Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No. 1545-0052

2012

Open to Public Inspection

For calendar year 2012 or tax year beginning , 2012, and ending , 20

Name of foundation: SALL FAMILY FOUNDATION Q95682003

A Employer identification number: 58-2016050

Number and street (or P O box number if mail is not delivered to street address): 10 S DEARBORN IL1-0117

Room/suite:

B Telephone number (see instructions): 866- 888-5157

City or town, state, and ZIP code: CHICAGO, IL 60603

C If exemption application is pending, check here ▶ [ ]

G Check all that apply: [ ] Initial return [ ] Initial return of a former public charity [ ] Final return [ ] Amended return [X] Address change [ ] Name change

D 1 Foreign organizations, check here ▶ [ ]
2 Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]

H Check type of organization: [X] Section 501(c)(3) exempt private foundation
[ ] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 12,878,309.

J Accounting method: [X] Cash [ ] Accrual [ ] Other (specify) (Part I, column (d) must be on cash basis.)

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	15,000,000.			
	2 Check ▶ [ ] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	163,014.	163,014.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	194,469.			
	b Gross sales price for all assets on line 6a 1,609,329.				
	7 Capital gain net income (from Part IV, line 2)		194,469.		
	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)	-4,241.			STMT 1
	12 **Total.** Add lines 1 through 11	15,353,242.	357,483.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)				
	c Other professional fees (attach schedule)				
	17 Interest	26.	26.		
	18 Taxes (attach schedule) (see instructions) STMT 2	1,412.	662.		
	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	1,438.	688.		
	25 Contributions, gifts, grants paid	7,525,000.			7,525,000.
	26 **Total expenses and disbursements** Add lines 24 and 25	7,526,438.	688.		7,525,000.
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	7,826,804.			
	b **Net investment income** (if negative, enter -0-)		356,795.		
	c **Adjusted net income** (if negative, enter -0-)				

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only. (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1	Cash - non-interest-bearing			
2	Savings and temporary cash investments	1,140,320.	7,641,115.	7,641,115.
3	Accounts receivable ▶			
	Less. allowance for doubtful accounts ▶	10,240.		
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)	81,035.		
b	Investments - corporate stock (attach schedule) STMT 3	1,655,154.	2,639,465.	3,068,669.
c	Investments - corporate bonds (attach schedule) STMT 4	1,621,649.	1,945,954.	2,069,455.
11	Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
12	Investments - mortgage loans			
13	Investments - other (attach schedule) STMT 5		100,000.	99,070.
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)	4,508,398.	12,326,534.	12,878,309.
Liabilities 17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)		NONE	
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	4,508,398.	12,326,534.	
28	Paid-in or capital surplus, or land, bldg, and equipment fund			
29	Retained earnings, accumulated income, endowment, or other funds			
30	**Total net assets or fund balances** (see instructions)	4,508,398.	12,326,534.	
31	**Total liabilities and net assets/fund balances** (see instructions)	4,508,398.	12,326,534.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	4,508,398.
2	Enter amount from Part I, line 27a	2	7,826,804.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	12,335,202.
5	Decreases not included in line 2 (itemize) ▶ PRIOR PERIOD ADJUSTMENT	5	8,668.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	12,326,534.

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	PUBLICLY TRADED SECURITIES			
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	1,609,329.		1,414,860.	194,469.
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				194,469.
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** 194,469.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8 . . . . **3**

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

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

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

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

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

1 Enter the appropriate amount in each column for each year; see 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	7,187,215.	4,925,835.	1.459086
2010	6,432,997.	4,543,772.	1.415783
2009	6,208,631.	4,093,306.	1.516777
2008	6,309,841.	4,465,278.	1.413090
2007	5,867,358.	5,381,405.	1.090302

2	**Total** of line 1, column (d)	2	6.895038
3	Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	1.379008
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	5,444,588.
5	Multiply line 4 by line 3	5	7,508,130.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	3,568.
7	Add lines 5 and 6	7	7,511,698.
8	Enter qualifying distributions from Part XII, line 4	8	7,525,000.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ [ ] and enter "N/A" on line 1 . . . Date of ruling or determination letter ________ (attach copy of letter if necessary - see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ [X] and enter 1% of Part I, line 27b	1	3,568.
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	3,568.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	NONE
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	3,568.
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 — 6a: 918.		
b	Exempt foreign organizations - tax withheld at source — 6b: NONE		
c	Tax paid with application for extension of time to file (Form 8868) — 6c: NONE		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments Add lines 6a through 6d	7	918.
8	Enter any **penalty** for underpayment of estimated tax Check here [X] if Form 2220 is attached	8	45.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	2,695.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be **Credited to 2013 estimated tax** ▶ Refunded ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ ______ (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	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ NC			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses* STMT 6	10		X

