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Form

990-PF

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to Public Inspection

For calendar year 2012, or tax year beginning 01-01-2012 , and ending 12-31-2012

Name of foundation JOSEPH M & CAROLYN R SHACHTMAN CHARITABLE FOUNDATION		A Employer identification number 95-4830697	
Number and street (or P O box number if mail is not delivered to street address) 713 BREAKWATER DRIVE		B Telephone number (see instructions) (970) 227-0984	
City or town, state, and ZIP code FORT COLLINS, CO 805253302		C If exemption application is pending, check here <input type="checkbox"/>	
G Check all that apply <div><input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change</div> <div><input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change</div>		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>	
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) <input checked="" type="checkbox"/> \$ 850,585	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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 <input type="checkbox"/>	

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))</small>		(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 <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities.	26,690	26,690		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	25,509			
	b Gross sales price for all assets on line 6a _____ 309,715				
	7 Capital gain net income (from Part IV , line 2)		25,509		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
Operating and Administrative Expenses	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	<input checked="" type="checkbox"/> 377	106		
	12 Total. Add lines 1 through 11	52,576	52,305		
	13 Compensation of officers, directors, trustees, etc	0	0		0
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	<input checked="" type="checkbox"/> 2,551	0		2,551
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	<input checked="" type="checkbox"/> 3,615	2,218		0
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	<input checked="" type="checkbox"/> 9,839	9,839		0
	24 Total operating and administrative expenses. Add lines 13 through 23	16,005	12,057		2,551
	25 Contributions, gifts, grants paid	40,000			40,000
	26 Total expenses and disbursements. Add lines 24 and 25	56,005	12,057		42,551
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	-3,429			
	b Net investment income (if negative, enter -0-)		40,248		
	c Adjusted net income (if negative, enter -0-)				

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	19,356	27,477
	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 page 15 of the instructions)		
	7	Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____		
	8	Inventories for sale or use		
	9	Prepaid expenses and deferred charges		
	10a	Investments—U S and state government obligations (attach schedule)		
	b	Investments—corporate stock (attach schedule)	760,124	748,574
	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)	779,480	776,051
Liabilities	17	Accounts payable and accrued expenses		
	18	Grants payable		
	19	Deferred revenue		
	20	Loans from officers, directors, trustees, and other disqualified persons		
	21	Mortgages and other notes payable (attach schedule)		
	22	Other liabilities (describe ▶ _____)		
	23	Total liabilities (add lines 17 through 22)	0	0
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/> 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 ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.		
	27	Capital stock, trust principal, or current funds	0	0
	28	Paid-in or capital surplus, or land, bldg , and equipment fund	0	0
	29	Retained earnings, accumulated income, endowment, or other funds	779,480	776,051
	30	Total net assets or fund balances (see page 17 of the instructions)	779,480	776,051
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	779,480	776,051

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	779,480
2	Enter amount from Part I, line 27a	2	-3,429
3	Other increases not included in line 2 (itemize) ▶ _____	3	0
4	Add lines 1, 2, and 3	4	776,051
5	Decreases not included in line 2 (itemize) ▶ _____	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	776,051

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)
1 a	SMITH BARNEY #905 ST - SEE ATTACHED	P		
b	SMITH BARNEY #905 LT - SEE ATTACHED	P		
c	MORGAN STANLEY #750 ST - SEE ATTACHED	P		
d	MORGAN STANLEY #750 LT - SEE ATTACHED	P		
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 59,461		62,011	-2,550
b 85,113		77,475	7,638
c 41,506		36,928	4,578
d 123,635		107,792	15,843
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(I) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			-2,550
b			7,638
c			4,578
d			15,843
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	25,509
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 }		3	

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see page 18 of 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	35,439	863,413	0 041045
2010	42,188	791,053	0 053331
2009	49,935	713,807	0 069956
2008	58,955	1,001,245	0 058882
2007	59,599	1,252,169	0 047597

2	Total of line 1, column (d).	2	0 270811
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 054162
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5.	4	827,228
5	Multiply line 4 by line 3.	5	44,804
6	Enter 1% of net investment income (1% of Part I, line 27b).	6	402
7	Add lines 5 and 6.	7	45,206
8	Enter qualifying distributions from Part XII, line 4.	8	42,551

