



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Trust Treated as Private Foundation

OMB No 1545-0052

2014

Open to Public Inspection

- 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.

For calendar year 2014 or tax year beginning , and ending

Name of foundation TELLUMIND FOUNDATION			A Employer identification number 91-6498738	
Number and street (or P.O. box number if mail is not delivered to street address) 1920 4TH AVENUE UNIT 1809		Room/suite	B Telephone number (see instructions) (425) 894-0120	
City or town SEATTLE	State WA	ZIP code 98101-5118		
Foreign country name	Foreign province/state/county	Foreign postal code	C If exemption application is pending, check here <input type="checkbox"/>	
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change			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 type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input checked="" 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) \$ 838,403		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 (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)				
	2 Check <input 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	19,199	19,199		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	21,212			
	b Gross sales price for all assets on line 6a 49,881				
	7 Capital gain net income (from Part IV, line 2)		21,212		
	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) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	40,411	40,411	0		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	888			
	c Other professional fees (attach schedule)	8,239	8,239		
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	222	222		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	25	25		
	24 Total operating and administrative expenses. Add lines 13 through 23	9,374	8,486	0	0
	25 Contributions, gifts, grants paid	35,250			35,250
26 Total expenses and disbursements. Add lines 24 and 25	44,624	8,486	0	35,250	
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements	-4,213				
b Net investment income (if negative, enter -0-)		31,925			
c Adjusted net income (if negative, enter -0-)			0		

Received in Batching/ Comes Ogden JUN 17 2015 JUN 15 2015

b

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	-13,012	-12,543	-12,543
	3	Accounts receivable ▶			
		Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶			
		Less allowance for doubtful accounts ▶			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach 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)	487,797	482,748	850,946
	c	Investments—corporate bonds (attach schedule)			
	11	Investments—land, buildings, and equipment, basis ▶			
		Less accumulated depreciation (attach schedule) ▶			
Liabilities	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)	474,785	470,205	838,403
	17	Accounts payable and accrued expenses			
	18	Grants payable			
Net Assets or Fund Balances	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 ▶ FED INCOME TAXES PAYABLE)	367	639	
	23	Total liabilities (add lines 17 through 22)	367	639	
		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ <input type="checkbox"/>			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>			
	27	Capital stock, trust principal, or current funds	474,418	469,566	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	Total net assets or fund balances (see instructions)	474,418	469,566	
	31	Total liabilities and net assets/fund balances (see instructions)	474,785	470,205	

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	474,418
2	Enter amount from Part I, line 27a	2	-4,213
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	470,205
5	Decreases not included in line 2 (itemize) ▶ FEDERAL INCOME TAX	5	639
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	469,566

Part IV Capital Gains and Losses for Tax on Investment Income

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

(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			0
b			0
c			0
d			0
e			0

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

(i) FMV 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			0
b			0
c			0
d			0
e			0

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	21,212
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	0

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))
2013	30,000	712,789	0.042088
2012	30,050	602,952	0.049838
2011	27,500	607,535	0.045265
2010	25,000	555,895	0.044973
2009			0.000000

2 Total of line 1, column (d)	2	0.182164
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	0.045541
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	801,884
5 Multiply line 4 by line 3	5	36,519
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	319
7 Add lines 5 and 6	7	36,838
8 Enter qualifying distributions from Part XII, line 4 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	8	35,250

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 <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		639
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		639
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4		
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5		639
6	Credits/Payments			
a	2014 estimated tax payments and 2013 overpayment credited to 2014	6a		
b	Exempt foreign organizations—tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d	7		0
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		9
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		648
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		0
11	Enter the amount of line 10 to be Credited to 2015 estimated tax 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>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</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ (2) On foundation managers. \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i>		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? <i>If "Yes," attach a conformed copy of the changes</i>		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		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?		X
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>WA</u>		
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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i>	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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		X

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		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? Website address ► N/A	13	X	
14	The books are in care of ► KEVIN PHAUP Telephone no ► (425) 894-0120 Located at ► 1920 4TH AVENUE UNIT 1809 SEATTLE WA ZIP+4 ► 98101-5118			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15			
16	At any time during calendar year 2014, 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? See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly TD F 90-22.1) If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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 instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	N/A
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 2014?	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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? <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	N/A
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 2014 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 2014.)	3b	N/A
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 2014?	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 4945(d)(4)(A)? (see instructions) ☐ Yes ☒ No

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

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? ☐ Yes ☒ No

Organizations relying on a current notice regarding disaster assistance check here ☐ Yes ☒ No

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

If "Yes," attach the statement required by Regulations section 53.4945–5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

If "Yes" to 6b, file Form 8870.

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

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
KEVIN LEE PHAUP 1920 4TH AVENUE UNIT 1809 SEATTLE, WA 98101-51	TRUSTEE 5 00			
CATHERINE ANN WISSINK 525 OVERLAKE DR E MEDINA, WA 98039	TRUSTEE 5 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 ☐

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 N/A	
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	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	809,921
b	Average of monthly cash balances	1b	4,174
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	814,095
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	814,095
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	12,211
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	801,884
6	Minimum investment return. Enter 5% of line 5	6	40,094

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	40,094
2a	Tax on investment income for 2014 from Part VI, line 5	2a	639
b	Income tax for 2014 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	639
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	39,455
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	39,455
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	39,455

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	35,250
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	35,250
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	35,250

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 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				39,455
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			35,239	
b Total for prior years. 20 10 , 20 11 , 20 12		87,276		
3 Excess distributions carryover, if any, to 2014				
a From 2009				
b From 2010				
c From 2011				
d From 2012				
e From 2013				
f Total of lines 3a through e	0			
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ \$ 35,250				
a Applied to 2013, but not more than line 2a			35,239	
b Applied to undistributed income of prior years (Election required—see instructions)				
c Treated as distributions out of corpus (Election required—see instructions)				
d Applied to 2014 distributable amount				11
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2014 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
b Prior years' undistributed income Subtract line 4b from line 2b		87,276		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount—see instructions		87,276		
e Undistributed income for 2013 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2014 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015				39,444
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required—see instructions)				
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012				
d Excess from 2013				
e Excess from 2014				

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	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
Name and address (home or business)				
a <i>Paid during the year</i>				
ACLU FOUNDATION 125 BROAD STREET, 18TH FLOOR NEW YORK, NY 10004			CIVIL LIBERTIES	1,000
ASHESI UNIVERSITY FOUNDATION 1414 31ST AVE S, BOX#11 SEATTLE, WA 98144			LIBERAL ARTS	4,000
CLIMATE SOLUTIONS 219 LEGION WAY SW, SUITE 201 OLYMPIA, WA 98501			CONSERVATION	1,000
CONSERVATION NORTHWEST 1208 BAY ST, #201 BELLINGHAM, WA 98225			CONSERVATION	7,000
FARESTART (FUND DEV OFFICE) 700 VIRGINIA ST SEATTLE, WA 98101			JOB PLACEMENT	5,000
LITERACY BRIDGE 1904 THIRD AVE, #723 SEATTLE, WA 98101			EDUCATION	2,000
RAGGED MOUNTAIN SKI & SNOWBOARD CLUB PO BOX 1207 CAMDEN, ME 04843			SCHOLARSHIPS	1,000
SOCIAL VENTURE PARTNERS 220 SECOND AVE S, THIRD FL SEATTLE, WA 98104			PHILANTHROPY	3,000
SOCIAL VENTURE PARTNERS 220 SECOND AVE S, THIRD FL SEATTLE, WA 98104			PHILANTHROPY	2,000
SOCIAL VENTURE PARTNERS-PORTLAND 221 NW SECOND AVE, SUITE 210E PORTLAND, OR 97209			PHILANTHROPY	2,500
SOCIAL VENTURE PARTNERS-PORTLAND 221 NW SECOND AVE, SUITE 210E PORTLAND, OR 97209			PHILANTHROPY	6,750
Total			3a	35,250
b <i>Approved for future payment</i>				
Total			3b	0

