EXTENSION GRANTED

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

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

Name of foundation: AARON & GERTRUDE KARCHMER MEMORIAL FOUNDATION

Number and street (or P O box number if mail is not delivered to street address): PO BOX 436 — Room/suite:

City or town: OKLAHOMA CITY — State: OK — ZIP code: 73101

A Employer identification number: 73-1463604

B Telephone number (see the instructions): (405) 236-2210

C If exemption application is pending, check here ► ☐

D 1 Foreign organizations, check here ► ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ► ☐

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

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

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

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16) ► $ 882,152.

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

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).)*

	Line	(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 (att sch)				
	2 Ck ► [X] if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	25,187.	25,187.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV line 2)		85,976.		
	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/(loss) (att sch)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	25,187.	111,163.	0.	
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch)				
	c Other prof fees (attach sch) L-16c Stmt	7,804.	6,854.		
	17 Interest	9.	9.		
	18 Taxes (attach schedule)(see instrs) See Line 18 Stmt	489.	224.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) ADR Fees	25.	25.		
	24 **Total operating and administrative expenses.** Add lines 13 through 23	8,327.	7,112.		
	25 Contributions, gifts, grants paid	30,787.			30,787.
	26 **Total expenses and disbursements.** Add lines 24 and 25	39,114.	7,112.		30,787.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-13,927.			
	b **Net investment income** (if negative, enter -0-)		104,051.		
	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	3,328.	3,894.	3,894.
	3 Accounts receivable ►			
	Less allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less allowance for doubtful accounts ►			
	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) L-10b Stmt	649,722.	719,644.	878,258.
	c Investments — corporate bonds (attach schedule)			
	11 Investments — land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	12 Investments — mortgage loans			
	13 Investments — other (attach schedule)			
	14 Land, buildings, and equipment basis ►			
	Less accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ►)			
	16 **Total assets** (to be completed by all filers — see the instructions Also, see page 1, item I)	653,050.	723,538.	882,152.
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 **Total liabilities** (add lines 17 through 22)			
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 ► [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	653,050.	723,538.	
	30 **Total net assets or fund balances** (see instructions)	653,050.	723,538.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	653,050.	723,538.	

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	653,050.
2	Enter amount from Part I, line 27a	2	-13,927.
3	Other increases not included in line 2 (itemize) ► Net Capital Gains	3	85,976.
4	Add lines 1, 2, and 3	4	725,099.
5	Decreases not included in line 2 (itemize) ► Net Capital Losses	5	1,561.
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	723,538.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	Short Term Common Stock See Attached Schedule	P	Various	Various
b	Long Term Common Stock See Attached Schedule	P	Various	Various
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	97,016.		98,577.	-1,561.
b	341,257.		255,281.	85,976.
c				
d				
e				

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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				-1,561.
b	0.	0.	0.	85,976.
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	85,976.
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	-1,561.

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 (column (b) divided by column (c))
2011	57,070.	822,597.	0.069378
2010	67,736.	456,243.	0.148465
2009	74,900.	700,295.	0.106955
2008	78,900.	1,255,819.	0.062828
2007	98,710.	1,443,956.	0.068361

2	**Total** of line 1, column (d)	2	0.455987
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	0.091197
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	854,700.
5	Multiply line 4 by line 3	5	77,946.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,041.
7	Add lines 5 and 6	7	78,987.
8	Enter qualifying distributions from Part XII, line 4	8	30,787.

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1 Date of ruling or determination letter _______ **(attach copy of letter if necessary – see instrs)**			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b		1	2,081.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	2,081.
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	2,081.
6 Credits/Payments.			
a 2012 estimated tax pmts and 2011 overpayment credited to 2012	6 a 0.		
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c 0.		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments Add lines 6a through 6d		7	0.
8 Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached		8	0.
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►		9	2,081.
10 **Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►		10	0.
11 Enter the amount of line 10 to be **Credited to 2013 estimated tax** ► 0. **Refunded** ►		11	

Part VII-A **Statements Regarding Activities**

		Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1 a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1 b		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?	1 c		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
4 a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4 a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4 b		
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, column (c), and Part XV*	7	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) ► ______ OK - Oklahoma			
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*	8 b	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 ► DON A KARCHMER Telephone no ► (405) 236-2210

Located at ► 21 EAST MAIN, OKLAHOMA CITY, OK ZIP + 4 ► 73104

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
1 a	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)?	1 b		
	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?	1 c		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)	2 b		
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__			
3 a	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)*	3 b		
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a		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?	4 b		X

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

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

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

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

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

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

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

b If any answer is 'Yes' to 5a(1)-(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? **5b**

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

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

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

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

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

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
DON A KARCHMER 21 EAST MAIN, OKC, OK 73104	PRES/TREAS 4.00	0.	0.	0.
TERE BOND 21 EAST MAIN, OKC, OK 73104	SECRETARY 2.00	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 ► None

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 ►		None

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

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

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1	
2	
All other program-related investments See instructions 3	
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	862,652.
b	Average of monthly cash balances	1b	5,064.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	867,716.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	867,716.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	13,016.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	854,700.
6	**Minimum investment return.** Enter 5% of line 5	6	42,735.

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	42,735.
2a	Tax on investment income for 2012 from Part VI, line 5	2a 2,081.		
b	Income tax for 2012 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	2,081.
3	Distributable amount before adjustments Subtract line 2c from line 1		3	40,654.
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	40,654.
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	40,654.