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 VIExcise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a		Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> 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 <input type="checkbox"/> and enter 1% of Part I, line 27b		1	805
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	805
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	805
6		Credits/Payments			
a		2012 estimated tax payments and 2011 overpayment credited to 2012	6a	720	
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	720
8		Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> 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	85
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 <input type="checkbox"/>	Refunded <input type="checkbox"/>	11	

Part VII-AStatements Regarding Activities

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?		Yes	No
		1a		No
b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?			No
	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		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0 (2) On foundation managers <input type="checkbox"/> \$ 0			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0			
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		No
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		No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?.	4a		No
b	If "Yes," has it filed a tax return on Form 990-T for this year?.	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5		No
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	Yes	
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	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> CA			
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	Yes	
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		No
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		No

Part VII-A

Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
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		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	
Website address ▶N/A				
14	The books are in care of ▶COHNREZNICK LLP Telephone no ▶(310) 477-3722			
	Located at ▶11755 WILSHIRE BLVD 17TH FLOOR LOS ANGELES CA ZIP +4 ▶90025			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here ▶ <input type="checkbox"/>			
	and enter the amount of tax-exempt interest received or accrued during the year ▶	15		
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No
See 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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 page 20 of the instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here. ▶ <input type="checkbox"/>			
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		No
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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).	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.</i>)	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
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		No

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))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.	<input checked="" type="checkbox"/>		
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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	6b		No
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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
DR WILLIAM A SHACHTMAN	PRESIDENT	0	0	0
713 BREAKWATER DRIVE FORT COLLINS, CO 80525	1 00			
ROBERT E SHACHTMAN	CHIEF FINANCIAL OFFICER	0	0	0
713 BREAKWATER DRIVE FORT COLLINS, CO 80525	1 00			
JUDITH A SCHWARTZ	SECRETARY	0	0	0
713 BREAKWATER DRIVE FORT COLLINS, CO 80525	1 00			
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.		0

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 page 24 of the instructions.	
3	
Total. Add lines 1 through 3.	0

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	813,363
b	Average of monthly cash balances.	1b	26,462
c	Fair market value of all other assets (see instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	839,825
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	839,825
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	12,597
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	827,228
6	Minimum investment return. Enter 5% of line 5.	6	41,361

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	41,361
2a	Tax on investment income for 2012 from Part VI, line 5.	2a	805
b	Income tax for 2012 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	805
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	40,556
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	40,556
6	Deduction from distributable amount (see instructions).	6	0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	40,556

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	42,551
b	Program-related investments—total from Part IX-B.	1b	0
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	42,551
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	42,551
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				40,556
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only.			38,695	
b Total for prior years 20____, 20____, 20____		0		
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.	0			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 42,551				
a Applied to 2011, but not more than line 2a			38,695	
b Applied to undistributed income of prior years (Election required—see instructions).		0		
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2012 distributable amount.				3,856
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).)	0			0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
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.		0		
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.				36,700
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions).	0			
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.	0			
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. . . .				

Part XIVPrivate 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 organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

☐ 4942(j)(3) or ☐ 4942(j)(5)

2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.	Tax year	Prior 3 years			(e) Total
		(a) 2012	(b) 2011	(c) 2010	(d) 2009	
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 XVSupplementary Information (Complete this part only if the organization 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))

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

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 of the person to whom applications should be addressed

b

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

c

Any submission deadlines

d

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

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

Form **990-PF** (2012)

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue					
a	_____					
b	_____					
c	_____					
d	_____					
e	_____					
f	_____					
g	Fees and contracts from government agencies					
2	Membership dues and assessments. . . .					
3	Interest on savings and temporary cash investments					
4	Dividends and interest from securities. . . .			14	26,690	
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.			14	377	
8	Gain or (loss) from sales of assets other than inventory			18	25,509	
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		52,576	0
13	Total. Add line 12, columns (b), (d), and (e).					
				13	52,576	

[illegible]



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?		Yes	No
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash.	1a(1)		No
(2) Other assets.	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization.	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization.	1b(2)		No
(3) Rental of facilities, equipment, or other assets.	1b(3)		No
(4) Reimbursement arrangements.	1b(4)		No
(5) Loans or loan guarantees.	1b(5)		No
(6) Performance of services or membership or fundraising solicitations.	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.	1c		No
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.			

