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

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , and ending

Name of foundation: GIFTS AND GRACE, INC.

A Employer identification number: 20-3195749

Number and street (or P O box number if mail is not delivered to street address): 5051 CARDINAL STREET

Room/suite

B Telephone number: 205-661-4400

City or town, state or province, country, and ZIP or foreign postal code: TRUSSVILLE, AL 35173

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: [X] Section 501(c)(3) exempt private foundation [ ] Section 4947(a)(1) nonexempt charitable trust [ ] Other taxable private foundation

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶$ 1,645,364.

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))

	Line	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	45,573.	44,735.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	44,142.			
	b Gross sales price for all assets on line 6a 1,668,771.				
	7 Capital gain net income (from Part IV, line 2)		44,142.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income				
	12 **Total** Add lines 1 through 11	89,715.	88,877.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees STMT 2	8,365.	0.		0.
	c Other professional fees				
	17 Interest				
	18 Taxes STMT 3	1,812.	693.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 4	6,857.	6,857.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	17,034.	7,550.		0.
	25 Contributions, gifts, grants paid	91,250.			91,250.
	26 **Total expenses and disbursements** Add lines 24 and 25	108,284.	7,550.		91,250.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	<18,569.>			
	b **Net investment income** (if negative, enter -0-)		81,327.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	29,515.	30,203.	30,203.
	2 Savings and temporary cash investments			
	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			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 6	1,578,439.	1,567,806.	1,615,161.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers - see the instructions. Also, see page 1, item I)	1,607,954.	1,598,009.	1,645,364.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [X] and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds	2,000,100.	2,000,100.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	<392,146.>	<402,091.>	
	30 **Total net assets or fund balances**	1,607,954.	1,598,009.	
	31 **Total liabilities and net assets/fund balances**	1,607,954.	1,598,009.	

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	1,607,954.
2	Enter amount from Part I, line 27a	2	<18,569.>
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 5	3	8,624.
4	Add lines 1, 2, and 3	4	1,598,009.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,598,009.

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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				
b	SEE ATTACHED STATEMENT			
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				
b				
c				
d				
e	1,668,771.		1,624,629.	44,142.

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				44,142.

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 — 44,142.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8 — 3 — N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2015	115,966.	1,654,399.	.070096
2014	83,420.	1,734,314.	.048100
2013	37,200.	1,751,014.	.021245
2012	63,750.	1,689,900.	.037724
2011	84,177.	1,733,574.	.048557

2 Total of line 1, column (d)	2	.225722
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	.045144
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	1,637,684.
5 Multiply line 4 by line 3	5	73,932.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	813.
7 Add lines 5 and 6	7	74,745.
8 Enter qualifying distributions from Part XII, line 4	8	91,250.

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 ▶ [X] and enter 1% of Part I, line 27b		1	813.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3	Add lines 1 and 2		3	813.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5	**Tax based on investment income** Subtract line 4 from line 3. If zero or less, enter -0-		5	813.
6	Credits/Payments:			
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a 194.		
b	Exempt foreign organizations - tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments. Add lines 6a through 6d		7	194.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached		8	9.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	628.
10	**Overpayment** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	
11	Enter the amount of line 10 to be **Credited to 2017 estimated tax** ▶	Refunded ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ AL			
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 2016 or the taxable year beginning in 2016 (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 ▶ THE FOUNDATION Telephone no. ▶ 205-661-4400

Located at ▶ 5051 CARDINAL STREET, TRUSSVILLE, AL ZIP+4 ▶ 35173

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

			Yes	No
16	At any time during calendar year 2016, 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)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2016?		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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ______, ______, ______, ______				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2016 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 2016.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?		4b		X

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

			Yes	No
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)?	N/A	5b		
Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A	☐ Yes ☐ No			
If "Yes," attach the statement required by Regulations section 53.4945-5(d)				
6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	☐ Yes ☒ No			
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		6b		X
If "Yes" to 6b, file Form 8870				
7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes ☒ No			
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A	7b		

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 7		0.	0.	0.