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

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

Website address ▶ N/A

14 The books are in care of ▶ JPMORGAN CHASE BANK, NA Telephone no ▶ (866)888-5157

Located at ▶ 10 S DEARBORN; MC: IL1-0117, CHICAGO, IL ZIP+4 ▶ 60603

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

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

			Yes	No
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

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

			Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? **(Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions)	2b		X
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ ____, ____, ____, ____			
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

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? **5b**

Organizations relying on a current notice regarding disaster assistance check here ▶ ☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: 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
SEE STATEMENT 7		-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

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

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
Total number of others receiving over $50,000 for professional services ▶		NONE

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 NONE	
2	
3	
4	

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:		
a	Average monthly fair market value of securities	1a	4,582,887.
b	Average of monthly cash balances	1b	944,614.
c	Fair market value of all other assets (see instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	5,527,501.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	5,527,501.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	82,913.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	5,444,588.
6	**Minimum investment return.** Enter 5% of line 5	6	272,229.

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	272,229.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	3,568.		
b	Income tax for 2012. (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	3,568.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	268,661.
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	268,661.
6	Deduction from distributable amount (see instructions)			6	NONE
7	**Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	268,661.

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	7,525,000.
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	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	7,525,000.
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	3,568.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	7,521,432.

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				268,661.
2	Undistributed income, if any, as of the end of 2012				
a	Enter amount for 2011 only			NONE	
b	Total for prior years 20____, 20____, 20____		NONE		
3	Excess distributions carryover, if any, to 2012:				
a	From 2007 ...... 5,605,034.				
b	From 2008 ...... 6,089,593.				
c	From 2009 ...... 6,006,534.				
d	From 2010 ...... 6,208,636.				
e	From 2011 ...... 6,943,609.				
f	**Total** of lines 3a through e	30,853,406.			
4	Qualifying distributions for 2012 from Part XII, line 4 ▶ $ 7,525,000.				
a	Applied to 2011, but not more than line 2a			NONE	
b	Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c	Treated as distributions out of corpus (Election required - see instructions)	NONE			
d	Applied to 2012 distributable amount				268,661.
e	Remaining amount distributed out of corpus	7,256,339.			
5	Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	NONE			NONE
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e Subtract line 5	38,109,745.			
b	Prior years' undistributed income Subtract line 4b from line 2b		NONE		
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		NONE		
d	Subtract line 6c from line 6b Taxable amount - see instructions		NONE		
e	Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instructions			NONE	
f	Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				NONE
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	NONE			
8	Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	5,605,034.			
9	**Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	32,504,711.			
10	Analysis of line 9				
a	Excess from 2008 ... 6,089,593.				
b	Excess from 2009 ... 6,006,534.				
c	Excess from 2010 ... 6,208,636.				
d	Excess from 2011 ... 6,943,609.				
e	Excess from 2012 ... 7,256,339.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling . . . . ▶

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

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

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

1 **Information Regarding Foundation Managers:**

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

JOHN PHILLIP SALL

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:

SEE STATEMENT 9

b The form in which applications should be submitted and information and materials they should include:

SEE ATTACHED STATEMENT FOR LINE 2

c Any submission deadlines:

SEE ATTACHED STATEMENT FOR LINE 2

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

SEE ATTACHED STATEMENT FOR LINE 2

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
THE NATURE CONSERVANCY 4245 NORTH FAIRFAX DRIVE ARLINGTON VA 22206	NONE	PUBLIC	GENERAL	1,500,000.
WORLD WILDLIFE FUND, INC. 1250 24TH STREET WASHINGTON DC 20090-1780	NONE	PUBLIC	GENERAL	1,475,000.
CARE PO BOX 1871 MERRIFIELD VA 22116-9753	NONE	PUBLIC	GENERAL	4,550,000.
Total . . . . . ▶ 3a				7,525,000.
b Approved for future payment				
Total . . . . . ▶ 3b				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income (a) Business code	(b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	(d) Amount	(e) Related or exempt function income (See instructions.)
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	163,013.	
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	194,469.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b DEFERRED REVENUE			14	-4,240.	
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				353,242.	

