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

2015

Open to Public Inspection

For calendar year 2015 or tax year beginning , 2015, and ending , 20

Name of foundation: ARTHUR E YATES CHARITABLE TRUST 2312000935

A Employer identification number: 58-6350586

Number and street (or P O box number if mail is not delivered to street address): P O BOX 2886

Room/suite:

B Telephone number (see instructions): 251-690-1024

City or town, state or province, country, and ZIP or foreign postal code: MOBILE, AL 36652-2886

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 [X] 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) ▶ $ 6,274,704.

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

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

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

	Line	Description	(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 ▶ [X] if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	15.	27.		STMT 1
	4	Dividends and interest from securities	210,868.	199,923.		STMT 2
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain or (loss) from sale of assets not on line 10	48,098.			
	b	Gross sales price for all assets on line 6a 1,288,934.				
	7	Capital gain net income (from Part IV, line 2)				
	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)		-51.		STMT 3
	12	**Total.** Add lines 1 through 11	258,981.	199,899.		
Operating and Administrative Expenses	13	Compensation of officers, directors, trustees, etc	46,088.	36,871.		9,218.
	14	Other employee salaries and wages		NONE	NONE	
	15	Pension plans, employee benefits		NONE	NONE	
	16a	Legal fees (attach schedule) STMT 4	34,612.	NONE	NONE	34,612.
	b	Accounting fees (attach schedule)				
	c	Other professional fees (attach schedule) STMT 5				
	17	Interest				
	18	Taxes (attach schedule) (see instructions) STMT 6	14,927.	309.		
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings		NONE	NONE	
	22	Printing and publications		NONE	NONE	
	23	Other expenses (attach schedule) STMT 7		1,274.		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	95,627.	38,454.	NONE	43,830.
	25	Contributions, gifts, grants paid	306,652.			306,651.
	26	**Total expenses and disbursements** Add lines 24 and 25	402,279.	38,454.	NONE	350,481.
	27	Subtract line 26 from line 12				
	a	**Excess of revenue over expenses and disbursements**	-143,298.			
	b	**Net investment income** (if negative, enter -0-)		161,445.		
	c	**Adjusted net income** (if negative, enter -0-)				

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POSTMARK DATE AUG 10 2016

SCANNED AUG 15 2016

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	22,152.	140,223.	140,223.
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 ▶ NONE			
8	Inventories for sale or use			
9	Prepaid expenses and deferred charges			
10a	Investments - U S and state government obligations (attach schedule) STMT 8	475,236.	379,996.	390,685.
b	Investments - corporate stock (attach schedule) STMT 9	2,900,789.	2,779,576.	3,750,527.
c	Investments - corporate bonds (attach schedule) STMT 10	2,000,525.	1,940,586.	1,993,269.
11	Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
12	Investments - mortgage loans			
13	Investments - other (attach schedule)			
14	Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶)			
16	**Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I)	5,398,702.	5,240,381.	6,274,704.
Liabilities 17	Accounts payable and accrued expenses			
18	Grants payable			
19	Deferred revenue			
20	Loans from officers, directors, trustees, and other disqualified persons			
21	Mortgages and other notes payable (attach schedule)			
22	Other liabilities (describe ▶)			
23	**Total liabilities** (add lines 17 through 22)		NONE	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
24	Unrestricted			
25	Temporarily restricted			
26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ X			
27	Capital stock, trust principal, or current funds	5,398,702.	5,240,381.	
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)	5,398,702.	5,240,381.	
31	**Total liabilities and net assets/fund balances** (see instructions)	5,398,702.	5,240,381.	

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	5,398,702.
2	Enter amount from Part I, line 27a	2	-143,298.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 11	3	250.
4	Add lines 1, 2, and 3	4	5,255,654.
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 12	5	15,273.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	5,240,381.

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	PUBLICLY TRADED SECURITIES			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	1,788,489.		1,807,404.	-18,915.
b				
c				
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col (h))
	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col. (j), if any	
a				-18,915.
b				
c				
d				
e				

2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	-18,915.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? [X] 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))
2014			
2013			
2012			
2011			
2010			

2 **Total** of line 1, column (d)	2	
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	
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

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	3,229.
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	
3	Add lines 1 and 2 . . .	3	3,229.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-) . . .	4	NONE
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0- . . .	5	3,229.
6	Credits/Payments		
a	2015 estimated tax payments and 2014 overpayment credited to 2015 . . . . 6a 7,727.		
b	Exempt foreign organizations - tax withheld at source . . . 6b NONE		
c	Tax paid with application for extension of time to file (Form 8868) . . . 6c NONE		
d	Backup withholding erroneously withheld . . . 6d		
7	Total credits and payments. Add lines 6a through 6d . . .	7	7,727.
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	4,498.
11	Enter the amount of line 10 to be **Credited to 2016 estimated tax** ▶ 3,232. **Refunded** ▶	11	1,266.

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? . . .	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? . . .	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year? . . .	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ ________ (2) On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? . . . *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes* . . .	3	X	
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year? . . .	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? . . .	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) ▶ GA 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 2015 or the taxable year beginning in 2015 (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 ▶ REGIONS BANK TRUST DEPT Telephone no. ▶ (251)690-1024

Located at ▶ 11 N. WATER ST., 25TH FLOOR, MOBILE, AL ZIP+4 ▶ 36602

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the year ▶ 15

			Yes	No
16	At any time during calendar year 2015, 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 FinCEN Form 114. 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)?			1b		X
	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 2015?			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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015?	☐ 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.)			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 2015 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 2015.)*			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 2015?			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)? . . . **5b**

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

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

If "Yes," attach the statement required by Regulations section 53 4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . **6b** | | X

If "Yes" to 6b, file Form 8870

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

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
REGIONS BANK 601 MARKET STREET, CHATTONOOGA, TN 37402	TRUSTEE 1	46,088	-0-	-0-
JOSEPH DANA 5810 MOUNTAIN PASS DRIVE, OOLTEWAH, TN 37363	TRUSTEE 1	-0-	-0-	-0-

2 Compensation of five highest-paid employees (other than those included on line 1 - see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE		NONE	NONE	NONE

Total number of other employees paid over $50,000 . . . ▶ NONE

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** *(continued)*

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE."

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

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

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 NONE	
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 NONE	
2	
All other program-related investments See instructions	
3 NONE	
Total. Add lines 1 through 3 . . . . ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	6,471,977.
b	Average of monthly cash balances	1b	NONE
c	Fair market value of all other assets (see instructions)	1c	NONE
d	**Total** (add lines 1a, b, and c)	1d	6,471,977.
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	NONE
3	Subtract line 2 from line 1d	3	6,471,977.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	97,080.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	6,374,897.
6	**Minimum investment return.** Enter 5% of line 5	6	318,745.

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	318,745.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	3,229.		
b	Income tax for 2015. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	3,229.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	315,516.
4	Recoveries of amounts treated as qualifying distributions			4	NONE
5	Add lines 3 and 4			5	315,516.
6	Deduction from distributable amount (see instructions)			6	NONE
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	315,516.

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	350,481.
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	NONE
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	350,481.
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	N/A
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	350,481.

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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				315,516.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			306,651.	
b Total for prior years 20 13 ,20 ,20		NONE		
3 Excess distributions carryover, if any, to 2015				
a From 2010 NONE				
b From 2011 NONE				
c From 2012 NONE				
d From 2013 NONE				
e From 2014 NONE				
f **Total** of lines 3a through e	NONE			
4 Qualifying distributions for 2015 from Part XII, line 4 ▶ $ 350,481.				
a Applied to 2014, but not more than line 2a			306,651.	
b Applied to undistributed income of prior years (Election required - see instructions)		NONE		
c Treated as distributions out of corpus (Election required - see instructions)	NONE			
d Applied to 2015 distributable amount				43,830.
e Remaining amount distributed out of corpus	NONE			
5 Excess distributions carryover applied to 2015 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	NONE			NONE
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	NONE			
b Prior years' undistributed income. Subtract line 4b from line 2b		NONE		
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		NONE		
d Subtract line 6c from line 6b. Taxable amount - see instructions		NONE		
e Undistributed income for 2014. Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2015 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2016				271,686.
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)	NONE			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions)	NONE			
9 **Excess distributions carryover to 2016.** Subtract lines 7 and 8 from line 6a	NONE			
10 Analysis of line 9.				
a Excess from 2011 NONE				
b Excess from 2012 NONE				
c Excess from 2013 NONE				
d Excess from 2014 NONE				
e Excess from 2015 NONE				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, 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 (a) 2015	Prior 3 years (b) 2014	(c) 2013	(d) 2012	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b or c for the alternative test relied upon					
a "Assets" alternative test - enter (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test- enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942 (j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

N/A

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

N/A

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

Check here ▶ [X] 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.

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

c Any submission deadlines

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

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*				
CHICKAMAUGA CITY SCHOOLS ATTN: MELODY DAY 402 COVE ROAD CHICKAMAUGA GA 30707	NONE	PC	CHARITABLE	76,663.
CHRIST CHURCH - EPISCOPAL TREASURER 663 DOUGLAS STREET CHATTANOOGA TN 37403	NONE	PC	CHARITABLE	76,663.
CHURCH OF THE NATIVITY ATTENTION: TREASURER P.O. BOX 2356 FORT OLGETHORPE GA 30742	NONE	PC	CHARITABLE	76,663.
UNIVERSITY OF TN AT KNOXVILLE SUITE 600 ANDY HOLT TOWER KNOXVILLE TN 37996	NONE	PC	CHARITABLE	76,663.
Total . . . . ▶ **3a**				306,652.
b *Approved for future payment*				
Total . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) 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			14	15.	
4 Dividends and interest from securities			14	210,868.	
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	48,098.	
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)				258,981.	

13 Total. Add line 12, columns (b), (d), and (e) . . . . . 13 258,981.

(See worksheet in line 13 instructions to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes). (See instructions.)
	NOT APPLICABLE

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

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

Julie S Chmka | 07/16/2016 | TRUST OFFICER

Signature of officer or trustee | Date | Title

REGIONS BANK, TRUSTEE

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ | Firm's EIN ▶

Firm's address ▶ | Phone no

FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INTEREST ON TEMPORARY INVESTMENTS	15.	15.
INTEREST INCOME FROM P'SHIP		12.
TOTAL	15.	27.

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
DIVIDENDS AND INTEREST FROM SECURITIES	210,868.	199,923.
TOTAL	210,868.	199,923.

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
ORDINARY BUSINESS LOSS FROM PARTNERSHIP		-51.
TOTALS		-51.