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

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

Total number of other employees paid over $50,000 ▶ 0

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

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

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over $50,000 for professional services	▶	0

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

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 PLEASE NOTE, THE FOUNDATION IS NOT INVOLVED IN ANY DIRECT CHARITABLE ACTIVITIES. ITS PRIMARY PURPOSE IS TO SUPPORT OTHER ORGANIZATIONS EXEMPT UNDER INTERNAL REVENUE CODE	0.
2 SECTION 501(C)(3).	0.
3	
4	

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

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

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12170508 759223 101620009 2016.03030 GIFTS AND GRACE, INC. 10162061

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	1,626,432.
b	Average of monthly cash balances	1b	36,191.
c	Fair market value of all other assets	1c	0.
d	**Total** (add lines 1a, b, and c)	1d	1,662,623.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e: 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,662,623.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	24,939.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,637,684.
6	**Minimum investment return.** Enter 5% of line 5	6	81,884.

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	81,884.
2a	Tax on investment income for 2016 from Part VI, line 5 — 2a: 813.		
b	Income tax for 2016 (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	813.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	81,071.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	81,071.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	81,071.

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	91,250.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	91,250.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	813.
6	**Adjusted qualifying distributions** Subtract line 5 from line 4	6	90,437.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				81,071.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			67,935.	
b Total for prior years ____ , ____ , ____		0.		
3 Excess distributions carryover, if any, to 2016				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2016 from Part XII, line 4: ▶ $ 91,250.				
a Applied to 2015, but not more than line 2a			67,935.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2016 distributable amount				23,315.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				57,756.
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)	0.			
8 Excess distributions carryover from 2011 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2017** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2016, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 **Information Regarding Foundation Managers:**

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

CHARLES K. MCPHERSON, SR.

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

NONE

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

Check here ▶ [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				
ADAPTIVE AQUATICS 1473 PARADISE COVE LANE WILSONVILLE, AL 35186		PUBLIC CHARITY	GENERAL OPERATING BUDGET	5,000.
ARTHRITIS FOUNDATION- JUVENILE 2700 HWY 280 STE 180 BIRMINGHAM, AL 35223		PUBLIC CHARITY	GENERAL OPERATING BUDGET	3,500.
CAHABA RIVER SOCIETY 2717 7TH AVE S #205 BIRMINGHAM, AL 35233		PUBLIC CHARITY	GENERAL OPERATING BUDGET	3,000.
CHILDREN'S HOSPITAL OF ALABAMA 1600 7TH AVE. S BIRMINGHAM, AL 35233		PUBLIC CHARITY	GENERAL OPERATING BUDGET	15,000.
GREATER BIRMINGHAM HUMANE SOCIETY 300 SNOW DRIVE BIRMINGHAM, AL 35209		PUBLIC CHARITY	GENERAL OPERATING BUDGET	30,550.
Total SEE CONTINUATION SHEET(S)			▶ 3a	91,250.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	45,573.	
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	44,142.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0.		89,715.	0.

13 Total Add line 12, columns (b), (d), and (e) 13 89,715.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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

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

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

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

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

b If "Yes," complete the following schedule

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

Sign Here

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

Charles R. McPherson SR 5/15/17 ▶ PRESIDENT

Signature of officer or trustee | Date | Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
CHARLES B. FREEMAN II	Charles B. Freeman	05/08/17		P00430353
Firm's name ▶ RSM US LLP			Firm's EIN ▶ 42-0714325	
Firm's address ▶ 216 SUMMIT BOULEVARD, STE 300 BIRMINGHAM, AL 35243			Phone no. 205-278-0001	

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	SHORT TERM (SEE ATTACHMENT)	P	VARIOUS	VARIOUS
b	LONG TERM (SEE ATTACHMENT)	P	VARIOUS	VARIOUS
c	FEDERAL FARM CREDIT BANK BONDS	P	01/15/16	03/17/16
d	FEDERAL HOME LN MTG CORP	P	01/15/16	03/17/16
e	FEDERAL NATL MTG ASSN	P	07/09/15	03/17/16
f	GOLDMAN SACHS TR FINL	P	03/21/16	09/06/16
g	PITNEY BOWES INC GLOBAL MED TERM	P	VARIOUS	01/15/16
h	AVERY DENNISON CORP	P	03/16/16	03/17/16
i	CAPITAL GAINS DIVIDENDS			
j				
k				
l				
m				
n				
o				

	(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	441,181.		440,699.	482.
b	1,083,487.		1,055,038.	28,449.
c	35,757.		36,000.	<243.>
d	20,853.		21,000.	<147.>
e	36,526.		36,674.	<148.>
f	16,176.		16,176.	0.
g	19,000.		19,000.	0.
h	42.		42.	0.
i	15,749.			15,749.
j				
k				
l				
m				
n				
o				