13 **Total.** Add line 12, columns (b), (d), and (e) . . . 13 353,242.

(See worksheet in line 13 instructions to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions.)
	NOT APPLICABLE

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

John Soll | 03/25/2013 | president

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
ANDREW J HAUBERT	Andrew Haubert	3/24/13		P00386699

Firm's name ▶ JPMORGAN CHASE BANK, NA — Firm's EIN ▶ 13-4994650

Firm's address ▶ 10 S DEARBORN IL1-0111 CHICAGO, IL 60603 — Phone no

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

SALL FAMILY FOUNDATION Q95682003

Employer identification number

58-2016050

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: SALL FAMILY FOUNDATION Q95682003

Employer identification number: 58-2016050

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	JOHN & VIRGINIA SALL 201 VINEYARD LANE CARY, NC 27513	$ 15,000,000.	Person [X] 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.)

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS
DEFERRED REVENUE		-4,241.
	TOTALS	-4,241.

STATEMENT 1

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
FOREIGN TAXES	250.	250.
FEDERAL ESTIMATES - PRINCIPAL	750.	
FOREIGN TAXES ON QUALIFIED FOR	222.	222.
FOREIGN TAXES ON NONQUALIFIED	190.	190.
TOTALS	1,412.	662.

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED	2,639,465.	3,068,669.
TOTALS	2,639,465.	3,068,669.

SALL FAMILY FOUNDATION Q95682003 58-2016050

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION		ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED		1,945,954.	2,069,455.
	TOTALS	1,945,954.	2,069,455.

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION	COST/ FMV C OR F	ENDING BOOK VALUE	ENDING FMV
SEE ATTACHED	C	100,000.	99,070.
TOTALS		100,000.	99,070.

FORM 990PF, PART VII-A - NEW SUBSTANTIAL CONTRIBUTORS

NAME AND ADDRESS

JOHN & VIRGINIA SALL
201 VINEYARD LANE
CARY, NC 27513

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

OFFICER NAME:
JPMORGAN CHASE BANK, NA
ADDRESS:
3475 PIEDMONTH ROAD NE, SUITE 1800
ATLANTA, GA 30305
TITLE:
AGENT
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 5

OFFICER NAME:
JOHN PHILLIP SALL
ADDRESS:
201 VINEYARD LANE
CARY, NC 27513
TITLE:
PRESIDENT
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 5

OFFICER NAME:
VIGINIA B. SALL
ADDRESS:
201 VINEYARD LANE
CARY, NC 27513
TITLE:
SECRETARY/TREASURER
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 5

OFFICER NAME:
ELIZABETH A SALL
ADDRESS:
233 CHATTANOOGA STREET
SAN FRANCISCO, CA 94114
TITLE:
BOARD MEMBER
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 5

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

OFFICER NAME:
LESLIE C SALL
ADDRESS:
201 VINEYARD LANE
CARY, NC 27513
TITLE:
BOARD MEMBER
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 5

OFFICER NAME:
WILLIAM B MESSER
ADDRESS:
401 WESLEY DRIVE
CHAPEL HILL, NC 27516
TITLE:
BOARD MEMBER
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 5

OFFICER NAME:
JOHN MCMILLAN
ADDRESS:
3605 GLENWOOD AVENUE
RALEIGH, NC 27612
TITLE:
BOARD MEMBER
AVERAGE HOURS PER WEEK DEVOTED TO POSITION: 5

STATEMENT 8

FORM 990PF, PART XV - LINES 2a - 2d
==================================

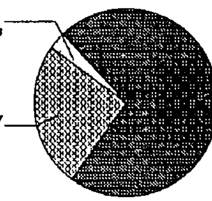
RECIPIENT NAME:
N/A
FORM, INFORMATION AND MATERIALS:
N/A
SUBMISSION DEADLINES:
N/A
RESTRICTIONS OR LIMITATIONS ON AWARDS:
N/A

