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: MICHAEL FRANCIS ZALLA MEMORIAL FOUN

A Employer identification number: 61-1124767

Number and street (or P O box number if mail is not delivered to street address): 3343 STONEWOOD DRIVE

Room/suite:

B Telephone number (see instructions): 859-781-9500

City or town, state, and ZIP code: EDGEWOOD KY 41018

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) ▶ $ 1,237,566

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	2,721	2,721		
	4	Dividends and interest from securities	23,318	23,318		
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	71,347			
	b	Gross sales price for all assets on line 6a 437,869				
	7	Capital gain net income (from Part IV, line 2)		71,347		
	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) STMT 1	-7,333	-7,333		
	12	**Total.** Add lines 1 through 11	90,053	90,053	0	
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	1,797	1,797		
	c	Other professional fees (attach schedule) STMT 3	8,439	8,439		
	17	Interest	11	11		
	18	Taxes (attach schedule) (see instructions) STMT 4	1,268			
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (att. sch) STMT 5	15	15		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	11,530	10,262	0	0
	25	Contributions, gifts, grants paid	82,500			82,500
	26	**Total expenses and disbursements.** Add lines 24 and 25	94,030	10,262	0	82,500
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-3,977			
	b	**Net investment income** (if negative, enter -0-)		79,791		
	c	**Adjusted net income** (if negative, enter -0-)			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	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash – non-interest-bearing			
	2	Savings and temporary cash investments	369,773	292,561	292,561
	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)			
	b	Investments – corporate stock (attach schedule) SEE STMT 6	781,579	951,218	875,441
	c	Investments – corporate bonds (attach schedule)			
	11	Investments – land, buildings, and equipment. basis ▶			
		Less: accumulated depreciation (attach sch) ▶			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule) SEE STATEMENT 7	171,401	69,000	69,564
	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)	1,322,753	1,312,779	1,237,566
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue SEE STATEMENT 8	9,557	3,560	
	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)	9,557	3,560	
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	1,042,563	1,042,563	
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds	270,633	266,656	
	30	**Total net assets or fund balances** (see instructions)	1,313,196	1,309,219	
	31	**Total liabilities and net assets/fund balances** (see instructions)	1,322,753	1,312,779	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,313,196
2	Enter amount from Part I, line 27a	2	-3,977
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,309,219
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,309,219

Part IV Capital Gains and Losses for Tax on Investment Income

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

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

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

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

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	71,347
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	20,918

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	64,000	1,254,215	0.051028
2010	73,000	1,184,810	0.061613
2009	86,000	1,094,404	0.078582
2008	134,000	1,635,058	0.081954
2007	125,000	2,554,555	0.048932

2 Total of line 1, column (d)	2	0.322109
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	0.064422
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	1,275,537
5 Multiply line 4 by line 3	5	82,173
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	798
7 Add lines 5 and 6	7	82,971
8 Enter qualifying distributions from Part XII, line 4	8	82,500

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	1,596
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	1,596
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	1,596
6	Credits/Payments:				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	1,430		
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	1,430
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	166
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) ▶ NONE			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

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

Website address ▶ N/A

14 The books are in care of ▶ A. MARTIN ZALLA Telephone no. ▶ 859-781-9500

3343 STONEWOOD DRIVE

Located at ▶ EDGEWOOD KY ZIP+4 ▶ 41018

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)? 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? | 1c | | X

2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):

a At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ No

If "Yes," list the years ▶ 20 , 20 , 20 , 20

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 | | |

			Yes	No
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)

			Yes	No
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? If "Yes," attach the statement required by Regulations section 53 4945–5(d)	N/A ☐ Yes ☐ No		
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? If "Yes" to 6b, file Form 8870.	6b		X
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
SEE STATEMENT 9				

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	907,907
b	Average of monthly cash balances	1b	387,054
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	1,294,961
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	1,294,961
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	19,424
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,275,537
6	**Minimum investment return.** Enter 5% of line 5	6	63,777