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a				482.
b				28,449.
c				<243.>
d				<147.>
e				<148.>
f				0.
g				0.
h				0.
i				15,749.
j				
k				
l				
m				
n				
o				

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	44,142.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

623591
04-01-16

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
RED CROSS 114 22ND STREET SOUTH BIRMINGHAM, AL 35233		PUBLIC CHARITY	GENERAL OPERATING BUDGET	5,000.
THE UNIVERSITY OF ALABAMA - LAMBDA CHI ALPHA PO BOX 1296 TUSCALOOSA, AL 35403		PUBLIC CHARITY	SCHOLARSHIPS	5,000.
VESTAVIA HILLS UNITED METHODIST CHURCH GRACE MINISTRIES 2061 KENTUCKY AVENUE BIRMINGHAM, AL 35216		PUBLIC CHARITY	SUPPORT RELIGIOUS PROGRAMS	5,000.
JCC MACCABI GAMES 3960 MONTCLAIR ROAD BIRMINGHAM, AL 35213		PUBLIC CHARITY	GENERAL OPERATING BUDGET	5,000.
ONEONTA FOUNDATION FOR EDUCATION RESOURCES 27605 STATE HWY 75 ONEONTA, AL 35121		PUBLIC CHARITY	GENERAL OPERATING BUDGET	1,000.
ROAR PO BOX 660531 BIRMINGHAM, AL 35266		PUBLIC CHARITY	GENERAL OPERATING BUDGET	10,000.
SHADES MOUNTAIN CHRISTIAN SCHOOL 2290 OLD TYLER ROAD HOOVER, AL 35226		PUBLIC CHARITY	SUPPORT RELIGIOUS PROGRAMS	200.
THE FIREHOUSE SHELTER PO BOX 11722 BIRMINGHAM, AL 35202		PUBLIC CHARITY	GENERAL OPERATING BUDGET	1,000.
PROJECT HOPEWELL 716 RICHARD ARRINGTON JR BLVD BIRMINGHAM, AL 35203		PUBLIC CHARITY	GENERAL OPERATING BUDGET	2,000.
Total from continuation sheets			...	34,200.

623631
04-01-16

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
DIVIDENDS	51,731.	15,749.	35,982.	35,982.	
INTEREST	9,591.	0.	9,591.	8,753.	
TO PART I, LINE 4	61,322.	15,749.	45,573.	44,735.	

FORM 990-PF ACCOUNTING FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	8,365.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	8,365.	0.		0.

FORM 990-PF TAXES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES	693.	693.		0.
IRS	1,119.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,812.	693.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BROKER FEES	6,857.	6,857.		0.
TO FORM 990-PF, PG 1, LN 23	6,857.	6,857.		0.

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 5

DESCRIPTION	AMOUNT
PRIOR PERIOD ADJUSTMENT	7,309.
NONDIVIDEND DISTRIBUTION	1,315.
TOTAL TO FORM 990-PF, PART III, LINE 3	8,624.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT 6

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CARY STREET PARTNERS (WELLS FARGO) ACCOUNT# 2550	COST	1,567,806.	1,615,161.
CREDIT SUISSE	COST	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 13		1,567,806.	1,615,161.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 7

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
CHARLES K. MCPHERSON, SR. 5051 CARDINAL STREET BIRMIGHAM, AL 35173	PRESIDENT/SEC./TREAS. 0.00	0.	0.	0.
CHARLES K. MCPHERSON, JR. 5051 CARDINAL STREET BIRMIGHAM, AL 35173	VICE PRESIDENT 0.00	0.	0.	0.
JOHN T. MCPHERSON 5051 CARDINAL STREET BIRMIGHAM, AL 35173	VICE PRESIDENT 0.00	0.	0.	0.
GREG ABRAMSON 5051 CARDINAL STREET BIRMIGHAM, AL 35173	DIRECTOR 0.00	0.	0.	0.
DEBBIE CLOWDUS 5051 CARDINAL STREET BIRMIGHAM, AL 35173	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

2016 Year-End Account Summary

As of Date: 02/21/17

Account Number: 3188-2550

GIFTS AND GRACE INC
CUSTOMCHOICE

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Proceeds from Broker and Barter Exchange Transactions