STATEMENT 9

Account Summary

Asset Allocation	Beginning Market Value	Ending Market Value	Change In Value	Estimated Annual Income	Current Allocation
Equity	3,033,227.08	3,068,668.82	35,441 74	76,114.79	25%
Alternative Assets	100,420.00	99,070.00	(1,350 00)		1%
Cash & Fixed Income	2,206,761.13	9,710,570 11	7,503,808 98	101,841 53	74%
Market Value	**$5,340,408.21**	**$12,878,308.93**	**$7,537,900.72**	**$177,956.32**	**100%**
Accruals	29,403 59	26,902.70	(2,500 89)		
Market Value with Accruals	**$5,369,811.80**	**$12,905,211.63**	**$7,535,399.83**		

Asset Allocation



Portfolio Activity	Current Period Value	Year-to-Date Value
Beginning Market Value	**5,340,408.21**	**4,881,056.21**
Contributions	15,000,000 00	15,001,168.83
Withdrawals & Fees	(7,525,036 07)	(7,526,026 12)
Securities Transferred Out		(0.03)
Net Contributions/Withdrawals	**$7,474,963.93**	**$7,475,142.68**
Income & Distributions	24,944 50	157,189 71
Change In Investment Value	37,992 29	364,920 33
Ending Market Value	**$12,878,308.93**	**$12,878,308.93**
Accruals	26,902 70	26,902 70
Market Value with Accruals	**$12,905,211.63**	**$12,905,211.63**

Account Summary CONTINUED

Tax Summary	Current Period Value	Year-to-Date Value
Domestic Dividends/Distributions	21,697 19	73,193.18
Foreign Dividends	477.87	3,174.35
Interest Income	2,769 44	82,219 99
Ordinary Income		905 11
Accrued Interest Current Year		(1,622 92)
Accrued Interest Subsequent Year		(680 00)
Taxable Income	**$24,944.50**	**$157,189.71**

	Current Period Value	Year-to-Date Value
LT Capital Gain Distributions	733 25	733.25
ST Realized Gain/Loss		(362 00)
LT Realized Gain/Loss	1,260.41	193,900.60
Realized Gain/Loss	**$1,993.66**	**$194,271.85**

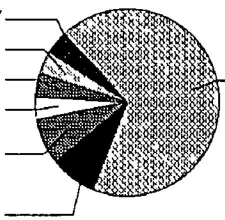
	To-Date Value
Unrealized Gain/Loss	**$550,082.69**

Cost Summary	Cost
Equity	2,639,464 87
Cash & Fixed Income	9,587,069.13
Total	**$12,226,534.00**

Equity Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
US Large Cap Equity	2,118,115 17	2,145,404 72	27,289.55	17%
Non-US Equity	185,232 76	179,191 20	(6,041.56)	1%
European Large Cap Equity	105,600 00	106,700 00	1,100 00	1%
Asia ex-Japan Equity	109,125 00	113,475 00	4,350 00	1%
Emerging Market Equity	103,777.05	109,989 10	6,212 05	1%
Preferred Stocks	199,320 00	200,360 00	1,040 00	2%
Concentrated & Other Equity	212,057 10	213,548 80	1,491 70	2%
Total Value	**$3,033,227.08**	**$3,068,668.82**	**$35,441.74**	**25%**

Asset Categories



Equity as a percentage of your portfolio - 25 %

Market Value/Cost	Current Period Value
Market Value	3,068,668 82
Tax Cost	2,639,464.87
Unrealized Gain/Loss	427,511 71
Estimated Annual Income	76,114 79
Accrued Dividends	5,403 64
Yield	2 47%

Note: ** Unrealized Gain/Loss is shown as "N/A" in cases where we do not have appropriate cost information for all tax lots comprising the position. Please contact your J P Morgan team for additional information.

Equity Detail

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc / Accrued Div.	Yield
US Large Cap Equity							
AKAMAI TECHNOLOGIES INC 00971T-10-1 AKAM	40 91	1,710 000	69,956.10	41,703 15	28,252 95		
ALCOA INC 013817-10-1 AA	8 68	5,830.000	50,604 40	63,062 12	(12,457 72)	699.60	1 38%
ALLSTATE CORP 020002-10-1 ALL	40.17	1,485.000	59,652.45	44,329.64	15,322.81	1,306 80	2.19%
AMAZON COM INC 023135-10-6 AMZN	250.87	405.000	101,602.35	13,154.19	88,448 16		
AMGEN INC 031162-10-0 AMGN	86 20	1,000 000	86,200 00	48,101 97	38,098.03	1,880.00	2.18%
BOEING CO 097023-10-5 BA	75.36	720.000	54,259.20	42,909 11	11,350.09	1,396.80	2 57%
CATERPILLAR INC 149123-10-1 CAT	89 61	555.000	49,733.00	37,446 74	12,286 26	1,154.40	2 32%
CELGENE CORPORATION 151020-10-4 CELG	78.47	725 000	56,890 75	43,057 51	13,833 24		
CISCO SYSTEMS INC 17275R-10-2 CSCO	19.65	3,050 000	59,929 45	52,395 70	7,533.75	1,708.00	2 85%
COACH INC 189754-10-4 COH	55 51	730.000	40,522 30	36,276 46	4,245 84	876.00	2.16%
CONOCOPHILLIPS 20825C-10-4 COP	57 99	960 000	55,670 40	47,985 69	7,684 71	2,534 40	4 55%