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	30,787.
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	30,787.
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	30,787.

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				40,654.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years: 20 ___, 20 ___, 20 ___				
3 Excess distributions carryover, if any, to 2012				
a From 2007 — 0.				
b From 2008 — 0.				
c From 2009 — 16,212.				
d From 2010 — 47,052.				
e From 2011 — 16,174.				
f Total of lines 3a through e	79,438.			
4 Qualifying distributions for 2012 from Part XII, line 4 ► $ 30,787.				
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				30,787.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	9,867.			9,867.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	69,571.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount — see instructions		0.		
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount — see instructions			0.	
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)	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	69,571.			
10 Analysis of line 9				
a Excess from 2008 — 0.				
b Excess from 2009 — 6,345.				
c Excess from 2010 — 47,052.				
d Excess from 2011 — 16,174.				
e Excess from 2012 — 0.				

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

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

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

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

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

1 **Information Regarding Foundation Managers:**

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

DON A KARCHMER

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:**

Check here ► ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed:

DON A KARCHMER
PO Box 436
OKLAHOMA CITY OK 73101 (405) 236-2210

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

LETTER REGARDING EXEMPT PURPOSE, AND INFORMATION REGARDING THE ORGANIZATION, PROOF OF EXEMPT STATUS

c Any submission deadlines.

NONE

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

RESTRICTED TO 501(c)(3) ORGANIZATIONS

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*				
Boys & Girls Club of Tucson 3155 E Grant Rd Tucson AZ 85716	NA	501(c)(3)	CHARITY	500.
Jewish Federation of Greater OKC 2600 NW 55th PL Oklahoma City OK 73112	NA	501(c)(3)	CHARITY	8,987.
Myriad Gardens 301 W Reno Oklahoma City OK 73102	NA	501(c)(3)	CHARITY	2,500.
Okla Israel Exchange 2600 NW 55th PL Oklahoma City OK 73112	NA	501(c)(3)	CHARITY	1,800.
OU Foundation 100 Temberdell Road Norman OK 73019	NA	501(c)(3)	CHARITY	1,000.
Harold Hamm Diabetes Center 1000 N Lincoln Blvd STE 1900 Oklahoma City OK 73104	NA	501(c)(3)	CHARITY	7,500.
Allied Arts 1015 N Broadway Oklahoma City OK 73101	NA	501(c)(3)	CHARITY	1,000.
Okla Health Center Fnd 800 N Research Parkway STE 400 Oklahoma City OK 73104	NA	501(c)(3)	CHARITY	2,500.
Sigma Alpha Mu Foundation 9245 N Meridian Street Indianapolis IN 46260	NA	501(c)(3)	CHARITY	2,000.
See Line 3a statement				3,000.
Total			► 3a	30,787.
***b** Approved for future payment*				
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)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	Related or exempt function income (See instructions.)
1 Program service revenue.					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	25,187.	
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					
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)				25,187.	

13 Total. Add line 12, columns (b), (d), and (e) 13 25,187.

(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.)

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	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment mailing lists, other assets, or paid employees	1 c		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

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

b If 'Yes,' complete the following schedule

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

Sign Here

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

Signature of officer or trustee: Vera A. Karchmer, Trustee Date: 11/14/13 ▶ FOUNDATION MANAGER Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self employed	PTIN
Laura Cooke, Attorney	Laura Cooke, Atty	11/13/13	X	P01385268

Firm's name ▶ Laura Cooke, Attorney — Firm's EIN ▶

Firm's address ▶ 3100 W BRITTON RD STE E, OKLAHOMA CITY OK 73120-2036 — Phone no (405) 755-5199

TEEA0503 03/14/13

Form 990-PF, Page 1, Part I, Line 18
Line 18 Stmt

Taxes	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Foreign Tax on Dividends	224.	224.		
Federal Income Tax	265.			
Total	489.	224.		

Form 990-PF, Page 11, Part XV, line 3a
Line 3a statement

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	Person or Business Checkbox Amount
a Paid during the year				
Kaskaskia Veterans Tribute 27210 College Road Centralia IL 62801	NA	501(c)(3)	CHARITY	Person or [ ] Business [X] 1,000.
OKC Boat Foundation 725 S Lincoln Blvd Oklahoma City OK 73129		501(c)(3)	CHARITY	Person or [ ] Business [X] 1,000.
Teen Recovery Solutions 720 W Wilshire STE 101-A Oklahoma City OK 73116		501(c)(3)	CHARITY	Person or [ ] Business [X] 1,000.
Total				3,000.

Form 990-PF, Page 1, Part I
Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
SMITHBARNEY	INVESTMENT SERVICES	6,854.	6,854.		
LAURA COOKE	INCOME TAX SERVICES	950.			
Total		7,804.	6,854.		

Form 990-PF, Page 2, Part II, Line 10b
L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year Book Value	End of Year Fair Market Value
SMITH BARNEY INVESTMENT ACCOUNT - See attached schedule	719,644.	878,258.

Form 990-PF, Page 2, Part II, Line 10b Continued
L-10b Stmt

Line 10b - Investments - Corporate Stock:	End of Year Book Value	End of Year Fair Market Value
Total	719,644.	878,258.

Details of Short Term Gain (Loss) 2012

This section shows your sales of securities during the year. The "Sale Proceeds" column excludes any accrued income you may have received. In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section. Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor.