ARTHUR E YATES CHARITABLE TRUST 2312000935 58-6350586

FORM 990PF, PART I - LEGAL FEES

DESCRIPTION		REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME	CHARITABLE PURPOSES
LEGAL FEES		34,612.			34,612.
	TOTALS	34,612.	NONE	NONE	34,612

FORM 990PF, PART I - OTHER PROFESSIONAL FEES
===

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS
OTHER PROFESSIONAL FEES	
TOTALS	

ARTHUR E YATES CHARITABLE TRUST 2312000935 58-6350586

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
2014 EXCISE TAX PAID WITH EXTE	14,927	
FOREIGN TAX - QUALIFIED DIVIDE		274.
FOREIGN TAX - NONQUALIFIED DIV		35.
TOTALS	14,927	309.

ARTHUR E YATES CHARITABLE TRUST 2312000935 58-6350586

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
INTEREST INVESTMENT EXPENSE		1,274
TOTALS		1,274.

ARTHUR E YATES CHARITABLE TRUST 2312000935 58-6350586

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONS

DESCRIPTION		BEGINNING BOOK VALUE	ENDING BOOK VALUE	ENDING FMV
SEE ATACHED DETAIL SCHEDULES		475,236.	379,996.	390,685.
	TOTALS	475,236	379,996.	390,685

FORM 990PF, PART II - CORPORATE STOCK

DESCRIPTION		BEGINNING BOOK VALUE
SEE ATTACHED DETAIL SCHEDULES		2,900,789.
	TOTALS	2,900,789.

ARTHUR E YATES CHARITABLE TRUST 2312000935 58-6350586

FORM 990PF, PART II - CORPORATE BONDS

DESCRIPTION		BEGINNING BOOK VALUE
SEE ATTACHED DETAIL SCHEDULES		2,000,525.
	TOTALS	2,000,525

FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION		AMOUNT
ACCRETION		248.
ROUNDING		2.
	TOTAL	250.

FORM 990PF, PART III - OTHER DECREASES IN NET WORTH OR FUND BALANCES

DESCRIPTION	AMOUNT
2014 RETURN OF CAPITAL ADJ	2,752.
AMORTIZATION ADJUSTMENT	12,521.
TOTAL	15,273.

AVERAGE MONTHLY FMV - 990PF, PART X, LINES 1a-1c

MONTH	LINE 1a-FMV SECURITIES	LINE 1b-FMV CASH BALANCES	LINE 1c-FMV OTHER ASSETS
JANUARY	6,485,782.		
FEBRUARY	6,678,741.		
MARCH	6,643,273.		
APRIL	6,690,373.		
MAY	6,696,788.		
JUNE	6,588,270.		
JULY	6,604,156.		
AUGUST	6,367,528.		
SEPTEMBER	6,005,456.		
OCTOBER	6,302,651.		
NOVEMBER	6,325,998.		
DECEMBER	6,274,702.		
TOTAL	77,663,718.		
AVERAGE FMV	6,471,977.		

ARTHUR E YATES CHARITABLE TRUST 2312000935 58-6350586

FORM 6781, PART I -- SECTION 1256 CONTRACTS MARKED TO MARKET

DESCRIPTION	DATE ACQUIRED	DATE SOLD	GROSS SALES PRICE	COST OR BASIS	LOSS	GAIN
UNITED STATES OIL FUND, LP		OPEN			16,907.	
TOTAL GAINS AND LOSSES					16,907.	

REGIONS TRUST

REGIONS BANK

Asset Details

Run on 3/31/2016 3:17:37 PM

As of 12/31/2015

Combined Portfolios

Settlement Date Basis

Account: 2312000935 (Main)
AND JOSEPH DANA AS TRUSTEES OF THE ARTHUR E. YATES CHARITABLE TRUST UNDER THE WILL DATED 11-17-1992

Administrator: ROB KELLEY @ 423-752-1598

Investment Officer: JENNIFER CUTE

Investment Authority: Joint with Individual
Investment Objective: MULTIPLE ACCT ALLOCATION
Lot Select Method: HIFO
Sort By: Security Type

Ticker	CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield	Pricin Dat
	Cash										
	CASH									0.00	
	Total For Cash	0.000000									
	Short Term Investments										
	999990484 REGIONS TRUST CASH SWEEP	98,133.130000	1.000	98,133.13	98,133.13	98,133		2.09	59	0.06	01/01/19(
	Total For Short Term Investments	98,133.130000		98,133.13	98,133.13	98,133			59		
	Corporate Bonds										
	030955AM0 AMERITECH CAPITAL FUNDING CORP 6.45% 01/15/2018	100,000.000000	107.660	88,692.00	88,692.00	107,660	18,968	2.29	6,450	5.99	12/31/201
	459200AG6 INTERNATIONAL BUSINESS MACHINES 8.375% 11/01/2019	100,000.000000	123.654	107,789.68	107,789.68	123,654	15,864	2.63	8,375	6.77	12/31/201
	590188JN9 MERRILL LYNCH & CO INC 6.875% 11/15/2018	100,000.000000	112.359	91,294.00	91,294.00	112,359	21,065	2.39	6,875	6.12	12/31/201
	638585AU3 NATIONSBANK CORP 7.8% 09/15/2016	100,000.000000	104.115	101,117.70	101,117.70	104,115	2,997	2.22	7,800	7.49	12/31/201
	Total For Corporate Bonds	400,000.000000		388,893.38	388,893.38	447,788	58,895		29,500		

Common Stock

AFL	001055102 AFLAC INC	1,067 000000	59.900	52,783.28	52,783.28	63,913	11,130	1.36	1,750	2 74	12/31/201
T	00206R102 AT&T INC	1,900.000000	34.410	54,979.30	54,979.30	65,379	10,400	1.39	3,648	5.58	12/31/201
LNT	018802108 ALLIANT CORP	500.000000	62.450	30,363.15	30,363.15	31,225	862	0 66	1,100	3.52	12/31/201
ADP	053015103 AUTOMATIC DATA PROCESSING INC	880.000000	84.720	30,562.75	30,562.75	74,554	43,991	1.59	1,866	2.50	12/31/201
BBT	054937107 BB&T CORP	1,680.000000	37.810	53,832.59	53,832.59	63,521	9,688	1.35	1,814	2 86	12/31/201
BLK	09247X101 BLACKROCK INC	220.000000	340.520	40,094.50	40,094.50	74,914	34,820	1.60	1,918	2.56	12/31/201
BMY	110122108 BRISTOL MYERS SQUIBB CO	400.000000	68.790	25,708.00	25,708.00	27,516	1,808	0.59	608	2.21	12/31/201
CAH	14149Y108 CARDINAL HEALTH INC	950.000000	89.270	65,530.91	65,530.91	84,807	19,276	1.81	1,471	1.73	12/31/201
CVX	166764100 CHEVRON CORP	840.000000	89.960	66,056.29	66,056.29	75,566	9,510	1.61	3,595	4.76	12/31/201
CSCO	17275R102 CISCO SYSTEMS INC	2,990.000000	27.155	63,470.80	63,470.80	81,193	17,723	1.73	2,512	3.09	12/31/201
KO	191216100 COCA COLA CO	1,770.000000	42.960	43,466.78	43,466.78	76,039	32,572	1.62	2,336	3.07	12/31/201
D	25746U109 DOMINION RES INC VA	950.000000	67.640	34,592.00	34,592.00	64,258	29,666	1.37	2,461	3.83	12/31/201
XOM	30231G102 EXXON MOBIL CORP	680.000000	77.950	41,884.92	41,884.92	53,006	11,121	1.13	1,986	3.75	12/31/201
FAST	311900104 FASTENAL CO	450.000000	40.820	17,189.28	17,189.28	18,369	1,180	0.39	504	2.74	12/31/201
F	345370860 FORD MOTOR COMPANY COM PAR $0.01	4,210 000000	14.090	68,002.87	68,002.87	59,319	8,684-	1.26	2,526	4.26	12/31/201
AJG	363576109 GALLAGHER ARTHUR J & CO	1,430.000000	40.940	37,887.13	37,887.13	58,544	20,657	1.25	2,116	3 62	12/31/201
GE	369604103 GENERAL ELECTRIC CO	2,370.000000	31.150	48,760.63	48,760.63	73,826	25,065	1 57	2,180	2.95	12/31/201
GIS	370334104	500.000000	57.660	29,178.95	29,178.95	28,830	349-	0.61	880	3.05	12/31/201

	GENERAL MILLS INC										
HAS	418056107 HASBRO INC	1,240.000000	67.360	43,957.75	43,957.75	83,526	39,569	1.78	2,282	2.73	12/31/201
HFC	436106108 HOLLYFRONTIER CORPORATION	400.000000	39.890	18,627.96	18,627.96	15,956	2,672-	0.34	528	3.31	12/31/201
ITW	452308109 ILLINOIS TOOL WORKS INC	410.000000	92.680	19,118.30	19,118.30	37,999	18,881	0.81	902	2.37	12/31/201
INTC	458140100 INTEL CORP	3,870.000000	34.450	83,093.50	83,093.50	133,322	50,228	2.84	3,715	2.79	12/31/201
JPM	46625H100 J P MORGAN CHASE & CO	1,680.000000	66.030	65,432.96	65,432.96	110,930	45,497	2.36	2,957	2.67	12/31/201
JNJ	478160104 JOHNSON & JOHNSON	680.000000	102.720	45,038.01	45,038.01	69,850	24,812	1.49	2,040	2.92	12/31/201
KAR	48238T109 KAR AUCTION SERVICES INC.	500.000000	37.030	18,534.95	18,534.95	18,515	20-	0.39	540	2.92	12/31/201
KMB	494368103 KIMBERLY CLARK CORP	610 000000	127.300	39,965.58	39,965.58	77,653	37,687	1 65	2,147	2 77	12/31/201
KHC	500754106 KRAFT HEINZ CO	400.000000	72.760	31,039.72	31,039.72	29,104	1,936-	0.62	920	3.16	12/31/201
LVS	517834107 LAS VEGAS SANDS CORP	500.000000	43.840	24,398.00	24,398.00	21,920	2,478-	0.47	1,300	5.93	12/31/201
LLY	532457108 ELI LILLY & CO	1,130.000000	84.260	67,224.04	67,224.04	95,214	27,990	2.03	2,305	2.42	12/31/201
MCD	580135101 MCDONALDS CORP	1,050.000000	118.140	60,374.68	60,374.68	124,047	63,672	2.64	3,738	3.01	12/31/201
MRK	58933Y105 MERCK & CO. INC. NEW	1,790 000000	52.820	73,826.09	73,826.09	94,548	20,722	2 01	3,294	3.48	12/31/201
MSFT	594918104 MICROSOFT CORP	1,680.000000	55.480	42,211.12	42,211.12	93,206	50,995	1 98	2,419	2.60	12/31/201
NOV	637071101 NATIONAL OILWELL VARCO INC	500.000000	33.490	19,599.90	19,599.90	16,745	2,855-	0 36	920	5.49	12/31/201
NEE	65339F101 NEXTERA ENERGY, INC.	720.000000	103.890	38,840.62	38,840.62	74,801	35,960	1.59	2,218	2.96	12/31/201
OXY	674599105 OCCIDENTAL PETE CORP	720.000000	67.610	33,647.19	33,647.19	48,679	15,032	1.04	2,160	4.44	12/31/201

