN (LOSS)							<u>221,589.</u>	

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2012

Activity
Active Assets Account: D'ANIELLO FAMILY FOUNDATION INC.
C/O DANIEL A D'ANIELLO

SECURITY ACTIVITY

SECURITY TRANSFERS

Date	Activity Type	Security (Symbol)	Comments	Quantity	Accrued Interest	Amount
12/17	Transfer into Account	FAIRFAX CO EDA BE 5000 *36AP01	PER LOA FR 504-0011116-001 AO 12/17/12	1,800,000 000	\$18,999 99	\$2,055,294 00
12/17	Transfer into Account	HAMPTON ROADS BE 5000 *31NV01	PER LOA FR 504-0011116-001 AO 12/17/12	1,730,000 000	11,052 78	2,020,190 20
12/17	Transfer into Account	JAMES CITY CNT BE 5000 *21JN15	PER LOA FR 504-0011116-001 AO 12/17/12	1,000,000 000	277 78	1,156,470 00
12/17	Transfer into Account	LEXINGTON IDA BE 5000 *30DE01	PER LOA FR 504-0011116-001 AO 12/17/12	1,200,000 000	2,666 66	1,387,644 00
12/17	Transfer into Account	LEXINGTON IDA BE 5000 *36DE01	PER LOA FR 504-0011116-001 AO 12/17/12	1,500,000 000	3,333 33	1,700,025 00
12/17	Transfer into Account	METRO WA ARPT BE 5000 *29OC01	PER LOA FR 504-0011116-001 AO 12/17/12	1,300,000 000	13,722 22	1,528,085 00
12/17	Transfer into Account	METRO WA SYS-A BE 5000 *35OC01	PER LOA FR 504-0011116-001 AO 12/17/12	1,400,000 000	14,777 77	1,640,632 00
12/17	Transfer into Account	NEWPRT NEWS GO BE 5000 *28MH01	PER LOA FR 504-0011116-001 AO 12/17/12	1,515,000 000	22,304 16	1,735,023 45
12/17	Transfer into Account	PORTSMOUTH VA BE 5250 *28JL15	PER LOA FR 504-0011116-001 AO 12/17/12	1,330,000 000	29,481 66	1,612,438 80
12/17	Transfer into Account	POWHATAN CNTY BE 5000 *32JA15	PER LOA FR 504-0011116-001 AO 12/17/12	1,500,000 000	31,666 66	1,737,375 00
12/17	Transfer into Account	UNIVERSITY VA BE 5000 *32SP01	PER LOA FR 504-0011116-001 AO 12/17/12	1,400,000 000	20,611 11	1,703,772 00
12/17	Transfer into Account	UPPER SEW AU-B BE 5000 *41JL01	PER LOA FR 504-0011116-001 AO 12/17/12	2,000,000 000	46,111 10	2,264,200 00

CONTINUED

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Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2012

Activity

Active Assets Account D'ANIELLO FAMILY FOUNDATION INC
C/O DANIELA D'ANIELLO

SECURITY ACTIVITY

SECURITY TRANSFERS (CONTINUED)