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000010	250	BHP BILLITON LTD SPONS ADR MorganStanley SmithBarney LLC acted as your agent	02/08/12	03/22/12	$ 17,644.81	$ 20,164.00	($ 2,519.19)	
125000030	25	CONOCOPHILLIPS MorganStanley SmithBarney LLC acted as your agent in this transaction	01/18/11	01/03/12	1,857.18	1,704.75		152.43
125000040	300	DR PEPPER SNAPPLE GROUP INC	05/31/11	01/03/12	11,528.78	12,278.64	(749.86)	
	200	MorganStanley SmithBarney LLC acted as your agent in this transaction	08/01/11		7,685.85	7,523.56		162.29

E N D

S U M M A R Y

2012 Year End Summary

AARON & GERTRUDE KARCHMER
Account Number 422-04964-10 870

Details of Short Term Gain (Loss) 2012 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000100	25	TIFFANY & CO NEW MorganStanley SmithBarney LLC acted as your agent in this transaction	03/15/11	01/03/12	$ 1,662 15	$ 1,440 00		$ 222 15
Total					**$ 40,378 77**	**$ 43,110 95**	**($ 3,269 05)**	**$ 536 87**

Details of Long Term Gain (Loss) 2012

This section shows your sales of securities during the year The "Sale Proceeds" column excludes any accrued income you may have received In addition, although cash in lieu less than $20 is not included on Form 1099-B (if applicable), it is included in this section Please note, this material is being prepared for informational purposes only and should not be used for tax preparation without the assistance of your tax advisor

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000020	405 375	CSX CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	02/25/08 01/23/09	03/02/12	$ 8,436 60 7,811 67	$ 6,725 19 3,610 00		$ 1,711 41 4,201 67
125000030	230	CONOCOPHILLIPS MorganStanley SmithBarney LLC acted as your agent in this transaction	09/27/10	01/03/12	17,086 07	13,011 10		4,074 97
125000050	25	W W GRAINGER INC MorganStanley SmithBarney LLC acted as your agent in this transaction	07/23/10	01/27/12	4,826 65	2,728 60		2,098 05
125000060	220	MCKESSON CORPORATION MorganStanley SmithBarney LLC acted as your agent in this transaction	07/09/09	01/23/12	16,863 97	9,583 35		7,280 62
125000070	35	PARKER-HANNIFIN CORP MorganStanley SmithBarney LLC acted as your agent in this transaction	01/18/11	01/27/12	2,836 34	3,172 40	(336 06)	

2012 YEAR END SUMMARY

Morgan Stanley

Ref 00001461 00037712

2012 Year End Summary

AARON & GERTRUDE KARCHMER

Account Number 422-04964-10 870

Details of Long Term Gain (Loss) 2012 - *continued*

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000080	50	PHILIP MORRIS INTL INC MorganStanley SmithBarney LLC acted as your agent in this transaction	01/14/11	03/22/12	$ 4 340 92	$ 2 836 45		$ 1,504 47
125000090	100	PUBLIC STORAGE (MD)	10/19/10	02/08/12	13 844 38	10 156 15		3 688 23
	40	MorganStanley SmithBarney LLC	11/30/10		5 537 75	3 876 80		1 660 95
	20	acted as your agent in this transaction	01/14/11		2 768 88	2 067 20		701 68
125000100	200	TIFFANY & CO NEW MorganStanley SmithBarney LLC acted as your agent in this transaction	11/16/09	01/03/12	13 297 18	8 570 66		4 726 52
Total					**$ 97 650 41**	**$ 66 337 90**	**($ 336 06)**	**$ 31,648 57**

2012 YEAR

Morgan Stanley

Corporate Tax Statement
Tax Year 2012

AARON & GERTRUDE KARCHMER
MEMORIAL FDN A NON-PROFIT ORG
DON A KARCMER, PRES, PM ACCT
P O BOX 436
OKLAHOMA CITY OK 73101-0436

Morgan Stanley Smith Barney Holdings LLC
Harborside Financial Center
Plaza 2 2nd Floor
Jersey City, NJ 07311
Identification Number 26-4310632

Taxpayer ID Number 73-1463604
Account Number 074 893763 870

Customer Service: 866-324-6088

This information is NOT being furnished to the Internal Revenue Service. It is provided to you for informational purposes only.

1099-B PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS — OMB NO. 1545-0715

Gross Proceeds less commissions and option premiums on stocks, bonds, etc.

Short Term - Covered Securities

(Consider Box 6b (Basis Reported to IRS) as being checked for this section These transactions should be reported on Form 8949 Part I with box A checked)

DESCRIPTION (Box 8)	QUANTITY (Box 1e)	DATE ACQUIRED (Box 1b)	DATE OF SALE (Box 1a)	SALES PRICE (Box 2a)	ADJUSTED COST OR OTHER BASIS (Box 3)	WASH SALE LOSS DISALLOWED (Box 5)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
INTEL CORP	CUSIP 458140100		Symbol (Box 1d) INTC					
	250 000	10/19/12	11/26/12	$4,929 96	$5,321 38	$0 00	($391 42)	$0 00
Total Short Term Covered Securities				**$4,929.96**	**$5,321.38**	**$0.00**	**($391.42)**	**$0 00**

Short Term - Noncovered Securities

(Consider Box 6a (Noncovered Security) as being checked for this section These transactions should be reported on Form 8949 Part I with box B checked)

