Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

OMB No 1545-0052

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning , and ending

Name of foundation
PADDISON CHARITABLE FOUNDATION
ATTENTION: JIM BAUGH

A Employer identification number: 62-6310121

Number and street (or P O box number if mail is not delivered to street address): 1111 NORTHSHORE DRIVE, S800 | Room/suite

B Telephone number: 865-766-3017

City or town, state or province, country, and ZIP or foreign postal code: KNOXVILLE, TN 37919

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 3,189,936.

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

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

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

	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	112,550.		N/A	
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	83,382.	78,250.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	86,734.			
	b Gross sales price for all assets on line 6a 846,213.				
	7 Capital gain net income (from Part IV, line 2)		86,734.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 **Total.** Add lines 1 through 11	282,666.	164,984.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	19,646.	14,735.		4,911.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 1	1,200.	900.		300.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 2	5,702.	602.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses				
	24 **Total operating and administrative expenses.** Add lines 13 through 23	26,548.	16,237.		5,211.
	25 Contributions, gifts, grants paid	135,000.			135,000.
	26 **Total expenses and disbursements.** Add lines 24 and 25	161,548.	16,237.		140,211.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	121,118.			
	b **Net investment income** (if negative, enter -0-)		148,747.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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323501 10-10-13 LHA For Paperwork Reduction Act Notice, see instructions. Form **990-PF** (2013)

15420502 781331 17380-04080 2013.03020 PADDISON CHARITABLE FOUNDAT 17380-A1

Part II Balance Sheets (Attached schedules and amounts in the description column should be for end-of-year amounts only)		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	132,336.	88,380.	88,380.
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶	4,332.		
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	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 STMT 3	47,231.	101,030.	97,125.
	b Investments - corporate stock STMT 4	1,485,684.	1,611,097.	2,274,202.
	c Investments - corporate bonds STMT 5	725,883.	715,953.	730,229.
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item 1)	2,395,466.	2,516,460.	3,189,936.
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			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	2,395,466.	2,516,460.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	0.	0.	
	30 Total net assets or fund balances	2,395,466.	2,516,460.	
	31 Total liabilities and net assets/fund balances	2,395,466.	2,516,460.	

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	2,395,466.
2 Enter amount from Part I, line 27a	2	121,118.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	2,516,584.
5 Decreases not included in line 2 (itemize) ▶ TAX EFFECTIVE DATE DIFFERENCE	5	124.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	2,516,460.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	PUBLICALLY TRADED SECURITIES - SEE			
b	ATTACHMENT		VARIOUS	VARIOUS
c	CAPITAL GAINS DIVIDENDS			
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b	805,499.		759,479.	46,020.
c	40,714.			40,714.
d				
e				

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				46,020.
c				40,714.
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	86,734.
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). If (loss), enter -0- in Part I, line 8	3	N/A

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

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

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

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

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

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2012	103,702.	2,618,555.	.039603
2011	100,971.	2,469,865.	.040881
2010	97,041.	2,180,640.	.044501
2009	109,044.	1,836,513.	.059376
2008	138,221.	2,279,446.	.060638

2	**Total** of line 1, column (d)	2	.244999
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	.049000
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	2,940,819.
5	Multiply line 4 by line 3	5	144,100.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	1,487.
7	Add lines 5 and 6	7	145,587.
8	Enter qualifying distributions from Part XII, line 4	8	140,211.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	2,975.
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	2,975.
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	2,975.
6 Credits/Payments:			
a 2013 estimated tax payments and 2012 overpayment credited to 2013	6a 3,800.		
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	3,800.
8 Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9 **Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10 **Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	825.
11 Enter the amount of line 10 to be: **Credited to 2014 estimated tax** ▶ 825.	**Refunded** ▶	11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?	1b		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 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		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ TN			
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (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 ▶ PINNACLE NATIONAL BANK/ JIM BAUGH Telephone no. ▶865-766-3017
Located at ▶1111 NORTHSHORE DR., SUITE S800, KNOXVILLE, TN ZIP+4 ▶37919

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 | N/A

			Yes	No
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

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

				Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ______, ______, ______, ______				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2013 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 2013.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?		4b		X