Date	Activity Type	Security (Symbol)	Comments	Quantity	Accrued Interest	Amount
12/17	Transfer into Account	VA CLGE BLDG-A BE 5000 *29FB01	PER LOA FR 504-001116-001 AO 12/17/12	2,000,000 000	37,777 78	2,329,860 00
12/17	Transfer into Account	VA RES INFRA BE 5000 *24NV01	PER LOA FR 504-001116-001 AO 12/17/12	1,075,000 000	6,868 06	1,303,889 00
12/17	Transfer into Account	VIRGINIA COLLE BE 4000 *28FB01	PER LOA FR 504-001116-001 AO 12/17/12	2,000,000 000	49,777 76	2,234,460 00
12/17	Transfer into Account	VIRGINIA COLLE BE 4500 *28SP01	PER LOA FR 504-001116-001 AO 12/17/12	2,185,000 000	28,951 23	2,506,216 85
12/17	Transfer into Account	VIRGINIA COLLE BE 5000 *28FB01	PER LOA FR 504-001116-001 AO 12/17/12	2,000,000 000	37,777 78	2,414,000 00
12/17	Transfer into Account	VIRGINIA COLLE BE 5000 *28SP01	PER LOA FR 504-001116-001 AO 12/17/12	1,950,000 000	28,708 33	2,288,227 50
12/17	Transfer into Account	VIRGINIA COLLE BE 5000 *29SP01	PER LOA FR 504-001116-001 AO 12/17/12	2,000,000 000	29,444 44	2,338,740 00
12/17	Transfer into Account	VIRGINIA COMMWL BE 5000 *25MY15	PER LOA FR 504-001116-001 AO 12/17/12	2,000,000 000	8,888 88	2,243,380 00
12/17	Transfer into Account	VIRGINIA COMMWL BE 5000 *34MY15	PER LOA FR 504-001116-001 AO 12/17/12	2,000,000 000	8,888 88	2,353,560 00
12/17	Transfer into Account	VIRGINIA ST PU BE 4750 *27AU01	PER LOA FR 504-001116-001 AO 12/17/12	2,000,000 000	35,888 88	2,300,320 00
12/17	Transfer into Account	VIRGINIA ST PU BE 5000 *28AU01	PER LOA FR 504-001116-001 AO 12/17/12	1,000,000 000	18,888 89	1,205,590 00
12/17	Transfer into Account	VIRGINIA ST RE BE 5000 *30NV01	PER LOA FR 504-001116-001 AO 12/17/12	1,570,000 000	10,030 56	1,877,044 90

CONTINUED

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2012

Activity
 Active Assets Account: D'ANIELLO FAMILY FOUNDATION-INC
 C/O DANIEL A D'ANIELLO

SECURITY ACTIVITY

SECURITY TRANSFERS (CONTINUED)

Date	Activity Type	Security (Symbol)	Comments	Quantity	Accrued Interest	Amount
12/17	Transfer into Account	VIRGINIA ST RE BE 5000 *35NV01	PER LOA FR 504-001116-001 AO 12/17/12	1,090,000 000	6,963.89	1,274,090 10
12/17	Transfer into Account	VIRGINIA ST RE BE 5000 *37NV01	PER LOA FR 504-001116-001 AO 12/17/12	1,335,000 000	8,529 17	1,527,039.75
Total Security Transfers						\$48,737,567.55
Total Accrued Interest						\$532,389.75

ATTACHMENT 1

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
MORGAN STANLEY	8.	8.
TOTAL	<u>8.</u>	<u>8.</u>

ATTACHMENT 2FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>
MORGAN STANLEY ACCRUED INTEREST RECEIVED	62,637.
TOTAL	<u>62,637.</u>

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS

<u>DESCRIPTION</u>	<u>ATTACHMENT 3</u>	
	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
MORGAN STANLEY MUNI BONDS	40,549,077.	44,996,536.
US OBLIGATIONS TOTAL	<u>40,549,077.</u>	<u>44,996,536.</u>

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2012

Holdings: DANIELLO FAMILY FOUNDATION INC. C/O DANIELLA DANIELLO
Active Assets Account