PNC	693475105 PNC BANK CORP	769.000000	95.310	46,359.03	46,359.03	73,293	26,934	1.56	1,569	2.14	12/31/201
PAYX	704326107 PAYCHEX INC	1,630.000000	52.890	48,263.80	48,263.80	86,211	37,947	1.84	2,738	3.18	12/31/201
PEP	713448108 PEPSICO INC	830 000000	99.920	55,630.60	55,630 60	82,934	27,303	1.77	2,332	2.81	12/31/201
PFE	717081103 PFIZER INC	1,000.000000	32.280	33,769.20	33,769.20	32,280	1,489-	0.69	1,200	3 72	12/31/201
PG	742718109 PROCTER & GAMBLE CO	400.000000	79.410	30,735.92	30,735.92	31,764	1,028	0.68	1,061	3.34	12/31/201
PRU	744320102 PRUDENTIAL FINANCIAL INC	790.000000	81.410	50,142.25	50,142.25	64,314	14,172	1 37	2,212	3.44	12/31/201
RTN	755111507 RAYTHEON CO	680.000000	124.530	35,700.00	35,700.00	84,680	48,980	1.80	1,822	2.15	12/31/201
RGC	758766109 REGAL ENTMT GROUP CL A	3,500.000000	18.870	64,797.90	64,797.90	66,045	1,247	1.41	3,080	4.66	12/31/201
RSG	760759100 REPUBLIC SVCS INC CL A	1,950.000000	43.990	67,637.70	67,637.70	85,781	18,143	1.83	2,340	2.73	12/31/201
SLB	806857108 SCHLUMBERGER LTD	500.000000	69.750	39,035.00	39,035.00	34,875	4,160-	0.74	1,000	2.87	12/31/201
SE	847560109 SPECTRA ENERGY CORP	1,790.000000	23.940	45,876.24	45,876.24	42,853	3,024-	0.91	2,649	6 18	12/31/201
TGT	87612E106 TARGET CORP	400.000000	72.610	29,699.92	29,699.92	29,044	656-	0.62	896	3.08	12/31/201
MMM	88579Y101 3M CO	240.000000	150.640	17,066.00	17,066.00	36,154	19,088	0 77	984	2.72	12/31/201
USB	902973304 US BANCORP DEL	1,560.000000	42.670	43,602.10	43,602.10	66,565	22,963	1.42	1,591	2 39	12/31/201
VZ	92343V104 VERIZON COMMUNICATIONS	1,400.000000	46.220	44,122.92	44,122.92	64,708	20,585	1.38	3,164	4.89	12/31/201
WM	94106L109 WASTE MANAGEMENT INC	1,605.000000	53.370	48,641.73	48,641.73	85,659	37,017	1.82	2,472	2.89	12/31/201
WFC	949746101 WELLS FARGO & CO	1,340.000000	54.360	47,100.86	47,100.86	72,842	25,742	1.55	2,010	2.76	12/31/201
XLNX	983919101 XILINX INC	350.000000	46.970	16,575.30	16,575.30	16,440	136-	0 35	434	2.64	12/31/201
	Total For Common Stock	62,401.000000		2,294,030.97	2,294,030.97	3,277,235	983,204		103,210		

	Foreign Stock										
IVZ	G491BT108 INVESCO LTD	1,900.000000	33.480	67,440.88	67,440.88	63,612	3,829-	1.35	2,052	3.23	12/31/201
ACE	H0023R105 ACE LTD	250.000000	116.850	28,569.98	28,569.98	29,213	643	0.62	670	2.29	12/31/201
LYB	N53745100 LYONDELLBASELL INDUSTRIES - CL A SEDOL #B3SPXZ3 ISIN #NL0009434992	740.000000	86.900	65,763.80	65,763 80	64,306	1,458-	1.37	2,309	3.59	12/31/201
	Total For Foreign Stock	2,890.000000		161,774.66	161,774.66	157,131	4,644-		5,031		
	Mutual Funds - Fixed Income										
CSJ	464288646 ISHARES 1-3 YEAR CREDIT BOND ETF	1,898.000000	104.600	200,139.74	200,139.74	198,531	1,609-	4.22	2,350	1.18	12/31/201
VBIRX	921937702 VANGUARD SHORT TERM INDEX -ADM FUND 5132	19,324.280000	10.430	201,867.96	201,867.96	201,552	316-	4.29	2,628	1.30	12/31/201
	Total For Mutual Funds - Fixed Income	21,222.280000		402,007.70	402,007.70	400,083	1,925-		4,978		
	Mutual Funds - Equity										
ACVIX	025076845 AMERICAN CENTURY SMALL CAP VALUE INST CL	5,302.174000	7.640	47,470.40	47,470.40	40,509	6,962-	0.86	265	0.65	12/31/201
ARTMX	04314H303 ARTISAN MID CAP FD-INV	1,020 853000	39.980	47,132.80	47,132.80	40,814	6,319-	0.87		0.00	12/31/201
FLMVX	339128100 JP MORGAN MID CAP VALUE FD CL I	1,283.985000	33.970	37,776.80	37,776.80	43,617	5,840	0.93	407	0.93	12/31/201
RSYEX	74972H689 RS SMALL CAP GROWTH FUND	707.347000	66.320	44,287.00	44,287.00	46,911	2,624	1 00		0.00	12/31/201
	Total For Mutual Funds - Equity	8,314.359000		176,667.00	176,667.00	171,851	4,816-		672		
	Mutual Funds - International										

AIEVX	008882771 INVESCO INTERNATIONAL GROWTH FD CL R5	2,206.256000	31.440	66,873.60	66,873.60	69,365	2,491	1.48		0.00	12/31/201
MRSIX	552983470 MFS RESH INTL FD CL I	4,192.252000	16.190	72,020.46	72,020.46	67,873	4,148-	1.44	1,283	1.89	12/31/201
HIEMX	92828T889 VIRTUS EMERGING MARKETS OPPORTUNITY-I	789.327000	8.960	8,209.00	8,209.00	7,072	1,137-	0.15	66	0.94	12/31/201
	Total For Mutual Funds - International	7,187.835000		147,103.06	147,103.06	144,310	2,793-		1,349		
	Total Portfolio			3,668,609.90	3,668,609.90	4,696,529	1,027,920	100.00	144,799	3 08	

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REGIONS TRUST

REGIONS BANK

Asset Details

Run on 3/31/2016 3:20:57 PM

As of 12/31/2015

Combined Portfolios

Settlement Date Basis

Account: 2312003228 (Sub)
AND JOSEPH DANA AS TRUSTEES
OF THE ARTHUR E. YATES
CHARITABLE
TRUST UNDER THE WILL DATED
11-17-1992 -AGG BOP

Administrator: ROB KELLEY @ 423-752-1598

Investment Officer: JENNIFER CUTE

Investment Authority: Joint with Individual

Investment Objective: MULTIPLE ACCT ALLOCATION

Lot Select Method: HIFO

Sort By: Security Type

Ticker	CUSIP/ Description	Units	Price	Tax Cost	Book Value	Market Value	Unrealized Gain/Loss	% of Portfolio	Est. Income	Yield	Pricin Dat
	Cash										
	CASH									0.00	
	Total For Cash	0.000000									
	Short Term Investments										
	999990484 REGIONS TRUST CASH SWEEP	42,089.560000	1.000	42,089.56	42,089.56	42,090		2.67	25	0 06	01/01/190
	Total For Short Term Investments	42,089.560000		42,089.56	42,089.56	42,090			25		
	U S Government Obligations										
	31359MH89 FEDERAL NATIONAL MORTGAGE ASSN 5% 03/15/2016	30,000.000000	100.932	31,518.47	31,518.47	30,280	1,239-	1.92	1,500	4.95	01/01/190
	912810EQ7 UNITED STATES TREASURY 6.25% 08/15/2023	23,000.000000	129.070	27,273.92	27,273.92	29,686	2,412	1.88	1,438	4.84	12/31/201
	912810RB6 UNITED STATES TREASURY DTD 05/15/2013 2.875% 05/15/2043	76,000 000000	97.500	65,047.90	65,047.90	74,100	9,052	4 70	2,185	2.95	12/31/201
	912828H52 UNITED STATES TREASURY DTD 01/31/2015 1.25% 01/31/2020	16,000.000000	98.461	15,746.88	15,746.88	15,754	7	1 00	200	1 27	12/31/201

912828NR7 UNITED STATES TREASURY N/B DTD 07/31/2010 2.375% 07/31/2017	192,000.000000	102.109	197,642.50	197,642 50	196,049	1,593-	12 42	4,560	2.33	12/31/201
912828VB3 UNITED STATES TREASURY DTD 05/15/2013 1.75% 05/15/2023	46,000 000000	97.426	42,765.88	42,765.88	44,816	2,050	2.84	805	1.80	12/31/201
Total For U S Government Obligations	383,000.000000		379,995.55	379,995.55	390,685	10,689		10,688		
Mortgage Backed Securities										
3128M74W3 FEDERAL HOME LOAN MORTGAGE CORP POOL #G05937 DTD 07/01/2010 4.5% 08/01/2040 OFV 16,000	3,217.110000	107.889	3,430.24	3,430.24	3,471	41	0.22	145	4 17	12/31/201
3128M7KV7 FEDERAL HOME LOAN MORTGAGE CORP POOL #G05408 DTD 04/01/2009 5% 12/01/2036 OFV 33,000	3,096.410000	109.811	3,355.25	3,355.25	3,400	45	0.22	155	4.55	12/31/201
3128M7NZ5 FEDERAL HOME LOAN MORTGAGE CORP POOL# G05508 DTD 06/01/2009 5% 02/01/2039 OFV 36,000	2,300.080000	109.183	2,544.11	2,544.11	2,511	33-	0.16	115	4.58	12/31/201
3128MJV72 FEDERAL HOME LOAN MORTGAGE CORP POOL #G08637 DTD 04/01/2015 4% 04/01/2045 OFV 3,000	2,759.420000	105.742	2,924.12	2,924.12	2,918	6-	0.18	110	3.78	12/31/201
3128MMS20 FEDERAL HOME LOAN MORTGAGE CORP POOL #G18536 DTD 01/01/2015 2.5% 01/01/2030 OFV 31,000	27,671.760000	101.008	28,545.16	28,545.16	27,951	594-	1.77	692	2.48	12/31/201