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	63,777
2a	Tax on investment income for 2012 from Part VI, line 5	2a	1,596		
b	Income tax for 2012 (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	1,596
3	Distributable amount before adjustments Subtract line 2c from line 1			3	62,181
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	62,181
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	62,181

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	82,500
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	82,500
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	82,500

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					62,181
2	Undistributed income, if any, as of the end of 2012					
a	Enter amount for 2011 only				5,847	
b	Total for prior years 20_____ , 20_____ , 20_____					
3	Excess distributions carryover, if any, to 2012.					
a	From 2007					
b	From 2008					
c	From 2009					
d	From 2010					
e	From 2011					
f	**Total** of lines 3a through e					
4	Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 82,500					
a	Applied to 2011, but not more than line 2a				5,847	
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					62,181
e	Remaining amount distributed out of corpus		14,472			
5	Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))					
6	**Enter the net total of each column as indicated below:**					
a	Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		14,472			
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		14,472			
10	Analysis of line 9·					
a	Excess from 2008					
b	Excess from 2009					
c	Excess from 2010					
d	Excess from 2011					
e	Excess from 2012	14,472				

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).)

A. MARTIN ZALLA

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:

A. MARTIN ZALLA 859-781-9500
3343 STONEWOOD DRIVE EDGEWOOD KY 41018

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

SEE STATEMENT 10

c Any submission deadlines:

SUBMISSION DEADLINES HAVE NOT BEEN ESTABLISHED

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

RESTRICTION AND LIMITATIONS HAVE NOT BEEN ESTABLISHED

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				
NKU HONORS PROGRAM NUNN DRIVE - SUITE 221 HIGHLAND HEIGHTS KY 41099			EDUCATION	10,000
THE POINT 104 W. PIKE STREET COVINGTON KY 41011			SOCIAL SERVICES	5,000
ST. BARBARA CHURCH 4042 TURKEYFOOT RD ERLANGER KY 41018			RELIGIOUS	20,000
DIOCESAN CATHOLIC CHILDREN'S HOME 75 ORPHANAGE RD FT. MITCHELL KY 41017			SOCIAL SERVICES	2,000
ST. CHARLES CARE CENTER 500 FERRELL DRIVE COVINGTON KY 41011			SOCIAL SERVICES	2,000
COVINGTON LATIN SCHOOL 21 E. ELEVENTH STREET COVINGTON KY 41011			EDUCATION.	20,000
ST. VINCENT DE PAUL 2655 CRESCENT SPRINGS ROA COVINGTON KY 41017			SOCIAL SERVICES	5,500
CATHOLIC CHARITIES 3629 CHURCH STREET COVINGTON KY 41015			RELIGIOUS	15,000
PARISH KITCHEN P.O. BOX 1234 COVINGTON KY 41012			SOCIAL SERVICES	2,000
MADISON CHRISTIAN CHURCH 1530 MADISON AVENUE COVINGTON KY 41011			RELIGIOUS	1,000
Total			▶ 3a	82,500
b Approved for future payment N/A				
Total			▶ 3b	

Form 990-PF (2012) MICHAEL FRANCIS ZALLA MEMORIAL FOUN 61-1124767

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					2,721
4 Dividends and interest from securities					23,318
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					-7,333
8 Gain or (loss) from sales of assets other than inventory					71,347
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	90,053

13 Total. Add line 12, columns (b), (d), and (e) 13 90,053

(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	

DAA

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

Signature of officer or trustee

Date 5/13/13

Title PRESIDENT

Paid Preparer Use Only

Print/Type preparer's name: J. CARLYLE ACKLEY

Preparer's signature

Date: 05/06/13

Check ☐ if self-employed

PTIN: P01232338

Firm's name ▶ BRAMEL & ACKLEY, P.S.C.