Short Term Gains or Losses (Box 2) For Covered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired (Box 1b)	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis (Box 1e)	Accrued Market Discount (Box 1f)	Wash Sale Loss Disallowed (Box 1g)	Gain/Loss Amount	Additional Information
AFLAC INC SR UNSECURED CPN 3 6250% DUE 06/15/2023 CUSIP 001055AL6	12000 00000	06/09/2015	03/17/2016	12,540 00	12,260 54	0 00	0 00	279 46	Original Basis 12,285 00 **Box 6:** Gross Proceeds
	2000 00000	06/30/2015	03/17/2016	2,090 00	2,035 12	0 00	0 00	54 88	Original Basis 2,038 13 **Box 6:** Gross Proceeds
	3000 00000	08/13/2015	03/17/2016	3,135 00	3,050 35	0 00	0 00	84 65	Original Basis 3,053 94 **Box 6:** Gross Proceeds
Subtotals	**17000.00000**			**$17,765.00**	**$17,346.01**	**$0.00**	**$0 00**	**$418.99**	
ABBVIE INC CUSIP 00287Y109	2 63400	02/16/2016	03/17/2016	144 20	140 79	0 00	0 00	3 41	**Box 6:** Gross Proceeds
ALLIANZ SE-ADR CUSIP 018805101	733 00000	03/25/2015	03/17/2016	12,035 59	13,082 07	0 00	0 00	-1,046 48	**Box 6:** Gross Proceeds
	444 00000	03/26/2015	03/17/2016	7,290 32	7,779 68	0 00	0 00	-489 36	**Box 6:** Gross Proceeds
	1122 00000	05/13/2015	03/17/2016	18,422 85	18,653 59	0 00	0 00	-230 74	**Box 6:** Gross Proceeds
Subtotals	**2299.00000**			**$37,748.76**	**$39,515.34**	**$0.00**	**$0.00**	**($1,766.58)**	
AVERY DENNISON CORP CUSIP 053611109	113 00000	05/13/2015	03/17/2016	7,877 07	6,730 11	0 00	0 00	1,146 96	**Box 6:** Gross Proceeds
AVIVA PLC SPONSORED ADR CUSIP 05382A104	882 00000	11/03/2015	03/17/2016	12,347 73	13,406 40	0 00	0 00	-1,058 67	**Box 6:** Gross Proceeds

2016 Year-End Account Summary

As of Date: 02/21/17

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GIFTS AND GRACE INC
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Proceeds from Broker and Barter Exchange Transactions, continued

Short Term Gains or Losses (Box 2) For Covered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired (Box 1b)	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis (Box 1e)	Accrued Market Discount (Box 1f)	Wash Sale Loss Disallowed (Box 1g)	Gain/Loss Amount	Additional Information
AXA-ADR CUSIP 054536107	642 00000	05/13/2015	03/17/2016	15,632 36	16,490 99	0 00	0 00	-858 63	**Box 6**: Gross Proceeds
	64 00000	05/13/2015	03/17/2016	1,558 68	1,643 96	0 00	0 00	-85 28	**Box 6**: Gross Proceeds
	327 00000	07/14/2015	03/17/2016	7,963 92	8,546 70	0 00	0 00	-582 78	**Box 6**: Gross Proceeds
Subtotals	**1033.00000**			**$25,154.96**	**$26,681.65**	**$0.00**	**$0.00**	**($1,526.69)**	
BASF SE SPONSORED ADR CUSIP 055262505	74 00000	03/25/2015	03/17/2016	5,440 00	7,451 54	0 00	0 00	-2,011 54	**Box 6**: Gross Proceeds
BEMIS CO INC CUSIP 081437105	1 47200	03/01/2016	03/17/2016	79 43	72 79	0 00	0 00	6 64	**Box 6**: Gross Proceeds
BOSTON SCIENTIFIC CORP SENIOR NOTES CPN 6 0000% DUE 01/15/2020 CUSIP 101137AK3	15000 00000	03/27/2015	03/17/2016	16,772 85	16,836 58	0 00	0 00	-63 73	Original Basis 17,278 05 **Box 6**: Gross Proceeds
CHINA MOBILE LTD SPONS ADR CUSIP 16941M109	290 00000	11/03/2015	03/17/2016	16,003 04	17,541 14	0 00	0 00	-1,538 10	**Box 6**: Gross Proceeds
CHUNGHWA TELECOM CO LTD SPONSORED ADR CUSIP 17133Q502	136 00000	05/13/2015	03/17/2016	4,530 74	4,411 12	0 00	0 00	119 62	**Box 6**: Gross Proceeds
CISCO SYSTEMS INC CUSIP 17275R102	798 00000	05/13/2015	03/17/2016	22,618 82	23,411 40	0 00	0 00	-792 58	**Box 6**: Gross Proceeds
DISCOVER BANK SR UNSECURED NOTE CPN 3 2000% DUE 08/09/2021 CUSIP 25466AAF8	1000 00000	05/08/2015	03/17/2016	982 00	1,007 59	0 00	0 00	-25 59	Original Basis 1,008 72 **Box 6**: Gross Proceeds
	1000 00000	11/09/2015	03/17/2016	982 00	973 42	0 60	0 00	7 98	**Box 6**: Gross Proceeds
Subtotals	**2000.00000**			**$1,964 00**	**$1,981.01**	**$0.60**	**$0.00**	**($17.61)**	