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

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	19,199	
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	21,212	
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		40,411	0
13	Total. Add line 12, columns (b), (d), and (e)				13	40,411

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

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

- | | | |
|---|---|---|
| 1 | <p>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?</p> | |
| a | <p>Transfers from the reporting foundation to a noncharitable exempt organization of</p> | |
| | <p>(1) Cash</p> | 1 |
| | <p>(2) Other assets</p> | 1 |
| b | <p>Other transactions.</p> | |
| | <p>(1) Sales of assets to a noncharitable exempt organization</p> | 1 |
| | <p>(2) Purchases of assets from a noncharitable exempt organization</p> | 1 |
| | <p>(3) Rental of facilities, equipment, or other assets</p> | 1 |
| | <p>(4) Reimbursement arrangements</p> | 1 |
| | <p>(5) Loans or loan guarantees</p> | 1 |
| | <p>(6) Performance of services or membership or fundraising solicitations</p> | 1 |
| c | <p>Sharing of facilities, equipment, mailing lists, other assets, or paid employees</p> | |
| d | <p>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.</p> | |

[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) is based on all information of which preparer has any knowledge.

Signature of officer or trustee

Date _____

Title

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

**Paid
Preparer
Use Only**

Print/Type preparer's name

SUSAN MCGUIRE

Preparer's signature

Date _____

5/21/2015

Check ☐ if self-employed

PTIN	
------	--

P01840575

Firm's name ▶ MCGUIRE, HECKMAN & ASSOC. INC

Firm's EIN ▶ 47-2595542

Firm's address ▶ 3302 FUHRMAN AVE E STE 201, SEATTLE, WA 98102-7115

Phone no 206-329-4740

Part I, Line 6 (990-PF) - Gain/Loss from Sale of Assets Other Than Inventory

Amount										Totals			Net Gain or Loss	
Check "X" to include in Part IV	Description	CUSIP #	Purchaser	Check "X" if Purchaser is a Business	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Cost or Other Basis	Valuation Method	Cost, Other Basis and Expenses		Net Gain or Loss	
											Gross Sales	Depreciation		
Long Term CG Distributions										Capital Gains/Losses		49,881	28,669	21,212
Short Term CG Distributions										Other sales		0	0	0
1	X	MARRIOTT VACATIONS WOR	57164Y107	X	VARIOUS	P	1/16/2014	673	242				431	
2	X	MICROSOFT CORP	594918104	X	VARIOUS	P	7/15/2014	2,157	1,343				814	
3	X	INTUIT INC	461202103	X	2/28/2006	P	1/16/2014	3,842	1,215				- 2,627	
4	X	ISHARES MSCI EAFE EFT	464287465	X	9/22/2009	P	1/16/2014	3,339	2,790				549	
5	X	MARRIOTT VACATIONS WOR	57164Y107	X	VARIOUS	P	1/16/2014	2,219	702				1,517	
6	X	MICROSOFT CORP	594918104	X	3/10/2005	P	7/15/2014	25,253	15,104				10,149	
7	X	THERMO FISHER SCIENTIFIC	883556102	X	VARIOUS	P	1/16/2014	2,899	548				2,351	
8	X	VANGUARD FTSE EMERGING	922042858	X	12/7/2010	P	1/16/2014	3,954	4,794				-840	
9	X	VISA INC	92826C839	X	12/7/2010	P	1/16/2014	5,545	1,931				3,614	

Part I, Line 11 (990-PF) - Other Income

		0	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income
1	PAYMENTS IN LIEU OF DIVIDENDS OR INTEREST		0	

Part I, Line 16b (990-PF) - Accounting Fees

		888	0	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	ACCOUNTING FEES CPA	888			

Part I, Line 16c (990-PF) - Other Professional Fees

		8,239	8,239	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes (Cash Basis Only)
1	INVEST MGMT FEES-MORGAN STANLEY	8,239	8,239		

Part I, Line 18 (990-PF) - Taxes

		222	222	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	FOREIGN TAX PAID	222	222		
2	Tax on investment income				
3	Income tax				

Part I, Line 23 (990-PF) - Other Expenses

		25	25	0	0
Description		Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
1	STATE FILING FEES	25	25		

Part II, Line 10b (990-PF) - Investments - Corporate Stock

		487,797		482,748		807,372		850,946
Description		Num Shares/ Face Value	Book Value Beg of Year	Book Value End of Year	FMV Beg of Year	FMV End of Year	FMV End of Year	
1	SEE MORGAN STANLEY STATEMENT		487,797	482,748	807,372	850,946		

Part II, Line 22 (990-PF) - Other Liabilities

		367	639
Description		Beginning Balance	Ending Balance
1	FED INCOME TAXES PAYABLE	367	639

Part IV (990-PF) - Capital Gains and Losses for Tax on Investment Income

		Amount											
Long Term CG Distributions		0										0	21,212
Short Term CG Distributions		0										0	21,212
	Description of Property Sold	Acquisition Method	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed	Adjustments	Cost or Other Basis Plus Expense of Sale	Gain or Loss	FMV as of 12/31/69	Adjusted Basis as of 12/31/69	Excess of FMV Over Adj. Basis	Gains Minus Excess of FMV Over Adjusted Basis or Losses
1	MARRIOTT VACATIONS WORLDWIDE	P	VARIOUS	1/16/2014	673			242	431	0	0	0	431
2	MICROSOFT CORP	P	VARIOUS	7/15/2014	2,157			1,343	814	0	0	0	814
3	INTUIT INC	P	2/28/2006	1/16/2014	3,842			1,215	2,627	0	0	0	2,627
4	ISHARES MSCI EAFE EFT	P	9/22/2009	1/16/2014	3,339			2,790	549	0	0	0	549
5	MARRIOTT VACATIONS WORLDWIDE	P	VARIOUS	1/16/2014	2,219			702	1,517	0	0	0	1,517
6	MICROSOFT CORP	P	3/10/2005	7/15/2014	25,253			15,104	10,149	0	0	0	10,149
7	THERMO FISHER SCIENTIFIC INC	P	VARIOUS	1/16/2014	2,899			548	2,351	0	0	0	2,351
8	VANGUARD FTSE EMERGING MARKETS	P	12/7/2010	1/16/2014	3,954			4,794	-840	0	0	0	-840
9	VISA INC	P	12/7/2010	1/16/2014	5,545			1,931	3,614	0	0	0	3,614

Part VIII, Line 1 (990-PF) - Compensation of Officers, Directors, Trustees and Foundation Managers

		Check "X" if Business	Street	City	State	Zip Code	Foreign Country	Title	Avg Hrs Per Week	Compensation	Benefits	Expense Account
1	KEVIN LEE PHAUP		1920 4TH AVENUE UNIT 1809	SEATTLE	WA	98101-5118		TRUSTEE	5 00			
2	CATHERINE ANN WISSINK		525 OVERLAKE DR E	MEDINA	WA	98039		TRUSTEE	5 00			