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

5a During the year did the foundation pay or incur any amount to:				
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ Yes ☒ No			
(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	☐ Yes ☒ No			
(3) Provide a grant to an individual for travel, study, or other similar purposes?	☐ Yes ☒ No			
(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	☐ Yes ☒ No			
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	☐ Yes ☒ No			
b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?	N/A	5b		
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A	☐ Yes ☐ No			
If "Yes," attach the statement required by Regulations section 53.4945-5(d).				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b		X
If "Yes" to 6b, file Form 8870.				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No			
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	7b		

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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
MARY PADDISON JAMES 3920 BEVERLY PLACE KNOXVILLE, TN 37918	CO-TRUSTEE 3.00	0.	0.	0.
PINNACLE BANK - SUCCESSOR TRUSTEE 1111 NORTHSHORE DR, SUITE S800 KNOXVILLE, TN 37919	CO-TRUSTEE 3.00	19,646.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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. 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 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3 ▶	0.

Form **990-PF** (2013)

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	2,914,720.
b	Average of monthly cash balances		1b	70,883.
c	Fair market value of all other assets		1c	
d	**Total** (add lines 1a, b, and c)		1d	2,985,603.
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	2,985,603.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	44,784.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	2,940,819.
6	**Minimum investment return.** Enter 5% of line 5		6	147,041.

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	147,041.
2a	Tax on investment income for 2013 from Part VI, line 5	2a 2,975.		
b	Income tax for 2013. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	2,975.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	144,066.
4	Recoveries of amounts treated as qualifying distributions		4	0.
5	Add lines 3 and 4		5	144,066.
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	144,066.

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	140,211.
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	140,211.
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	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	140,211.

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				144,066.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only			0.	
b Total for prior years: ____ , ____ , ____		0.		
3 Excess distributions carryover, if any, to 2013:				
a From 2008				
b From 2009 2,780.				
c From 2010				
d From 2011				
e From 2012				
f Total of lines 3a through e	2,780.			
4 Qualifying distributions for 2013 from Part XII, line 4: ▶ $ 140,211.				
a Applied to 2012, but not more than line 2a			0.	
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 2013 distributable amount				140,211.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a).)	2,780.			2,780.
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 2012. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				1,075.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

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 2013, 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) 2013	(b) 2012	(c) 2011	(d) 2010	(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).)

NONE

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 address of the person to whom applications should be addressed:

PADDISON FOUNDATION, PINNACLE BANK, TTEE, 865-766-3017
1111 NORTHSHORE DR., SUITE 800, KNOXVILLE, TN 37919

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

APPLICATION FORM CAN BE REQUESTED AT THE ABOVE ADDRESS.

c Any submission deadlines:

APPLICATION MUST BE MADE BY JANUARY 31

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

NONE

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*				
EMERALD AVE YOUTH FOUNDATION 1718 N CENTRAL ST. KNOXVILLE, TN 37917			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	7,000.
FOCUS GROUP PRISON MINISTRY 6300 DEANE HILL DRIVE KNOXVILLE, TN 37919			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	8,000.
FOUNTAIN CITY MINISTRY CENTER P.O. BOX 5311 KNOXVILLE, TN 37928			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	13,000.
FRIENDS OF THE GREAT SMOKY MOUNTAIN NATIONAL PARK P.O. BOX 1660 KODAK, TN 377647660			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	12,000.
INTERFAITH HEALTH CLINIC 315 GILL AVE. KNOXVILLE, TN 37917			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	13,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	135,000.
b *Approved for future payment* NONE				
Total			▶ 3b	0.

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
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	83,382.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	86,734.	
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.		170,116.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) . 13 170,116.

(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).

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Jim J. Baugh — 5/7/14 — Trust Officer

Signature of officer or trustee — 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	PTIN
EDMOND DUNLAVY	E.B. Dunlavy EDMOND DUNLAVY	05/02/14		P00317384
Firm's name ▶ KRAFTCPAS PLLC			Firm's EIN ▶ 62-0713250	
Firm's address ▶ 555 GREAT CIRCLE ROAD NASHVILLE, TN 37228			Phone no. 615-242-7351	

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990 .

