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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 , and ending

Name of foundation
MICHAELS FAMILY FOUNDATION
OF VA,INC

A Employer identification number
59-3662847

Number and street (or P O box number if mail is not delivered to street address)
CARMICHAEL,9132 STRADA PLACE,4TH FL

Room/suite

B Telephone number (see instructions)

City or town, state, and ZIP code
NAPLES FL 34108

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ $ 1,240,882

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

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

Part I	**Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue 1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ▶ ☒ if the foundation is **not** required to attach Sch. B				
3	Interest on savings and temporary cash investments	172	35	172	
4	Dividends and interest from securities	27,153	27,115	27,153	
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	75,214			
b	Gross sales price for all assets on line 6a 1,106,942				
7	Capital gain net income (from Part IV, line 2)		2,958		
8	Net short-term capital gain			0	
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	102,539	30,108	27,325	
Operating and Administrative Expenses 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) Stmt 2	700			
c	Other professional fees (attach schedule) Stmt 3	9,628			
17	Interest				
18	Taxes (attach schedule) (see instructions) Stmt 4	705			
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att. sch.)				
24	**Total operating and administrative expenses.** Add lines 13 through 23	11,033	0	0	0
25	Contributions, gifts, grants paid	49,510			49,510
26	**Total expenses and disbursements.** Add lines 24 and 25	60,543	0	0	49,510
27	Subtract line 26 from line 12:				
a	**Excess of revenue over expenses and disbursements**	41,996			
b	**Net investment income** (if negative, enter -0-)		30,108		
c	**Adjusted net income** (if negative, enter -0-)			27,325	

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For Paperwork Reduction Act Notice, see instructions.

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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	End of year (c) Fair Market Value
Assets	1 Cash – non-interest-bearing	34,858	36,522	36,522
	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 (att. schedule) ▶			
	Less: allowance for doubtful accounts ▶ 0			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule) Stmt 5	352,807	424,085	424,085
	b Investments – corporate stock (attach schedule) See Stmt 6	570,409	780,275	780,275
	c Investments – corporate bonds (attach schedule) See Stmt 7			
	11 Investments – land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation (attach sch.) ▶			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule)			
	14 Land, buildings, and equipment: basis ▶			
	Less. accumulated depreciation (attach sch) ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers – see the instructions. Also, see page 1, item I)	958,074	1,240,882	1,240,882
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)	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.			
	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	958,074	1,240,882	
	30 **Total net assets or fund balances** (see instructions)	958,074	1,240,882	
	31 **Total liabilities and net assets/fund balances** (see instructions)	958,074	1,240,882	

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	958,074
2	Enter amount from Part I, line 27a	2	41,996
3	Other increases not included in line 2 (itemize) ▶ See Statement 8	3	241,288
4	Add lines 1, 2, and 3	4	1,241,358
5	Decreases not included in line 2 (itemize) ▶ See Statement 9	5	476
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,240,882

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	CAPITAL GAIN DISTRIBUTIONS			
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	2,958			2,958
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				2,958
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** 2,958

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	36,273	884,530	0.041008
2010	49,273	769,285	0.064050
2009	36,781	681,620	0.053961
2008	42,340	617,595	0.068556
2007	44,378	470,534	0.094314

2	**Total** of line 1, column (d)	2	0.321889
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	0.064378
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,030,310
5	Multiply line 4 by line 3	5	66,329
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	301
7	Add lines 5 and 6	7	66,630
8	Enter qualifying distributions from Part XII, line 4	8	49,510

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: (attach copy of letter if necessary—see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	602
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0
3	Add lines 1 and 2		3	602
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	602
6	Credits/Payments:			
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a		
b	Exempt foreign organizations – tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d		7	
8	Enter any **penalty** for underpayment of estimated tax. Check here ☒ if Form 2220 is attached		8	9
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	611
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? N/A	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) ▶ FL			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

				Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)		12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?		13	X	
	Website address ▶ NONE				
14	The books are in care of ▶ DR. LEWIS MICHAELS Telephone no. ▶ 703-437-5655 10512 WICKENS ROAD Located at ▶ VIENNA VA ZIP+4 ▶ 22181				
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			
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)?	N/A	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?	N/A	1c		
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	☐ Yes ☒ No			
	If "Yes," list the years ▶ 20 , 20 , 20 , 20				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement – see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ 20 , 20 , 20 , 20				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?		4b		X

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)?	N/A	5b	
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?	N/A ☐ Yes ☐ No		
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b	X (No)
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No		
b	If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	7b	

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (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
LEWIS MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	PRESIDENT 5.00	0	0	0
PAMELA MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	VICE PRES 1.00	0	0	0
THEODORE MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	TREASURER 1.00	0	0	0
STEVEN MICHAELS 10512 WICKENS ROAD	VIENNA VA 22181	SECRETARY 1.00	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 ▶ 0

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 N/A	
2	
All other program-related investments See instructions 3	
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	1,010,000
b	Average of monthly cash balances	1b	36,000
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	1,046,000
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0		
2	Acquisition indebtedness applicable to line 1 assets	2	0
3	Subtract line 2 from line 1d	3	1,046,000
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	15,690
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,030,310
6	**Minimum investment return.** Enter 5% of line 5	6	51,516

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	51,516
2a	Tax on investment income for 2012 from Part VI, line 5 — 2a: 602		
b	Income tax for 2012. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	602
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	50,914
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	50,914
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	50,914

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	49,510
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	49,510
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	49,510

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				50,914
2	Undistributed income, if any, as of the end of 2012:				
a	Enter amount for 2011 only				
b	Total for prior years: 20 ____ , 20 ____ , 20 ____				
3	Excess distributions carryover, if any, to 2012:				
a	From 2007				
b	From 2008 7,239				
c	From 2009 2,999				
d	From 2010 11,182				
e	From 2011				
f	**Total** of lines 3a through e	21,420			
4	Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 49,510				
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				49,510
e	Remaining amount distributed out of corpus				
5	Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	1,404			1,404
6	**Enter the net total of each column as indicated below:**				
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	20,016			
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				0
7	Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
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	20,016			
10	Analysis of line 9:				
a	Excess from 2008 5,835				
b	Excess from 2009 2,999				
c	Excess from 2010 11,182				
d	Excess from 2011				
e	Excess from 2012				

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

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

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).)

N/A

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:

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

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				
CHILDREN RESOURCES MIAMI FL			TO PROVIDE EDUCATION TO THE HANDICAP	12,000
FLORIDA GRAND OPERA MIAMI FL			TO PROVIDE SUPPORT FOR THE ARTS	15,000
MIAMI CITY BALLET MIAMI FL			TO PROVIDE SUPPORT FOR THE ARTS	6,050
SAINT SOPHIA DC VA			TO PROVIDE EDUCATION TO THE NEEDY	13,860
MCLEAN BAPTIST CHURCH COMMUNITY MIS DC VA			TO PROVIDE EDUCATION FOR THE NEEDY	600
THE ANIMAL WELFARE SOCIETY OF SO FL MIAMI FL			TO PROVIDE ASSIST FOR WELFARE OF ANI	1,000
THE D&E FUND DC VA			TO PROVIDE COLLEGE ACADEMIC FUND	1,000
Total			▶ 3a	49,510
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(e) 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					172
4 Dividends and interest from securities					27,153
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					75,214
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		0	102,539

13 Total. Add line 12, columns (b), (d), and (e) 13 102,539

(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.)
N/A	

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
N/A			

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

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

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

Lewis N. Michaels — Signature of officer or trustee | 4/11/13 — Date | President — Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed
ALBERT R COHEN	Albert R. Cohen CPA ALBERT R COHEN	03/15/13	
Firm's name ▶ Wald and Cohen, P.A.		PTIN	P01227078
Firm's address ▶ 11420 N. Kendall Dr., Ste 203 Miami, FL 33176-1039		Firm's EIN ▶	20-1226851
		Phone no	305-271-3666