Data Sheet (8868 Page 1)

For the calendar year or other tax year beginning <u>2014</u> , and ending			
Name TELLUMIND FOUNDATION		FEIN 91-6498738	
Address 1920 4TH AVENUE UNIT 1809		SSN	
City, Town, or Post Office SEATTLE		State WA	Zip Code 98101-5118
Foreign Province	Foreign Country		Postal Code

Data Sheet (8868 Page 2)

For the calendar year or other tax year beginning			, and ending		
Name			FEIN		
TELLUMIND FOUNDATION			91-6498738		
Address			SSN		
1920 4TH AVENUE UNIT 1809					
City, Town, or Post Office			State		Zip Code
SEATTLE			WA		98101-5118
Foreign Province		Foreign Country		Postal Code	

Data Sheet (8868 Page 1)

For the calendar year or other tax year beginning <u>2014</u> , and ending		
Name TELLUMIND FOUNDATION		FEIN 91-6498738
Address 1920 4TH AVENUE UNIT 1809		SSN
City, Town, or Post Office SEATTLE		State WA
Zip Code 98101-5118		
Foreign Province	Foreign Country	Postal Code

Data Sheet (8868 Page 2)

For the calendar year or other tax year beginning				, and ending	
Name TELLUMIND FOUNDATION			FEIN 91-6498738		
Address 1920 4TH AVENUE UNIT 1809			SSN		
City, Town, or Post Office SEATTLE			State WA	Zip Code 98101-5118	
Foreign Province		Foreign Country		Postal Code	

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

STATEMENT FOR
KEVIN PHAUP AND
CATHERINE WISSINK TTEES TELLUMIND
FOUNDATION TRUST DTD 12/2/1999

TOTAL VALUE OF YOUR ACCOUNT (as of 12/31/14)
Includes Accrued Interest

\$838,403.06

Morgan Stanley Smith Barney LLC Member SIPC

Your Financial Advisor Team
SCHROEDER/KNUDSEN
206-628-4400

Your Branch
601 UNION STREET, SUITE 5200
SEATTLE, WA 98101
Telephone 206-628-4400, Alt Phone 800-426-7837, Fax 206-628-4425

#BWNJGWM

KEVIN PHAUP AND
CATHERINE WISSINK TTEES TELLUMIND
FOUNDATION TRUST DTD 12/2/1999
1920 4TH AVE UNIT 1809
SEATTLE WA 98101-5118

Access Your Account Online. www.morganstanley.com/online

135 - 893873 - 098 - 4 - 1

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

Page 2 of 18

Account Summary Portfolio Management Active Assets Account 135-893873-098 KEVIN PHAUP AND CATHERINE WISSINK TTEES TELLUMIND

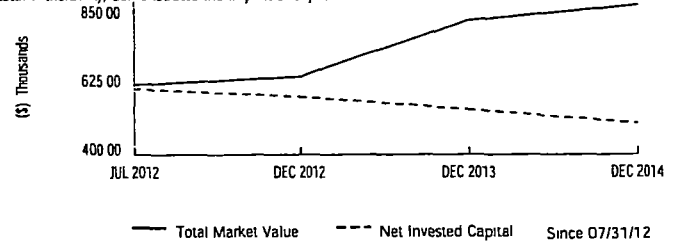
CHANGE IN VALUE OF YOUR ACCOUNTS (includes accrued interest)

	This Period (12/1/14-12/31/14)	This Year (1/1/14-12/31/14)
TOTAL BEGINNING VALUE	\$872,008.81	\$794,359.91
Credits	—	10.00
Debits	(23,058.35)	(41,211.90)
Security Transfers	—	—
Net Credits/Debits/Transfers	\$(23,058.35)	\$(41,201.90)
Change in Value	(10,547.40)	85,245.05
TOTAL ENDING VALUE	\$838,403.06	\$838,403.06

Net Credits / Debits include investment advisory fees as applicable. See Activity section for details.

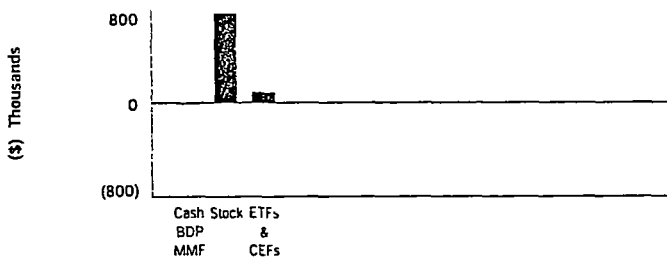
CHANGE IN VALUE OVER TIME

The display of market value (total account value) and net invested capital (total amount invested minus total withdrawn), demonstrates the impact of deposits and withdrawals.



This graph does not reflect corrections to Net Invested Capital or Market Value made subsequent to the dates depicted. It may exclude transactions in Annuities or positions where we are not the custodian, which could delay the reporting of Market Value or affect the Net Invested Capital.

ALLOCATION OF HOLDINGS



	Market Value	Percentage %
Cash, BDP, MMFs (Debit)	\$(12,543.04)	-1.5
Stocks	761,411.02	90.8
ETFs & CEFs	89,535.08	10.7
TOTAL VALUE	\$838,403.06	100.0%

This allocation represents holdings on a trade date basis, and projected settled Cash/BDP and MMF balances. These classifications are not intended to serve as a suitability analysis.

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

Page 3 of 18

Account Summary Portfolio Management Active Assets Account KEVIN PHAUP AND CATHERINE WISSINK TTEES TELLUMIND 135-893873-098

BALANCE SHEET (^ includes accrued interest)

	Last Period (as of 11/30/14)	This Period (as of 12/31/14)
Cash, BDP, MMFs	\$6,593 19	—
Stocks	770,921 09	761,411.02
ETFs & CEFs	94,494 53	89,535 08
Total Assets	\$872,008.81	\$850,946 10
Cash, BDP, MMFs (Debit)	—	(12,543 04)
Total Liabilities (outstanding balance)	—	\$(12,543 04)
TOTAL VALUE	\$872,008 81	\$838,403 06

CASH FLOW

	This Period (12/1/14-12/31/14)	This Year (1/1/14-12/31/14)
OPENING CASH, BDP, MMFs	\$6,593.19	\$(13,012 39)
Purchases	—	(27,361 60)
Sales and Redemptions	—	49,881 29
Income	3,922 12	19,151 56
Total Investment Related Activity	\$3,922 12	\$41,671.25
Checks Deposited	—	10 00
Other Debits	5 45	(8,289 94)
Interest Charged	(63 80)	(141 96)
Total Cash Related Activity	\$(58 35)	\$(8,421.90)
Checks Written	(23,000 00)	(32,780 00)
Total Card/Check Activity	\$(23,000 00)	\$(32,780 00)
CLOSING CASH, BDP, MMFs	\$(12,543 04)	\$(12,543.04)

INCOME AND DISTRIBUTION SUMMARY

	This Period (12/1/14-12/31/14)	This Year (1/1/14-12/31/14)
Qualified Dividends	\$2,773 32	\$14,958 14
Other Dividends	1,148 80	4,193 42
Total Taxable Income And Distributions	\$3,922.12	\$19,151.56
Total Tax-Exempt Income	—	—
TOTAL INCOME AND DISTRIBUTIONS	\$3,922.12	\$19,151.56

Taxable and tax exempt income classifications are based on the characteristics of the underlying securities and not the taxable status of the account