DESCRIPTION (Box 8)	QUANTITY (Box 1e)	DATE ACQUIRED (Box 1b)	DATE OF SALE (Box 1a)	SALES PRICE (Box 2a)	ADJUSTED COST OR OTHER BASIS (Box 3)	WASH SALE LOSS DISALLOWED (Box 5)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
ANHEUSER BUSCH INBEV SA SPON	CUSIP 03524A108		Symbol (Box 1d) BUD					
	50 000	12/12/11	10/08/12	$4,478 89	$2,937 34	$0 00	$1 541 55	$0 00
INTERNATIONAL PAPER CO	CUSIP 460146103		Symbol (Box 1d) IP					
	600 000	08/01/11	07/05/12	$17,735 18	$17 764 80	$0 00	($29 62)	$0 00
KENNAMETAL INC	CUSIP 489170100		Symbol (Box 1d) KMT					
	425 000	03/02/12	05/11/12	$16,695 45	$19,523 61	$0 00	($2,828 16)	$0 00
PARKER HANNIFIN CORP	CUSIP 701094104		Symbol (Box 1d) PH					
	115 000	09/23/11	06/22/12	$8,714 40	$7,178 53	$0 00	$1,535 87	$0 00

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Corporate Tax Statement
Tax Year 2012

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1099-B PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS (continued) — OMB NO. 1545-0715

Gross Proceeds less commissions and option premiums on stocks, bonds, etc.

Short Term - Noncovered Securities # (Consider Box 6a (Noncovered Security) as being checked for this section These transactions should be reported on Form 8949 Part I with box B checked) **(Continued)**

DESCRIPTION (Box 8)	QUANTITY (Box 1e)	DATE ACQUIRED (Box 1b)	DATE OF SALE (Box 1a)	SALES PRICE (Box 2a)	ADJUSTED COST OR OTHER BASIS (Box 3)	WASH SALE LOSS DISALLOWED (Box 5)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
TJX COS INC NEW	CUSIP 872540109		Symbol (Box 1d) TJX					
	100 000	08/29/11	05/24/12	$4,083 00	$2,739 93	$0 00	$1,343 07	$0 00
Total Short Term Noncovered Securities				**$51,706.92**	**$50,144.21**	**$0.00**	**$1,562.71**	**$0.00**
Total Short Term Covered and Noncovered Securities				**$56,636.88**	**$55,465.59**	**$0.00**	**$1,171.29**	**$0.00**

Long Term - Noncovered Securities # (Consider Box 6a (Noncovered Security) as being checked for this section These transactions should be reported on Form 8949 Part II with box B checked)

DESCRIPTION (Box 8)	QUANTITY (Box 1e)	DATE ACQUIRED (Box 1b)	DATE OF SALE (Box 1a)	SALES PRICE (Box 2a)	ADJUSTED COST OR OTHER BASIS (Box 3)	WASH SALE LOSS DISALLOWED (Box 5)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
ALLERGAN INC	CUSIP 018490102		Symbol (Box 1d) AGN					
	50 000	07/20/09	05/24/12	$4,511 89	$2 499 38	$0 00	$2,012 51	$0 00
	150 000	07/20/09	06/21/12	$13,723 25	$7,498 13	$0 00	$6,225 12	$0 00
	35 000	01/14/11	06/21/12	$3,202 09	$2,483 25	$0 00	$718 84	$0 00
	40 000	03/29/11	06/21/12	$3,659 53	$2,818 00	$0 00	$841 53	$0 00
Security Subtotal	**275 000**			**$25,096 76**	**$15,298 76**	**$0 00**	**$9,798 00**	**$0 00**
BRISTOL MYERS SQUIBB CO	CUSIP. 110122108		Symbol (Box 1d) BMY					
	600 000	09/20/11	12/04/12	$19,627 42	$18,910 80	$0 00	$716 62	$0 00
COACH INC	CUSIP· 189754104		Symbol (Box 1d) COH					
	225 000	01/14/11	09/20/12	$13 327 08	$12 219 23	$0 00	$1,107 85	$0 00
	75 000	03/29/11	09/20/12	$4,442 36	$3,887 25	$0 00	$555 11	$0 00
Security Subtotal	**300 000**			**$17,769.44**	**$16,106 48**	**$0.00**	**$1,662 96**	**$0.00**

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Morgan Stanley

Corporate Tax Statement
Tax Year 2012

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1099-B PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS (continued) OMB NO. 1545-0715

Gross Proceeds less commissions and option premiums on stocks, bonds, etc.

Long Term - Noncovered Securities # (Consider Box 6a (Noncovered Security) as being checked for this section These transactions should be reported on Form 8949 Part II with box B checked) (Continued)