3128MMTP8 FEDERAL HOME LOAN MORTGAGE CORP POOL #G18557 DTD 06/01/2015 3% 06/01/2030 OFV 15,000	14,274 780000	103.157	14,814.54	14,814.54	14,725	89-	0.93	428	2.91	12/31/201
312938VU4 FEDERAL HOME LOAN MORTGAGE CORP POOL# A90627 DTD 12/01/2009 4.5% 01/01/2040 OFV 12,000	2,420.130000	107.859	2,626.98	2,626.98	2,610	17-	0.17	109	4.17	12/31/201
312943WG4 FEDERAL HOME LOAN MORTGAGE CORP POOL #A95147 DTD 11/01/2010 4% 11/01/2040 OFV 14,000	6,153.610000	105.960	6,605.52	6,605.52	6,520	85-	0 41	246	3.77	12/31/201
31335ACR7 FEDERAL HOME LOAN MTG CORP POOL# G60080 DTD 05/01/2015 3.5% 06/01/2045 OFV 15,000	14,398.260000	103.258	14,980.94	14,980.94	14,867	114-	0 94	504	3.39	12/31/201
31368HNM1 FEDERAL NATIONAL MORTGAGE ASSN POOL #190396 DTD 05/01/2009 4.5% 06/01/2039 OFV 76,000	11,754 390000	108.159	12,436.00	12,436.00	12,713	277	0.81	529	4.16	12/31/201
3138A7FR4 FEDERAL NATIONAL MORTGAGE ASSN POOL #AH5575 DTD 02/01/2011 4% 02/01/2041 OFV 28,000	10,824.090000	106.065	11,128.97	11,128.97	11,481	352	0.73	433	3.77	12/31/201
3138A8SR8 FEDERAL NATIONAL MORTGAGE ASSN POOL #AH6827 DTD 03/01/2011 4% 03/01/2026 OFV 26,000	5,736.820000	106.064	6,027.23	6,027 23	6,085	57	0.39	229	3.77	12/31/201
3138EGNK6 FEDERAL NATIONAL	4,949.370000	108.721	5,264.91	5,264.91	5,381	116	0.34	223	4 14	12/31/201

MORTGAGE ASSN POOL #AL0393 DTD 06/01/2011 4.5% 06/01/2041 OFV 13,000										
3138MFTC1 FEDERAL NATIONAL MORTGAGE ASSN POOL #AQ0546 DTD 11/01/2012 3.5% 11/01/2042 OFV 18,000	12,694.510000	103.363	12,673.82	12,673.82	13,121	448	0.83	444	3.39	12/31/201
3138WPJG0 FEDERAL NATIONAL MORTGAGE ASSN POOL #AT2062 DTD 04/01/2013 2.5% 04/01/2028 OFV 20,000	14,624.170000	101.324	14,644.71	14,644.71	14,818	173	0.94	366	2.47	12/31/201
3138WQAW2 FEDERAL NATIONAL MORTGAGE ASSN POOL #AT2720 DTD 05/01/2013 3% 05/01/2043 OFV 18,000	14,665.820000	100.449	15,105.79	15,105.79	14,732	374-	0.93	440	2.99	12/31/201
3138X3EH1 FEDERAL NATIONAL MORTGAGE ASSN POOL #AU3735 DTD 08/01/2013 3% 08/01/2043 OFV 17,000	14,755.080000	100.205	14,746.01	14,746.01	14,785	39	0.94	443	2.99	12/31/201
31402C4H2 FEDERAL NATIONAL MORTGAGE ASSN POOL #725424 DTD 04/01/04 5.5% 04/01/2034 OFV 325,000	15,164.360000	112.464	16,590.77	16,590.77	17,054	464	1 08	834	4.89	12/31/201
31402RFV6 FEDERAL NATIONAL MORTGAGE ASSN POOL #735580 DTD 05/01/05 5% 06/01/2035 OFV 66,000	5,106.050000	110.543	5,507.35	5,507.35	5,644	137	0.36	255	4.52	12/31/201
31403C6L0 FEDERAL NATIONAL	9,675.920000	110.334	10,274.17	10,274.17	10,676	402	0.68	484	4.53	12/31/201

MORTGAGE ASSN POOL #745275 DTD 01/01/2006 5% 02/01/2036 OFV 125,000										
31407JDQ2 FEDERAL NATIONAL MORTGAGE ASSN POOL #831811 DTD 10/01/06 6% 09/01/2036 OFV 156,000	8,506.300000	113.206	8,874.45	8,874.45	9,630	755	0.61	510	5.30	12/31/201
31410FSJ5 FEDERAL NATIONAL MORTGAGE ASSN POOL #888021 DTD 11/01/2006 6% 12/01/2036 OFV 179,000	6,417.740000	113.162	7,110.63	7,110.63	7,262	152	0.46	385	5.30	12/31/201
31410KLN2 FEDERAL NATIONAL MORTGAGE ASSN POOL #889633 DTD 05/01/2008 5.5% 08/01/2037 OFV 135,000	12,719.330000	112.338	13,528.02	13,528.02	14,289	761	0.91	700	4.90	12/31/201
31412QCL1 FEDERAL NATIONAL MORTGAGE ASSN POOL #931675 DTD 07/01/2009 5.5% 01/01/2018 OFV 49,000	2,253.200000	102.261	2,453.17	2,453.17	2,304	149-	0.15	124	5.38	12/31/201
31414DZQ2 FEDERAL NATIONAL MORTGAGE ASSN POOL #963451 5% 06/01/2023 OFV 46,000	4,450 140000	107.384	4,569.05	4,569.05	4,779	210	0 30	223	4.66	12/31/201
31415P3Z9 FEDERAL NATIONAL MORTGAGE ASSN POOL #985616 DTD 06/01/08 5.5% 04/01/2034 OFV 82,000	4,182 650000	112.403	4,285.92	4,285.92	4,701	416	0.30	230	4.89	12/31/201
31416BTW8 FEDERAL NATIONAL MORTGAGE ASSN POOL #995265	2,061.210000	108.654	2,146.23	2,146.23	2,240	93	0.14	113	5 06	12/31/201

DTD 12/01/08 5.5% 01/01/2024 OFV 29,000										
31416RBE2 FEDERAL NATIONAL MORTGAGE ASSN POOL #AA7236 DTD 05/01/2009 4% 06/01/2039 OFV 15,000	3,841.210000	105.854	4,062.70	4,062.70	4,066	3	0.26	154	3.78	12/31/201
31418AFC7 FEDERAL NATIONAL MORTGAGE ASSN POOL #MA1062 DTD 04/01/2012 3% 05/01/2027 OFV 11,000	5,700 560000	103 548	5,969 56	5,969.56	5,903	67-	0.37	171	2.90	12/31/201
31418MLS9 FEDERAL NATIONAL MORTGAGE ASSN POOL #AD0336 DTD 10/01/2009 5% 02/01/2024 OFV 51,000	5,576.010000	107.619	6,027.31	6,027.31	6,001	26-	0.38	279	4.65	12/31/201
31418UEE0 FEDERAL NATIONAL MORTGAGE ASSN POOL # AD6432 DTD 06/01/2010 4.5% 06/01/2040 OFV 16,000	3,273 160000	108.234	3,486.97	3,486.97	3,543	56	0.22	147	4.16	12/31/201
31419BCT0 FEDERAL NATIONAL MORTGAGE ASSN POOL #AE0981 DTD 02/01/2011 3.5% 03/01/2041 OFV 19,000	8,132.380000	103.413	8,516.14	8,516 14	8,410	106-	0.53	285	3.38	12/31/201
31419DMQ1 FEDERAL NATIONAL MORTGAGE ASSN POOL #AE3066 DTD 09/01/2010 3.5% 09/01/2025 OFV 28,000	5,975.030000	104.909	6,199.11	6,199.11	6,268	69	0.40	209	3 34	12/31/201
Total For Mortgage Backed Securities	269,331.060000		281,455.85	281,455.85	284,860	3,404		10,713		

Corporate Bonds

00206RAM4 AT&T INC DTD 05/13/08 5 6% 05/15/2018	14,000.000000	108.472	14,807.04	14,807.04	15,186	379	0.96	784	5.16	12/31/201
00206RCP5 AT&T INC CALLABLE DTD 05/04/2015 4.5% 05/15/2035-2034	16,000 000000	92.486	15,648.32	15,648.32	14,798	851-	0.94	720	4 87	12/31/201
0258M0DX4 AMERICAN EXPRESS CREDIT CORP CALLABLE DTD 09/14/2015 2.6% 09/14/2020-2020	15,000.000000	100.231	14,988.11	14,988.11	15,035	47	0.95	390	2 59	12/31/201
03523TBA5 ANHEUSER-BUSCH INBEV WOR DTD 01/27/2011 2.875% 02/15/2016	15,000.000000	100.191	15,129.77	15,129.77	15,029	101-	0.95	431	2.87	01/01/190
037833AJ9 APPLE INC DTD 05/03/2013 1% 05/03/2018	15,000 000000	99.188	14,975.57	14,975.57	14,878	97-	0.94	150	1.01	12/31/201
046353AH1 ASTRAZENECA PLC DTD 11/16/2015 1.75% 11/16/2018	15,000.000000	99.719	15,000.00	15,000.00	14,958	42-	0.95	263	1.75	12/31/201
07330NAH8 BRANCH BANKING & TRUST CALLABLE DTD 03/04/2014 1% 04/03/2017-2017	16,000.000000	99.461	15,953.48	15,953.48	15,914	40-	1 01	160	1.01	12/31/201
12673PAC9 CA INC DTD 11/13/09 5.375% 12/01/2019	14,000.000000	107.911	14,610.17	14,610.17	15,108	497	0.96	753	4.98	12/31/201
149123BQ3 CATERPILLAR INC DTD 12/05/08 7.9% 12/15/2018	13,000.000000	117.003	14,954.26	14,954.26	15,210	256	0.96	1,027	6.75	12/31/201
166764BC3 CHEVRON CORP DTD 11/17/2015 1.344% 11/09/2017	21,000.000000	99.776	21,001.64	21,001 64	20,953	49-	1.33	282	1 35	12/31/201
17275RAC6 CISCO SYSTEMS INC CALLABLE 5.5% 02/22/2016	15,000.000000	100.638	15,756.63	15,756.63	15,096	661-	0.96	825	5.47	01/01/190