GAIN/(LOSS) SUMMARY

	Realized This Period (12/1/14-12/31/14)	Realized This Year (1/1/14-12/31/14)	Unrealized Inception to Date (as of 12/31/14)
Short-Term Gain	—	—	\$2,708 24
Long-Term Gain	—	22,051 45	361,138 62
Long-Term (Loss)	—	(839 62)	(10,326 20)
Total Long-Term	—	\$21,211 83	\$350,812 42
TOTAL GAIN/(LOSS)	—	\$21,211.83	\$353,520.66

The Gain/(Loss) Summary, which may change due to basis adjustments, is provided for informational purposes and should not be used for tax preparation. Refer to Gain/(Loss) in the Expanded Disclosures

PERSONAL ACCOUNTS	RETIREMENT ACCOUNTS	EDUCATION ACCOUNTS	TRUST ACCOUNTS	BUSINESS ACCOUNTS
----------------------	------------------------	-----------------------	-------------------	----------------------

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

Page 4 of 18

Account Detail	Portfolio Management Active Assets Account 135-893873-098	KEVIN PHAUP AND CATHERINE WISSINK TTEES TELLUMIND
----------------	--	--

Investment Objectives[†]: Capital Appreciation, Aggressive Income, Speculation

Investment Advisory Account

[†] Inform us if your investment objectives, as defined in the Expanded Disclosures, change

HOLDINGS

This section reflects positions purchased/sold on a trade date basis, and includes positions purchased and omits positions sold in the current month. "Market Value" and "Unrealized Gain/(Loss)" are representative values as of the last business day of the statement period and may not reflect the value that could be obtained in the market. Fixed income securities are sorted by maturity or pre-refunding date, and alphabetically within date. Estimated Annual Income (EAI) is calculated on a pre-tax basis and does not include any reduction for applicable non-US withholding taxes, if any. EAI for certain securities may include return of principal or capital gains which could overstate such estimates. For securities that have a defined maturity date within the next 12 months, EAI is reflected only through maturity date. Actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment, and does not reflect changes in its price. Structured products, identified in the Security Description column, appear in various statement product categories. When displayed, accrued interest, annual income and yield for structured products with a contingent income feature (such as Range Accrual Notes or Contingent Income Notes) are estimates and assume specified accrual conditions are met during the relevant period and payment in full of all contingent interest. For Floating Rate Securities, the accrued interest, annual income and yield are estimates based on the current floating coupon rate and may not reflect historic rates within the accrual period. Treasury regulations require that we report on Form 1099-B, after the close of the tax year, your adjusted cost basis on the sale of covered securities acquired on or after January 1, 2011, and classify the gain or loss as either long-term or short-term. These regulations also require that we make basis adjustments on covered securities due to wash sales, certain corporate actions and transfers by gift or inheritance, which will be reflected on your Form 1099-B. Cost basis is reflected on statements for informational purposes and should not be used in the preparation of your income tax returns. Refer to the Expanded Disclosures for additional information.

CASH, BANK DEPOSIT PROGRAM AND MONEY MARKET FUNDS

Cash, Bank Deposit Program, and Money Market Funds are generally displayed on a settlement date basis. You have the right to instruct us to liquidate your bank deposit balance(s) or shares of any money market fund balance(s) at any time and have the proceeds of such liquidation remitted to you. Estimated Annual Income, Accrued Interest, and APY% will only be displayed for fully settled positions.

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
MARGIN LOAN	\$(12,543.04)			
	Percentage of Assets %	Market Value		Estimated Annual Income Accrued Interest
CASH, BDP, AND MMFS	(1.5)%	\$(12,543.04)		\$0.00
TOTAL CASH, BDP, MMFS		\$0.00		\$0.00
TOTAL CASH, BDP, MMFS (DEBIT)		\$(12,543.04)		

STOCKS

COMMON STOCKS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
AMGEN INC (AMGN)	9/22/09	259,000	\$60.750	\$15,734.17	\$41,256.11	\$25,521.94 LT		
	12/7/10	48,000	\$3.148	2,551.10	7,645.92	5,094.82 LT		
	2/16/11	20,000	\$52.440	1,048.80	3,185.80	2,137.00 LT		
Total		327,000		19,334.07	52,087.83	32,753.76 LT	1,033.00	1.98

Share Price \$159.290, Next Dividend Payable 03/2015, 327 Held On Margin

KEVIN PHAUP AND
CATHERINE WISSINK TTEES TELLUMIND

STOCKS

COMMON STOCKS (CONTINUED)[illegible]

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

Page 6 of 18

Account Detail

Portfolio Management Active Assets Account: KEVIN PHAUP AND
135-893873-098 CATHERINE WISSINK TTEES TELLUMIND

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
GENERAL ELECTRIC CO (GE)	12/2/02	258 000	27 270	7,035 66	6,519 66	(516 00) LT		
	10/7/03	37 000	30 620	1,132 94	934 99	(197 95) LT		
	2/3/04	113 000	33 280	3,760 64	2,855 51	(905 13) LT		
	7/26/05	25 000	34 830	870 75	631 75	(239 00) LT		
	2/28/06	68 000	33 010	2,244 68	1,718 36	(526 32) LT		
	9/22/09	644 000	17 010	10 954 44	16,273 88	5,319 44 LT		
	12/7/10	17 000	17 178	292 03	429 59	137 56 LT		
	3/10/11	45 000	20 132	905 92	1,137 15	231 23 LT		
	8/3/11	123 000	17 288	2,126 46	3,108 21	981 75 LT		
Total		1,330 000		29,323 52	33,609.10	4,285 58 LT	1,224 00	3 64
Share Price \$25 270, Next Dividend Payable 01/26/15, 1330 Held On Margin								
GOOGLE INC CL C (GOOG)	4/24/13	10 000	407 625	4,076 25	5,264.00	1,187 75 LT	—	—
Share Price \$526 400								
GOOGLE INC-CL A (GOOGL)	4/24/13	10 000	408 932	4,089 32	5,306 60	1,217 28 LT	—	—
Share Price \$530 660								
HARLEY DAVIDSON INC (HOG)	4/19/12	414 000	49 718	20,583 13	27,286 74	6,703 61 LT	455 00	1 66
Share Price \$65 910 Next Dividend Payable 03/2015, 414 Held On Margin								
HONEYWELL INTERNATIONAL INC (HON)	8/18/11	371 000	42 556	15,788 42	37,070 32	21,281 90 LT	768 00	2 07
Share Price \$99 920, Next Dividend Payable 03/2015, 371 Held On Margin								
INTUIT INC (INTU)	2/28/06	436 000	24 300	10,594 80	40,194 84	29,600 04 LT		
	8/3/11	20 000	45 400	908 00	1,843 80	935 80 LT		
Total		456 000		11,502 80	42,038 64	30,535 84 LT	456 00	1 08
Share Price \$92 190 Next Dividend Payable 01/2015, 456 Held On Margin								
JOHNSON & JOHNSON (JNJ)	10/5/06	244 000	65 241	15,918 71	25,515 08	9,596 37 LT		
	12/7/10	94 000	62 548	5,879 49	9,829 58	3,950 09 LT		
	2/16/11	29 000	60 621	1,758 00	3,032 53	1,274 53 LT		
Total		367 000		23,556 20	38,377 19	14,820 99 LT	1,028 00	2 67
Share Price \$104 570, Next Dividend Payable 03/2015, 367 Held On Margin								
JPMORGAN CHASE & CO (JPM)	6/27/02	105 000	32 500	3,412 50	6,570 90	3,158 40 LT		
	12/2/02	51 000	25 150	1,282 65	3,191 58	1,908 93 LT		
	5/26/04	38 000	36 940	1,403 72	2 378 04	974 32 LT		
	7/26/05	9 000	35 570	320 13	563 22	243 09 LT		
	2/28/06	178 000	41 120	7,319 36	11,139 24	3,819 88 LT		
	12/7/10	7 000	39 700	277 90	438 06	160 16 LT		
	3/10/11	13 000	45 410	590 33	813 54	223 21 LT		
	8/3/11	33 000	39 728	1,311 02	2,065 14	754 12 LT		