DESCRIPTION (Box 8)	QUANTITY (Box 1e)	DATE ACQUIRED (Box 1b)	DATE OF SALE (Box 1a)	SALES PRICE (Box 2a)	ADJUSTED COST OR OTHER BASIS (Box 3)	WASH SALE LOSS DISALLOWED (Box 5)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
COCA COLA CO	**CUSIP** 191216100		**Symbol (Box 1d).** KO					
	25 000	09/30/09	10/10/12	$957 47	$670 83	$0 00	$286 64	$0 00
COOPER INDUSTRIES PLC CL A	**CUSIP** G24140108		**Symbol (Box 1d).**					
	275 000	02/11/10	05/23/12	$19,285 12	$11,833 97	$0 00	$7,451 15	$0 00
EATON CORPORATION	**CUSIP.** 278058102		**Symbol (Box 1d)**					
	350 000	11/05/09	12/03/12	$18,079 25	$11,217 85	$0 00	$6,861 40	$0 00
	125 000	09/23/11	12/03/12	$6,456 88	$4,345 73	$0 00	$2,111 15	$0 00
Security Subtotal	**475 000**			**$24,536.13**	**$15,563 58**	**$0 00**	**$8,972 55**	**$0 00**
INTEL CORP	**CUSIP** 458140100		**Symbol (Box 1d):** INTC					
	750 000	09/20/11	11/26/12	$14,789 89	$16,738 50	$0 00	($1,948 61)	$0 00
MICROSOFT CORP	**CUSIP** 594918104		**Symbol (Box 1d)** MSFT					
	700 000	10/10/11	11/05/12	$20,635 53	$18,767 00	$0 00	$1,868 53	$0 00
OCCIDENTAL PETROLEUM CORP DE	**CUSIP** 674599105		**Symbol (Box 1d)·** OXY					
	150 000	10/19/10	10/08/12	$12,650 21	$12,226 20	$0 00	$424 01	$0 00
	25 000	01/14/11	10/08/12	$2,108 37	$2,425 25	$0 00	($316 88)	$0 00
	25 000	09/26/11	10/08/12	$2,108 36	$1,848 00	$0 00	$260 36	$0 00
Security Subtotal	**200 000**			**$16,866 94**	**$16,499 45**	**$0.00**	**$367 49**	**$0 00**
ONEOK INC NEW	**CUSIP** 682680103		**Symbol (Box 1d)** OKE					
	50 000	01/23/09	05/24/12	$4,166 90	$1,461 25	$0 00	$2,705 65	$0 00
	15 000	01/23/09	10/10/12	$728 98	$219 19	$0 00	$509 79	$0 00
Security Subtotal	**65 000**			**$4,895.88**	**$1,680 44**	**$0 00**	**$3,215.44**	**$0 00**

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Morgan Stanley

Corporate Tax Statement
Tax Year 2012

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Customer Service: 866-324-6088

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1099-B PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS (continued) OMB NO. 1545-0715

Gross Proceeds less commissions and option premiums on stocks, bonds, etc.

Long Term - Noncovered Securities # (Consider Box 6a (Noncovered Security) as being checked for this section These transactions should be reported on Form 8949 Part II with box B checked) (Continued)

DESCRIPTION (Box 8)	QUANTITY (Box 1e)	DATE ACQUIRED (Box 1b)	DATE OF SALE (Box 1a)	SALES PRICE (Box 2a)	ADJUSTED COST OR OTHER BASIS (Box 3)	WASH SALE LOSS DISALLOWED (Box 5)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
PARKER HANNIFIN CORP	CUSIP 701094104		Symbol (Box 1d) PH					
	150 000	11/22/10	06/22/12	$11,366 61	$12 028 50	$0 00	($661 89)	$0 00
TJX COS INC NEW	CUSIP 872540109		Symbol (Box 1d) TJX					
	420 000	08/29/11	11/30/12	$18,610 41	$11,507 71	$0 00	$7,102 70	$0 00
	80 000	09/23/11	11/30/12	$3,544 84	$2,263 20	$0 00	$1,281 64	$0 00
Security Subtotal	**500 000**			**$22,155 25**	**$13,770 91**	**$0 00**	**$8,384 34**	**$0 00**
V F CORPORATION	CUSIP 918204108		Symbol (Box 1d). VFC					
	15 000	02/11/08	10/08/12	$2,430 32	$1,193 78	$0 00	$1,236 54	$0 00
W W GRAINGER INC	CUSIP 384802104		Symbol (Box 1d)· GWW					
	85 000	07/23/10	07/02/12	$15,955 89	$9,277 24	$0 00	$6,678 65	$0 00
	15 000	01/18/11	07/02/12	$2,815 75	$2,050 80	$0 00	$764 95	$0 00
Security Subtotal	**100 000**			**$18,771 64**	**$11,328 04**	**$0 00**	**$7,443 60**	**$0 00**
WISCONSIN ENERGY CORP	CUSIP 976657106		Symbol (Box 1d)· WEC					
	600 000	02/25/11	10/19/12	$23,064 80	$17,591 67	$0 00	$5,473 13	$0 00

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Morgan Stanley

Corporate Tax Statement
Tax Year 2012

AARON & GERTRUDE KARCHMER
MEMORIAL FDN A NON-PROFIT ORG
DON A KARCMER, PRES, PM ACCT
P O BOX 436
OKLAHOMA CITY OK 73101-0436

Morgan Stanley Smith Barney Holdings LLC
Harborside Financial Center
Plaza 2 2nd Floor
Jersey City, NJ 07311
Identification Number 26-4310632

Taxpayer ID Number 73-1463604
Account Number 074 893763 870

Customer Service: 866-324-6088

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1099-B PROCEEDS FROM BROKER AND BARTER EXCHANGE TRANSACTIONS (continued) OMB NO. 1545-0715

Gross Proceeds less commissions and option premiums on stocks, bonds, etc.