[illegible]

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

b If "Yes," complete the following schedule

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

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.		
	 Signature of officer or trustee	<u>2013-05-02</u> Date	 Title

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

Paid Preparer Use Only	Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed <input checked="checked" type="checkbox"/>	PTIN P00462460
	ELLEN ROSEN	ELLEN ROSEN			
	Firm's name <input type="checkbox"/>	COHNREZNICK LLP 11755 WILSHIRE BLVD STE 1700		Firm's EIN <input type="checkbox"/> 22-1478099	
	Firm's address <input type="checkbox"/>	LOS ANGELES, CA 90025		Phone no (310) 477-3722	

TY 2012 Accounting Fees Schedule**Name:** JOSEPH M & CAROLYN R SHACHTMAN

CHARITABLE FOUNDATION

EIN: 95-4830697

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	2,551	0		2,551

**TY 2012 Investments Corporate
Stock Schedule**

Name: JOSEPH M & CAROLYN R SHACHTMAN
CHARITABLE FOUNDATION

EIN: 95-4830697

Name of Stock	End of Year Book Value	End of Year Fair Market Value
MORGAN STANLEY #750	485,174	543,429
MORGAN STANLEY #598	263,400	279,679

TY 2012 Other Expenses Schedule

Name: JOSEPH M & CAROLYN R SHACHTMAN
CHARITABLE FOUNDATION

EIN: 95-4830697

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNT MANAGEMENT FEE	9,665	9,665		0
ADR FEES	174	174		0

TY 2012 Other Income Schedule

Name: JOSEPH M & CAROLYN R SHACHTMAN
CHARITABLE FOUNDATION

EIN: 95-4830697

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
SMITHBARNEY (#905) NONDIVIDEND DISTRIBUTION	271	0	271
SMITH BARNEY REBATE	106	106	106

TY 2012 Taxes Schedule

Name: JOSEPH M & CAROLYN R SHACHTMAN
CHARITABLE FOUNDATION

EIN: 95-4830697

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAXES PAID	2,218	2,218		0
CA FTB FILING FEE	10	0		0
CA ATTY GEN FILING FEE	25	0		0
EXCISE TAX	1,362	0		0

Ref 00004496 00036362

2012 Year End Summary

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Earnings 2012 - continued

Dividends and Distributions, Section 2

Reference number	Description	Nondividend distributions	Foreign tax paid	Cash liquidation distributions	Non cash liquidation distributions	Investment expense	NRA Withholding
160017600	91912E204001 *** VALE S.A. CLASS A REPSTG 1 PFD THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT		\$ 4.66				
160017700	927320101001 *** VINCI S.A. ADR THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED		2.72				
160017800	92852T201001 *** VIVENDI S.A. THIS AMOUNT INCLUDES TAXES PAID TO A FOREIGN GOVERNMENT A PORTION OF THIS INCOME HAS BEEN RECLASSIFIED		14.35				
Totals		\$ 136.50	\$ 483.19				

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	129	COGO GROUP INC ORD MorganStanley SmithBarney LLC acted as your agent	08/09/11	03/27/12	\$ 344.19	\$ 386.49	(\$ 42.30)	
125000050	3 90	INGERSOLL-RAND PUBLIC LTD CO MorganStanley SmithBarney LLC acted as your agent	12/16/11 03/02/12	05/11/12	132.12 3,963.54	91.94 R 3,587.24 R		40.18 376.30

2012 YEAR END SUMMARY

Ref: 00004496 00036363

2012 Year End Summary

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Short Term Gain (Loss) 2012 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000060	16	CORE LABORATORIES N V-USD MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/23/11	06/14/12	\$ 1,918.48	\$ 1,695.30		\$ 223.18
125000110	104	APPLIED MATERIALS INC DELAWARE MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/01/11	03/02/12	1,275.28	1,389.93	(114.65)	
125000140	39 25	BAKER HUGHES INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/09/11 09/27/11	01/17/12	1,891.23 1,212.33	2,206.46 1,306.01	(315.23) (93.68)	
125000160	31 22	BANK NEW YORK MELLON CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/21/11 08/23/11	05/14/12	668.84 474.66	803.37 426.22	(134.53)	48.44
125000210	63	CONSTANT CONTACT INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/23/11	06/14/12	1,077.40	1,489.72	(412.32)	
125000220	76	DANSKE BAN A/S SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/30/11	05/16/12	529.75	544.16	(14.41)	
125000240	68	DENTSPLY INTL INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/23/11	01/26/12	2,613.53	2,213.98		399.55
125000250	67	DENTSPLY INTL INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/23/11	01/27/12	2,544.07	2,181.42		362.65
125000290	12	DEVON ENERGY CORP NEW MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/15/11	02/03/12	763.07	833.89	(70.82)	