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

Page 7 of 18

Account Detail

Portfolio Management Active Assets Account
135-893873-098

KEVIN PHAUP AND
CATHERINE WISSINK TTEES TELLUMIND

STOCKS

COMMON STOCKS (CONTINUED)

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
Total		434 000		15,917 61	27,159 72	11,242 11 LT	694 00	2 55
<i>Share Price \$62 580, Next Dividend Payable 01/2015, 434 Held On Margin</i>								
KELLOGG CO (K)	1/29/02	133 000	30 640	4,075 18	8,703 52	4,628 34 LT		
	2/3/04	137 000	37 140	5,088 18	8,965 28	3 877 10 LT		
	11/1/04	11 000	42 750	470 25	719 84	249 59 LT		
	7/26/05	11 000	44 570	490 27	719 84	229 57 LT		
	2/28/06	24 000	44 400	1,065 60	1,570 56	504 96 LT		
	10/5/06	4 000	49 805	199 22	261 76	62 54 LT		
Total		320 000		11,388 70	20,940 80	9,552 10 LT	627 00	2 99
<i>Share Price \$65 440, Next Dividend Payable 03/2015, 320 Held On Margin</i>								
MARRIOTT INTL INC NEW CL A (MAR)	5/26/04	145 728	22 941	3,343 10	11,371 15	8,028 05 LT		
	11/1/04	175 441	25 331	4,444 02	13,689 66	9,245 64 LT		
	2/28/06	26 215	32 005	839 02	2,045 55	1,206 53 LT		
	6/28/07	68 563	40 761	2,794 73	5,349 97	2,555 24 LT		
	9/22/09	19 051	25 803	491 57	1,486 54	994 97 LT		
	2/16/11	13 000	39 098	508 27	1,014 39	506 12 LT		
	3/10/11	23 000	36 370	836 51	1,794 69	958 18 LT		
	8/3/11	96 002	28 827	2,767 44	7,491 03	4,723 59 LT		
Total		567 000		16,024 66	44,243 01	28,218 32 LT	454 00	1 02
<i>Share Price \$78 030, Next Dividend Payable 03/2015, 567 Held On Margin</i>								
MASTERCARD INC CL A (MA)	7/15/14	349 000	78 400	27,361 60	30,069 84	2,708 24 ST	223 00	0 74
<i>Share Price \$86 160, Next Dividend Payable 02/2015</i>								
MC DONALDS CORP (MCD)	10/5/06	116 000	39 939	4,632 87	10,869 20	6,236 33 LT		
	12/7/10	64 000	80 556	5,155 58	5,996 80	841 22 LT		
	2/16/11	23 000	76 020	1,748 46	2 155 10	406 64 LT		
Total		203 000		11,536 91	19,021 10	7,484 19 LT	690 00	3 62
<i>Share Price \$93 700, Next Dividend Payable 03/2015, 203 Held On Margin</i>								
OMNICOM GROUP (OMC)	6/18/02	31 000	28 925	896 67	2,401 57	1,504 90 LT		
	4/28/03	20 000	31 310	626 20	1,549 40	923 20 LT		
	2/3/04	116 000	41 195	4,778 62	8,986 52	4,207 90 LT		
	5/26/04	26 000	40 015	1,040 39	2,014 22	973 83 LT		
	11/1/04	14 000	39 565	553 91	1,084 58	530 67 LT		
	7/26/05	2 000	42 040	84 08	154 94	70 86 LT		
	2/28/06	54 000	39 985	2,159 19	4,183 38	2,024 19 LT		
	6/28/07	111 000	52 802	5,860 98	8,599 17	2,738 19 LT		
	8/3/11	12 000	44 680	536 16	929 64	393 48 LT		

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

Page 9 of 18

Account Detail

Portfolio Management Active Assets Account
135-893873-098

KEVIN PHAUP AND
CATHERINE WISSINK TTEES TELLUMIND

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
STOCKS	90.8%	\$404,976.11	\$761,411.02	\$353,726.64 LT \$2,708.24 ST	\$15,946.00 \$0.00	2.09%

EXCHANGE-TRADED & CLOSED-END FUNDS

Security Description	Trade Date	Quantity	Unit Cost	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income	Dividend Yield %
ISHARES MORTGAGE RE EST CP ETF (REM)	9/22/09	714.000	\$16.033	\$11,447.57	\$8,360.94	\$(3,086.63) LT		
	12/7/10	54.000	15.326	827.60	632.34	(195.26) LT		
	2/16/11	7.000	15.810	110.67	81.97	(28.70) LT		
	8/3/11	49.000	13.938	682.96	573.79	(109.17) LT		
Total		824.000		13,068.80	9,649.04	(3,419.76) LT	1,402.00	14.52
Share Price: \$11.710 Next Dividend Payable 03/2015, 824 Held On Margin								
ISHARES MSCI EAFE ETF (EFA)	9/22/09	763.000	55.808	42,581.50	46,420.92	3,839.42 LT		
	12/7/10	199.000	57.458	11,434.14	12,107.16	673.02 LT		
	3/10/11	9.000	59.430	534.87	547.56	12.69 LT		
Total		971.000		54,550.51	59,075.64	4,525.13 LT	2,195.00	3.71
Share Price: \$60.840 Next Dividend Payable 01/05/15, 971 Held On Margin								
VANGUARD FTSE EMERGING MARKETS (VWO)	12/7/10	468.000	47.928	22,430.30	18,729.36	\$(3,700.94) LT		
	2/16/11	52.000	46.148	2,399.69	2,081.04	\$(318.65) LT		
Total		520.000		24,829.99	20,810.40	\$(4,019.59) LT	594.00	2.85
Share Price: \$40.020 Next Dividend Payable 03/2015, 520 Held On Margin								
EXCHANGE-TRADED & CLOSED-END FUNDS			Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
			10.7%	\$92,449.30	\$89,535.08	\$(2,914.22) LT	\$4,191.00 \$0.00	4.68%

	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Interest	Yield %
TOTAL MARKET VALUE	100.0%	\$497,425.41	\$838,403.06	\$350,812.42 LT \$2,708.24 ST	\$20,137.00 \$0.00	2.40%

TOTAL VALUE (includes accrued interest)