OMB No 1545-0047

2013

Name of the organization	Employer identification number
PADDISON CHARITABLE FOUNDATION ATTENTION: JIM BAUGH	62-6310121

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of $5,000 or more during the year ▶ $ ____________

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization
PADDISON CHARITABLE FOUNDATION
ATTENTION: JIM BAUGH

Employer identification number
62-6310121

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	PADDISON CHARITABLE LEAD TRUSTS (2) 1111 NORTHSHORE DR., SUITE S800 KNOXVILLE, TN 37919	$ 112,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II for noncash contributions.)

Name of organization	Employer identification number
PADDISON CHARITABLE FOUNDATION ATTENTION: JIM BAUGH	62-6310121

Part II **Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization

PADDISON CHARITABLE FOUNDATION
ATTENTION: JIM BAUGH

Employer identification number

62-6310121

Part III *Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of $1,000 or less for the year. (Enter this information once) ▶ $

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
KNOXVILLE-KNOX COUNTY CAC 2247 WESTERN AVE KNOXVILLE, TN 37950			MOBILE MEALS	13,000.
KNOXVILLE-ZOOLOGICAL GARDENS 3500 KNOXVILLE ZOO DR. KNOXVILLE, TN 37914			EDUCATIONAL	12,000.
LOST SHEEP MINISTRY 1444 BREDA DRIVE KNOXVILLE, TN 37918			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATIONN	4,000.
MARYVILLE COLLEGE SCHOLARSHIP FUND 502 E. LAMAR ALEXANDER PKWY MARYVILLE, TN 37804			FUNDING THE ROGER B & EVELYN W PADDISON SCHOLARSHIP	14,000.
REMOTE AREA MEDICAL (RAM) 2200 STOCK CREEK BLVD ROCKFORD, TN 37853			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	4,000.
SECOND HARVEST FOOD BANK 922 DELAWARE AVE. KNOXVILLE, TN 37921			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	10,000.
ST. PAUL METHODIST CHURCH 4014 GARDEN DR. KNOXVILLE, TN 37918			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	10,000.
WESLEY HOUSE FOUNDATION 923 DAMERON AVENEUE KNOXVILLE, TN 37921			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	12,000.
YOUNG WILLIAMS ANIMAL CENTER 3201 DIVISION STREET KNOXVILLE, TN 37919			TO FURTHER CHARITABLE PURPOSE OF ORGANIZATION	3,000.
Total from continuation sheets				82,000.

323631
05-01-13

FORM 990-PF ACCOUNTING FEES STATEMENT 1

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	1,200.	900.		300.
TO FORM 990-PF, PG 1, LN 16B	1,200.	900.		300.

FORM 990-PF TAXES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	602.	602.		0.
ESTIMATED FEDERAL TAX PAYMENTS	3,800.	0.		0.
FEDERAL BALANCE DUE	1,300.	0.		0.
TO FORM 990-PF, PG 1, LN 18	5,702.	602.		0.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 3

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
MUNICIPAL BONDS		X	101,030.	97,125.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS			101,030.	97,125.
TOTAL TO FORM 990-PF, PART II, LINE 10A			101,030.	97,125.

FORM 990-PF	CORPORATE STOCK	STATEMENT 4

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
EQUITIES	1,611,097.	2,274,202.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,611,097.	2,274,202.

FORM 990-PF	CORPORATE BONDS	STATEMENT 5

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	715,953.	730,229.
TOTAL TO FORM 990-PF, PART II, LINE 10C	715,953.	730,229.