MUNICIPAL BONDS

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
JAMES CITY CNTY VA ECONOMIC DEV AUTH LEA CUSIP 47029XBL8 Unit Price: \$115.656; Coupon Rate 5.000%; Matures 06/15/2021, Int. Semi-Annually Jun/Dec 15; Callable \$100.00 on 06/15/17; Yield to Call 1.366%, Federal Tax Exempt, Moody AA2 S&P AA+, Insurer AGMC FORMERLY FSA, Issued 12/28/06	1/12/07	1,000,000.000	\$108.759 \$104.190	\$1,087,590.00 \$1,041,898.62	\$1,156,560.00	\$114,661.38 LT	\$50,000.00 \$2,222.22	4.32
VIRGINIA ST RES AUTH INFRASTRUCTURE REV CUSIP 92817QNM0 Unit Price \$121.250, Coupon Rate 5.000%, Matures 11/01/2024; Int. Semi-Annually May/Nov 01, Callable \$100.00 on 11/01/19, Yield to Call 1.693%, Federal Tax Exempt, Moody AAA S&P AAA; Issued 06/17/09	3/4/10	1,075,000.000	116.036 111.835	1,247,386.97 1,202,228.39	1,303,437.50	101,209.11 LT	53,750.00 8,958.33	4.12
VIRGINIA COMWLT TRANSN BRD TRANSN REV CUSIP 927793PL7 Unit Price \$111.998, Coupon Rate 5.000%, Matures 05/15/2025, Int. Semi-Annually May/Nov 15, Callable \$100.00 on 05/15/16, Yield to Call 1.348%, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 05/11/06	4/19/11	2,000,000.000	106.282 104.314	2,125,640.00 2,086,287.98	2,239,960.00	153,672.02 LT	100,000.00 12,777.78	4.46
VIRGINIA ST PUB SCH AUTH SCH FING REF-C CUSIP 92817SNA2 Unit Price \$114.672, Coupon Rate 4.750%, Matures 08/01/2027; Int. Semi-Annually Feb/Aug 01, Callable \$100.00 on 08/01/19, Yield to Call 2.333%, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 10/27/09	4/27/11	2,000,000.000	105.989 104.928	2,119,780.00 2,098,560.12	2,293,440.00	194,879.88 LT	95,000.00 39,583.33	4.14
VIRGINIA COLLEGE BLDG AUTH VA EDL FACS REV-A CUSIP 927781D92 Unit Price \$111.337, Coupon Rate 4.000%, Matures 02/01/2028, Int. Semi-Annually Feb/Aug 01, Callable \$100.00 on 02/01/22, Yield to Call 2.591%, First Coupon 02/01/13, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 05/03/12	4/23/12	2,000,000.000	108.125 107.645	2,162,500.00 2,152,896.96	2,226,740.00	73,843.04 ST	80,000.00 52,888.88	3.59
VIRGINIA COLLEGE BLDG AUTH VA EDL FACS REV-A CUSIP 927781YX6 Unit Price \$119.874, Coupon Rate 5.000%, Matures 02/01/2028, Int. Semi-Annually Feb/Aug 01, Callable \$100.00 on 02/01/21, Yield to Call 2.292%, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 08/16/11	9/20/11	2,000,000.000	114.959 113.170	2,299,180.00 2,263,402.32	2,397,480.00	134,077.68 LT	100,000.00 41,666.67	4.17
NEWPORT NEWS VA GENL OBLIG CUSIP 652233CC9	1/14/11	515,000.000	102.388 101.809	527,298.20 524,314.21	588,181.50	63,867.29 LT		
	1/14/11	1,000,000.000	102.388 101.809	1,023,880.00 1,018,085.82	1,142,100.00	124,014.18 LT		

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Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2012

Holdings **Active Assets Account** **D'ANIELLO FAMILY FOUNDATION INC.**
C/O DANIEL A D'ANIELLO

MUNICIPAL BONDS (CONTINUED)