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description			How Received				
Whom Sold	Date Acquired	Date Sold	Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
AVAILABLE UPON REQUEST	12/20/12	11/08/12	Purchase $ 678,494	$ 667,880	$	$	$ 10,614
AVAILABLE UPON REQUEST	2/08/11	3/01/12	Purchase 59,303	62,915			-3,612
AVAILABLE UPON REQUEST	3/01/12	3/01/12	Purchase 1,174	1,092			82
AVAILABLE UPON REQUEST	9/22/09	3/01/12	Purchase 365,013	299,841			65,172
Total			$ 1,103,984	$ 1,031,728	$ 0	$ 0	$ 72,256

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING	$ 700	$	$	$
Total	$ 700	$ 0	$ 0	$ 0

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INVESTMENT ADVISORS FEES	$ 9,628	$	$	$
Total	$ 9,628	$ 0	$ 0	$ 0

DECEMBER 01, 2012 TO DECEMBER 31, 2012

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER: 1850003415

PRINCIPAL PORTFOLIO STATEMENT

DESCRIPTION	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
CASH AND CASH EQUIVALENTS				
IDP000022 INSURED DEPOSIT PROGRAM MGDW	35,793.49 35,793 49	 1 00		
PRINCIPAL CASH	0 00			
* TOTAL CASH AND CASH EQUIVALENTS	35,793.49 35,793.49		0.00 0.00	0.00

BOND QUALITY SUMMARY

S & P QUALITY RATING	MARKET VALUE	PERCENT
NOT RATED	424, 084. 34	100. 0%
Total	424, 084. 34	100. 0%

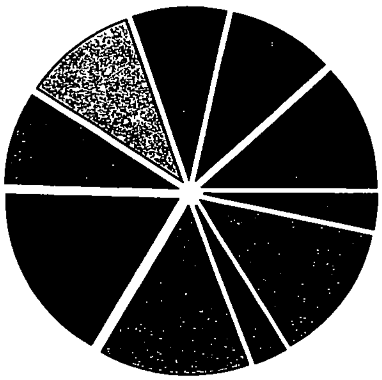
DESCRIPTION	RATING	PAR VALUE	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	YIELD CURRENT/ MATURITY
FIXED INCOME						
FIXED INCOME MUTUAL FUNDS						
258620103 DOUBLELINE TOTAL RETURN BOND FUND		3,896.492	44,147.25 ✓ 43,986.58	11.33 11.29	2,801.58	6.35
31420C787 FEDERATED SHORT TERM INCOME FUND CL Y FUND # 638		9,935.397	86,338.60 ✓ 84,790.84	8.69 8.53	1,838.05 153.17	2.13
38142Y518 GOLDMAN SACHS ENHANCED INCOME FUND #1999		3,996.603	37,887.80 ✓ 38,222.00	9.48 9.56	423 64 35.30	1.12
693390304 PIMCO LOW DURATION FUND CLASS I #36		4,511.036	47,410.99 ✓ 47,123.25	10.51 10.45	1,213.47 101.12	2.56
74441R508 PRUDENTIAL SHORT TERM CORPORATE BOND FUND CL Z FUND # 434		7,705.961	89,312.09 ✓ 88,862.00	11.59 11.53	3,182.56 265.21	3.56
85917L650 STERLING CAPITAL SHORT-TERM BOND FUND INST CL I FUND # 340		12,617.986	118,987.61 ✓ 121,032.00	9.43 9.59	4,227.03 352.25	3.55
** TOTAL FIXED INCOME MUTUAL FUNDS		SUB-TOTAL	424,084.34 424,016.67		13,686.33 907.05	3.23
* TOTAL FIXED INCOME			424,084.34 424,016.67		13,686.33 907.05	3.23