ACCT D43K 1045000022
FROM 01/01/2013
TO 12/31/2013

DAVID & CO NOMINEE
STATEMENT OF CAPITAL GAINS AND LOSSES
CTUA PADDISON FOUNDATION

TRUST YEAR ENDING 12/31/2013

RUN 04/21/2014
03.54 54 PM

TAX PREPARER 4020
TRUST ADMINISTRATOR 103
INVESTMENT OFFICER 304

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM	NC
60.0000 AFLAC INC COM - 001055102 - MINOR = 50							
SOLD		08/16/2013	3625 14				
ACQ	60.0000	02/01/2012	3625 14	2906 47	718 67	LT	
424 0000 ABBOTT LABORATORIES COM - 002824100 - MINOR = 50							
SOLD		10/17/2013	15739 03				
ACQ	319 0000	01/14/2008	11841 39	9181 88	2659.51	LT	Y
	75 0000	05/09/2008	2784.03	1860 59	923 44	LT	Y
	30.0000	04/27/2011	1113 61	751 70	361.91	LT	
365 0000 ALLERGAN INC COM - 018490102 - MINOR = 50							
SOLD		09/26/2013	33341.61				
ACQ	216.0000	07/11/2011	19730 93	17980.75	1750 18	LT	
	34.0000	02/13/2012	3105.79	2987 07	118 72	LT	
	25.0000	12/14/2012	2283.67	2297 45	-13 78	ST	
	90 0000	07/01/2013	8221 22	7558 57	662 65	ST	
90.0000 ALTRIA GROUP INC COM - 02209S103 - MINOR = 50							
SOLD		04/29/2013	3282 57				
ACQ	90 0000	03/26/2009	3282 57	1549 18	1733.39	LT	Y
12.0000 AMAZON COM INC - 023135106 - MINOR = 50							
SOLD		08/16/2013	3428 91				
ACQ	12 0000	10/26/2011	3428.91	2379 46	1049.45	LT	
40000 0000 AVON PRODUCTS INC 5.625% DUE 03/01/14 DTD 03/02/09 - 054303AV4 - MINOR = 200							
SOLD		04/15/2013	41738.08				
ACQ	40000 0000	05/03/2012	41738.08	42420.40	-682 32	ST	Y
FOUND UPDATE 08/08/13							
606 4000 BLACKROCK LATIN AMERICA FD INSTL #406 - 09250X402 - MINOR = 62							
SOLD		12/26/2013	31472.16				
ACQ	606.4000	02/28/2013	31472 16	37900 00	-6427 84	ST	
40.0000 BOEING CO COM - 097023105 - MINOR = 50							
SOLD		08/16/2013	4147 64				
ACQ	40 0000	03/26/2009	4147 64	1546.20	2601 44	LT	Y
330.0000 CATERPILLAR INC DEL COM - 149123101 - MINOR = 50							
SOLD		04/29/2013	27983 37				
ACQ	100 0000	03/26/2009	8479.81	3080 00	5399 81	LT	Y
	200 0000	04/20/2009	16959.62	6160 00	10799 62	LT	Y
	30 0000	03/07/2013	2543.94	2689 45	-145.51	ST	
50 0000 CONOCOPHILLIPS COM - 20825C104 - MINOR = 50							
SOLD		08/16/2013	3354 05				
ACQ	50.0000	03/26/2009	3354.05	1532.86	1821 19	LT	Y
30000 0000 DELL INC NT 5 625% DTD 04/06/2009 DUE 04/15/2014 - 24702RAG6 - MINOR = 200							
SOLD		11/29/2013	30567 90				