Long Term - Noncovered Securities # (Consider Box 6a (Noncovered Security) as being checked for this section These transactions should be reported on Form 8949 Part II with box B checked) **(Continued)**

DESCRIPTION (Box 8)	QUANTITY (Box 1e)	DATE ACQUIRED (Box 1b)	DATE OF SALE (Box 1a)	SALES PRICE (Box 2a)	ADJUSTED COST OR OTHER BASIS (Box 3)	WASH SALE LOSS DISALLOWED (Box 5)	GAIN/(LOSS) AMOUNT	FEDERAL INCOME TAX WITHHELD (Box 4)
YUM BRANDS INC	CUSIP 988498101		Symbol (Box 1d) YUM					
	10 000	01/14/11	08/28/12	$641 88	$480 18	$0 00	$161 70	$0 00
	10 000	01/14/11	10/10/12	$715 18	$480 18	$0 00	$235 00	$0 00
Security Subtotal	20.000			$1,357.06	$960 36	$0.00	$396.70	$0.00
Total Long Term Noncovered Securities				**$243,606.26**	**$188,943.07**	**$0.00**	**$54,663.19**	**$0.00**
Total Short and Long Term, Covered and Noncovered Securities				**$300,243.14**	**$244,408.66**	**$0.00**	**$55,834.48**	**$0.00**

Form 1099-B Total Reportable Amounts

Total Sales Price (Box 2)	**$300,243.14**				
Total Cost or Other Basis (Box 3)		**$5,321.38**			
Total Wash Sale Loss Disallowed (Box 5)			**$0.00**		
Total Fed Tax Withheld (Box 4)					**$0.00**

Noncovered securities are not subject to the IRS cost basis reporting regulations, therefore their date of acquisition, cost basis, short or long term designation and any disallowed loss resulting from a wash sale will not be reported to the IRS

Portfolio Management Active Assets Account
074-893763-870

AARON & GERTRUDE KARCHMER
MEMORIAL FDN A NON-PROFIT ORG

Holdings

This section reflects the impact of positions purchased/sold on a trade date basis, and will include positions purchased and omit positions sold in the current month. Please see the "Unsettled Purchases/Sales Activity" section for more information

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the statement period indicated, which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Expanded Disclosures. Fixed Income securities are sorted by maturity or pre-refunding date, and alphabetically within date

Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate

Structured products appear in various statement product categories and are identified as "Structured Products" in the Security Description column. Estimated accrued interest, estimated annual income and estimated yield for structured products with a contingent income feature (such as Range Accrual Notes or Contingent Income Notes) assume specified accrual conditions are met during the relevant observation period and payment in full of all contingent interest. If you hold structured products, please see "Special Considerations Regarding Structured Products" in the Disclosures

New Treasury regulations require that we report on Form 1099-B after the close of the tax year your adjusted cost basis and classify the gain or loss as either long-term or short-term on the sale of covered securities acquired on or after January 1, 2011. These regulations also require that we make basis adjustments due to wash sales, certain corporate actions and transfers by gift or inheritance, which will be reflected on your Form 1099-B. Cost basis is reflected on monthly statements for informational purposes only and should not be used in the preparation of your income tax returns. Please refer to the Expanded Disclosures for additional information

CASH, DEPOSITS AND MONEY MARKET FUNDS

Cash, Deposits and Money Market Funds are generally displayed on a settlement date basis. However, Global Currency Deposits may include both settled and unsettled positions. Estimated Annual Income, Accrued Interest and APY% will only be displayed for fully settled positions. In the event all or a portion of a Global Currency Deposit position is unsettled as of month end, this data will not be available

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
CASH	$138.00			
CITIBANK, N A #	6,755 80	3 00	—	0 050

	Percentage of Assets %	Market Value	Estimated Annual Income / Accrued Interest
CASH, DEPOSITS AND MONEY MARKET FUNDS	0 8%	$6,893 80	$3 00 $0.00

 # Bank Deposits are at either (1) Morgan Stanley Bank, N A , and Morgan Stanley Private Bank, National Association, or (2) Citibank, N A , each a national bank FDIC member and an affiliate of Morgan Stanley Smith Barney LLC

STOCKS

COMMON STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AMGEN INC (AMGN)	12/22/11	275 000	$63 280	$17 402 00	$23,705 00	$6,303 00 LT	$517 00	2 18
Share Price $86 200, Next Dividend Payable 03/2013								
ANHEUSER BUSCH INBEV SA SPON (BUD)	12/12/11	250 000	58 747	14,686 70	21,852 50	7 165 80 LT	323 25	1 47
Share Price $87 410								