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Ref: 00004496 00036364

2012 Year End Summary

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Short Term Gain (Loss) 2012 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000330	9	EATON CORP	06/21/11	02/16/12	\$ 459.01	\$ 438.67		\$ 20.34
	3	MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/22/11		153.00	146.62		6.38
125000370	25	EXPEDIA INC	08/17/11	05/10/12	1,024.59	706.24		318.35
		MorganStanley SmithBarney LLC acted as your agent in this transaction.						
125000380	12	EXPEDIA INC	08/17/11	06/21/12	580.99	338.99		242.00
		MorganStanley SmithBarney LLC acted as your agent in this transaction.						
125000390	8	F5 NETWORKS INC	08/15/11	01/25/12	979.26	676.98		302.28
		MorganStanley SmithBarney LLC acted as your agent in this transaction.						
125000400	16	GARDNER DENVER INC	11/15/11	06/07/12	853.40	1,327.97	(474.57)	
		MorganStanley SmithBarney LLC acted as your agent in this transaction.						
125000410	149	GENERAL ELECTRIC CO	02/08/11	01/12/12	2,805.25	3,165.94	(360.69)	
	37	MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/26/11		696.60	690.97		5.63
125000430	63	GLOBAL PAYMENTS INC	01/26/12	05/14/12	2,715.63	3,170.23	(454.60)	
		MorganStanley SmithBarney LLC acted as your agent in this transaction.						
125000480	190	INTERNATIONAL GAME TECHNOLOGY	09/27/11	02/03/12	2,977.56	2,861.89		115.67
		MorganStanley SmithBarney LLC acted as your agent in this transaction.						
125000500	142	JABIL CIRCUIT INC	11/21/11	04/18/12	3,223.92	2,898.15 ^R		325.77
		MorganStanley SmithBarney LLC acted as your agent in this transaction.						

2012 YEAR END SUMMARY

2012 Year End Summary

Ref: 00004496 00036365

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Short Term Gain (Loss) 2012 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000520	14	KBR INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/21/11	01/13/12	\$ 442.02	\$ 511.52	(\$ 69.50)	
125000540	.2143	LAM RESEARCH CORP MERGER 06/05/12 670008101000	03/16/12	06/05/12	8.12	9.28	(1.16)	
125000570	97	MOMENTA PHARMACEUTICALS INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/23/11	06/14/12	1,420.26	1,851.60	(431.34)	
125000610	17 31	NATIONAL OILWELL VARCO INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/12/11 08/09/11	05/11/12	1,161.75 2,118.49	1,166.79 1,943.55	(5.04)	174.94
125000620	30	NAVISTAR INTL CORP NEW MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/28/11	06/18/12	845.72	1,539.81	(694.09)	
125000630	12 15 33	NAVISTAR INTL CORP NEW MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/28/11 08/19/11 08/24/11	06/20/12	337.95 422.44 929.37	615.92 564.14 1,276.79	(277.97) (141.70) (347.42)	
125000670	61	NORDSTROM INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/30/11	02/29/12	3,292.23	2,741.52		550.71
125000710	59	PEABODY ENERGY CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/22/11	01/25/12	2,203.72	3,721.05	(1,517.33)	
125000720	20	PEABODY ENERGY CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/22/11	01/26/12	733.72	1,261.37	(527.65)	
125000750	12 14	POLARIS INDS INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/28/11 11/01/11	03/16/12	799.49 932.73	750.21 861.94		49.28 70.79