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc. / Accrued Div.	Yield
US Large Cap Equity							
CVS CAREMARK CORPORATION 126650-10-0 CVS	48 35	1,105 000	53,426 75	36,378 25	17,048 50	994 50	1 86%
DELL INC 24702R-10-1 DELL	10.14	3,980.000	40,357.20	60,106 34	(19,749 14)	1,273 60 318.40	3.16%
DOW CHEMICAL CO 260543-10-3 DOW	32 33	1,600 000	51,726.40	52,227 61	(501.21)	2,048.00	3.96%
EXXON MOBIL CORP 30231G-10-2 XOM	86.55	625.000	54,093 75	45,618.69	8,475 06	1,425 00	2 63%
FOREST LABORATORIES INC 345838-10-6 FRX	35 32	1,485 000	52,450 20	45,530 92	6,919 28		
GENERAL ELECTRIC CO 369604-10-3 GE	20 99	2,700 000	56,673 00	76,249 16	(19,576 16)	2,052 00 513 00	3 62%
GOOGLE INC CL A 38259P-50-8 GOOG	707 38	85 000	60,127 30	41,085.92	19,041.38		
HOME DEPOT INC 437076-10-2 HD	61 85	1,100 000	68,035 00	37,110 33	30,924 67	1,276 00	1.88%
JOHNSON & JOHNSON 478160-10-4 JNJ	70.10	800.000	56,080 00	42,227.30	13,852 70	1,952.00	3 48%
JUNIPER NETWORKS INC 48203R-10-4 JNPR	19 67	2,900 000	57,043 00	48,784 49	8,258 51		
KOHLS CORP 500255-10-4 KSS	42 98	1,025 000	44,054.50	45,585 69	(1,531 19)	1,312.00	2 98%
MC DONALDS CORP 580135-10-1 MCD	88 21	555 000	48,956 55	42,129 20	6,827 35	1,709 40	3.49%
MERCK AND CO INC 58933Y-10-5 MRK	40.94	1,335 000	54,654 90	49,149.90	5,505.00	2,296.20 574.05	4 20%

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc. / Accrued Div.	Yield
US Large Cap Equity							
NEWMONT MINING CORP 651639-10-6 NEM	46 44	1,045 000	48,529 80	49,810 70	(1,280 90)	1,463 00	3.01 %
NVIDIA CORP 67066G-10-4 NVDA	12.26	3,980 000	48,794 80	55,711.88	(6,917 08)	1,194.00	2 45 %
PFIZER INC 717081-10-3 PFE	25 08	2,270 000	56,929 33	48,449 47	8,479 86	2,179 20	3 83 %
PROCTER & GAMBLE CO 742718-10-9 PG	67 89	800 000	54,312 00	33,041 54	21,270 46	1,798.40	3 31 %
QUALCOMM INC 747525-10-3 QCOM	61 86	870 000	53,818 20	39,818.65	13,999 55	870 00	1.62 %
SAFEWAY INC 786514-20-8 SWY	18.09	2,605 000	47,124 45	54,056 47	(6,932 02)	1,823 50	3 87 %
SCHWAB CHARLES CORP 808513-10-5 SCHW	14.36	3,995 000	57,368 20	51,060.73	6,307.47	958 80	1.67 %
SOUTHWEST AIRLINES CO 844741-10-8 LUV	10.24	5,635.000	57,702 40	49,570 99	8,131 41	225 40 56 35	0 39 %
TEXAS INSTRUMENTS INC 882508-10-4 TXN	30.89	1,725.000	53,285 25	44,115 50	9,169.75	1,449 00	2 72 %
THERMO FISHER SCIENTIFIC INC 883556-10-2 TMO	63 78	975 000	62,185 50	46,520.93	15,664 57	585.00 146 25	0.94 %
URS CORP 903236-10-7 URS	39 26	1,390 000	54,571 40	52,071.01	2,500 39	1,112 00 278.00	2 04 %
WILLIAMS COMPANIES INC 969457-10-0 WMB	32 74	1,630 000	53,366 20	44,209 80	9,156 40	2,119.00	3 97 %
WPX ENERGY INC 98212B-10-3 WPX	14 88	3,323.000	49,446.24	47,754.00 **	N/A		