DECEMBER 01, 2012 TO DECEMBER 31, 2012

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER:1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

EQUITY DIVERSIFICATION SUMMARY



INDUSTRY SECTOR	MARKET VALUE	PERCENT
CONSUMER DISCRETIONARY	85, 450. 49	12. 0%
CONSUMER STAPLES	69, 207 80	9. 7%
ENERGY	61, 282. 16	8. 6%
FINANCIALS	74, 739. 26	10. 5%
HEALTH CARE	63, 424. 44	8. 9%
INDUSTRIALS	120, 405. 64	16. 9%
INFORMATION TECHNOLOGY	98, 895. 73	13. 9%
MATERIALS	22, 025. 55	3. 1%
MUTUAL FUNDS	92, 901. 66	13. 1%
All Others-Combined	23, 717. 10	3. 3%
Total	712, 049. 83	100. 0%

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
EQUITIES						
CONSUMER DISCRETIONARY						
023135106 AMAZON.COM INC COMMON	AMZN	26.000	6,522.62 5,556.78	250 87 213 72		
189754104 COACH INC COMMON	COH	120.000	6,661.20 6,505.20	55 51 54 21	144 00	2.16
198516106 COLUMBIA SPORTSWEAR CO COM	COLM	120.000	6,403.20 6,440.18	53 36 53.67	105 60	1.65
204319107 COMPAGNIE FINANCIERE RICHEMONT SA	CFRUY	960.000	7,488.00 5,276.64	7 80 5 50	31 68	0 42
500255104 KOHLS CORP COMMON	KSS	140.000	6,017.20 6,116.24	42 98 43 69	179 20	2.98
501897102 LI & FUNG LIMITED UNSPONS ADR	LFUGY	800.000	2,824.00 4,672.00	3 53 5 84	80 80	2.86
580135101 MCDONALDS CORP COMMON	MCD	70.000	6,174.70 6,283.90	88 21 89 77	215 60	3 49
705015105 PEARSON PLC SPONSORED ADR	PSO	370.000	7,229 80 7,161 13	19.54 19.35	257 15	3.56

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
CONSUMER DISCRETIONARY						
731068102 POLARIS INDUSTRIES INC	PII	75 000	6,311.25 6,345.75	84.15 84 61	111.00	1.76
741503403 PRICELINE.COM INC COMMON	PCLN	8 000	4,963.12 5,220.08	620.39 652.51		
855244109 STARBUCKS CORPORATIONS COMMON	SBUX	120 000	6,435.60 6,127.20	53.63 51.06	100.80	1.57
87612E106 TARGET CORP COM COMMON	TGT	95.000	5,621.15 5,506.20	59.17 57.96	136.80	2 43
885160101 THOR INDS INC COMMON	THO	180.000	6,737.40 6,372.00	37.43 35 40	129.60	1.92
892331307 TOYOTA MOTOR CORPORATION ADR	TM	65.000	6,061.25 5,607.55	93.25 86.27	89 38	1 47
** TOTAL CONSUMER DISCRETIONARY	SUB-TOTAL		85,450.49 83,190.85		1,581.61 0.00	1.85
CONSUMER STAPLES						
03524A108 ANHEUSER-BUSCH INBEV NV SPN ADR	BUD	70.000	6,118.70 4,793.24	87.41 68.47	90.51	1 48
22160K105 COSTCO WHOLESALE CORP COMMON	COST	65.000	6,417.45 5,595.85	98.73 86.09	71.50	1.11
237266101 DARLING INTERNATIONAL INC COMMON	DAR	750.000	12,030.00 12,393.75	16.04 16.53		
256603101 DOLE FOOD COMPANY INC COMMON	DOLE	550.000	6,308.50 5,554.12	11.47 10 10		
370334104 GENERAL MILLS INC COMMON	GIS	160 000	6,467.20 6,644.11	40.42 41.53	211.20	3.27
713448108 PEPSICO INC COMMON	PEP	90.000	6,158.70 6,295.50	68.43 69.95	193.50	3.14
786514208 SAFEWAY INC COMMON	SWY	350.000	6,331.50 6,366.50	18.09 18.19	245.00	3.87
832248108 SMITHFIELD FOODS INC COMMON	SFD	330.000	7,118.10 6,685.80	21.57 20.26		