CONTINUED

Holdings

Portfolio Management Active Assets Account
074-893763-870

AARON & GERTRUDE KARCHMER
MEMORIAL FDN A NON-PROFIT ORG

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AUTOMATIC DATA PROCESSING INC (ADP)	9/26/11	350 000	47 217	16 526 02	19,925 50	3 399 48 LT	609 00	3 05
Share Price $56 930 Next Dividend Payable 01/02/13								
BAXTER INTL INC (BAX)	10/8/12	325 000	61 640	20 033 00	21,664 50	1 631 50 ST	585 00	2 70
Share Price $66 660, Next Dividend Payable 01/03/13								
BOEING CO (BA)	10/31/11	315 000	66 208	20,855 52	23,738 40	2 882 88 LT	611 .0	2 57
Share Price $75 360, Next Dividend Payable 03/2013								
BOK FINANCIAL CORP NEW (BOKF)	6/22/12	350 000	57 014	19 954 83	19,061 00	(893 83) ST	532 00	2 79
Share Price $54 460 Next Dividend Payable 02/2013								
CHEVRON CORP (CVX)	1/5/12	200 000	108 607	21,721 36	21,628 00	(93 36) ST	720 00	3 32
Share Price $108 140 Next Dividend Payable 03/2013								
COCA COLA CO (KO)	9/30/09	425 000	26 833	11 404 05	15,406 25	4 002 20 LT		
	1/14/11	70 000	31 575	2,210 25	2,537 50	327 25 LT		
	3/29/11	120 000	32 840	3 940 80	4 350 00	409 20 LT		
	Total	615 000		17,555 10	22,293 75	4 738 65 LT	627 30	2 81
Share Price. $36 250, Next Dividend Payable 03/2013								
COSTCO WHOLESALE CORP NEW (COST)	5/24/12	225 000	84 217	18,948 83	22,214 25	3 265 42 ST	247 50	1 .1
Share Price $98 730, Next Dividend Payable 03/2013								
DARDEN RESTAURANTS (DRI)	12/9/11	400 000	43 318	17,327 12	18,028 00	700 88 LT	800 00	4 43
Share Price $45 070, Next Dividend Payable 02/2013								
DEERE & CO (DE)	11/26/12	235 000	83 717	19,673 61	20,308 70	635 09 ST	432 40	2 12
Share Price $86 420, Next Dividend Payable 02/01/13								
DIAGEO PLC SPON ADR NEW (DEO)	1/4/12	200 000	88 156	17,631 16	23,316 00	5 684 84 ST	554 80	2 37
Share Price $116 580, Next Dividend Payable 04/2013								
EATON CORP PLC SHS (ETN)	12/3/12	475 000	51 655	24,536 13	25,735 50	1,199 37 ST	722 00	2 80
Share Price $54 180								
HONEYWELL INTERNATIONAL INC (HON)	11/5/12	325 000	62 726	20,386 02	20,627 75	241 73 ST	533 00	2 58
Share Price $63 470, Next Dividend Payable 03/2013								
INTL BUSINESS MACHINES CORP (IBM)	5/1/09	100 000	104 208	10,420 84	19 155 00	8,734 16 LT		
	1/18/11	15 000	151 190	2,267 85	2 873 25	605 40 LT		
	Total	115 000		12,688 69	22,028.25	9,339 56 LT	391 00	1 77
Share Price $191 550 Next Dividend Payable 03/2013								

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Security Mark at Right

Holdings

Portfolio Management Active Assets Account 074-893763-870

AARON & GERTRUDE KARCHMER MEMORIAL FDN A NON-PROFIT ORG

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
JOHNSON & JOHNSON (JNJ)	7/5/12	275 000	68 050	18 713 72	**19,277 50**	563 78 ST	671 00	3 48
Share Price $70 100, Next Dividend Payable 03/2013								
MONSANTO CO/NEW (MON)	12/11/12	220 000	90 938	20 006 25	**20,823 00**	816 75 ST	330 00	1 56
Share Price $94 650, Next Dividend Payable 01/2013								
NIKE INC B (NKE)	8/29/11	329 000	43 807	14 412 57	16 976 40	2 563 83 LT		
	9/23/11	68 000	45 871	3,119 20	3,508 80	389 60 LT		
	10/19/12	53 000	45 472	2 410 00	2 734 80	324 80 ST		
	Total	450 000		19 941 77	**23,220 00**	2 953 43 LT 324 80 ST	189 00	0 81
Share Price $51 600, Next Dividend Payable 03/2013								
NORDSTROM INC (JWN)	1/18/11	400 000	42 346	16 938 52	**21,400 00**	4 461 48 LT	432 00	2 01
Share Price $53 500 Next Dividend Payable 03/2013								
NORTHROP GRUMMAN CP(HLDG CO) (NOC)	6/22/11	275 000	66 937	18,407 79	18 584 50	176 71 LT		
	8/16/11	75 000	53 460	4,009 50	5,068 50	1 059 00 LT		
	Total	350 000		22 417 29	**23,653 00**	1,235 71 LT	770 00	3 25
Share Price $67 580 Next Dividend Payable 03/2013								
NOVARTIS AG ADR (NVS)	9/24/12	300 000	61 397	18,419 16	**18,990 00**	570 84 ST	631 80	3 32
Share Price $63 300 Next Dividend Payable 04/2013								
OGE ENERGY CORPORATION (OGE)	8/6/10	335 000	39 650	13,282 62	18,863.85	5,581 23 LT		
	1/18/11	40 000	45 300	1 812 00	2,252 40	440 40 LT		
	Total	375 000		15 094 62	**21,116 25**	6,021 63 LT	626 25	2 96
Share Price $56 310 Next Dividend Payable 01/2013								
ONEOK INC NEW (OKE)	1/23/09	485 000	14 613	7 087 06	**20,733 75**	13,646 69 LT	640 20	3 08
Share Price. $42 750 Next Dividend Payable 02/2013								
PEPSICO INC NC (PEP)	5/11/12	275.000	67 046	18 437 54	18,818 25	380 71 ST		
	6/22/12	25 000	68 770	1,719 25	1 710 75	(8 50) ST		
	Total	300 000		20,156 79	**20,529 00**	372 21 ST	645 00	3 14
Share Price $68 430, Next Dividend Payable 01/02/13								
PFIZER INC (PFE)	2/3/11	900 000	18 898	17,008 20	**22,571 37**	5,563 17 LT	864 00	3 82
Share Price $25 079, Next Dividend Payable 03/2013								

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Portfolio Management Active Assets Account
074-893763-870