2012 YEAR END SUMMARY

Ref: 00004496 00036366

2012 Year End Summary

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Short Term Gain (Loss) 2012 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000760	4	PRUDENTIAL FINANCIAL INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	11/14/11	02/17/12	\$ 244.04	\$ 215.15		\$ 28.89
125000790	121	SKULLCANDY INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/23/11	06/14/12	1,551.25	1,687.60	(136.35)	
125000800	48	SOTHEBYS DELAWARE MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/29/11	06/14/12	1,466.73	1,542.98	(76.25)	
125000810	53	SWIRE PACIFIC LTD SP ADR SALE OF RTS ON 53.0000 SHS	02/06/12	02/06/12	82.40	.01		82.39
125000860	51	TEMPUR-PEDIC INTERNATIONAL INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/23/11	02/21/12	3,785.19	3,365.47		419.72
125000930	29	VODAFONE GROUP PLC SPONS ADR NEW MorganStanley SmithBarney LLC acted as your agent	01/10/11	01/06/12	805.23	805.86	(.63)	
Total					\$ 59,460.55	\$ 62,011.34	(\$ 6,714.23)	\$ 4,163.44

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	8	COOPER INDUSTRIES PLC DUBLIN-USD MorganStanley SmithBarney LLC acted as your agent	10/14/09	04/04/12	\$ 504.22	\$ 313.33		\$ 190.89

2012 YEAR END SUMMARY

Ref: 00004496 00036367

2012 Year End Summary

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Long Term Gain (Loss) 2012 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000030	34	COOPER INDUSTRIES PLC DUBLIN-USD MorganStanley SmithBarney LLC acted as your agent	10/14/09	05/22/12	\$ 2,383.73	\$ 1,331.67		\$ 1,052.06
125000040	25	COOPER INDUSTRIES PLC DUBLIN-USD MorganStanley SmithBarney LLC acted as your agent	10/14/09	05/23/12	1,750.84	979.17		771.67
125000070	59	AETNA INC NEW MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/26/09	01/09/12	2,599.63	1,428.35		1,171.28
125000080	87	ALTERA CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/12/10	05/10/12	2,893.63	2,171.13		722.50
125000090	31 20 6	APACHE CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/25/10 10/08/10 01/28/11	04/25/12	2,873.83 1,854.08 556.23	2,681.55 2,003.77 683.69	(149.69) (127.46)	192.28
125000100	49 33 82	APPLIED MATERIALS INC DELAWARE MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/02/09 02/03/10 02/18/10	02/27/12	614.37 413.76 1,028.13	624.35 405.11 1,034.84	(9.98) (6.71)	8.65
125000110	6 116	APPLIED MATERIALS INC DELAWARE MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/18/10 02/19/10	03/02/12	73.57 1,422.43	75.72 1,446.21	(2.15) (23.78)	
125000120	13 18	ARCHER-DANIELS-MIDLAND CO MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/11/10 01/21/10	05/11/12	429.00 594.01	401.36 548.95		27.64 45.06
125000130	29	ATLAS AIR WORLDWIDE HLDGS NEW MorganStanley SmithBarney LLC acted as your agent	12/20/10	03/27/12	1,436.95	1,645.24	(208.29)	

2012 YEAR END SUMMARY

Ref: 00004496 00036368

2012 Year End Summary

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Long Term Gain (Loss) 2012 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000150	22	BANK NEW YORK MELLON CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/13/09	04/04/12	\$ 528.00	\$ 626.87	(\$ 98.87)	
125000160	77	BANK NEW YORK MELLON CORP	10/13/09	05/14/12	1,661.30	2,194.03	(532.73)	
	6	MorganStanley SmithBarney LLC	10/14/09		129.45	165.93	(36.48)	
	20	acted as your agent in this transaction.	10/26/10		431.51	497.96	(66.45)	
125000170	12	CVS CAREMARK CORP	11/08/06	05/18/12	534.88	357.53		177.35
	2	MorganStanley SmithBarney LLC	10/05/09		89.15	70.08		19.07
	16	acted as your agent in this transaction.	11/05/09		713.16	472.73		240.43
125000180	29	CVS CAREMARK CORP	11/05/09	06/19/12	1,335.04	856.83		478.21
	11	MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/01/10		506.39	319.03		187.36
125000190	37	CATERPILLAR INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/16/10	03/23/12	3,991.54	2,361.44		1,630.10
125000200	54	CELESIO AG	10/20/08	02/29/12	196.57	364.68	(168.11)	
	33	MorganStanley SmithBarney LLC	12/12/08		120.12	194.60	(74.48)	
	12	acted as your agent in this transaction.	12/12/08		43.68	70.76	(27.08)	
125000230	192	DELL INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/18/10	06/27/12	2,310.35	2,798.97	(488.62)	
125000260	14	DEUTSCHE POST	03/19/09	03/30/12	268.87	149.79		119.08
	3	MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/08/09		57.62	34.23		23.39
125000270	30	DEVON ENERGY CORP NEW MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/25/09	01/18/12	1,905.44	1,912.18	(6.74)	