2016 Year-End Account Summary

As of Date 02/21/17

Account Number: 3188-2550

GIFTS AND GRACE INC
CUSTOMCHOICE

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Proceeds from Broker and Barter Exchange Transactions, continued

Short Term Gains or Losses (Box 2) For Covered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired (Box 1b)	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis (Box 1e)	Accrued Market Discount (Box 1f)	Wash Sale Loss Disallowed (Box 1g)	Gain/Loss Amount	Additional Information
DR PEPPER SNAPPLE GROUP INC CUSIP 26138E109	172 00000	05/13/2015	03/17/2016	15,808 18	13,226 11	0 00	0 00	2,582 07	**Box 6:** Gross Proceeds
ENEL AMERICAS SA SPONSORED ADR CUSIP 29274F104	1 75600	02/09/2016	03/17/2016	24 07	21 21	0 00	0 00	2 86	**Box 6:** Gross Proceeds
FMI FDS • LARGE CAP FUND CUSIP 302933205	515 09700	03/21/2016	12/14/2016	11,048 84	9,905 32	0 00	0 00	1,143 52	**Box 6:** Gross Proceeds
HASBRO INC CUSIP 418056107	255 00000	07/14/2015	03/17/2016	20,187 86	20,064 75	0 00	0 00	123 11	**Box 6:** Gross Proceeds
	87 00000	09/16/2015	03/17/2016	6,887 62	6,942 51	0 00	0 00	-54 89	**Box 6:** Gross Proceeds
	2 22200	02/16/2016	03/17/2016	175 92	157 32	0 00	0 00	18 60	**Box 6:** Gross Proceeds
Subtotals	**344.22200**			**$27,251.40**	**$27,164 58**	**$0 00**	**$0.00**	**$86.82**	
HERSHEY COMPANY CUSIP 427866108	63 02700	03/25/2015	03/17/2016	5,862 64	6,431 25	0 00	0 00	-568 61	**Box 6:** Gross Proceeds
	91 00000	03/25/2015	03/17/2016	8,464 32	9,285 61	0 00	0 00	-821 29	**Box 6:** Gross Proceeds
	7 97300	03/25/2015	03/17/2016	741 63	813 56	0 00	0 00	-71 93	**Box 6:** Gross Proceeds
	1 02700	03/15/2016	03/17/2016	95 53	94 45	0 00	0 00	1 08	**Box 6:** Gross Proceeds
Subtotals	**163.02700**			**$15,164.12**	**$16,624.87**	**$0.00**	**$0.00**	**($1,460.75)**	
HONEYWELL INTERNATIONAL INC CUSIP 438516106	106 00000	11/03/2015	03/17/2016	11,677 76	11,026 61	0 00	0 00	651 15	**Box 6:** Gross Proceeds
	225 00000	11/19/2015	03/17/2016	24,787 71	23,490 83	0 00	0 00	1,296 88	**Box 6·** Gross Proceeds
	1 80600	03/10/2016	03/17/2016	198 97	196 95	0 00	0 00	2 02	**Box 6:** Gross Proceeds
Subtotals	**332.80600**			**$36,664 44**	**$34,714.39**	**$0.00**	**$0.00**	**$1,950.05**	