Firm's EIN ▶ 61-1166184

Firm's address ▶ 1885 DIXIE HIGHWAY SUITE 310
FT. WRIGHT, KY 41011-2663

Phone no 859-341-6700

Form **990-PF**

Capital Gains and Losses for Tax on Investment Income

2012

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

Name

MICHAEL FRANCIS ZALLA MEMORIAL FOUN

Employer Identification Number

61-1124767

	(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)
(1)	SEE ATTACHED	P		
(2)	SEE ATTACHED	P		
(3)	SEE ATTACHED	P		
(4)	SEE ATTACHED	P		
(5)	CAPITAL GAINS FROM DIVIDENDS	P	VARIOUS	VARIOUS
(6)	SALE OF NRP K-1	P	04/13/10	02/14/12
(7)	SALE OF NRP K-1	P	04/13/10	02/14/12
(8)	SALE OF PVR K-1	P	05/21/07	02/14/12
(9)	SALE OF PVR K-1	P	05/21/07	02/14/12
(10)	SALE OF PLAINS K-1	P	02/08/10	01/31/12
(11)	SALE OF PLAINS K-1	P	02/08/10	01/31/12
(12)				
(13)				
(14)				
(15)				

	(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)
(1)	38,972		31,273	7,699
(2)	132,756		118,930	13,826
(3)	74,140		60,921	13,219
(4)	178,161		154,046	24,115
(5)	1,176			1,176
(6)	537			537
(7)	140			140
(8)	3,682			3,682
(9)	3,288			3,288
(10)	5,017			5,017
(11)			1,352	-1,352
(12)				
(13)				
(14)				
(15)				

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))
(1)				7,699
(2)				13,826
(3)				13,219
(4)				24,115
(5)				1,176
(6)				537
(7)				140
(8)				3,682
(9)				3,288
(10)				5,017
(11)				-1,352
(12)				
(13)				
(14)				
(15)				

Statement 1 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
LOSSES RELATED TO K-1'S	$ -7,333	$ -7,333	$
TOTAL	$ -7,333	$ -7,333	$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INDIRECT ACCOUNTING FEES	$ 1,797	$ 1,797	$	$
TOTAL	$ 1,797	$ 1,797	$ 0	$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
SMITH BARNEY	$ 8,439	$ 8,439	$	$
TOTAL	$ 8,439	$ 8,439	$ 0	$ 0

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

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
IRS	$ 1,200	$	$	$
FOREIGN TAX PAID	68			
TOTAL	$ 1,268	$ 0	$ 0	$ 0

Statement 5 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES	$	$	$	$
LICENSE	15	15		
TOTAL	$ 15	$ 15	$ 0	$ 0

Federal Statements

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
SEE ATTACHED SCHEDULE	$ 781,579	$ 951,218	COST	$ 875,441
TOTAL	$ 781,579	$ 951,218		$ 875,441

Statement 7 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
INVESTMENTS - OTHER	$ 171,401	$ 69,000	COST	$ 69,564
TOTAL	$ 171,401	$ 69,000		$ 69,564

Statement 8 - Form 990-PF, Part II, Line 19 - Deferred Revenue

Description	Beginning of Year	End of Year
DEFERRED REVENUE	$ 9,557	$ 3,560
TOTAL	$ 9,557	$ 3,560

Federal Statements

Statement 9 - Form 990-PF, Part VIII, Line 1 - List of Officers, Directors, Trustees, Etc.

Name and Address	Title	Average Hours	Compensation	Benefits	Expenses
A. MARTIN ZALLA 3343 STONEWOOD DRIVE EDGEWOOD KY 41018	PRESIDENT/TR	1.00	0	0	0
SHEILA K. ZALLA 3343 STONEWOOD DRIVE EDGEWOOD KY 41018	VP/SECRETARY	0.01	0	0	0
MARY ZALLA FORGIEL 513 GARRARD STREET COVINGTON KY 41011	TRUSTEE	0.01	0	0	0
K. ELLEN ENGELMAN 1009 POINT OF ROCK RD. MONTEREY KY 40359	TRUSTEE	0.01	0	0	0
M. KATHRYN GARTNER 3353 STONEWOOD DRIVE ERLANGER KY 41018	TRUSTEE	0.01	0	0	0

Form 990-PF, Part XV, Line 1a - Managers Who Contributed Over 2% or $5,000

Name of Manager	Amount
A. MARTIN ZALLA	$
TOTAL	$ 0

Statement 10 - Form 990-PF, Part XV, Line 2b - Application Format and Required Contents

Description
THE FORM IN WHICH APPLICATIONS SHOULD BE SUBMITTED AND THE INFORMATION AND MATERIALS THEY SHOULD INCLUDE HAVE NOT BEEN DETERMINED.