2012 YEAR END SUMMARY

Ref: 00004496 00036369

2012 Year End Summary

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Long Term Gain (Loss) 2012 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000280	11	DEVON ENERGY CORP NEW	04/16/10	02/01/12	\$ 702.13	\$ 726.13	(\$ 24.00)	
	16	MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/02/10		1,021.28	968.89		52.39
125000290	16	DEVON ENERGY CORP NEW MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/02/10	02/03/12	1,017.42	968.88		48.54
125000300	9	DOLLAR TREE INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/02/09	06/21/12	1,002.37	236.32		766.05
125000310	57	DOVER CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/04/11	06/28/12	2,923.44	3,737.99	(814.55)	
125000320	15	E.ON AG SPONS ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/21/08	03/09/12	333.25	1,056.75	(723.50)	
125000340	38	ENDO HEALTH SOLUTIONS INC	11/20/08	06/07/12	1,149.01	726.10		422.91
	6	MorganStanley SmithBarney LLC	06/25/10		181.42	133.28		48.14
	63	acted as your agent in this transaction.	05/12/11		1,904.93	2,636.98	(732.05)	
125000350	58	ENDO HEALTH SOLUTIONS INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/12/11	06/14/12	1,684.29	2,427.69	(743.40)	
125000360	32	ENERGEN CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/21/08	03/27/12	1,586.88	2,404.16	(817.28)	
125000420	13	GILEAD SCIENCES INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/18/07	02/15/12	707.34	428.72		278.62

2012 YEAR END SUMMARY

Ref: 00004496 00036370

2012 Year End Summary

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Long Term Gain (Loss) 2012 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000440	6	HELMERICH & PAYNE INC	05/21/08	05/10/12	\$ 286.46	\$ 370.44	(\$ 83.98)	
	61	MorganStanley SmithBarney LLC acted as your agent in this transaction.	01/11/10		2,912.29	2,819.86		92.43
125000450	31	HESS CORP	02/03/10	04/27/12	1,592.26	1,863.71	(271.45)	
	15	MorganStanley SmithBarney LLC	07/01/10		770.45	747.06		23.39
	35	MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/25/11		1,797.70	2,957.53	(1,159.83)	
125000460	5	HOSPIRA INC	05/01/09	02/15/12	181.96	161.21		20.75
	7	MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/18/09		254.75	232.93		21.82
125000470	7	ICICI BANK LTD-SPONS ADR-	05/21/08	06/01/12	193.11	285.88	(92.77)	
	8	INR MorganStanley SmithBarney LLC acted as your agent	10/17/08		220.70	135.47		85.23
125000490	3	ITOCHU CORP ADR	07/02/10	06/01/12	63.22	47.95		15.27
	11	MorganStanley SmithBarney LLC acted as your agent in this transaction.	12/03/10		231.81	217.97		13.84
125000510	35	JOY GLOBAL INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/04/09	02/08/12	3,136.53	1,409.19		1,727.34
125000530	1	KONICA MINOLTA HLDGS	06/10/09	03/30/12	17.53	22.68	(5.15)	
	11	UNSPON ADR MorganStanley SmithBarney LLC acted as your agent	07/06/10		192.82	216.20	(23.38)	
125000540	.1607	LAM RESEARCH CORP MERGER 06/05/12 670008101000	12/20/10	06/05/12	6.09	4.67		1.42
125000550	50	METLIFE INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/25/10	06/13/12	1,479.04	1,802.00	(322.96)	
125000560	61	MITSUBISHI UFJ FINANCIAL GROUP INC ADR MorganStanley SmithBarney LLC acted as your agent	08/09/10	03/16/12	318.42	308.60		9.82