172967KB6 CITIGROUP INC DTD 10/26/2015 2.65% 10/26/2020	23,000 000000	99.192	22,975.97	22,975.97	22,814	162-	1 44	610	2.67	12/31/201
20030NAZ4 COMCAST CORP DTD 06/18/09 5.7% 07/01/2019	13,000.000000	112.121	13,760.60	13,760.60	14,576	815	0.92	741	5.08	12/31/201
24422ESS9 JOHN DEERE CAPITAL CORP SERIES MTN DTD 09/15/2014 2.3% 09/16/2019	15,000 000000	100.380	14,996.85	14,996.85	15,057	60	0.95	345	2.29	12/31/201
25152RYD9 DEUTSCHE BANK AG LONDON DTD 02/13/2015 1.875% 02/13/2018	15,000.000000	99.150	15,004.20	15,004.20	14,873	132-	0.94	281	1.89	12/31/201
26441CAG0 DUKE ENERGY CORPORATION DTD 11/17/2011 2.15% 11/15/2016	15,000.000000	100.600	15,038.52	15,038.52	15,090	51	0.96	323	2.14	12/31/201
345397WR0 FORD MOTOR CREDIT DTD 06/06/2014 1.724% 12/06/2017	15,000 000000	98.460	15,010.65	15,010 65	14,769	242-	0.94	259	1.75	12/31/201
369622SM8 GENERAL ELECTRIC CAPITAL CORP DTD 02/11/11 5.3% 02/11/2021	13,000.000000	112.762	13,401.10	13,401.10	14,659	1,258	0.93	689	4.70	12/31/201
375558BF9 GILEAD SCIENCES INC CALLABLE DTD 09/14/2015 3.65% 03/01/2026-2025	15,000 000000	100.848	14,965.94	14,965.94	15,127	161	0.96	548	3.62	12/31/201
38141EA25 GOLDMAN SACHS GROUP INC DTD 2/5/09 7.5% 02/15/2019	13,000 000000	114.426	14,354.72	14,354.72	14,875	521	0.94	975	6.55	12/31/201
42809HAB3 HESS CORPORATION DTD 2/3/09 8.125% 02/15/2019	13,000.000000	113.338	15,330.37	15,330.37	14,734	596-	0.93	1,056	7.17	12/31/201
458140AJ9	15,000 000000	103.582	15,095.20	15,095.20	15,537	442	0.98	495	3.19	12/31/201

INTEL CORP DTD 09/19/2011 3.3% 10/01/2021										
459200GX3 INTERNATIONAL BUSINESS MACHINES DTD 07/22/2011 1.95% 07/22/2016	30,000.000000	100.598	30,574.34	30,574.34	30,179	395-	1.91	585	1.94	12/31/201
46625HHL7 J P MORGAN CHASE & CO DTD 04/23/09 6.3% 04/23/2019	13,000.000000	112.130	13,656.71	13,656.71	14,577	920	0.92	819	5.62	12/31/201
50075NBB9 KRAFT FOOD INC DTD 02/08/2010 4.125% 02/09/2016	15,000.000000	100.258	15,246.34	15,246.34	15,039	208-	0 95	619	4.11	01/01/190
539830BD0 LOCKHEED MARTIN CORP CALLABLE DTD 02/20/2015 3.8% 03/01/2045-2044	16,000.000000	88.637	15,873.07	15,873.07	14,182	1,691-	0.90	608	4.29	12/31/201
565849AL0 MARATHON OIL CORP CALLABLE DTD 06/10/2015 3.85% 06/01/2025-2025	17,000.000000	80.485	15,542.72	15,542.72	13,682	1,860-	0.87	655	4.78	12/31/201
59018YN64 MERRILL LYNCH & CO INC SERIES: MTN DTD 04/25/08 6.875% 04/25/2018	14,000.000000	110.326	14,699.71	14,699.71	15,446	746	0.98	963	6.23	12/31/201
59022CAJ2 BANK OF AMERICA CORP 6.11% 01/29/2037	13,000.000000	113.470	12,464.16	12,464.16	14,751	2,287	0 93	794	5.38	12/31/201
60871RAD2 MOLSON COORS BREWING CO DTD 05/03/2012 5% 05/01/2042	15,000.000000	96.300	15,158.00	15,158.00	14,445	713-	0.92	750	5.19	12/31/201
61747YCJ2 MORGAN STANLEY SERIES. MTN DTD 9/23/09 5.625% 09/23/2019	14,000.000000	110.360	14,236.17	14,236.17	15,450	1,214	0.98	788	5.10	12/31/201
61761JVL0 MORGAN STANLEY DTD 10/23/2014 3.7% 10/23/2024	15,000.000000	100.481	15,036.86	15,036.86	15,072	35	0.96	555	3.68	12/31/201
68389XAC9 ORACLE	14,000.000000	109.113	15,123.43	15,123.43	15,276	152	0.97	805	5.27	12/31/201

CORPORATION DTD 04/09/08 5.75% 04/15/2018										
713448DB1 PEPSICO INC SERIES: 1 DTD 10/14/2015 1% 10/13/2017	16,000 000000	99.479	15,980.14	15,980.14	15,917	64-	1.01	160	1.01	12/31/201
71645WAP6 PETROBRAS INTL FIN CO DTD 10/30/09 5.75% 01/20/2020	31,000.000000	78.500	32,540.73	32,540.73	24,335	8,206-	1.54	1,783	7.32	12/31/201
717081DB6 PFIZER INC DTD 3/24/09 6.2% 03/15/2019	13,000.000000	112.500	14,609.29	14,609.29	14,625	16	0.93	806	5.51	12/31/201
74432QBP9 PRUDENTIAL FINANCIAL DTD 11/18/2010 4.5% 11/15/2020	14,000.000000	107.320	14,209.78	14,209.78	15,025	815	0.95	630	4 19	12/31/201
78011DAC8 ROYAL BANK OF CANADA DTD 09/19/2012 1.2% 09/19/2017	31,000.000000	99.527	31,011.88	31,011.88	30,853	159-	1.95	372	1.21	12/31/201
867914BE2 SUNTRUST BKS INC DTD 11/01/2011 3.5% 01/20/2017	15,000 000000	101.726	15,120.32	15,120.32	15,259	139	0.97	525	3.44	12/31/201
87425EAL7 TALISMAN ENERGY INC DTD 6/1/09 7.75% 06/01/2019	13,000.000000	107.760	15,139.15	15,139.15	14,009	1,130-	0.89	1,008	7.19	12/31/201
87612EAP1 TARGET CORP CALLABLE 5.375% 05/01/2017	14,000 000000	105.571	14,719.49	14,719.49	14,780	60	0.94	753	5.09	12/31/201
89114QAM0 TORONTO-DOMINION BANK SERIES MTN DTD 09/10/2013 2.625% 09/10/2018	15,000.000000	101.914	15,355.03	15,355.03	15,287	68-	0.97	394	2.58	12/31/201
89233P5F9 TOYOTA MOTOR CREDIT CORP SERIES MTN DTD 09/15/2011 3.4% 09/15/2021	15,000.000000	103.622	15,158.97	15,158.97	15,543	384	0.98	510	3.28	12/31/201
91324PCK6 UNITED HEALTH	15,000.000000	100.003	15,018.46	15,018.46	15,000	18-	0.95	218	1.45	12/31/201

	GROUP INC DTD 07/23/2015 1.45% 07/17/2017										
	92343VAW4 VERIZON COMMUNICATIONS DTD 03/28/2011 6% 04/01/2041	13,000.000000	108.018	13,676.78	13,676.78	14,042	366	0.89	780	5.55	12/31/201
	929903DT6 WACHOVIA CORP DTD 06/08/07 5.75% 06/15/2017	14,000.000000	105.861	14,285.37	14,285.37	14,821	535	0.94	805	5.43	12/31/201
	931142CM3 WAL MART STORES INC DTD 04/15/2008 6.2% 04/15/2038	12,000.000000	125.392	15,906.52	15,906.52	15,047	859-	0.95	744	4.94	12/31/201
	931427AH1 WALGREENS BOOTS ALLIANCE CALLABLE DTD 11/18/2014 3.8% 11/18/2024-2024	15,000.000000	97.017	15,086.84	15,086.84	14,553	534-	0.92	570	3.92	12/31/201
	94974BGE4 WELLS FARGO & COMPANY DTD 11/04/2014 4.65% 11/04/2044	15,000.000000	97.288	14,960.78	14,960.78	14,593	368-	0.92	698	4.78	12/31/201
	Total For Corporate Bonds	771,000.000000		793,150.15	793,150.15	786,063	7,087-		30,798		
	Mutual Funds - Fixed Income										
CSJ	464288646 ISHARES 1-3 YEAR CREDIT BOND ETF	712.000000	104.600	75,078.76	75,078.76	74,475	604-	4.72	881	1.18	12/31/201
	Total For Mutual Funds - Fixed Income	712.000000		75,078.76	75,078.76	74,475	604-		881		
	Total Portfolio			1,571,769.87	1,571,769.87	1,578,173	6,403	100.00	53,105	3.36	

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IN THE CHANCERY COURT OF HAMILTON COUNTY, TENNESSEE
ELEVENTH JUDICIAL DISTRICT, CHATTANOOGA

IN RE THE TESTAMENTARY TRUSTS CREATED UNDER THE LAST WILLS AND TESTAMENTS OF ROBERTA M. YATES, DECEASED, and ARTHUR E. YATES, DECEASED	)	
JOSEPH F. DANA and REGIONS BANK, CHATTANOOGA, TENNESSEE, CO-TRUSTEES, Petitioners,	)	Case No. 15-0123 Part 2
v.	)	
UNIVERSITY OF TENNESSEE AT KNOXVILLE, GORDON LEE HIGH SCHOOL, CHRIST CHURCH EPISCOPAL, CHURCH OF THE NATIVITY EPISCOPAL and HERBERT H. SLATERY, III, Attorney General of the State of Tennessee, Respondents.	)	

ORDER

This matter came before the Court on April 30, 2015 for a hearing on the *Petition to Modify and Consolidate Trusts and to Approve Distribution* filed by Joseph F. Dana and Regions Bank, Chattanooga, Tennessee, Co-Trustees of the Roberta M. Yates Charitable Trust dated January 1, 1997, and the Arthur E. Yates Charitable Trust dated May 20, 1997 (collectively, the "Trusts"), by and through counsel, seeking modification and consolidation of the Trusts and approval of the Trustees' distributions of principal from the Trusts in December of 2014 to avoid imposition of penalty and tax by the IRS.

After study of the *Petition,* the supporting information, the testimony of the witnesses and the representations of counsel at the hearing, the Court finds the following:

1. That Petitioners, Joseph F. Dana and Regions Bank, Chattanooga, Tennessee, are the Co-Trustees of the Trusts.

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2. That Respondents, University of Tennessee at Knoxville, Gordon Lee High School, Christ Church Episcopal and Church of the Nativity Episcopal, are all of the qualified beneficiaries of the Trusts, and that each such qualified beneficiary has waived service of process and consented to jurisdiction and venue and the relief requested in the *Petition.*

3. That the Attorney General of the State of Tennessee, having the rights of a qualified beneficiary of the Trusts, has waived service of process and consented to jurisdiction and venue and the relief requested in the *Petition.*

4. That the Trusts are non-exempt charitable trusts, which the IRS treats as private foundations subject to the private foundation rules of the Internal Revenue Code ("IRC"), including the minimum distribution requirements of IRC § 4942.