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
Total		1,515,000 000		1,551,178 20 1,542,400 03	1,730,281.50	187,881 47 LT	75,750 00 25,249 99	4 37
Unit Price \$114 210, Coupon Rate 5 000%, Matures 03/01/2028, Int. Semi-Annually Mar/Sep 01, Callable \$100 00 on 03/01/18, Yield to Call 2 084%, Federal Tax Exempt, Moody AA1 S&P AA, Issued 04/09/08								
VIRGINIA ST PUB BLDG AUTH PUB FACS REV	4/9/10	500,000 000	109 866 107 326	549,330 00 536,632 03				
CUSIP 928172UH6	1/28/11	500,000 000	103 734 103 011	518,670 00 515,052 62	600,850 00	64,217 97 LT		
Total		1,000,000 000		1,068,000 00 1,051,684 65	1,201,700.00	150,015.35 LT	50,000 00 20,833 33	4 16
Unit Price \$120 170; Coupon Rate 5 000%, Matures 08/01/2028, Int. Semi-Annually Feb/Aug 01; Callable \$100 00 on 08/01/19; Yield to Call 1 743%, Federal Tax Exempt, Moody AA1 S&P AA+, Issued 06/03/09								
VIRGINIA COLLEGE BLDG AUTH VA EDL FACS R	7/9/10	500,000 000	112 219 109 284	561,095 00 546,420 70				
CUSIP 927781ST2	7/9/10	500,000 000	112 219 109 284	561,095 00 546,420 70	584,905 00	38,484 30 LT		
	5/19/11	600,000 000	109 641 107 988	657,846 00 647,927 88	584,905 00	38,484 30 LT		
	7/27/11	350,000 000	109 701 108 195	383,953 50 378,683 26	701,886 00	53,958 12 LT		
Total		1,950,000 000		2,163,989 50 2,119,452 54	2,281,129.50	161,676 96 LT	97,500 00 32,499 99	4 27
Unit Price \$116 981, Coupon Rate 5 000%, Matures 09/01/2028, Int. Semi-Annually Mar/Sep 01, Callable \$100 00 on 09/01/19; Yield to Call 2 243%, Federal Tax Exempt, Moody AA1 S&P AA, Issued 12/09/09								
VIRGINIA COLLEGE BLDG AUTH VA EDL FACS REV-A	8/12/09	2,000,000 000	107 247 104 972	2,144,940 00 2,099,436 38				
CUSIP 927781PN8					2,316,780.00	217,343 62 LT	100,000 00 41,666 67	4 31
Unit Price \$115 839, Coupon Rate 5 000%, Matures 02/01/2029, Int. Semi-Annually Feb/Aug 01, Callable \$100 00 on 02/01/19; Yield to Call 2,203%; Federal Tax Exempt, Moody AA1 S&P AA+, Issued 04/28/09								
VIRGINIA COLLEGE BLDG AUTH VA EDL FACS R	2/14/11	2,000,000 000	103 604 102 926	2,072,080 00 2,058,514 78				
CUSIP 927781SU9					2,331,540.00	273,025 22 LT	100,000 00 33,333.33	4 28
Unit Price \$116 577, Coupon Rate 5 000%, Matures 09/01/2029, Int. Semi-Annually Mar/Sep 01, Callable \$100 00 on 09/01/19; Yield to Call 2 303%, Federal Tax Exempt, Moody AA1 S&P AA, Issued 12/09/09								

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Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2012

Holdings

Active Assets Account
DANIELLO FAMILY FOUNDATION INC
C/O DANIEL-A DANIELLO

MUNICIPAL BONDS (CONTINUED)

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj	Orig. Total Cost Adj	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
METRO WASH DC ARPT AUTH REV SYS SER-B CUSIP 592646J61	12/14/10	1,300,000 000	99 825	1,297,725 00	1,523,314.00	225,589 00 LT	65,000 00 16,250 00	4 26
Unit Price \$117 178, Coupon Rate 5 000%, Matures 10/01/2029, Int Semi-Annually Apr/Oct 01, Callable \$100 00 on 10/01/19, Yield to Call 2 243%, Federal Tax Exempt, Moody AA3 S&P AA-, Issued 04/01/09								
VIRGINIA ST RES AUTH INFRASTRUCTURE REV SER-A CUSIP 928170D33	2/22/11	1,570,000 000	107 541	1,688,393 70	1,870,686.40	201,529.13 LT	78,500 00 13,083 33	4 19
Unit Price \$119 152, Coupon Rate 5 000%, Matures 11/01/2030, Int. Semi-Annually May/Nov 01, Callable \$100 00 on 11/01/20, Yield to Call 2 312%, Federal Tax Exempt, Moody AAA S&P AAA, Issued 06/16/10								
LEXINGTON VA IDA VMI DEV BOARD EDL FACS REV ID 7/13/06 CUSIP 52976TAB3	5/25/11	500,000 000	108 900	544,500 00	576,460 00	39,776 12 LT		
Unit Price \$115 292, Coupon Rate 5 000%, Matures 12/01/2030, Int. Semi-Annually Jun/Dec 01, Callable \$100 00 on 06/01/19, Yield to Call 2 413%, Federal Tax Exempt, Moody AA2, Issued 07/15/10								
HAMPTON ROADS SANITATION DIST VA WASTEWTR REV CUSIP 409327ET6	12/15/11	1,000,000 000	112 766	1,127,660 00	1,164,120 00	51,478 46 LT		
Unit Price \$116 412, Coupon Rate 5 000%, Matures 11/01/2031, Int. Semi-Annually May/Nov 01, Callable \$100 00 on 11/01/19, Yield to Call 2 383%, Federal Tax Exempt, Moody AA2 S&P AAA, Issued 10/20/11								
POWHATAN CNTY VA GENL OBLIG SCH REF CUSIP 739372CP3	4/26/10	500,000 000	107 974	539,870 00	576,995 00	46,611 46 LT		
Unit Price \$115 399, Coupon Rate 5 000%, Matures 01/15/2032, Int. Semi-Annually Jan/Jul 15, Callable \$100 00 on 01/15/20, Yield to Call 2 592%, Federal Tax Exempt, Moody AA2 S&P AA-, Issued 02/23/10								
Total								
		1,730,000 000	1,950,851 80	1,924,895 21	2,013,927.60	89,032 39 LT	86,500 00 14,416 66	4 29