2012 YEAR END SUMMARY

2012 Year End Summary

Ref: 00004496 00036371

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Long Term Gain (Loss) 2012 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000580	57	MUNICH RE GROUP UNSPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/18/11	06/01/12	\$ 688.10	\$ 880.78	(\$ 192.68)	
125000590	27	NATIONAL FUEL GAS CO MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/21/09	03/27/12	1,325.56	1,062.64		262.92
125000600	8 17	NATIONAL OILWELL VARCO INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/20/10 08/24/10	02/16/12	672.82 1,429.75	302.91 652.60		369.91 777.15
125000610	10	NATIONAL OILWELL VARCO INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	08/24/10	05/11/12	683.38	383.88		299.50
125000640	3	NESTLE S A SPONSORED ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/21/08	03/16/12	186.39	148.74		37.65
125000650	13	NINTENDO CO LTD ADR NEW MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/21/08	04/04/12	238.02	926.90	(688.88)	
125000660	117	NOMURA HOLDINGS INC ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/25/11	04/09/12	487.58	636.50	(148.92)	
125000680	5	NOVARTIS AG ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/21/08	01/25/12	272.00	265.15		6.85
125000690	70	ON SEMICONDUCTOR CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/17/10	01/19/12	630.07	545.64		84.43

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2012 Year End Summary

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Long Term Gain (Loss) 2012 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000700	40	PALL CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/21/09	06/14/12	\$ 2,134.98	\$ 1,127.67		\$ 1,007.31
125000730	30	PEARSON PLC SPONSORED ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/13/08	01/25/12	549.06	283.27		265.79
125000740	26	PETSMART INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	10/27/10	06/07/12	1,711.99	960.88		751.11
125000770	15	ROSS STORES INC DE MorganStanley SmithBarney LLC acted as your agent in this transaction.	07/07/09	06/21/12	1,013.52	291.45		722.07
125000780	9	SAP AG SPONS ADR-USD MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/21/08	01/06/12	482.93	470.52		12.41
125000820	10	TARGET CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/14/10	04/04/12	572.85	564.99		7.86
125000830	6 2	TARGET CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	04/14/10 10/07/10	06/19/12	350.45 116.82	339.00 108.43		11.45 8.39
125000840	15	TELEFONICA S.A. SPON ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	05/21/08	06/01/12	167.86	433.96	(266.10)	
125000850	22	TELEKOM AUSTRIA AG SPON ADR MorganStanley SmithBarney LLC acted as your agent	05/21/08	06/19/12	444.42	1,042.80	(598.38)	

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2012 Year End Summary

JOSEPH AND CAROLYN SHACHTMAN

Account Number 549-72905-19 531

Details of Long Term Gain (Loss) 2012 - continued

Reference number	Quantity	Security Description	Opening Trade Date	Closing Trade Date	Sale Proceeds	Cost	(Loss)	Gain
125000870	10	TERADATA CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	03/07/11	05/14/12	\$ 696.73	\$ 501.29		\$ 195.44
125000880	5.9366 104.0634	TIME WARNER INC MorganStanley SmithBarney LLC acted as your agent in this transaction.	09/18/08 10/14/08	04/04/12	219.13 3,841.12	169.15 2,329.21		49.98 1,511.91
125000890	6	UNION PACIFIC CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/03/10	02/03/12	694.79	378.00		316.79
125000900	5	UNION PACIFIC CORP MorganStanley SmithBarney LLC acted as your agent in this transaction.	02/03/10	06/20/12	584.32	314.99		269.33
125000910	61	VINCI S.A. ADR MorganStanley SmithBarney LLC acted as your agent in this transaction.	06/09/08	03/26/12	793.50	1,070.02	(276.52)	
125000920	.2333	VIVENDI S.A. CASH IN LIEU OF .23333 RECORD 05/18/12 PAY 06/18/12	03/04/11	06/18/12	4.09	6.28	(2.19)	
Total					\$ 85,112.61	\$ 77,474.97	(\$ 10,016.59)	\$ 17,653.23

^R The basis for this tax lot has been adjusted due to a reclassification of income

2012 YEAR END SUMMARY