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc. / Accrued Div.	Yield
US Large Cap Equity							
YAHOO INC 984332-10-6 YHOO	19 90	3,280 000	65,272 00	48,148 65	17,123 35		
Total US Large Cap Equity			**$2,145,404.72**	**$1,756,946.40**	**$386,766.08**	**$43,672.00** **$1,886.05**	**2.04%**
Non-US Equity							
ROCHE HOLDINGS LTD SPONS ADR 771195-10-4 RHHB Y	50 25	1,275 000	64,073 85	49,869 51	14,204 34	1,966.05	3 07%
TOYOTA MOTOR CORP SPONS ADR 892331-30-7 TM	93 25	655 000	61,078 75	59,400 09	1,678 66	900 62	1.47%
TRANSOCEAN INC H8817H-10-0 RIG	44.66	1,210 000	54,038.60	64,210 63	(10,172.03)		
VODAFONE GROUP PLC SPONS ADR 92857W-20-9 VOD				0 00		181.04	
Total Non-US Equity			**$179,191.20**	**$173,480.23**	**$5,710.97**	**$2,866.67** **$181.04**	**1.60%**

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc. / Accrued Div.	Yield
European Large Cap Equity							
CS MARKET PLUS SX5E 03/12/14 70% CONTIN BARRIER- 10 45%CPN ,UNCAPPED INITIAL LEVEL-08/31/12 SX5E.2440.71 22546T-YP-0	106 70	100,000 000	106,700 00	100,000 00	6,700 00		
Asia ex-Japan Equity							
ISHARES MSCI ALL COUNTRY ASIA EX JAPAN INDEX FUND 464288-18-2 AAXJ	60.52	1,875 000	113,475 00	100,124 74	13,350 26	1,966 87	1 73%
Emerging Market Equity							
VANGUARD MSCI EMERGING MARKETS ETF 922042-85-8 VWO	44 53	2,470 000	109,989.10	99,935 58	10,053 52	2,408.25	2 19%
Preferred Stocks							
JPMORGAN CHASE & CO PFD 5 500% 48126E-75-0 JPM PD	25.14	4,000 000	100,560 00	100,000 00	560.00	5,500 00	5.47%
PNC FINANCIAL SERVICES PFD 5 3/8% 693475-83-2 PNC PQ	24 95	4,000 000	99,800.00	100,000 00	(200.00)	5,376.00	5.39%
Total Preferred Stocks			**$200,360.00**	**$200,000.00**	**$360.00**	**$10,876.00**	**5.43%**

Concentrated & Other Equity

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Inc. / Accrued Div	Yield
BANK OF AMERICA CORP 8% PFD STK DEC 31 2099 DTD 01/30/2008 060505-DR-2 BB+ /B1	110 56	90,000 000	99,505 80	98,105 00	1,400 80	7,200 00 3,019 95	7 18%
GENERAL ELEC CAP CORP 7 125% DEC 15 2049 DTD 06/12/2012 369622-SN-6 AA- /BAA	114.04	100,000.000	114,043 00	110,872 92	3,170.08	7,125.00 316 60	6 16%
Total Concentrated & Other Equity			**$213,548.80**	**$208,977.92**	**$4,570.88**	**$14,325.00** **$3,336.55**	**6.64%**

Alternative Assets Summary

Asset Categories	Beginning Estimated Value	Ending Estimated Value	Change In Value	Current Allocation
Hard Assets	100,420 00	99,070 00	(1,350 00)	1%