\$838,403.06

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

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

Page 10 of 18

Account Detail

Portfolio Management Active Assets Account
135-893873-098

KEVIN PHAUP AND
CATHERINE WISSINK TTEES TELLUMIND

ACTIVITY

INVESTMENT RELATED ACTIVITY

TAXABLE INCOME AND DISTRIBUTIONS

Date	Activity Type	Description	Comments	Credits/(Debits)
12/2	Qualified Dividend	PFIZER INC		\$250.64
12/2	Qualified Dividend	VISA INC CL A		85.92
12/5	Qualified Dividend	CENTURYLINK INC		250.56
12/5	Qualified Dividend	AMGEN INC		189.47
12/5	Qualified Dividend	BOEING CO		187.61
12/9	Qualified Dividend	JOHNSON & JOHNSON		256.90
12/10	Qualified Dividend	EXXON MOBIL CORP		206.31
12/10	Qualified Dividend	UNILEVER PLC (NEW) ADS		200.04
12/10	Qualified Dividend	HONEYWELL INTERNATIONAL INC		191.99
12/15	Qualified Dividend	MC DONALDS CORP		172.55
12/15	Qualified Dividend	KELLOGG CO		156.80
12/15	Qualified Dividend	EXPEDITORS INTL WASH INC		119.36
12/18	Qualified Dividend	PRUDENTIAL FINANCIAL INC		176.32
12/24	Dividend	ISHARES MSCI EAFE ETF		568.21
12/26	Qualified Dividend	HARLEY DAVIDSON INC		113.85
12/26	Qualified Dividend	MARRIOTT INTL INC NEW CL A		113.40
12/26	Qualified Dividend	BANK OF AMERICA CORP		91.60
12/29	Dividend	VANGUARD FTSE EMERGING MARKETS		90.48
12/31	Dividend	ISHARES MORTGAGE RE EST CP ETF		490.11
TOTAL TAXABLE INCOME AND DISTRIBUTIONS				\$3,922.12
TOTAL QUALIFIED DIVIDENDS				\$2,773.32
TOTAL OTHER DIVIDENDS				\$1,148.80

CASH RELATED ACTIVITY

OTHER CREDITS AND DEBITS

Date	Activity Type	Description	Comments	Credits/(Debits)
12/10	Service Fee	UNILEVER PLC (NEW) ADS	AGENT CUSTODY FEE SO 0050/SH	\$(2.75)
12/12	Service Fee Adj	DEPOSIT/WITHDRAWAL ADJ		4.71
12/15	Service Fee Adj	DEPOSIT/WITHDRAWAL ADJ		3.49
TOTAL OTHER CREDITS AND DEBITS				\$5.45
TOTAL OTHER DEBITS				\$5.45

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

Page 11 of 18

Account Detail

Portfolio Management Active Assets Account
135-893873-098

KEVIN PHAUP AND
CATHERINE WISSINK TTEES TELLUMIND

CASH RELATED ACTIVITY

INTEREST CHARGED

Date	Activity Type	Description	Comments	Credits/(Debits)
12/31	Margin Interest Charged	Thru 12/31/14 For 21 Days	\$13,081.52 8 3/8%	\$(63.80)
TOTAL INTEREST CHARGED				\$(63.80)

DEBIT CARD & CHECKING ACTIVITY

CHECKS WRITTEN

Date Written	Date Paid	Check Number	Activity Type	Payee	Expense Category	Credits/(Debits)
12/3	12/9	1797	Check	ASHESI UNIV FDN		\$(4,000.00)
12/3	12/18	1798	Check	CLIMATE SOLUTIONS		(1,000.00)
12/1	12/11	1799	Check	CONSERVATION NORTHWEST		(7,000.00)
12/1	12/12	1800	Check	FARESTART		(5,000.00)
12/1	12/8	1801	Check	LITERACY BRIDGE		(2,000.00)
12/1	12/11	1803	Check	SVP SEATTLE		(2,000.00)
12/1	12/12	1804	Check	S V P PORTLAND		(2,000.00)
TOTAL CHECKS WRITTEN						\$(23,000.00)

MONEY MARKET FUND (MMF) AND BANK DEPOSIT PROGRAM ACTIVITY

Date	Activity Type	Description	Credits/(Debits)
12/1	Automatic Investment	MS AAA INSTL MONEY TRUST	\$80.59
12/3	Automatic Investment	MS AAA INSTL MONEY TRUST	336.56
12/8	Automatic Investment	MS AAA INSTL MONEY TRUST	637.64
12/9	Automatic Redemption	MS AAA INSTL MONEY TRUST	(2,000.00)
12/10	Automatic Redemption	MS AAA INSTL MONEY TRUST	(3,743.10)
12/11	Automatic Investment	MS AAA INSTL MONEY TRUST	595.59
12/12	Automatic Redemption	MS AAA INSTL MONEY TRUST	(2,419.88)
NET ACTIVITY FOR PERIOD			\$(6,512.60)

MESSAGES

FINRA BrokerCheck

FINRA has established the public disclosure program, known as BrokerCheck, to provide certain information regarding the disciplinary history of FINRA members and their associated persons. The BrokerCheck Hotline Number is 1-800-289-9999. The FINRA web site address is www.finra.org. An investor brochure that includes information describing FINRA BrokerCheck may be obtained from FINRA.

Morgan Stanley

CLIENT STATEMENT | For the Period December 1-31, 2014

Page 12 of 18

Account Detail	Portfolio Management Active Assets Account 135-893873-098	KEVIN PHAUP, AND CATHERINE WISSINK, TTEES TELLUMIND
----------------	--	--

Important Information About Advisory Accounts

Please notify your Financial Advisor if there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions on the management of your Investment Advisory accounts, or to reasonably modify existing restrictions.

For a copy of the applicable ADV Brochure for Morgan Stanley Smith Barney LLC, or for any Investment Adviser with whom we contract to manage your investment advisory account, please contact your Financial Advisor. These ADV Brochures contain important information about advisory programs.

Morgan Stanley

CLIENT STATEMENT

Page 13 of 18

Recap of Cash Management Activity

Portfolio Management Active Assets Account
135-893873-098

KEVIN PHAUP AND
CATHERINE WISSINK, TTEES TELLUMIND

The "Recap of Cash Management Activity" replaces the former "Annual Review." As part of our ongoing effort to provide clear and concise information, you will note the removal of selected sections where information is

- More complete or current on IRS Form(s) 1099 in the Consolidated Tax Package (e.g., Sales & Redemptions on 1099-B, and Income on 1099-DIV and 1099-INT), or
- Already incorporated within the Holdings section (e.g., Purchases and Dividend Reinvestments)

For your convenience, this Recap is also available as a separately retrievable document on Morgan Stanley Online under Statements within the Account Documents tab

We recommend that you wait for your IRS Form(s) 1099, which will be mailed no later than February 15, 2015, before completing your tax returns. This Recap is not a substitute for the official account statements that you have received from us throughout the year, and is for informational purposes only, to provide you with a recap of your cash management activity. If there are any discrepancies between your monthly statement(s) and the information in this Recap, you should rely on the account statement(s) you have previously received.