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Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2012

Holdings

Active Assets Account: D'ANIELLO FAMILY FOUNDATION INC.
CIO DANIEL A. D'ANIELLO

MUNICIPAL BONDS (CONTINUED)

Security Description	Trade Date	Face Value	Orig. Unit Cost Adj. Unit Cost	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
UNIVERSITY VA UNIV REVS REF CUSIP 915217SX2	11/29/11	1,400,000.00	114.616 113.210	1,604,624.00 1,584,935.37	1,696,408.00	111,472.63 LT	70,000.00 23,333.33	4.12
Unit Price \$121.172, Coupon Rate 5.000%, Matures 09/01/2032, Int. Semi-Annually Mar/Sep 01; Callable \$100.00 on 09/01/21, Yield to Call 2.292%, Federal Tax Exempt, Moody AAA, S&P AAA, Issued 10/13/11								
VIRGINIA COMWLTH TRANSN BRD TRANSN REV CUSIP 927793UB3	7/8/11	1,500,000.00	106.565 105.746 107.245 106.367	1,598,475.00 1,586,195.83 536,225.00 531,837.12	1,759,155.00	172,959.17 LT		
Unit Price \$117.277, Coupon Rate 5.000%, Matures 05/15/2034, Int. Semi-Annually May/Nov 15, Callable \$100.00 on 05/15/21, Yield to Call 2.682%, Federal Tax Exempt, Moody AA1, S&P AA+, Issued 05/25/11								
METROPOLITAN WASHINGTON D C ARPTS AUTH ARPT SYS REV-A CUSIP 592646T86	9/16/10	1,400,000.00	108.712 107.020	1,521,968.00 1,498,278.89	1,635,256.00	136,977.11 LT	70,000.00 17,500.00	4.28
Unit Price \$116.804, Coupon Rate 5.000%, Matures 10/01/2035, Int. Semi-Annually Apr/Oct 01, Callable \$100.00 on 10/01/20, Yield to Call 2.592%, Federal Tax Exempt, Moody AA3, S&P AA+, Issued 07/28/10								
VIRGINIA ST RES AUTH INFRASTRUCTURE REV CUSIP 928170A51	1/31/11	1,090,000.00	102.546 102.132	1,117,751.40 1,113,240.05	1,269,904.50	156,664.45 LT	54,500.00 9,083.33	4.29
Unit Price \$116.505, Coupon Rate 5.000%, Matures 11/01/2035, Int. Semi-Annually May/Nov 01, Callable \$100.00 on 11/01/20, Yield to Call 2.652%, Federal Tax Exempt, Moody AAA, S&P AAA, Issued 06/16/10								
FAIRFAX CO VA EDA TRANS DIST IMPT REV SILVER LINE I PROJ CUSIP 30383BAW9	9/28/11	1,800,000.00	109.709 108.465	1,974,762.00 1,952,378.40	2,023,956.00	71,577.60 LT	90,000.00 22,500.00	4.44
Unit Price \$112.442, Coupon Rate 5.000%, Matures 04/01/2036, Int. Semi-Annually Apr/Oct 01, Callable \$100.00 on 04/01/20, Yield to Call 3.072%, Federal Tax Exempt, Moody AA2, S&P AA, Issued 05/26/11								
LEXINGTON VA IDA VMI DEV BOARD EDL FACS REV ID 7/13/06 CUSIP 52976TAC1	3/30/11	1,500,000.00	100.583 100.477	1,508,745.00 1,507,155.50	1,695,135.00	187,979.50 LT	75,000.00 6,249.99	4.42
Unit Price \$113.009, Coupon Rate 5.000%, Matures 12/01/2036, Int. Semi-Annually Jun/Dec 01, Callable \$100.00 on 06/01/19, Yield to Call 2.773%, Federal Tax Exempt, Moody AA2, Issued 07/15/10								