ACQ	30000.0000	03/14/2013	30567 90	31423.50	-855 60	ST	Y
533 0000 DIAMOND OFFSHORE DRILLING INC COM - 25271C102 - MINOR = 50							
SOLD		12/26/2013	29816 20				
ACQ	533 0000	09/27/2013	29816 20	33472 99	-3656 79	ST	
721.5010 DODGE & COX INCOME FUND #147 - 256210105 - MINOR = 61							
SOLD		01/31/2013	10000.00				
ACQ	721 5010	04/23/2009	10000.00	8542 57	1457 43	LT	Y
359.9710 DODGE & COX INCOME FUND #147 - 256210105 - MINOR = 61							
SOLD		03/15/2013	5000 00				
ACQ	359 9710	04/23/2009	5000 00	4262.06	737.94	LT	Y
1131.5900 DODGE & COX INCOME FUND #147 - 256210105 - MINOR = 61							
SOLD		03/19/2013	15763 05				
ACQ	1131 5900	04/23/2009	15763 05	13398.02	2365 03	LT	Y
355 0000 EXXON MOBIL CORP COM - 30231G102 - MINOR = 50							
SOLD		09/26/2013	30865 40				
ACQ	310.0000	01/24/2007	26952.88	23215 90	3736 98	LT	Y
	45.0000	12/31/2012	3912.52	3871 45	41 07	ST	
2985.0750 FEDERATED MUNI ULTRASHORT FD IS #253 - 31417P858 - MINOR = 61							
SOLD		01/11/2013	30000.00				
ACQ	2985 0750	12/14/2012	30000 00	30000.01	-0.01	ST	
30000 0000 FORD MOTOR CREDIT 3 5% DUE 4/20/2015 - 34540TCJ9 - MINOR = 200							
SOLD		04/22/2013	30000 00				
ACQ	30000 0000	12/26/2012	30000 00	30228 30	-228 30	ST	Y
FOUND UPDATE 08/08/13							
30000 0000 FORTUNE BRANDS INC NT CALLABLE DTD 11/20/2003 4 875% 12/01/2013 - 349631AK7 - MINOR = 45							
SOLD		12/01/2013	30000 00				
ACQ	30000.0000	10/06/2011	30000 00	31530 00	-1530 00	LT	Y
25000 0000 HSBC FIN CORP FIN FR DTD 12/16/10 2 15% - 40429XYK6 - MINOR = 45							
SOLD		12/15/2013	25000.00				
ACQ	25000 0000	01/10/2013	25000.00	25300 00	-300 00	ST	
40 0000 HOME DEPOT INC COM - 437076102 - MINOR = 50							
SOLD		03/07/2013	2801 43				
ACQ	40 0000	08/28/2012	2801 43	2273.36	528.07	ST	
55 0000 HOME DEPOT INC COM - 437076102 - MINOR = 50							
SOLD		04/29/2013	4048 46				
ACQ	55 0000	08/28/2012	4048 46	3125 87	922 59	ST	
50 0000 HONEYWELL INTL INC COM - 438516106 - MINOR = 50							
SOLD		08/16/2013	4093.09				
ACQ	50 0000	04/20/2009	4093.09	1509 00	2584 09	LT	Y
735.0000 ISHARES MSCI EMERGING MARKETS LATIN AMER - 46429B382 - MINOR = 50							
SOLD		02/25/2013	37524 07				
ACQ	735 0000	12/31/2012	37524 07	38419.92	-895 85	ST	
85 0000 JP MORGAN CHASE AND CO COM - 46625H100 - MINOR = 50							
SOLD		08/16/2013	4526 59				
ACQ	85 0000	05/27/2003	4526.59	2723 40	1803 19	LT	Y