5. That there is a conflict in the terms of the Trusts in that the Trusts' terms limit distributions to the beneficiaries to distributions of income, but also require the Trusts to satisfy the minimum distribution requirements of IRC § 4942, for which income in recent years has been inadequate.

6. That modification of certain administrative and dispositive terms of the Trusts is consistent with the Settlors' probable intentions and will further the purposes of the Trusts, pursuant to T.C.A. § 35-14-412(a), in that circumstances have arisen over the last several years not anticipated by the Settlors, which include falling interest rates resulting in reduced Trust income available to satisfy the minimum distribution requirements of IRC § 4942, and rising operational costs of the beneficiaries due to inflation.

7. That modification of certain administrative terms of the Trusts is appropriate, pursuant to T.C.A. § 35-14-412(b), because continuation of the Trusts under the existing terms would be wasteful and impair the administration of the Trusts, in that the Trusts do not include terms necessary to qualify for tax exempt status under IRC § 501(c)(3) and the related tax benefits, and do not allow for

distributions of Trust principal, which may be necessary to satisfy the Trusts' minimum distribution requirements of IRC § 4942.

8. That the proposed modifications of the Trusts set forth in Paragraphs 26 of the *Petition* and the proposed additions to the Trusts set forth in Paragraphs 27 of the *Petition* are consistent with the Settlors' probable intentions and will further the purposes of the Trusts.

9. That the proposed consolidation of the Trusts into a single charitable trust, as to which the Trustees shall file an application for tax exempt status under IRC § 501(c)(3), will further the economic administration of the Trusts.

10. That the Trustees' distributions of principal from the Trusts in December, 2014, as described in Paragraph 31 of the *Petition,* to satisfy the minimum distribution requirements of IRC § 4942 and avoid potential IRS penalties and taxes was appropriate and should be approved.

Based on the findings of fact, it is therefore,

ORDERED, ADJUDGED AND DECREED:

A. That the current language of Paragraph 3.2(d)(i), Paragraph 3.2(d)(ii), Paragraph 3.2(d)(iii) and Paragraph 3.2(d)(iv)(D) of the Trusts is hereby omitted and is replaced with the language set forth in Paragraph 26 of the Petition, as follows:

> (i) Purposes of the Trust. The trust is created for the purpose of devoting and applying the property vested by this instrument in the Trustees, together with the income to be derived therefrom, exclusively for charitable, religious, scientific, literary, or educational purposes, directly or by contributions to organizations duly organized to carry on charitable, religious, scientific, literary, or educational activities. No part of this trust shall inure to the benefit of any private donor, individual, or other person, and no part of the direct or indirect activities of the trust shall consist of carrying on propaganda, or otherwise attempting to influence legislation, or of participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.
>
> In furtherance of its charitable, religious, scientific, literary, or educational purposes, the Trustees shall do all things necessary to cause the trust to become an organization exempt from taxation pursuant to the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code" or "IRC") and applicable state law. Despite any other provisions of this trust, the

trust is not to conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from tax under IRC Section 501(c)(3) and its regulations as they now exist or as they may hereafter by amended, or by an organization contributions to which are deductible under IRC Section 170(c)(2) and the regulations thereunder as they now exist or as they may hereafter be amended.

(ii) Income and Principal Distributions. The Trustee is to distribute all of the net income of the trust annually, and so much of the principal of the trust as the Trustee in its discretion deems appropriate, in equal shares to the University of Tennessee at Knoxville, Knoxville, Tennessee; Gordon Lee High School, Chickamauga, Georgia; Christ Church Episcopal, Chattanooga, Tennessee; and the Church of the Nativity Episcopal, Fort Oglethorpe, Georgia; provided, however, the total distributions of income and principal of the trust shall be no less than the amount required by IRC § 4942.

(iii) Uses of Income and Principal Distributions. The portion of the income and principal of the trust distributed to the University of Tennessee at Knoxville shall be used to provide scholarships for needy students; the determination of the recipients to be in the discretion of the University of Tennessee Office for Development. The portion of the income and principal of the trust distributed to the Gordon Lee High School, Chickamauga, Georgia, shall be used for maintenance, repairs and upkeep of the buildings and other improvements. The portion of the income and principal of the trust distributed to Christ Church Episcopal, Chattanooga, Tennessee, and the Church of the Nativity Episcopal, Fort Oglethorpe, Georgia, shall each be used for such purposes as the vestry of each church shall determine.

(D) No Power to Jeopardize Trust as an Exempt Organization/Prohibited Transactions. Despite any other provisions of this trust to the contrary, the Trustees shall exercise no power or authority in any manner or for any purpose whatsoever that may jeopardize the status of the trust as an exempt organization under IRC § 501(c)(3) and its regulations as they now exist or as they may hereafter be amended; nor shall the Trustees engage in any act of self-dealing as defined in IRC § 4941(d), or corresponding provisions of any subsequent federal tax code; nor shall the Trustees fail to distribute income of the trust as required by IRC § 4942 or corresponding provisions of any subsequent federal tax code; nor shall the Trustees retain any excess business holdings under IRC § 4943(c) or corresponding provisions of any subsequent federal tax code (as defined in IRC § 4943(d); nor shall the Trustees make any investments in such manner as to incur tax liability under IRC § 4944 or corresponding provisions of any subsequent federal tax code; nor shall the Trustees make any taxable expenditures as defined in IRC § 4945(d), or corresponding provisions of any subsequent federal tax code. Furthermore, the Trustees shall not permit the use of the property, funds, income, or appreciation in value of the Trust fund for the private benefit of any person, other than for the payment of reasonable compensation to persons performing services to or on behalf of the trust.

B. That Paragraph 3.2(d)(iv)(F) and Paragraph 3.2(d)(iv)(G) are hereby added to the Trusts, as set forth in Paragraph 27 of the Petition, as follows:

> (F) Disposition of Trust Assets upon Dissolution. Upon the dissolution of the trust, the assets of the trust shall be distributed equally to such of the charitable beneficiaries who are named in the caption of the Petition (or their successors in interest) who exist at the time of dissolution and are organized and operated exclusively for exempt purposes within the meaning of IRC § 501(c)(3), or corresponding section of any future federal tax code. If none of the charitable beneficiaries named in the caption of the Petition (or their successors in interest) is in existence and is an organization who is organized and operated exclusively for exempt purposes within the meaning of IRC § 501(c)(3), or corresponding section of any future federal tax code, then the assets of the trust shall be distributed for one or more exempt purposes within the meaning of IRC § 501(c)(3), or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any assets not disposed of shall be disposed of by a Court of competent jurisdiction in the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as the Court shall determine which are organized and operated exclusively for such purposes.
>
> (G) Annual Reports/Public Notice Requirements. The Trustees shall file such annual returns for the trust as shall be required by the Code, the regulations thereunder and applicable state law. Furthermore, the trust shall comply with the requirements of the Code, the regulations and applicable state law regarding making the trust's annual returns and exemption application available for public inspection and providing notice to the public of the availability of same.

C. That the Trusts are hereby consolidated so that the *Arthur E. Yates Charitable Trust* and the *Roberta M. Yates Charitable Trust* shall become a single trust, which shall be known as the *Arthur E. Yates and Roberta M. Yates Charitable Foundation Trust,* identified by federal tax identification number 58-6350586.

D. That within a reasonable time from the date of entry of this Order, the Trustees shall file an application with the Internal Revenue Service for tax exempt status under IRC § 501(c)(3) so that the above described modified, consolidated trust may operate as a tax exempt private grant-making foundation.

E. That the distributions of principal by the Trustees to the beneficiaries in December 2014, which satisfied the minimum distribution requirements of IRC § 4942, are hereby approved.

F. That the Trustees are authorized to take such actions as may be necessary and/or appropriate to implement the above described modifications, additions and consolidation of the Trusts, and to make application for the modified, consolidated trust to receive tax exempt status under IRC § 501(c)(3).

ENTERED this 30th day of April, 2015.

Chancellor Jeffery M. Atherton

APPROVED FOR ENTRY:
HUSCH BLACKWELL LLP

By: ______________________
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<u>**CERTIFICATE OF SERVICE**</u>

The undersigned hereby certifies that a true and exact copy of this pleading has been served upon all parties and/or counsel listed below by placing it in the United States Mail, addressed to said parties with sufficient postage to carry the same to its destination, on this 30th day of April, 2015.

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Janet M. Kleinfelter, Esq.
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P.O. Box 20207
Nashville, Tennessee 37202-0207

A TRUE COPY
ROBIN L. MILLER, Clerk & Master
Chancery Court, Hamilton County, Tennessee
This 30 day of April 2015
By Wendi [signature] DC&M

HUSCH BLACKWELL LLP

By: [signature]

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IN THE CHANCERY COURT OF HAMILTON COUNTY, TENNESSEE
ELEVENTH JUDICIAL DISTRICT, CHATTANOOGA

IN RE THE TESTAMENTARY TRUSTS CREATED UNDER THE LAST WILLS AND TESTAMENTS OF ROBERTA M. YATES, DECEASED, and ARTHUR E. YATES, DECEASED	)	
JOSEPH F. DANA and REGIONS BANK, CHATTANOOGA, TENNESSEE, CO-TRUSTEES,	)	Case No. 15-0123
Petitioners,	)	Part ______
v.	)	
UNIVERSITY OF TENNESSEE AT KNOXVILLE, GORDON LEE HIGH SCHOOL, CHRIST CHURCH EPISCOPAL, CHURCH OF THE NATIVITY EPISCOPAL and HERBERT H. SLATERY, III, Attorney General of the State of Tennessee,	)	
Respondents.	)	

PETITION TO MODIFY AND CONSOLIDATE TRUSTS

AND TO APPROVE DISTRIBUTION

Petitioners, Joseph F. Dana ("Dana") and Regions Bank, Chattanooga, Tennessee (the "Bank") (Dana and the Bank may be referred to collectively as "Trustees" or "Petitioners"), in their capacity as Co-Trustees of the testamentary trusts (individually, the "Trust" and collectively, the "Trusts") created under the Last Will and Testament of Roberta M. Yates, deceased, and the Last Will and Testament of Arthur E. Yates, deceased, hereby petition the Court for an Order modifying and consolidating the Trusts pursuant to T.C.A. §§ 35-15-412 and 35-15-417, and approving the distributions of principal made by the Trustees to the Respondent

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Charities, as defined in Paragraph 2, below, in December, 2014 to satisfy the minimum distribution requirements of IRC § 4942, as required by Paragraph 3.2(d)(iv)(D) of the Trusts, so as to avoid incurring additional penalty and tax under IRC § 4942, pursuant to the Court's equitable powers. In support of this Petition, Petitioners state as follows:

BACKGROUND FACTS

1. Roberta M. Yates executed a Last Will and Testament dated November 17, 1992 ("Roberta's Will"). A true and accurate copy of Roberta's Will is attached hereto as Exhibit A and is expressly incorporated by reference herein. Arthur E. Yates executed a Last Will and Testament dated November 17, 1992 ("Arthur's Will"). A true and accurate copy of Arthur's Will is attached hereto as Exhibit B and is expressly incorporated by reference herein. Roberta's Will and Arthur's Will are hereinafter collectively referred to as the "Wills."