Form 990-PF, Part XV, Line 2c - Submission Deadlines

Description
SUBMISSION DEADLINES HAVE NOT BEEN ESTABLISHED

Form 990-PF, Part XV, Line 2d - Award Restrictions or Limitations

Description
RESTRICTION AND LIMITATIONS HAVE NOT BEEN ESTABLISHED

ATTACHMENT TO FORM 990-PF
2012

MICHAEL FRANCIS ZALLA MEMORIAL FOUNDATION
61-1124767

STATEMENT 1
PART II, LINE 10b, COLUMN C - INVESTMENTS - CORPORATE STOCK

QUANTITY	DESCRIPTION	SYMBOL	COST	MARKET PRICE	MARKET VALUE
500	ALLIANCEBERNSTEIN HLDG	AB	25,302	17.43	8,715
500	AMERICAN EXPRESS	AXP	29,480	57.48	28,740
300	APACHE CORP	APA	29,726	78.50	23,550
1,000	ATLAS PIPELINE PTNRS LP	APL	29,746	31.57	31,570
400	BAKER HUGHES INC	BHI	29,869	40.85	16,339
1,500	BLACKROCK RES & COMM STRAT TR	BCX	29,314	39.56	15,824
300	BOEING CO	BA	22,691	75.36	22,608
2,000	CISCO SYS INC	CSCO	38,700	19.65	39,299
400	CITIGROUP INC	C	19,966	12.80	19,200
600	CLIFFS NATURAL RESOURCES INC	CLF	25,970	38.57	23,142
400	CONOCOPHILLIPS	COP	22,603	57.99	23,196
500	CONS EDISON INC	ED	20,139	55.54	27,770
900	DOW CHEMICAL CO	DOW	36,696	32.33	29,096
400	ENERGY TRANSFER PARTNERS L P.	ETP	7,456	42.93	17,172
800	EXELON CORP	EXC	33,352	29.74	23,792
1,007	GAMCO NATURAL RES	GNT	20,109	13.66	13,756
300	GENERAL DYNAMICS	GD	22,307	69.27	20,781
2,000	GENERAL ELECTRIC CO	GE	61,677	20.99	41,980
600	HOME PROPERTIES OF NY INC	HME	36,289	61.31	36,786
1,500	INTEL CORP	INTC	32,632	20.62	30,930
800	JOHNSON & JOHNSON	JNJ	50,912	70.10	56,080
300	MC DONALDS CORP	MCD	26,644	88.12	26,463
100	MEDAX INC	MD	7,029	79.52	7,952
1,527	NUVEEN MLP ENERGY FUND	JMF	29,035	17.70	27,031
400	PESICO INC	PEP	25,658	68.43	27,372
600	POTASH CP OF SASKATCHEWAN INC	POT	26,741	40.69	24,414
390	PROCTER & GAMBLE	PG	23,834	67.89	26,477
600	QUALCOMM INC	QCOM	36,208	61.86	37,116
75	REYNOLDS AMERICAN INC	RAI	2,409	41.43	3,107
1,000	SHIP FINANCE INTL LTD	SFL	20,810	16.63	16,630
300	SPDR GOLD TR GOLD SHS	GLD	43,736	162.02	48,606
1,000	SPECTRA ENERGY CORP COM	SE	27,894	27.38	27,380
500	WALGREEN CO NEW	WAG	23,150	37.01	18,505
700	WILLIAMS PARTNERS LTD	WPZ	33,135	48.66	34,062
	TOTAL - STOCKS		951,218		875,441
	LESS SHORT POSITION		-		0
	TOTAL ACCOUNT		951,218		875,441

PART II, LINE 13, COLUMN C - INVESTMENTS - OTHER

1072.251	CAMBIAR SMALL CAP FUND	CAMSX	20,000	18.820	20,180
519.319	FIRST EAGLE GLOBAL FUND	SGIIX	25,000	48.760	25,322
2061.856	MANAGERS AMG SYSTEMATIC MID	SYIMX	24,000	11.670	24,062
			69,000		69,564