CASH RELATED ACTIVITY

CHECKS DEPOSITED

Transaction Date	Settlement Date	Activity Type	Description	Comments	Inflows/(Outflows)
4/16	4/15	Check Deposit	FUNDS RECEIVED		\$10.00
TOTAL CHECKS DEPOSITED					\$10.00

OTHER DEBITS

Transaction Date	Settlement Date	Activity Type	Description	Comments	Inflows/(Outflows)
1/2	1/2	Service Fee	PERSONAL	CHECK REORDER	\$(26.15)
1/15	1/15	Service Fee	1ST QTR ADVISORY FEE		(2,004.71)
4/14	4/14	Service Fee	2ND QTR ADVISORY FEE		(2,035.64)
6/11	6/11	Service Fee	UNILEVER PLC (NEW) ADS	AGENT CUSTODY FEE \$0.0050/SH	(2.75)
6/26	6/26	Service Fee	EXPEDITED FEE		(25.00)
7/3	7/3	Service Fee	PERSONAL	CHECK REORDER	25.20
7/3	7/3	Service Fee	PERSONAL	CHECK REORDER	(25.20)
				WALLET DUPLICATE	
7/15	7/15	Service Fee	3RD QTR ADVISORY FEE		(2,092.74)
9/10	9/10	Service Fee	UNILEVER PLC (NEW) ADS	AGENT CUSTODY FEE \$0.0050/SH	(2.75)
10/14	10/14	Service Fee	4TH QTR ADVISORY FEE		(2,105.65)
12/10	12/10	Service Fee	UNILEVER PLC (NEW) ADS	AGENT CUSTODY FEE \$0.0050/SH	(2.75)
12/12	12/12	Service Fee Adj	DEPOSIT/WITHDRAWAL ADJ		4.71
12/15	12/15	Service Fee Adj	DEPOSIT/WITHDRAWAL ADJ		3.49
TOTAL OTHER DEBITS					\$(8,289.94)

Morgan Stanley

CLIENT STATEMENT

Page 14 of 18

Recap of Cash Management Activity

Portfolio Management Active Assets Account KEVIN PHAUP AND
135-893873-098 CATHERINE WISSINK TTEES TELLUMIND

CASH RELATED ACTIVITY

INTEREST CHARGED

Transaction Date	Settlement Date	Activity Type	Description	Comments	Inflows/(Outflows)
1/31	1/31	Margin Interest Charged	Thru 01/21/14 For 21 Days	\$16,018.18 8 3/8%	5(78.16)
12/31	12/31	Margin Interest Charged	Thru 12/31/14 For 21 Days	\$13,081.52 8 3/8%	(63.80)

TOTAL INTEREST CHARGED \$(141.96)

TOTAL CASH RELATED ACTIVITY \$(8,421.90)

DEBIT CARD/CHECK ACTIVITY

CHECKS WRITTEN

PERSONAL FINANCES

TRANSPORTATION (CODE T)

Date Written	Date Paid	Check Number	Activity Type	Payee	Expense Category	Credits/(Debits)
8/7	8/27	1820	Check	SVPP	Transportation (Code T)	\$(2,500.00)

TOTAL TRANSPORTATION (CODE T) \$(2,500.00)

TOTAL PERSONAL FINANCES \$(2,500.00)

CHECKS WITH NO CODE

Date Written	Date Paid	Check Number	Activity Type	Payee	Expense Category	Credits/(Debits)
12/23	1/3	1539	Check	SVP SEATTLE		\$(2,000.00)
3/13	3/25	1540	Check	SVP SEATTLE		(3,000.00)
5/15	5/21	1541	Check	HECKMAN & ASSOC		(888.00)
5/13	5/22	1542	Check	UNITED STATES TREASURY		(367.00)
12/10	1/7	1574	Check	RAGGED MNT SKI & SNOWBOARD CLU		(1,000.00)
12/3	12/9	1797	Check	ASHESI UNIV FDN		(4,000.00)
12/3	12/18	1798	Check	CLIMATE SOLUTIONS		(1,000.00)
12/1	12/11	1799	Check	CONSERVATION NORTHWEST		(7,000.00)
12/1	12/12	1800	Check	FARESTART		(5,000.00)
12/1	12/8	1801	Check	LITERACY BRIDGE		(2,000.00)

Morgan Stanley

CLIENT STATEMENT

Page 15 of 18

Recap of Cash Management Activity

Portfolio Management Active Assets Account
135-893873-098

KEVIN PHAUP AND
CATHERINE WISSINK TTEES TELLUMIND

DEBIT CARD/CHECK ACTIVITY

CHECKS WRITTEN (CONTINUED)

CHECKS WITH NO CODE (CONTINUED)

Date Written	Date Paid	Check Number	Activity Type	Payee	Expense Category	Credits/(Debits)
12/1	12/11	1803	Check	SVP SEATTLE		(2,000.00)
12/1	12/12	1804	Check	SVP PORTLAND		(2,000.00)
11/4	11/13	1821	Check	STATE OF WA		(25.00)
TOTAL CHECKS WITH NO CODE						\$(30,280.00)

TOTAL CHECKS WRITTEN

\$(32,780.00)

TOTAL DEBIT CARD/CHECK ACTIVITY

\$(32,780.00)

CORPORATE ACTIONS

Date	Activity Type	Description	Comments	Quantity
4/2	Stock Dividend	GOOGLE INC CL C	DISTRIBUTION FROM GOOGL	10.000

Expanded Disclosures

Expanded Disclosures, which apply to all statements Morgan Stanley Smith Barney LLC (we/us) sends to you, are provided with your first statement and thereafter twice a year.

Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, call the Client Service Center at (800) 869-3326 or for account-related concerns contact our Client Advocate at (866) 227-2256 or via U.S. mail at P.O. Box 95002, South Jordan, Utah 84095.

Errors and Inquiries

It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand or believe were made in error by contacting the Branch Manager of the office where you maintain your account. Oral communications regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). Your statement will be deemed correct unless we receive a written inquiry of a suspected error. See your account documentation for special rules regarding your rights and responsibilities with respect to erroneous electronic fund transfers, including a description of the transfers covered.

Account Valuation

Account values are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and/or outside custodians, as applicable for other positions, and by adding any credit or subtracting any debit to your closing Cash, Money Market Funds and/or Deposit balance. Cash, Deposits and Money Market Funds are displayed on a settlement date basis, and other positions are displayed in your account on a trade date basis. The values of fixed income positions in summary displays include accrued interest in the totals. In the "Holdings" section, fixed income market value and accrued interest are also displayed in separate columns. Accrued interest is the interest earned but not yet paid on the bond since its last interest payment. In most cases, it is calculated from the date of the last coupon payment (or "dated date") through the closing date of the statement. Foreign Currency Deposits are reflected in U.S. dollars as of the statement end date. The Annual Percentage Yield (APY) for deposits represents the applicable rate in effect for your deposits at the statement ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures.

Additional Retirement Account Information

Tax-qualified account contributions are subject to IRS eligibility rules and regulations. The Contributions information in this statement reflects contributions for a particular account, without reference to any other account. Check with your tax advisor to verify how much you can contribute, if the contribution will be tax deductible, and if other special rules apply (e.g., to conversions/recharacterizations of Traditional to Roth/Roth to Traditional IRAs). Tax reporting is provided for IRA, VIP Basic and 403(b) accounts but not for VIP Plus and RPM accounts. The account value used for your Required Minimum Distribution calculation, if any, is based on the prior December 31st Account Value, including accrued interest. Additionally, for IRAs (1) the "Max Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you can make to Traditional and Roth IRAs under the Internal Revenue Code (this limit applies on a per person basis, not per account, other rules apply to IRAs which are part of employer-sponsored plans), (2) you cannot make an individual contribution to a Traditional IRA for the year in which you reach age 70 1/2 or any later year, and (3) the categorization of any contribution's deductibility is based upon information provided by you. The information included in this statement is not intended to constitute tax, legal or accounting advice. Contact us if any of this information is incorrect.

Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC (17 CFR §240.15c3-3), we may use funds comprising free credit balances carried for customer accounts here, provided that these funds are payable to customers on demand (i.e., are free of a lien or right of set-off in our favor or on behalf of some third party to whom you have given control). A financial statement of this organization is available for your personal inspection at its offices, or a copy will be mailed to you upon your written request.