2. The Trusts under the Wills created identical testamentary charitable trusts naming the University of Tennessee, Knoxville, Tennessee ("UTK"); Gordon Lee High School, Chickamauga, Georgia ("Gordon Lee"); Christ Church Episcopal, Chattanooga, Tennessee ("Christ Church"); and Church of the Nativity Episcopal, Ft. Oglethorpe, Georgia ("Church of the Nativity"), as charitable beneficiaries (collectively, the "Respondent Charities").

3. Arthur E. Yates died on May 20, 1997 and the *Arthur E. Yates Charitable Trust* was created on that date, having a federal tax identification number of 58-6350586.

4. Roberta M. Yates died on October 20, 1996 and the *Roberta M Yates Charitable Trust* was created on January 1, 1997, having a federal tax identification number of 58-6350587.

5. Petitioners are currently serving as Co-Trustees of the Trusts.

6. The Trusts are currently classified as non-exempt charitable trusts, which the Internal Revenue Service treats as private foundations subject to the private foundation rules

of the Internal Revenue Code ("IRC" or the "Code"), including but not limited to the minimum distribution requirements of IRC § 4942.

7. Paragraph 3.2(d)(i) of each Trust provides that the income of the Trust is to be distributed annually in equal shares to the Respondent Charities.

8. Paragraph 3.2(d)(ii) of each Trust provides that no principal distributions shall be made from the Trusts.

9. Paragraph 3.2(d)(iii) of each Trust provides that the uses of the income distributions to the Respondent Charities are as follows: (i) UTK – scholarships for needy students; (ii) Gordon Lee – maintenance, repairs and upkeep of its buildings and other improvements; (iii) Christ Church – such purposes as the vestry of the Church shall determine; and (iv) Church of the Nativity - such purposes as the vestry of the Church shall determine.

10. Paragraph 3.2(d)(iv)(E) of the Trust provides that for purposes of the Trust the term "income" has the same meaning as under IRC § 643(b) and the Treasury Regulations thereunder, and shall mean net income after payment of the expenses of administration of the Trust.

PARTIES

11. Dana is an individual citizen and resident of Hamilton County, Tennessee and is a named Successor Co-Trustee of the Trust.

12. The Bank is a national banking association authorized and doing business in the State of Tennessee and is the successor-in-interest to the named corporate trustee, Pioneer Bank, Chattanooga, Tennessee.

13. Respondent UTK is a state land grant institution of the State of Tennessee, located in Knoxville, Tennessee, and is a qualified beneficiary of the Trusts. Said Respondent

waives service of process and consents to jurisdiction and venue and the relief requested in this Petition, which *Waiver and Consent* is filed as Exhibit C-1 to this Petition and incorporated herein.

14. Respondent Gordon Lee is a secondary school of the Chickamauga City School System, located in Chickamauga, Georgia, and is a qualified beneficiary of the Trusts. Said Respondent waives service of process and consents to jurisdiction and venue and the relief requested in this Petition, which *Waiver and Consent* is filed as Exhibit C-2 to this Petition and incorporated herein.

15. Respondent Christ Church is a member of the Episcopal Diocese of East Tennessee, whose official name is *Christ Church Clendenin Robertson Memorial*, located in Chattanooga, Tennessee, and is a qualified beneficiary of the Trusts. Said Respondent waives service of process and consents to jurisdiction and venue and the relief requested in this Petition, which *Waiver and Consent* is filed as Exhibit C-3 to this Petition and incorporated herein.

16. Respondent Church of the Nativity is the only North Georgia parish in the Episcopal Diocese of East Tennessee, located in Ft. Oglethorpe, Georgia, and is a qualified beneficiary of the Trusts. Said Respondent waives service of process and consents to jurisdiction and venue and the relief requested in this Petition, which *Waiver and Consent* is filed as Exhibit C-4 to this Petition and incorporated herein.

17. Respondent Attorney General of the State of Tennessee has the rights of a qualified beneficiary of the Trusts in that the Trusts have their principal place of administration in the State of Tennessee. Said Respondent waives service of process and consents to jurisdiction and venue and the relief requested in this Petition, which *Waiver and Consent* is filed as Exhibit C-5 to this Petition and incorporated herein.

JURISDICTION, AND VENUE

18. This Petition is made pursuant to T.C.A. § § 35-15-412 and 35-15-417 for modification of the terms of the Trusts and consolidation of the Trusts, and pursuant to the equitable powers of the Court for approval of the December 2014 distribution of principal in satisfaction of the minimum distribution requirements of IRC § 4942 and Paragraph 3.2(d)(iv)(D) of the Trusts.

19. This Court has original subject matter jurisdiction over this matter pursuant to T.C.A. §§ 35-15-107(c) and 35-14-203.

20. This Court has personal jurisdiction over the parties to this matter pursuant to T.C.A. § 35-15-202 because the principal place of administration of the Trust is within the State of Tennessee.

21. Venue is proper in this Court pursuant to T.C.A. § 35-15-204 because the principal place of administration of the Trust is Hamilton County, Tennessee.

COUNT I

(Petition to Modify the Trusts Pursuant to T.C.A. § 35-15-412)

22. Petitioners restate and incorporate Paragraphs 1-21 of this Petition by reference as if fully set forth herein.

23. Pursuant to T.C.A. § 35-15-412(a) the Court may modify the administrative or dispositive terms of a trust, if, because of circumstances not anticipated by the Settlor, modification will further the purposes of the trust. To the extent practicable, the modification must be made in accordance with the Settlor's probable intention.

24. Pursuant to T.C.A. § 35-15-412(b) the Court may modify the administrative terms of a trust if continuation of the trust on its existing terms would be impractical or wasteful or impair the trust's administration.

25. Circumstances have arisen over the last several years that Petitioners contend were not anticipated by the Settlors, and modification of administrative and/or dispositive terms of the Trusts pursuant to T.C.A. § 35-15-412(a) will further the purposes of the Trusts. Petitioners further contend that modification of certain administrative terms of the Trusts pursuant to T.C.A. § 35-15-412(b) is justified because continuation of the Trusts under their existing terms would be wasteful and/or impair the administration of the Trusts. Facts and circumstances that justify modification of the Trusts pursuant to T.C.A. § 35-15-412(a) and T.C.A. § 35-15-412(b) include the following:

(i) Interest rates paid on investments have fallen dramatically and remained low during the last several years, as compared to interest rates paid on investments when the Trusts were created, thus significantly reducing the income available for distribution from the Trusts to the Respondent Charities;

(ii) The Respondent Charities' operational costs have increased due to inflation, but distributions from the Trusts on which the Respondent Charities have come to depend have decreased, thereby negatively impacting the ability of the Respondent Charities to further their respective charitable purposes;

(iii) The Trusts do not qualify for tax exempt status under IRC § 501(c)(3) and, therefore, are not eligible for tax benefits to which charitable trusts qualified under IRC § 501(c)(3) would be entitled.

26. Petitioners propose to modify Paragraph 3.2(d)(i), Paragraph 3.2(d)(ii), Paragraph 3.2(d)(iii) and Paragraph 3.2(d)(iv)(D) of the Trusts by omitting the current language of such paragraphs and substituting the following language in lieu thereof, which Petitioners contend will further the charitable purposes of the Trusts and are consistent with Settlors'

probable intentions, or will modify certain administrative terms of the trusts, the continuation of which would be wasteful:

(i) Purposes of the Trust. The trust is created for the purpose of devoting and applying the property vested by this instrument in the Trustees, together with the income to be derived therefrom, exclusively for charitable, religious, scientific, literary, or educational purposes, directly or by contributions to organizations duly organized to carry on charitable, religious, scientific, literary, or educational activities. No part of this trust shall inure to the benefit of any private donor, individual, or other person, and no part of the direct or indirect activities of the trust shall consist of carrying on propaganda, or otherwise attempting to influence legislation, or of participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

In furtherance of its charitable, religious, scientific, literary, or educational purposes, the Trustees shall do all things necessary to cause the trust to become an organization exempt from taxation pursuant to the applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code" or "IRC") and applicable state law. Despite any other provisions of this trust, the trust is not to conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from tax under IRC Section 501(c)(3) and its regulations as they now exist or as they may hereafter by amended, or by an organization contributions to which are deductible under IRC Section 170(c)(2) and the regulations thereunder as they now exist or as they may hereafter be amended.

(ii) Income and Principal Distributions. The Trustee is to distribute all of the net income of the trust annually, and so much of the principal of the trust as the Trustee in its discretion deems appropriate, in equal shares to the University of Tennessee at Knoxville, Knoxville, Tennessee; Gordon Lee High School, Chickamauga, Georgia; Christ Church Episcopal, Chattanooga, Tennessee; and the Church of the Nativity Episcopal, Fort Oglethorpe, Georgia; provided, however, the total distributions of income and principal of the trust shall be no less than the amount required by IRC § 4942.

(iii) Uses of Income and Principal Distributions. The portion of the income and principal of the trust distributed to the University of Tennessee at Knoxville shall be used to provide scholarships for needy students; the determination of the recipients to be in the discretion of the University of Tennessee Office for Development. The portion of the income and principal of the trust distributed to the Gordon Lee High School, Chickamauga, Georgia, shall be used for maintenance, repairs and upkeep of the buildings and other improvements. The portion of the income and principal of the trust distributed to Christ Church Episcopal, Chattanooga, Tennessee, and the Church of the Nativity Episcopal, Fort Oglethorpe, Georgia, shall each be used for such purposes as the vestry of each church shall determine.