Alternative Assets Detail

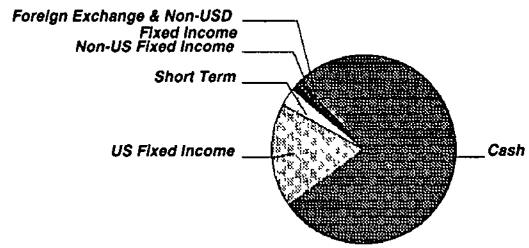
	Price	Quantity	Estimated Value	Cost
Hard Assets				
BARC BRENT LEV CBEN 10/09/13 LNKD TO CO1, 3XLEV 80% BARRIER, 10% CAP, 30% MXRTRN 9/28/12, INITIAL STRIKE: 112.39 06741T-GZ-4	99.07	100,000.000	99,070.00	100,000.00

Cash & Fixed Income Summary

Asset Categories	Beginning Market Value	Ending Market Value	Change In Value	Current Allocation
Cash	126,606 84	7,641,114.74	7,514,507 90	57%
Short Term	241,778 55	240,929 40	(849.15)	2%
US Fixed Income	1,623,784 98	1,614,477.53	(9,307 45)	13%
Non-US Fixed Income	29,243 25	29,064 00	(179 25)	1%
Foreign Exchange & Non-USD Fixed Income	185,347.51	184,984 44	(363 07)	1%
Total Value	**$2,206,761.13**	**$9,710,570.11**	**$7,503,808.98**	**74%**

Market Value/Cost	Current Period Value
Market Value	9,710,570.11
Tax Cost	9,587,069 13
Unrealized Gain/Loss	123,500 98
Estimated Annual Income	101,841 53
Accrued Interest	21,499.06
Yield	0 63%

Asset Categories



Cash & Fixed Income as a percentage of your portfolio - 74 %

SUMMARY BY MATURITY

Cash & Fixed Income	Market Value	% of Bond Portfolio
0-6 months[1]	8,607,038 03	90%
6-12 months[1]	185,683 55	1%
1-5 years[1]	416,211 50	4%
5-10 years[1]	297,487 91	3%
10+ years[1]	204,149.12	2%
Total Value	**$9,710,570.11**	**100%**

[1] The years indicate the number of years until the bond is scheduled to mature based on the statement end date Some bonds may be called, or paid in full, before their stated maturity

SUMMARY BY TYPE

Cash & Fixed Income	Market Value	% of Bond Portfolio
Cash	7,641,114.74	81%
Corporate Bonds	545,399.25	5%
Govt and Agency Bonds	458,211 55	4%
International Bonds	84,240.00	1%
Mortgage and Asset Backed Bonds	70,927.13	1%
Mutual Funds	725,693 00	7%
Other	184,984.44	1%
Total Value	**$9,710,570.11**	**100%**

Note. [1] This is the Annual Percentage Yield (APY) which is the rate earned if balances remain on deposit for a full year with compounding, there is no change in the interest rate and all interest is left in the account.

Cash & Fixed Income Detail

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est. Annual Income / Accrued Interest	Yield
Cash							
US DOLLAR	1.00	7,641,114 74	7,641,114 74	7,641,114.74		764 11 51 82	0.01 %[1]

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Income / Accrued Interest	Yield
Short Term							
MERRILL LYNCH & CO MEDIUM TERM NOTES 5.45% FEB 05 2013 DTD 02/05/2008 59018Y-M4-0 A- /BAA	100 45	55,000 00	55,245 85	55,688 65	(442 80)	2,997 50 1,215.61	0 70%
US TREAS 4.25% 08/15/13 912828-BH-2 NR /AAA	102.53	50,000 00	51,263 50	54,968 75	(3,705 25)	2,125.00 802 60	0.20%
AMER EXPRESS CREDIT CO NOTES 7 3% AUG 20 2013 DTD 08/20/2008 0258M0-CY-3 A- /A2	104 34	75,000 00	78,253 50	80,372 25	(2,118 75)	5,475 00 1,992 22	0 46%
US TREAS 2.75% 10/31/13 912828-JQ-4 NR /AAA	102.12	55,000 00	56,166 55	57,131 25	(964 70)	1,512.50 258.99	0 20%
Total Short Term			**$240,929.40**	**$248,160.90**	**($7,231.50)**	**$12,110.00** **$4,269.42**	**0.40%**
US Fixed Income							
JPM HIGH YIELD FD - SEL FUND 3580 4812C0-80-3	8 14	64,432 99	524,484 54	500,000 00	24,484 54	33,569 58 3,350 52	6 40%
JPMORGAN TR I FLOAT RATE INC 4.24% 48121L-51-0	9 99	20,140.99	201,208 46	200,000 00	1,208.46	9,486 40 1,067.47	4.71%
TIME WARNER CABLE INC 7 1/2% APR 01 2014 DTD 03/26/2009 88732J-AR-9 BBB /NR	108 40	100,000 00	108,399 00	105,578 00	2,821 00	7,500 00 1,875.00	0 74%