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
CONSUMER STAPLES						
881575302 TESCO PLC SPONS ADR	TSCDY	370 000	6,062 45 5,716 50	16 39 15.45	243 83	4.02
904767704 UNILEVER PLC-SPONSORED ADR	UL	160 000	6,195.20 6,297 60	38.72 39.36	196.16	3.17
**** TOTAL CONSUMER STAPLES**		SUB-TOTAL	69,207.80 66,342.97		1,251.70 0.00	1.81
ENERGY						
055622104 BP P.L.C. SPONS ADR	BP	150.000	6,246 00 6,331 50	41 64 42 21	324.00	5 19
13321L108 CAMECO CORP	CCJ	290 000	5,718 80 6,264.00	19.72 21 60	116.87 29.25	2 04
166764100 CHEVRON CORP COMMON	CVX	88 000	9,516.32 8,370 56	108 14 95 12	316 80	3.33
49455U100 KINDER MORGAN MANAGEMENT LLC	KMR	77 000	5,810 42 5,232.25	75 46 67 95		
651290108 NEWFIELD EXPLORATION CO COMMON	NFX	300 000	8,034 00 7,539 99	26 78 25 13		
79376W208 SAIPEM S.P.A.	SAPMY	290 000	5,601 06 7,482 00	19.31 25.80	89.03	1.59
806857108 SCHLUMBERGER LTD COMMON	SLB	170.000	11,780.76 11,760 92	69.30 69.18	187.00 22.00	1.59
867224107 SUNCOR ENERGY, INC	SU	260.000	8,574 80 7,429 16	32 98 28 57	136 24	1.59
**** TOTAL ENERGY**		SUB-TOTAL	61,282.16 60,410.38		1,169.94 51.25	1.91
FINANCIALS						
008252108 AFFILIATED MANAGERS GROUP INC COM	AMG	100.000	13,015 00 12,538 32	130.15 125.38		
054536107 ADR AXA-UAP F/K/A AXA SA SPONSORED ADR	AXAHY	450 000	7,920.45 7,998.94	17.60 17.78	329.40	4.16

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
FINANCIALS						
064149107 BANK OF NOVA SCOTIA	BNS	110 000	6,366.80 6,028.00	57.88 54 80	253 00 63.25	3 97
09247X101 BLACKROCK INC COMMON	BLK	28.000	5,787.88 5,797 12	206 71 207.04	168 00	2.90
404280406 HSBC HLDGS PLC SPONSORED ADR NEW	HBC	165 000	8,756.55 7,512 55	53.07 45.53	412.50	4.71
455807107 INDUSTRIAL AND COMMERCIAL BANK OF CHINA	IDCBY	300 000	4,257.60 4,559.40	14.19 15.20	158.10	3.71
72341E304 PING AN INSURANCE GROUP COMPANY OF CHINA LIMITED	PNGAY	360 000	6,028.92 5,349.60	16.75 14.86	36.00	0.60
74435K204 PRUDENTIAL PLC	PUK	230.000	6,566 50 6,771 20	28.55 29.44	186.76	2.84
89417E109 THE TRAVELERS COMPANIES INC COMMON	TRV	135 000	9,695 70 7,290 35	71.82 54.00	248.40	2.56
961214301 WESTPAC BANKING	WBK	46.000	6,343 86 6,163.54	137.91 133.99	394.08	6 21
** TOTAL FINANCIALS		SUB-TOTAL	74,739.26 70,009.02		2,186.24 63.25	2.93
HEALTH CARE						
018490102 ALLERGAN INC COMMON	AGN	130.000	11,924.90 12,060.13	91.73 92.77	26.00	0.22
071813109 BAXTER INTERNATIONAL INC COMMON	BAX	95.000	6,332.70 6,423.47	66.66 67.62	171.00	2.70
072730302 BAYER A G SPONSORED ADR	BAYRY	80.000	7,582.32 6,022.40	94.78 75.28	124.80	1.65
15135B101 CENTENE CORP	CNC	180.000	7,380 00 6,676.81	41.00 37.09		
375558103 GILEAD SCIENCES, INC.	GILD	85.000	6,243.25 6,262.59	73.45 73.68		
66987V109 NOVARTIS A G ADR	NVS	170.000	10,761.00 8,833 91	63.30 51 96	358.02	3 33