TRUST YEAR ENDING 12/31/2013

TAX PREPARER: 4020
TRUST ADMINISTRATOR 103
INVESTMENT OFFICER: 304

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM	NC
30.0000 JOHNSON & JOHNSON COM - 478160104 - MINOR = 50							
SOLD		10/08/2013	2566.35				
ACQ	30 0000	06/28/2001	2566.35	1570.20	996 15	LT	Y
3330 KRAFT FOODS GROUP INC COM - 50076Q106 - MINOR = 50							
SOLD		02/04/2013	15.48				
ACQ	3330	04/15/2011	15.48	11.66	3 82	LT	
795 0000 LINN ENERGY LLC - 536020100 - MINOR = 50							
SOLD		08/16/2013	19752 07				
ACQ	520 0000	06/07/2012	12919 59	19032 73	-6113 14	LT	
	100 0000	09/13/2012	2484 54	3972 94	-1488 40	ST	
	110 0000	12/04/2012	2732 99	4306.49	-1573 50	ST	
	65 0000	12/14/2012	1614 95	2353 75	-738 80	ST	
318 8780 MATTHEWS ASIA DIVIDEND FUND #809 - 577125107 - MINOR = 62							
SOLD		10/08/2013	5000 00				
ACQ	318 8780	03/09/2012	5000.00	4396.11	603.89	LT	
238 6630 MATTHEWS ASIA GROWTH FUND #807 - 577130867 - MINOR = 62							
SOLD		10/08/2013	5000.00				
ACQ	238 6630	03/09/2012	5000.00	4088.38	911 62	LT	
820 0000 MONDELEZ INTERNATIONAL INC - 609207105 - MINOR = 50							
SOLD		10/18/2013	26559.34				
ACQ	670.0000	04/15/2011	21700 92	14544.42	7156.50	LT	
	150 0000	04/27/2011	4858 42	3284.26	1574 16	LT	
20000.0000 MORGAN STANLEY DEB 7 00% DUE 10/01/13 DTD 10/06/93 - 617446AS8 - MINOR = 200							
SOLD		10/01/2013	20000 00				
ACQ	20000 0000	05/23/2012	20000 00	21047.00	-1047 00	LT	Y
70 0000 NIKE INC CL B - 654106103 - MINOR = 50							
SOLD		04/29/2013	4376 31				
ACQ	70 0000	05/12/2009	4376 31	1778.35	2597 96	LT	Y
50 0000 NIKE INC CL B - 654106103 - MINOR = 50							
SOLD		08/16/2013	3186.09				
ACQ	50 0000	05/12/2009	3186.09	1270 25	1915 84	LT	Y
40 0000 NIKE INC CL B - 654106103 - MINOR = 50							
SOLD		10/08/2013	2806.40				
ACQ	40.0000	05/12/2009	2806 40	1016 20	1790 20	LT	Y
485.4370 PIMCO LOW DURATION FUND #36 - 693390304 - MINOR = 61							
SOLD		10/08/2013	5000.00				
ACQ	485 4370	04/23/2009	5000 00	4832.70	167 30	LT	Y
1961 7460 PIMCO LOW DURATION FUND #36 - 693390304 - MINOR = 61							
SOLD		12/24/2013	20225 60				
ACQ	1961 7460	04/23/2009	20225 60	19529.87	695.73	LT	Y
1138 2110 PIMCO REAL RETURN FUND CLASS I #122 - 693391104 - MINOR = 61							
SOLD		04/22/2013	14000.00				
ACQ	1138 2110	04/29/2011	14000.00	13654 84	345.16	LT	Y
886 5240 PIMCO REAL RETURN FUND CLASS I #122 - 693391104 - MINOR = 61							
SOLD		07/26/2013	10000.00				
ACQ	886 5240	04/29/2011	10000 00	10635 41	-635 41	LT	Y
818 3310 PIMCO DIVERSIFIED INCOME FUND CLASS I #1 - 693391880 - MINOR = 61							
SOLD		03/15/2013	10000 00				
ACQ	818 3310	11/14/2011	10000 00	9377 85	622 15	LT	Y
406 5040 PIMCO DIVERSIFIED INCOME FUND CLASS I #1 - 693391880 - MINOR = 61							
SOLD		04/22/2013	5000 00				
ACQ	406 5040	11/14/2011	5000 00	4658 43	341 57	LT	Y
1730 1040 PIMCO DIVERSIFIED INCOME FUND CLASS I #1 - 693391880 - MINOR = 61							
SOLD		10/08/2013	20000.00				
ACQ	1730 1040	11/14/2011	20000.00	19826 53	173 47	LT	Y
1865.6710 PIMCO FOREIGN BOND FUND UNHEDGED INSTITU - 722005220 - MINOR = 61							
SOLD		01/31/2013	20000.00				
ACQ	1865.6710	04/29/2011	20000.00	20900.81	-900.81	LT	Y
1449.2750 PIMCO FOREIGN BOND FUND UNHEDGED INSTITU - 722005220 - MINOR = 61							
SOLD		03/15/2013	15000 00				
ACQ	1449 2750	04/29/2011	15000 00	16235 99	-1235 99	LT	Y
745 5260 PIMCO FOREIGN BOND FUND UNHEDGED INSTITU - 722005220 - MINOR = 61							
SOLD		07/26/2013	7500 00				
ACQ	745 5260	04/29/2011	7500.00	8352 00	-852 00	LT	Y
45 0000 PROCTER & GAMBLE CO COM - 742718109 - MINOR = 50							
SOLD		08/16/2013	3595 44				
ACQ	45 0000	03/07/2005	3595 44	2429 64	1165 80	LT	Y
25 0000 PRUDENTIAL FINANCIAL INC COM - 744320102 - MINOR = 50							
SOLD		10/08/2013	1893 51				
ACQ	25.0000	02/18/2010	1893 51	1279 38	614 13	LT	Y
948 0000 SOUTHERN COPPER CORP COM - 84265V105 - MINOR = 50							
SOLD		08/29/2013	25960 05				
ACQ	818 0000	02/01/2012	22400.13	28232.41	-5832 28	LT	
	130 0000	02/13/2012	3559 92	4313.40	-753 48	LT	
205 0000 VISA INC COM - 92826C839 - MINOR = 50							
SOLD		08/29/2013	35930 50				
ACQ	205.0000	05/03/2012	35930 50	24095.68	11834 82	LT	
45000 0000 WEAKLEY COUNTY TN G O. 3 6% DUE 5/01/2013 - 946847KZ2 - MINOR = 100							
SOLD		05/01/2013	45000 00				
ACQ	45000 0000	05/17/2011	45000 00	47230 65	-2230.65	LT	Y
120.0000 WELLS FARGO & CO NEW COM - 949746101 - MINOR = 50							
SOLD		08/16/2013	5129 92				
ACQ	120 0000	01/24/2007	5129 92	4386.00	743.92	LT	Y