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Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2012

Holdings Active Assets Account: D'ANIELLO FAMILY FOUNDATION, INC. C/O DANIEL A. DANIELLO

MUNICIPAL BONDS (CONTINUED)

Security Description	Trade Date	Face Value	Orig. Unit Cost	Adj. Unit Cost	Orig. Total Cost	Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
VIRGINIA ST RES AUTH INFRASTRUCTURE REV	2/14/11	1,335,000.00	101.125	100.846	1,350,018.75	1,346,289.49	1,522,927.95	176,638.46 LT	66,750.00	4.38
CUSIP 928170DC3									11,125.00	
Unit Price: \$114.077, Coupon Rate 5.000%, Matures 11/01/2037, Int. Semi-Annually May/Nov 01; Callable \$100.00 on 11/01/17; Yield to Call 1.935%, Federal Tax Exempt, Moody AAA, S&P AAA, Issued 12/13/07										
UPPER OCCOQUAN SEW AUTH VA REG	1/14/11	2,000,000.00	98.875	98.875	1,977,500.00	1,977,500.00	2,258,360.00	280,860.00 LT	100,000.00	4.42
SEW REV SER-B									50,000.00	
CUSIP 916277JZ0										
Unit Price: \$112.918, Coupon Rate 5.000%, Matures 07/01/2041, Int. Semi-Annually Jan/Jul 01; Callable \$100.00 on 07/01/17; Yield to Call 1.985%, Federal Tax Exempt, Moody AA1, S&P AAA, Issued 12/20/07										

MUNICIPAL BONDS

Face Value	Percentage of Assets %	Orig. Total Cost	Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
38,365,000.00		\$41,045,338.32	\$40,549,077.36	\$44,448,952.95	\$3,826,032.55 LT	\$1,893,250.00	4.26%
				\$44,996,536.21	\$73,843.04 ST	\$547,583.26	

TOTAL MUNICIPAL BONDS (incl. accr int.)

Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Yield %
\$40,549,077.36	\$45,072,185.42	\$3,826,032.55 LT	\$1,893,562.00	4.15%
		\$73,843.04 ST	\$547,583.26	

TOTAL MARKET VALUE

TOTAL VALUE (includes accrued interest)

\$45,619,768.68

Unrealized Gain/(Loss) totals only reflect positions that have cost basis and/or market value information available. Cash, MMF, Deposits and positions stating 'Please Provide' are not included

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ATTACHMENT 4FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCESDESCRIPTIONAMOUNTADJUSTMENT FOR UNREALIZED ITEMS
AT CONTRIBUTION

4,870,730.

TOTAL

4,870,730.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

ATTACHMENT 5

TITLE AND AVERAGE HOURS PER
WEEK DEVOTED TO POSITION

NAME AND ADDRESS

0

0

0

CHAIRMAN AND TREASURER

1.00

DANIEL D'ANIELLO
1001 PENNSYLVANIA AVENUE, SUITE #22

WASHINGTON, DC 20004

0

0

0

PRESIDENT AND SECRETARY

1.00

GAYLE D'ANIELLO
1001 PENNSYLVANIA AVENUE, SUITE #22

WASHINGTON, DC 20004

GRAND TOTALS

FORM 990FE, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 6

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT		PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
Dominican Sisters of Mary, Mother of the Eucharist 24 Frank Lloyd Wright Drive PO Box 365 Ann Arbor, MI 48106	NONE	PUBLIC CHARITY	GENERAL USE	4,000,000.
TOTAL CONTRIBUTIONS PAID				4,000,000.