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
HEALTH CARE						
670100205 NOVO-NORDISK A S ADR	NVO	44.000	7,181 24 5,977 04	163 21 135 84	80 61	1.12
717081103 PFIZER INC COMMON	PFE	240.000	6,019 03 5,431 03	25.08 22 63	230.40	3.83
** TOTAL HEALTH CARE		SUB-TOTAL	63,424.44 57,687.38		990.83 0.00	1.56
INDUSTRIALS						
000375204 ABB LTD SPONS ADR	ABB	310.000	6,444 90 6,452.65	20 79 20.82	214 83	3.33
001084102 AGCO CORPORATION COMMON	AGCO	140.000	6,876.80 6,609.40	49 12 47 21		
136375102 CANADIAN NATL RY CO COMMON	CNI	20.000	1,820.20 1,273.80	91 01 63 69	30.20	1.66
167250109 CHICAGO BRIDGE & IRON CO NV	CBI	210 000	9,733 50 8,561 70	46 35 40 77	42.00	0 43
291011104 EMERSON ELECTRIC COMPANY COMMON	EMR	120 000	6,355 20 5,585 44	52.96 46 55	196.80	3.10
307305102 FANUC LTD ADR	FANUY	190 000	5,830.53 5,255.40	30.69 27.66	64 98	1.11
34354P105 FLOWSERVE CORP COM	FLS	48.000	7,046.40 6,348.84	146.80 132.27	69.12 17 28	0.98
369604103 GENERAL ELECTRIC COMPANY COMMON	GE	300.000	6,297.00 3,333.00	20.99 11.11	228 00 57 00	3 62
45167R104 IDEX CORP COMMON	IEX	160.000	7,444.80 7,430.40	46.53 46 44	128 00	1.72
655663102 NORDSON CORP	NDSN	120.000	7,574.40 7,191.60	63.12 59.93	72.00 18 00	0 95
887389104 THE TIMKEN COMPANY COMMON	TKR	170 000	8,131 10 6,818 70	47.83 40.11	156.40	1 92
896522109 TRINITY INDUSTRIES COMMON	TRN	290 000	10,387 80 9,492 74	35.82 32.73	127.60	1 23