Gain/(Loss) Information

Gain/(Loss) is provided for informational purposes. It is not a substitute for Internal Revenue Service (IRS) Form 1099 (on which we report cost basis for covered securities) or any other IRS tax form, and should not be used for tax preparation. Unrealized Gain/(Loss) provided on this statement is an estimate. Contact your own independent legal or tax advisor to determine the appropriate use of the Gain/(Loss) information on this statement. For more information, go to www.morganstanley.com/wealth/disclosures/disclosures.asp, or call Client Service Center.

Tax Reporting

Under Federal Income Tax law, we are required to report the gross proceeds of sales transactions (including entering into short sales) to reportable (i.e. non-retirement) accounts on Form 1099-B by February 15 of the year following the calendar year of the transaction. For the

sale of certain securities acquired on or after January 1, 2011 we are required to report additional transaction information on Form 1099-B. The information reported on your Form 1099-B for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year. Under U.S. Internal Revenue Service regulations, if you have not provided us with a certification of either U.S. or foreign status on an appropriate Form W-9 or W-8, your accounts may be subject to either 28% back-up withholding or 30% nonresident alien withholding on payments made to your accounts.

Investment Objectives

The following is an explanation of the investment objective alternatives applicable to your account(s): Income - for investors seeking regular income with low to moderate risk to principal; Capital Appreciation - for investors seeking capital appreciation with moderate to high risk to principal; Aggressive Income - for investors seeking higher returns either as growth or as income with greater risk to principal; Speculation - for investors seeking high profits or quick returns with considerable possibility of losing most or all of their investment.

Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request. Promptly advise us of any material change in your investment objectives or financial situation.

Important Information if you are a Margin Customer (not available for certain retirement accounts)

If you have margin privileges, you may borrow money from us in exchange for pledging assets in your accounts as collateral. The amount you may borrow is based on the value of eligible securities in your margin accounts. If a security has eligible shares the number of shares pledged as collateral is indicated below the position. If you have a margin account, as permitted by law, we may use certain securities in your account for, among other things, settling short sales or lending the securities for short sales for which we may receive compensation.

Margin Interest Charges

We calculate interest charges on margin loans as follows: (1) multiply the applicable margin interest rate by the daily close of business net settled debit balance, and (2) divide by 360 (days). Margin interest accrues daily throughout the month and is added to your debit balance at month-end. The month-end interest charge is the sum of the daily accrued interest calculations for the month. We add the accrued interest to your debit balance and start a new calculation each time the applicable interest rate changes and at the close of every statement month. For current margin loan interest rates, go to

CONTINUED

Expanded Disclosures (CONTINUED)

www.morganstanley.com/online/MIRates

Information regarding Special Memorandum Account

If you have a Margin Account, this is a combined statement of your Margin Account and Special Memorandum Account maintained for you under Section 220.5 of Regulation T issued by the Board of Governors of the Federal Reserve System. The permanent record of the Special Memorandum Account as required by Regulation T is available for your inspection at your request.

Money Market Fund (MMF) Pricing

An investment in a MMF is neither insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although MMFs seek to preserve the value of your investment at \$1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. In some circumstances MMFs may cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Notice Regarding Investment Advisor Research

Morgan Stanley's Consulting Group Investment Advisor Research conducts research on various mutual funds and exchange-traded funds for clients holding those funds in certain investment advisory programs. If you have invested in any of these funds in another type of account, such as a brokerage account, you will not receive the same research materials and status updates on the funds as we provide to investment advisory clients (including instructions on selling fund shares).

Pricing of Securities

The prices of securities are derived from various sources, and do not necessarily represent the prices at which those securities could have been bought or sold. Although we attempt to use reliable sources of information, we can offer no assurance as to their accuracy. Prices of securities not actively traded may not be available, and are indicated by N/A (not available). For additional information on how we price securities, go to

www.morganstanley.com/wealth/disclosures/disclosures.asp

Important Information About Auction Rate Securities

For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction and is not an indication of any offer to purchase at such price. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities in most

cases reflect par value, but may be derived from various sources. These prices may differ from prices provided to us or our affiliates by outside pricing services, our affiliates' own internal bookkeeping valuations, prices of transactions executed in any secondary market that exists or may develop, and/or the prices at which issuer repurchases or redemptions may occur.

Special Considerations Regarding Structured Investments

Structured Investments are complex products and may be subject to special risks which may include, but are not limited to: loss of initial investment, issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads, limited or no appreciation and limits on participation in any appreciation of underlying asset(s), risks associated with the underlying reference asset(s), no periodic payments, call prior to maturity, early redemption fees for market linked deposits, lower interest rates and/or yield compared to conventional debt with comparable maturity, unique tax implications, limited or no secondary market, and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. Investors also should consider the concentration risk of owning the related security and their total exposure to any underlying asset. Structured Investments may not perform in a manner consistent with the statement product category where they appear and therefore may not satisfy portfolio asset allocation needs for that category. Accrued interest, estimated annual income and estimated yield for Structured Investments with a contingent income feature, including Range Accrual Notes and Contingent Income Notes, assume optimal performance of the underlying asset(s) and payment in full of all contingent interest. However, contingent interest is only paid if the specified accrual conditions are met during the relevant observation period. Actual accrued interest, annual income and yield will be dependent upon the performance of the underlying asset(s) and may be significantly lower than the estimates shown. For more information about the risks specific to your Structured Investments, you should contact your Financial Advisor.

Security Measures

This statement features several embedded security elements to safeguard its authenticity. One is a unique security mark—a blue rectangle printed in heat-sensitive ink on the back of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

SIPC Protection

We are a member of Securities Investor Protection Corporation (SIPC), which protects securities of its customers up to \$500,000 (including \$250,000 for claims for cash). An explanatory brochure is available

upon request or at www.sipc.org. Losses due to market fluctuation are not protected by SIPC and assets not held with us may not be covered by SIPC protection. To obtain information about SIPC, including an explanatory SIPC brochure, contact SIPC at 1-202-371-8300 or visit www.sipc.org.

Certain Assets Not Held at Morgan Stanley Smith Barney LLC

You may purchase certain assets through us that may be held at another financial institution. Assets not held with us may not be covered by SIPC protection. We may include information about certain of these assets on this statement solely as a service to you and are not responsible for any information provided by external sources. Generally, any financial institution that holds securities is responsible for year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting periods. In the case of networked mutual funds, we perform all year end tax reporting. Under certain circumstances, such as IRA accounts, we perform all tax reporting.

Total Income

Total income, as used in the income summaries, represents dividends and/or interest on securities we receive on your behalf and credit to your account(s) during the calendar year. We report dividend distributions and taxable bond interest credited to your account to the Internal Revenue Service. The totals we report may differ from those indicated as "This Year" figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting.

Transaction Dates and Conditions

Transactions display trade date and settlement date. Transactions are included on this statement on trade date basis (excluding BDP and MMFs). Trades that have not settled as of statement month end will also be displayed in the "Unsettled Purchases/Sales Activity" section. Upon written request, we will give you the date and time of a transaction and the name of the other party to a transaction. We and/or our affiliates may accept benefits that constitute payment for order flow. Details regarding these benefits and the source and amount of any other remuneration received or to be received by us in connection with any transaction will be furnished upon written request.

Tax and Legal Disclosure

Morgan Stanley does not provide legal or tax advice. Please consult your own tax advisor.

Revised 09/2014

Morgan Stanley

Page 18 of 18

This page intentionally left blank