Morgan Stanley

2012 Realized Gain/Loss - Detail

As of 04/25/2013

MICHAEL F. ZALLA MEMORIAL FOUN
3343 STONEWOOD DRIVE
EDGEWOOD KY 41018-2664

Prepared by The Kopser Goodman Group
Ph. 513-562-8351

Acct. 816-106954-121

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
Short Term							
MC DONALDS CORP 95.000 JAN C		2.000	11/16/12	$14.00	08/08/12	$158.17	$144.17
SPECTRA ENERGY CORP C 31.000 DEC C		10.000	12/24/12	-	07/02/12	599.58	599.58
MC DONALDS CORP 100.000 MAR C	0000A659C	1.000	11/16/12	7.00	09/19/12	121.99	114.99
BOEING CO 80.000 NOV C	0000A7AG0	3.000	11/19/12	-	05/24/12	506.98	506.98
APACHE CORP 110.000 JUL C	0000B3P3I1	3.000	07/23/12	-	03/30/12	671.98	671.98
MEDNAX INC 75.000 NOV C	0000B4JK4	1.000	11/19/12	-	08/08/12	105.99	105.99
MEDNAX INC 80.000 NOV C	0000B4JK5	1.000	07/18/12	450.00	04/19/12	227.99	(222.01)
CONOCOPHILLIPS 60.000 JAN C	0000B84AP	4.000	11/16/12	96.00	08/22/12	415.99	319.99
PEPSICO INC NC 75.000 JAN C	0000BF48G	4.000	11/16/12	24.00	08/08/12	491.42	467.42
POTASH CP OF SASKATCH 50.000 DEC C	0000BK4B1	6.000	12/24/12	-	07/03/12	995.97	995.97
PROCTER & GAMBLE 70.000 JUL C	0000C2M29	3.000	07/23/12	-	01/24/12	140.99	140.99
PEPSICO INC NC 70.000 JUL C	0000C2MK0	4.000	07/19/12	140.00	12/05/11	511.99	371.99
GENL DYNAMICS CORP 80.000 AUG C	0000C4C8J	3.000	08/20/12	-	03/01/12	344.99	344.99
BOEING CO 80.000 MAY C	0000CF9C2	3.000	05/21/12	-	12/07/11	615.79	615.79
CLIFFS NATURAL RESOUR 49.000 JAN C	0000CP26E	6.000	11/16/12	102.00	09/19/12	1,283.43	1,181.43
SPDR GOLD TR GOLD SHS 172.000 DEC C	0000CU42J	3.000	12/24/12	-	08/31/12	899.97	899.97
MEDNAX INC 75.000 MAY C	0000CV6Q0	3.000	05/21/12	-	12/05/11	953.98	953.98
HOME PROPERTIES OF NY 65.000 OCT C	0000CVQ04	6.000	10/22/12	-	06/19/12	270.53	270.53
POTASH CP OF SASKATCH 50.000 JUN C	776117GD9	6.000	06/18/12	-	01/26/12	1,115.97	1,115.97
Coupon: 4.250 Maturity: 10/01/16							
CISCO SYS INC 22.000 OCT C	92022NCX6	20.000	10/22/12	-	03/19/12	1,239.97	1,239.97
Coupon: 4.500 Maturity: 12/01/32							
FIRST TRUST LARGE CAP CORE ETF	FEX	2,140.000	05/22/12	60,088.20	08/10/12	62,466.27	2,378.07
[redacted]				[redacted]		[redacted]	[redacted]
		Total Short-term		$60,921.20		$74,139.94	$13,218.74
Long Term							
AMER ELEC PWR 8 3/4 3-01-63	02557T208	300.000	03/23/09	7,603.80	12/19/12	7,622.93	19.13
Coupon: 8.750 Maturity: 03/01/63							
NEXTERA ENGY CAP 7.450 9-01-67	65339K407	300.000	03/23/09	7,494.72	09/04/12	7,500.00	5.28
Coupon: 7.450 Maturity: 09/01/67							