AARON & GERTRUDE KARCHMER
MEMORIAL FDN A NON-PROFIT ORG

Holdings

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
PHILIP MORRIS INTL INC (PM)	1/14/11	250 000	56 729	14,182 25	**20,910 00**	6 727 75 LT	850 00	4 06
Share Price $83 640, Next Dividend Payable 01/11/13								
PPG INDUSTRIES INC (PPG)	2/11/10	200 000	60 222	12,044 45	**27,070 00**	15 025 55 LT	472 00	1 74
Share Price $135 350, Next Dividend Payable 03/2013								
PRAXAIR INC (PX)	3/16/09	160 000	64 225	10,275 94	17 512 00	7 236 06 LT		
	1/18/11	15 000	93 510	1,402 65	1,641 75	239 10 LT		
	Total	175 000		11,678 59	**19,153 75**	7,475 16 LT	385.00	2 01
Share Price $109 450, Next Dividend Payable 03/2013								
PUBLIC STORAGE (PSA)	5/24/12	140 000	132 652	18,571 34	**20,294 40**	1,723 06 ST	616 00	3 03
Share Price $144 960, Next Dividend Payable 03/2013								
QUALCOMM INC (QCOM)	10/26/11	300 000	51 567	15 470 10	18 557 88	3,087 78 LT		
	10/31/11	50 000	52 330	2,616 50	3 092 98	476 48 LT		
	Total	350 000		18,086 60	**21,650 86**	3,564 26 LT	350 00	1 61
Share Price $61 860, Next Dividend Payable 03/2013								
ROCHE HOLDINGS ADR (RHHBY)	1/27/12	375 000	42 940	16,102 50	**18,937 50**	2,835 00 ST	578 25	3 05
Share Price $50 500								
SANOFI ADR (SNY)	12/11/12	450 000	46 932	21,119 48	**21,321 00**	201 52 ST	643 95	3 02
Share Price $47 380								
TRAVELERS COMPANIES INC COM (TRV)	7/1/10	250 000	49 357	12,339 20	17 955 00	5 615 80 LT		
	1/18/11	50 000	54 620	2,731 00	3,591 00	860 00 LT		
	Total	300 000		15,070 20	**21,546 00**	6,475 80 LT	552 00	2 56
Share Price $71 820, Next Dividend Payable 03/2013								
UNITED PARCEL SERVICE INC CL-B (UPS)	6/22/12	250 000	77 428	19 357 00	18 432 50	(924 50) ST		
	10/19/12	25 000	72 070	1,801 75	1,843 25	41 50 ST		
	Total	275 000		21,158 75	**20,275 75**	(883 00) ST	627 00	3 09
Share Price $73 730, Next Dividend Payable 03/2013								
UNITED TECHNOLOGIES CORP (UTX)	12/5/08	185 000	48 171	8,911 69	15 171 85	6 260 16 LT		
	1/18/11	15 000	79 420	1 191 30	1 230 15	38 85 LT		
	3/29/11	25 000	84 020	2,100 50	2 050 25	(50 25) LT		
	10/19/12	25 000	77 900	1 947 50	2 050 25	102 75 ST		

CONTINUED

Portfolio Management Active Assets Account 074-893763-870

AARON & GERTRUDE KARCHMER MEMORIAL FDN A NON-PROFIT ORG

Holdings

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
	Total	250 000		14,150 99	20,502.50	6,248 76 LT 102 75 ST	535 00	2 60
Share Price $82 010 Next Dividend Payable 03/2013								
V F CORPORATION (VFC)	2/11/08	100 000	79 585	7,958 55	15,097 00	7 138 45 LT		
	1/14/11	35 000	83 790	2 932 65	5 283 95	2 351 30 LT		
	Total	135 000		10,891 20	20,380 95	9 489 75 LT	469 80	2 30
Share Price $150 970 Next Dividend Payable 03/2013								
VALERO ENERGY CP DELA NEW (VLO)	3/22/12	750 000	26 479	19,859 33	25,590 00	5 730 67 ST	525 00	2 05
Share Price $34 120, Next Dividend Payable 03/2013								
VERIZON COMMUNICATIONS (VZ)	12/12/11	465 000	38 176	17,751 79	20,120 55	2,368 76 LT	957 90	4 76
Share Price $43 270, Next Dividend Payable 02/2013								
WELLS FARGO & CO NEW (WFC)	7/2/12	550 000	33 231	18,277 11	18,799 00	521 89 ST		
	10/19/12	50 000	34 200	1 710 00	1 709 00	(1 00) ST		
	Total	600 000		19,987 11	20,508 00	520 89 ST	528 00	2 57
Share Price $34 180 Next Dividend Payable 03/2013								
WILLIAMS CO INC (WMB)	1/23/12	600 000	29 057	17 434 20	19,644 00	2 209 80 ST	780 00	3 97
Share Price $32 740 Next Dividend Payable 03/2013								
YUM BRANDS INC (YUM)	1/14/11	330 000	48 018	15,845 87	21,912 00	6,066 13 LT	442 20	2 01
Share Price $65 400 Next Dividend Payable 02/2013								

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
STOCKS	99 2%	$719,644.12	$878,258 23	$131,854.28 LT $26,759 83 ST	$23,316 70 $0.00	2 66%

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
TOTAL MARKET VALUE	100 0%	$719,644 12	$885,152 03	$131,854 28 LT $26,759 83 ST	$23,319 70 $0.00	2 64%

TOTAL VALUE (includes accrued interest) $885,152 03

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

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