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
INDUSTRIALS						
903236107 URS CORP NEW	URS	340.000	13,348 40 12,204 30	39 26 35.90	272 00 68 00	2 04
907818108 UNION PACIFIC CORP. COMMON	UNP	48.000	6,034 56 5,366 56	125.72 111 80	132 48 33 12	2 20
911312106 UNITED PARCEL SERVICES B	UPS	85.000	6,267.05 6,371.49	73.73 74 96	193.80	3 09
H6169Q108 PENTAIR LTD COMMON	PNR	220.000	10,813.00 9,835.80	49.15 44 71	193 60	1.79
** TOTAL INDUSTRIALS		SUB-TOTAL	120,405.64 108,131.82		2,121.81 193.40	1.76
INFORMATION TECHNOLOGY						
037833100 APPLE COMPUTER CORPORATION COMMON	AAPL	17.000	9,046 94 4,542.06	532.17 267.18	180.20	1.99
111320107 BROADCOM CORPORATION COMMON	BRCM	160.000	5,313 60 5,443.70	33 21 34 02	64.00	1.20
11133T103 BROADRIDGE FINANCIAL SOLUTIONS LLC COMMON	BR	280.000	6,406.40 6,265.39	22.88 22 38	201.60 50 40	3.15
138006309 CANON INC COMMON	CAJ	130.000	5,097.30 5,963.10	39 21 45.87	183.30	3.60
192446102 COGNIZANT TECHNOLOGY SOLUTIONS COMMON	CTSH	90.000	6,649.41 5,481.58	73.88 60.91		
38259P508 GOOGLE INC COMMON	GOOG	10.000	7,073.80 6,540.00	707.38 654 00		
458140100 INTEL COMMON	INTC	300.000	6,186.00 6,312.00	20 62 21 04	270.00	4.36
461202103 INTUIT INC COMMON	INTU	100.000	5,947.54 6,204.00	59 48 62 04	68 00	1.14
48203R104 JUNIPER NETWORKS INC COMMON	JNPR	350.000	6,884.50 6,193.01	19 67 17 69		
594918104 MICROSOFT CORP COMMON	MSFT	300.000	8,012 91 6,931 48	26.71 23 10	276 00	3.44

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
INFORMATION TECHNOLOGY						
704326107 PAYCHEX INC COMMON	PAYX	190.000	5,909.00 6,057.20	31.10 31 88	250 80	4.24
747525103 QUALCOMM INC COMMON	QCOM	180.000	11,134 73 11,319.89	61.86 62 89	180 00	1.62
874039100 TAIWAN SEMICONDUCTOR MANUFACTURING CO LTD SP ADR	TSM	520.000	8,923 20 7,612.80	17.16 14.64	206.96	2.32
H84989104 TE CONNECTIVITY LTD	TEL	170 000	6,310.40 6,250 48	37.12 36.77	142.80	2.26
** TOTAL INFORMATION TECHNOLOGY		SUB-TOTAL	98,895.73 91,116.69		2,023.66 50.40	2.05
MATERIALS						
088606108 BHP BILLITON LIMITED	BHP	105.000	8,234.10 7,324 39	78 42 69 76	235 20	2 86
583334107 MEADWESTVACO CORP COMMON	MWV	210 000	6,692 70 6,361 66	31.87 30.29	210.00	3 14
61166W101 MONSANTO CO COMMON	MON	75.000	7,098.75 5,574.79	94 65 74 33	112.50	1 58
** TOTAL MATERIALS		SUB-TOTAL	22,025.55 19,260.84		557.70 0.00	2.53
MUTUAL FUNDS						
349913822 FORWARD INTERNATIONAL SMALL COMPANIES FD INST CL FUND # 111	PTSCX	1,251 218	17,316 86 15,415 00	13 84 12.32	345 34	1 99
52106N889 LAZARD EMERGING MKTS PORTFOLIO INST CLASS FUND # 638	LZEMX	1,476.758	28,855.85 26,406.62	19.54 17 88	525.73	1.82
683974505 OPPENHEIMER DEVELOPING MARKETS FUND CL Y FUND # 788	ODVYX	669 170	23,340.65 22,897.61	34 88 34 22	166 62	0.71
85917L742 STERLING CAPITAL SPECIAL OPPORTUNITIES FUND INST CL FUND # 321	BOPIX	1,266 972	23,388.30 23,398.95	18.46 18.47	70.95 5.91	0.30
** TOTAL MUTUAL FUNDS		SUB-TOTAL	92,901.66 88,118.18		1,108.64 5.91	1.19

DECEMBER 01, 2012 TO DECEMBER 31, 2012

ACCOUNT NAME: MICHAELS FAM FND
ACCOUNT NUMBER: 1850003415

PRINCIPAL PORTFOLIO STATEMENT (CONTINUED)