Morgan Stanley

2012 Realized Gain/Loss - Detail

As of 04/25/2013

MICHAEL F. ZALLA MEMORIAL FOUN
3343 STONEWOOD DRIVE
EDGEWOOD KY 41018-2664

Prepared by The Kopser Goodman Group
Ph. 513-562-8351

Acct. 816-106954-121

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
AMER FINL GROUP 7 1/8 2-03-34	AFE	1,000.000	08/04/10	$24,670.50	09/28/12	$25,000.00	$329.50
Coupon: 7.125 Maturity: 02/03/34							
FIRSTENERGY CORP	FE	1,000.000	01/11/11	38,140.40	07/20/12	47,498.93	9,358.53
GAMCO NATURAL RES	GNT	0.057	03/23/11	1.14	06/21/12	0.82	-0.32
HOME DEPOT INC	HD	800.000	04/19/07	31,159.20	05/18/12	36,751.17	5,591.97
MEDNAX INC	MD	300.000	02/07/11	18,390.45	11/16/12	21,387.65	2,997.20
AT&T INC	T	1,000.000	09/14/09	26,586.10	07/05/12	32,399.27	5,813.17
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
		Total Long-term		$154,046.31		$178,160.77	$24,114.46
		Totals		$214,967.51		$252,300.71	$37,333.20

Morgan Stanley

CGMI 2012 Realized Gain/Loss - Detail

MICHAEL F. ZALLA MEMORIAL FOUN
3343 STONEWOOD DRIVE
EDGEWOOD KY 41018-2664

Prepared by The Kopser Goodman Group
Ph. 513-562-8351

217-1031C-10 121
Acct. ~~816-106954-121~~

Description	Symbol/CUSIP	Quantity	Purchase	Cost Basis	Sold	Net Proceeds	Gain/Loss
Short Term							
CALL T JAN 12 @ 32.50	81453220	-10.000	07/25/11	-	01/23/12	$369.99	$369.99
CALL PG JAN 12 @ 67.50	81579920	-3.000	07/25/11	-	01/23/12	281.39	281.99
CALL CSCO MAR 12 @ 21.00	81962880	-20.000	12/05/11	-	03/19/12	819.98	819.98
CALL EXC JUL 12 @ 47.00	82187680	-8.000	12/05/11	191.84	01/05/12	799.98	608.14
CALL JNJ JAN 12 @ 72.50	82222920	-8.000	07/06/11	-	01/23/12	656.06	656.06
CALL WAG JAN 12 @ 48.00	85058020	-5.000	07/18/11	-	01/23/12	344.99	344.99
CALL FE JAN 12 @ 48.00	85100720	-10.000	07/25/11	-	01/23/12	928.48	928.48
WASTE MGMT INC DEL	WM	1,000.000	09/13/11	31,081.10	04/20/12	34,770.71	3,689.61
[redacted]							
		Total Short-term		$31,272.94		$38,972.18	$7,699.24
Long Term							
DIAGEO PLC SPON ADR-NEW	DEO	300.000	06/05/08	23,712.00	02/28/12	27,899.49	4,187.49
NFJ DIVIDEND INTEREST &	NFJ	750.000	11/18/09	10,119.38	03/05/12	13,333.70	3,214.32
NATURAL RESOURCE PARTNERS L P	NRP	500.000	04/13/10	12,525.20	02/14/12	12,960.80	435.60
PLAINS ALL AMERN PIPELINE L P	PAA	400.000	02/08/10	20,846.20	01/31/12	26,279.49	5,433.29
PENN VA RESOURCE PARTNERS L P	PVR	500.000	05/21/07	14,572.00	02/14/12	12,963.25	(1,608.75)
UNITED PARCEL SERVICE CL B	UPS	500.000	01/22/07	37,155.00	04/20/12	39,319.11	2,164.11
[redacted]							
		Total Long-term		$118,929.78		$132,755.84	$13,826.06
		Totals		$150,202.72		$171,728.02	$21,525.30