TAX PREPARER 4020
TRUST ADMINISTRATOR 103
INVESTMENT OFFICER 304

LEGEND F - FEDERAL S - STATE I - INHERITED
E - EXEMPT FROM STATE U - ACQ COST UNKNOWN

PROPERTY DESCRIPTION	SHARES	DATE	SALES PRICE	COST BASIS	GAIN/LOSS	TERM	NC
110 0000 SEAGATE TECHNOLOGY PLC SHS - G7945M107 - MINOR = 55							
SOLD		08/16/2013	4313.04				
ACQ	110 0000	02/03/2012	4313 04	2911.05	1401.99	LT	
60 0000 SEAGATE TECHNOLOGY PLC SHS - G7945M107 - MINOR = 55							
SOLD		10/08/2013	2680 80				
ACQ	60 0000	02/03/2012	2680 80	1587.85	1092 95	LT	
105 0000 TEXTAINER GROUP HOLDINGS LTD - G8766E109 - MINOR = 50							
SOLD		02/25/2013	4210 41				
ACQ	105 0000	11/29/2011	4210 41	2629 80	1580 61	LT	
65 0000 TEXTAINER GROUP HOLDINGS LTD - G8766E109 - MINOR = 50							
SOLD		03/07/2013	2678.60				
ACQ	65.0000	11/29/2011	2678.60	1627 97	1050 63	LT	
		TOTALS	805498 66	759479.38			

SUMMARY OF CAPITAL GAINS/LOSSES

FEDERAL	SHORT TERM	LONG TERM 28%	LONG TERM	ST WASH SALE	LT WASH SALE	1250 GAIN
NONCOVERED FROM ABOVE	-1766 22	0 00	42360.58	0.00	0 00	0 00*
COVERED FROM ABOVE	-13086 10	0 00	18511 02	0.00	0 00	
COMMON TRUST FUND	0 00	0 00	0 00			0 00
CAPITAL GAIN DIV/DIST	6009 99	0.35	40708 29			4 96
	-8842 33	0.35	101579 89	0 00	0 00	4 96
STATE						
NONCOVERED FROM ABOVE	-1766.22	0 00	42360 58	0 00	0.00	0 00*
COVERED FROM ABOVE	-13086 10	0 00	18511 02	0 00	0 00	
COMMON TRUST FUND	0.00	0 00	0.00			0 00
CAPITAL GAIN DIV/DIST	6009 99	0 35	40708.29			4 96
	-8842 33	0 35	101579.89	0.00	0.00	4 96

* - 1250 GAIN DETAILED ON TRANS PAGES, NOT ABOVE

CAPITAL LOSS CARRYOVER

FEDERAL	0 00	0 00
TENNESSEE	N/A	N/A