DESCRIPTION	TICKER	SHARES	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
TELECOMMUNICATIONS SERVICES						
16945R104 CHINA UNICOM - AR	CHU	380 000	6,190.20 5,350.40	16.29 14 08	53 96	0 87
775109200 ROGERS COMMUNICATIONS INC	RCI	150 000	6,828 00 5,818.50	45 52 38.79	238 80 59 71	3.50
**** TOTAL TELECOMMUNICATIONS SERVICES**		SUB-TOTAL	13,018.20 11,168.90		292.76 59.71	2.25
UTILITIES						
670837103 OGE ENERGY CORP COMMON	OGE	190 000	10,698.90 10,831.25	56.31 57.01	317.30	2 97
**** TOTAL UTILITIES**		SUB-TOTAL	10,698.90 10,831.25		317.30 0.00	2.97
*** TOTAL EQUITIES**			712,049.83 666,268.28		13,602.19 423.92	1.91
DIVERSIFYING ASSETS						
19247U106 COHEN & STEERS REALTY SHARES INSTITUTIONAL	CSRIX	721.524	30,361.73 28,650.21	42.08 39 71	663 80	2.19
22544R305 CREDIT SUISSE COMMODITY RETURN STRATEGY INSTITUTIONAL SHS FD 2156	CRSOX	4,715.376	37,864.47 39,578.95	8.03 8.39	3,145.16	8.31
*** TOTAL DIVERSIFYING ASSETS**			68,226.20 68,229.16		3,808.96 0.00	5.58
TOTAL PRINCIPAL ASSETS			1,240,153.86 1,194,307.60		31,097.48 1,330.97	2.51

INCOME PORTFOLIO STATEMENT

DESCRIPTION	TOTAL MARKET/ TOTAL COST	MARKET PRICE/ COST PRICE	EST ANNUAL INCOME/ ACCRUED INC	CURRENT YIELD
CASH AND CASH EQUIVALENTS				
IDP000022 INSURED DEPOSIT PROGRAM MGDW	139.02 139 02	 1.00		
INCOME CASH	589.61 589.61			
*** TOTAL CASH AND CASH EQUIVALENTS**	728.63 728.63		0.00 0.00	0.00

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
Indirect Taxes/Licenses	$ 705	$	$	$
Total	$ 705	$ 0	$ 0	$ 0

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 10a - US and State Government Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FEDERATED SHORT TERM INCOME FUND CL	$ 101,264	$ 86,339	Market	$ 86,339
GOLDMAN SACHS ENHANCED INCOME FUND	32,016	37,888	Market	37,888
PIMCO DURATION FUND CLASS 1	35,327	47,411	Market	47,411
PRUDENTIAL SHORT TERM CORPORATE	69,374	89,312	Market	89,312
STERLING CAPITAL SHORT-TERM BOND FUN	114,826	118,988	Market	118,988
DOUBLELINE TOTAL RETURN BOND		44,147	Market	44,147
Total	$ 352,807	$ 424,085		$ 424,085

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SCHEDULE	$ 533,632	$ 712,049	Market	$ 712,049
BB&T WEALTH MANAGEMENT	36,777	68,226	Market	68,226
Total	$ 570,409	$ 780,275		$ 780,275

Statement 7 - Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
PRUDENTIAL SHORT TERM CORPORATE	$	$		$
Total	$ 0	$ 0		$ 0

Federal Statements

Statement 8 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
CHANGE IN INVESTMENT EQUITY	$ 241,288
Total	$ 241,288

Statement 9 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
FEDERAL INCOME TAXES	$ 476
Total	$ 476

Taxable Dividends from Securities

Description	Amount	Unrelated Business Code	Exclusion Code	Postal Code	US Obs ($ or %)
DIVIDENDS	$ 27,115			VA	
Total	$ 27,115				