(D) No Power to Jeopardize Trust as an Exempt Organization/Prohibited Transactions. Despite any other provisions of this trust to the contrary, the Trustees shall exercise no power or authority in any manner or for any purpose whatsoever that may jeopardize the status of the trust as an exempt organization under IRC § 501(c)(3) and its regulations as they now exist or as they may hereafter be amended; nor shall the Trustees engage in any act of self-dealing as defined in IRC § 4941(d), or corresponding provisions of any subsequent federal tax code; nor shall the Trustees fail to distribute income of the trust as required by IRC § 4942 or corresponding provisions of any subsequent federal tax code; nor shall the Trustees retain any excess business holdings under IRC § 4943(c) or corresponding provisions of any subsequent federal tax code (as defined in IRC § 4943(d); nor shall the Trustees make any investments in such manner as to incur tax liability under IRC § 4944 or corresponding provisions of any subsequent federal tax code; nor shall the Trustees make any taxable expenditures as defined in IRC § 4945(d), or corresponding provisions of any subsequent federal tax code. Furthermore, the Trustees shall not permit the use of the property, funds, income, or appreciation in value of the Trust fund for the private benefit of any person, other than for the payment of reasonable compensation to persons performing services to or on behalf of the trust.

27. Petitioners propose to add Paragraph 3.2(d)(iv)(F) and Paragraph 3.2(d)(iv)(G) to the Trusts as follows, which Petitioners contend will further the charitable purposes of the Trusts and are consistent with Settlors' probable intentions, and/or will modify certain administrative terms of the trusts, the continuation of which would be wasteful:

(F) Disposition of Trust Assets upon Dissolution. Upon the dissolution of the trust, the assets of the trust shall be distributed equally to such of the charitable beneficiaries who are named in the caption of the Petition (or their successors in interest) who exist at the time of dissolution and are organized and operated exclusively for exempt purposes within the meaning of IRC § 501(c)(3); or corresponding section of any future federal tax code. If none of the charitable beneficiaries named in the caption of the Petition (or their successors in interest) is in existence and is an organization who is organized and operated exclusively for exempt purposes within the meaning of IRC § 501(c)(3), or corresponding section of any future federal tax code, then the assets of the trust shall be distributed for one or more exempt purposes within the meaning of IRC § 501(c)(3), or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any assets not disposed of shall be disposed of by a Court of competent jurisdiction in the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as the Court shall determine which are organized and operated exclusively for such purposes.

(G) Annual Reports/Public Notice Requirements. The Trustees shall file such annual returns for the trust as shall be required by the Code, the regulations thereunder and applicable state law. Furthermore, the trust shall comply with the requirements of the Code, the regulations and applicable state law regarding making the trust's annual returns and exemption application available for public inspection and providing notice to the public of the availability of same.

COUNT II

(Petition to Consolidate the Trusts Pursuant to T.C.A. § 35-15-417)

28. Petitioners restate and incorporate Paragraphs 1-27 of this Petition by reference as if fully set forth herein.

29. Petitioners propose to consolidate the Trusts into a single charitable trust pursuant to T.C.A. § 35-15-417, which shall be known as the *Arthur E. Yates and Roberta M. Yates Charitable Foundation Trust,* identified by federal tax identification number 58-6350586, as to which the Trustees shall file an application for tax exempt status under IRC § 501(c)(3) with the Internal Revenue Service so that the above described consolidated trust may operate as a tax exempt private grant-making foundation, which Petitioners contend will further the economical administration of the Trusts.

COUNT III

(Petition to Approve Distribution Made in December 2014 pursuant to IRC § 4942)

30. Petitioners restate and incorporate Paragraphs 1-29 of this Petition by reference as if fully set forth herein.

31. Petitioners have distributed income, as defined in Paragraph 10 above, from the Trusts to the Respondent Charities each year as allowed by Paragraph 3.2(d)(i) and Paragraph 3.2(d)(ii) of the Trusts. Under the reduced income environment of the past several years, however, the income, as defined by Paragraph 3.2(d)(iv)(E) of the Trusts (per IRC § 643(b)), has been inadequate to meet the minimum distribution requirements of IRC § 4942. Therefore, upon informing the Respondent Charities of its proposed distribution of principal to satisfy IRC § 4942, and upon receiving the response from each Respondent Charity that such beneficiary did not object to such proposed distribution, the Trustees made the following distributions of income and principal on or before December 31, 2014: (i) the amount of $352,657 from the *Arthur E. Yates Charitable Trust*, which amount was divided into four (4) equal shares of $88,164.25, and one (1) such share was distributed to each Respondent Charity; and (ii) the amount of $205,030 from the principal of the *Roberta M. Yates Charitable Trust*, which amount was divided into four (4) equal shares of $51,257.50, and one (1) such share was distributed to each Respondent Charity. These distributions satisfied the requirement that 2013 income be distributed by the end of tax year 2014 and paid the balance of the minimum distribution requirements of IRC § 4942 for the respective Trusts for each year through 2013.

32. Petitioners contend that there is a conflict in the terms of the Trusts in that the Trusts' terms limit distributions to the Respondent Charities to distributions of income (Paragraph 3.2(d)(i) and Paragraph 3.2(d)(ii)), but also require the Trusts to satisfy the minimum distribution requirements of IRC § 4942 (Paragraph 3.2(d)(iv)(D). Therefore, in order to prevent the Trusts from incurring penalties and/or additional tax under IRC § 4942, the Trustees requested, and each Respondent Charity agreed as follows: (i) to accept the distribution of principal described in Paragraph 31 above, (ii) that the Respondent Charity would not consider

the Trustees in breach of trust for making the distribution from Trust principal described in Paragraph 31 above, and (iii) that the Respondent Charity had no objection to the Trustees making such distribution and would not pursue any claims the Respondent Charity may otherwise have against the Trustees on account of the distribution of principal described in Paragraph 31 above.

33. Petitioners hereby petition this Court to approve the distributions described in Paragraph 31 above made by the Trustees from the principal of the Trusts in December, 2014, which represent each Respondent Charity's share of the balance of the IRC § 4942 distributions required to be made by the respective Trusts up through and including the year 2013 so as not to subject the respective Trusts to penalty or tax under IRC § 4942 for the year 2013, or to any further penalty or tax for prior years.

RELIEF REQUESTED

WHEREFORE, Petitioners pray as follows:

A. That process issue and be served upon the Respondents.

B. That the Attorney General of the State of Tennessee be notified of this proceeding.

C. That the Court set this matter for hearing.

D. That the Court enter an Order under T.C.A. § 35-15-412 modifying Paragraph 3.2(d)(i), Paragraph 3.2(d)(ii), Paragraph 3.2(d)(iii) and Paragraph 3.2(d)(iv)(D) of the Trusts in the manner set forth in Paragraph 26 of this Petition.

E. That the Court enter an Order under T.C.A. § 35-15-412 modifying the trusts by adding Paragraph 3.2(d)(iv)(F) and Paragraph 3.2(d)(iv)(G) to the Trusts in the manner set forth in Paragraph 27 of this Petition.

F. That the Court enter an Order under T.C.A. § 35-15-417 consolidating the *Arthur E. Yates Charitable Trust* and the *Roberta M. Yates Charitable Trust* into a single trust, which shall be known as the *Arthur E Yates and Roberta M. Yates Charitable Foundation Trust*, identified by federal tax identification number 58-6350586, as to which the Trustees shall file an application for tax exempt status under IRC § 501(c)(3) with the Internal Revenue Service so that the above described consolidated trust may operate as a tax exempt private grant-making foundation

G. That the Court enter an Order approving the distributions of principal described in Paragraph 31 above, which were made to satisfy Paragraph 3.2(d)(iv)(D) of the Trusts and avoid incurring additional penalty and tax under IRC § 4942.

H. That Petitioners be granted such further and other equitable relief as the Court deems just and appropriate.

Respectfully submitted,

HUSCH BLACKWELL SANDERS, LLP

By:______________________________

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Joseph C. Simpson (BPR # 012798)
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736 Georgia Avenue
Chattanooga, Tennessee 37402
Telephone: (423) 266-5500
Facsimile: (423) 266-5499
Attorneys for Petitioners

COST BOND

The undersigned acknowledges and hereby binds the undersigned for the payment of all costs in this Court which may at any time be adjudged against the Petitioners (the "Principal") in the event the Principal shall not pay the same if so ordered by this Court.

Witness My Hand this 6th day of March, 2015.

HUSCH BLACKWELL, LLP

By:

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Joseph C. Simpson, Esquire
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736 Georgia Avenue, Suite 300
Chattanooga, Tennessee 37402
Telephone: (423) 266-5500
Facsimile: (423) 266-5499

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VERIFICATION

STATE OF TENNESSEE)
) ss.
COUNTY OF HAMILTON)

COMES NOW Joseph F. Dana, Co-Trustee, first duly sworn and on his oath states that he has read the foregoing *Petition to Modify and Consolidate Trusts and to Approve Distribution*, and that the information contained therein is true to the best of his knowledge, information and belief.

J. F. Dana

Joseph F. Dana

STATE OF TENNESSEE)
) ss.
COUNTY OF HAMILTON)

On this 23rd day of Feb., 2015, before me, a Notary Public in and for the State and county aforesaid, appeared JOSEPH F. DANA, as Co-Trustee, who, after first being duly sworn by me, did state that the representations contained in the foregoing *Petition to Modify and Consolidate Trusts and to Approve Distribution* are true and correct to the best of his information, knowledge and belief subject to the penalties of making a false affidavit or declaration.

Subscribed and sworn to before me this 23rd day of February, 2015.

DEBORAH B. PORTER STATE OF TENNESSEE NOTARY PUBLIC HAMILTON COUNTY

Notary Public

My Commission Expires:

4/20/16

VERIFICATION

STATE OF TENNESSEE)
) ss.
COUNTY OF HAMILTON)

COMES NOW Robert R. Kelley, Jr., a Vice President of Regions Bank, Chattanooga, Tennessee, Co-Trustee, first duly sworn and on his/her oath states that he/she has read the foregoing *Petition to Modify and Consolidate Trusts and to Approve Distribution*, and that the information contained therein is true to the best of his/her knowledge, information and belief.

, V.P.

STATE OF TENNESSEE)
) ss.
COUNTY OF HAMILTON)

On this 17 day of Feb, 2015, before me, a Notary Public in and for the State and county aforesaid, appeared Robert R. Kelley, Jr., a Vice-President of Regions Bank, Chattanooga, Tennessee, as Co-Trustee, who, after first being duly sworn by me, did state that the representations contained in the foregoing *Petition to Modify and Consolidate Trusts and to Approve Distribution* are true and correct to the best of his information, knowledge and belief subject to the penalties of making a false affidavit or declaration.

Subscribed and sworn to before me this 17 day of Feb, 2015.

Notary Public

My Commission Expires:
My Commission Expires on Tuesday, April 7, 2015

(SEAL)

JOSEPH C. SIMPSON
STATE OF TENNESSEE NOTARY PUBLIC
HAMILTON COUNTY