US Fixed Income

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est Annual Income / Accrued Interest	Yield
RIO TINTO FINANCE PLC 8 95% MAY 01 2014 DTD 04/17/2009 US767201AF38 767201-AF-3 A- /A3	110 35	50,000 00	55,176 00	54,317 50	858 50	4,475 00 745 80	1 12%
FHLMC 4.375% 07/17/2015 DTD 7/14/2005 3134A4-VC-5 AAA /AAA	110 25	50,000 00	55,122 50	48,224 90	6,897 60	2,187 50 996 50	0.33%
US TREAS 3.25% 07/31/16 912828-LD-0 NR /AAA	109 88	100,000 00	109,875 00	100,546.90	9,328.10	3,250 00 1,360.00	0.47%
FNMA 5.25% 09/15/16 31359M-W4-1 AA+ /AAA	117 15	50,000 00	58,575 00	56,329 50	2,245.50	2,625 00 772.90	0 57%
GLAXOSMITHKLINE CAP INC 5.65% MAY 15 2018 DTD 05/13/2008 377372-AD-9 A+ /A1	122.10	50,000.00	61,052.00	49,664 00	11,388.00	2,825 00 360 95	1.37%
US TREAS 4% 08/15/18 912828-JH-4 NR /AAA	117.41	50,000 00	58,703 00	54,937.50	3,765.50	2,000.00 755 40	0 83%
PROCTER & GAMBLE CO NOTES 4.7% FEB 15 2019 DTD 02/06/2009 742718-DN-6 AA- /AA3	118.21	50,000 00	59,104.50	50,634.00	8,470.50	2,350 00 887.75	1.57%
JPMORGAN CHASE & CO NOTES 6.3% APR 23 2019 DTD 04/23/2009 46625H-HL-7 A /A2	123 18	50,000 00	61,590 00	54,256 00	7,334 00	3,150 00 595.00	2 33%

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est. Annual Income / Accrued Interest	Yield
US Fixed Income							
CONOCOPHILLIPS 6% JAN 15 2020 DTD 05/21/2009 20825C-AU-8 A /A1	126 75	45,000 00	57,038 40	49,997.70	7,040 70	2,700 00 1,244.97	1 92%
FNMA 888922 5.5% 02/01/22 31410G-SK-0	108 07	0 01	0 01	0.01			2 56%
FNMA 745336 5% 03/01/36 31403D-BD-0	108 56	33,427 81	36,288 56	33,777 08	2,511.48	1,671.39 139 26	2 86%
FHLB 5.5% 07/15/36 3133XG-AY-0 AA+ /AAA	137 01	50,000 00	68,506 00	55,840 00	12,666 00	2,750 00 1,268.05	3 24%
AT&T INC 6 1/2% SEP 01 2037 DTD 08/31/2007 00206R-AD-4 A- /A2	129 43	50,000 00	64,716 00	51,034 25	13,681 75	3,250 00 1,083.30	4.51%
FNMA AC0392 5% 07/01/39 31417J-NJ-5	108.73	31,857 70	34,638 56	32,768 65	1,869.91	1,592 88 26 53	2.89%
Total US Fixed Income			**$1,614,477.53**	**$1,497,905.99**	**$116,571.54**	**$85,382.75** **$16,529.40**	**3.56%**
Non-US Fixed Income							
UNITED MEXICAN STATES NOTES 5 5/8% JAN 15 2017 DTD 03/10/2006 91086Q-AU-2 BBB /BAA	116.26	25,000.00	29,064 00	24,887 50	4,176 50	1,406.25 648 42	1 47%

	Price	Quantity	Value	Adjusted Tax Cost / Original Cost	Unrealized Gain/Loss	Est. Annual Income / Accrued Interest	Yield
Foreign Exchange & Non-USD Fixed Income							
JPMORGAN TR I EX-G4 CRSG SEL 46636U-30-6	10 19	18,153 53	184,984 44	175,000 00	9,984 44	2,178 42	1 18%