2016 Year-End Account Summary

As of Date 02/21/17

Account Number: 3188-2550

GIFTS AND GRACE INC
CUSTOMCHOICE

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Proceeds from Broker and Barter Exchange Transactions, continued

Short Term Gains or Losses (Box 2) For Covered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired (Box 1b)	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis (Box 1e)	Accrued Market Discount (Box 1f)	Wash Sale Loss Disallowed (Box 1g)	Gain/Loss Amount	Additional Information
JEFFERIES GRP INC SR UNSECURED CPN· 6 8750% DUE 04/15/2021 CUSIP 472319AH5	1000 00000	06/08/2015	03/17/2016	1,112 87	1,126 20	0 00	0 00	-13 33	Original Basis 1,143 40 **Box 6:** Gross Proceeds
JOHN HANCOCK III DISCIPLINED VALUE CL I CUSIP 47803U640	493 56900	03/21/2016	12/14/2016	9,777 61	8,504 20	0 00	0 00	1,273 41	**Box 6:** Gross Proceeds
JOHNSON & JOHNSON CUSIP 478160104	2 94600	03/08/2016	03/17/2016	314 07	313 50	0 00	0 00	0 57	**Box 6:** Gross Proceeds
JPMORGAN TR I US EQUITY FUND CUSIP 4812A1142	718 49000	03/21/2016	12/14/2016	10,604 91	9,793 02	0 00	0 00	811 89	**Box 6:** Gross Proceeds
KOHLS CORP CUSIP 500255104	118 00000	05/13/2015	03/17/2016	5,691 25	8,724 60	0 00	0 00	-3,033 35	**Box 6:** Gross Proceeds
	197 00000	09/16/2015	03/17/2016	9,501 50	10,138 51	0 00	0 00	-637 01	**Box 6:** Gross Proceeds
Subtotals	**315.00000**			**$15,192.75**	**$18,863.11**	**$0.00**	**$0.00**	**($3,670.36)**	
LAZARD GROUP LLC SR UNSECURED CPN 4 2500% DUE 11/14/2020 CUSIP 52107QAF2	9000 00000	11/30/2015	03/17/2016	9,257 94	9,392 76	0 00	0 00	-134 82	Original Basis 9,416 25 **Box 6:** Gross Proceeds
LENDER PROCESS SERVICES COMPANY GTD CPN 5 7500% DUE 04/15/2023 CUSIP: 52602EAD4	3000 00000	09/04/2015	03/17/2016	3,104 01	3,161 68	0 00	0 00	-57 67	Original Basis 3,183 75 **Box 6:** Gross Proceeds

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GIFTS AND GRACE INC
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Proceeds from Broker and Barter Exchange Transactions, continued

Short Term Gains or Losses (Box 2) For Covered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired (Box 1b)	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis (Box 1e)	Accrued Market Discount (Box 1f)	Wash Sale Loss Disallowed (Box 1g)	Gain/Loss Amount	Additional Information
MFS SERIES TRUST IX • MID CAP VALUE FD CL I CUSIP 55272P596	404 62800	03/21/2016	12/14/2016	8,918 01	7,886 20	0 00	0 00	1,031 81	**Box 6:** Gross Proceeds
MASCO CORP BONDS CPN 6 1250% DUE 10/03/2016 CUSIP 574599BD7	2000 00000	03/25/2015	03/17/2016	2,054 44	2,055 69	0 00	0 00	-1 25	Original Basis 2,135 00 **Box 6:** Gross Proceeds
MICROSOFT CORP CUSIP 594918104	2 19000	03/10/2016	03/17/2016	120 34	115 92	0 00	0 00	4 42	**Box 6:** Gross Proceeds
PRIMECAP ODYSSEY • GROWTH CUSIP. 74160Q103	411 28900	03/21/2016	12/14/2016	12,383 91	10,701 74	0 00	0 00	1,682 17	**Box 6:** Gross Proceeds
T ROWE PRICE BLUE CHIP • GROWTH FUND CUSIP 77954Q106	57 79500	03/21/2016	12/14/2016	4,258 35	3,920 24	0 00	0 00	338 11	**Box 6·** Gross Proceeds
T ROWE PRICE • DIVERSIFIED SMALL CAP CUSIP. 779917103	288 51500	03/21/2016	12/14/2016	8,317 88	7,126 33	0 00	0 00	1,191 55	**Box 6:** Gross Proceeds
SIEMENS A G - ADR CUSIP 826197501	2 16200	02/03/2016	03/18/2016	227 07	204 93	0 00	0 00	22 14	**Box 6:** Gross Proceeds
SKY PLC ADR SPONSORED CUSIP 83084V106	267 00000	07/14/2015	03/17/2016	15,704 60	18,602 69	0 00	0 00	-2,898 09	**Box 6·** Gross Proceeds

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Proceeds from Broker and Barter Exchange Transactions, continued

Short Term Gains or Losses (Box 2) For Covered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired (Box 1b)	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis (Box 1e)	Accrued Market Discount (Box 1f)	Wash Sale Loss Disallowed (Box 1g)	Gain/Loss Amount	Additional Information
SONOCO PRODUCTS CO CUSIP 835495102	192 00000	03/25/2015	03/17/2016	9,374 57	8,767 32	0 00	0 00	607 25	**Box 6·** Gross Proceeds
	102 00000	05/13/2015	03/17/2016	4,980 24	4,634 44	0 00	0 00	345 80	**Box 6.** Gross Proceeds
	2 23900	03/10/2016	03/17/2016	109 33	102 90	0 00	0 00	6 43	**Box 6:** Gross Proceeds
Subtotals	**296.23900**			**$14,464.14**	**$13,504.66**	**$0 00**	**$0.00**	**$959.48**	
SUNAMERICA SER INC • FOCUSED DIVIDEND CUSIP 86704F203	417 65400	03/21/2016	12/14/2016	7,329 82	6,966 47	0 00	0 00	363 35	**Box 6.** Gross Proceeds
TARGET CORP CUSIP 87612E106	104 00000	05/13/2015	03/17/2016	8,651 04	8,342 04	0 00	0 00	309 00	**Box 6:** Gross Proceeds
	2 70400	03/10/2016	03/17/2016	224 93	220 64	0 00	0 00	4 29	**Box 6:** Gross Proceeds
Subtotals	**106.70400**			**$8,875.97**	**$8,562.68**	**$0.00**	**$0 00**	**$313.29**	
UNILEVER PLC SPONS ADR CUSIP 904767704	159 00000	05/13/2015	03/17/2016	7,164 42	7,055 34	0 00	0 00	109 08	**Box 6:** Gross Proceeds
	8 06200	03/09/2016	03/17/2016	363 27	357 71	0 00	0 00	5 56	**Box 6:** Gross Proceeds
Subtotals	**167.06200**			**$7,527.69**	**$7,413.05**	**$0.00**	**$0.00**	**$114.64**	
US TREASURY NOTES CPN: 2.3750% DUE: 08/15/2024 CUSIP 912828D56	1000 00000	03/26/2015	03/17/2016	1,042 92	1,029 59	0 00	0 00	13 33	Original Basis 1,032 70 **Box 6:** Gross Proceeds
	1000 00000	05/18/2015	03/17/2016	1,042 92	1,014 54	0 00	0 00	28 38	Original Basis 1,015 82 **Box 6:** Gross Proceeds
Subtotals	**2000.00000**			**$2,085.84**	**$2,044.13**	**$0.00**	**$0.00**	**$41.71**	
VANGUARD TAX MANAGED • SMALL CAP INVESTMENT CUSIP 921943403	223 19700	03/21/2016	12/14/2016	12,360 67	9,954 59	0 00	0 00	2,406 08	**Box 6:** Gross Proceeds

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Proceeds from Broker and Barter Exchange Transactions, continued

Short Term Gains or Losses (Box 2) For Covered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired (Box 1b)	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis (Box 1e)	Accrued Market Discount (Box 1f)	Wash Sale Loss Disallowed (Box 1g)	Gain/Loss Amount	Additional Information
WALMART DE MEXICO SPON ADR SER V CUSIP 93114W107	529 00000	07/14/2015	03/17/2016	12,780 36	13,303 24	0 00	0 00	-522 88	**Box 6:** Gross Proceeds
Totals				**$441,180.90**	**$440,699.39**	**$0.60**	**$0.00**	**$480.91**	

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Proceeds from Broker and Barter Exchange Transactions, continued

Long Term Gains or Losses (Box 2) For Covered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired (Box 1b)	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis (Box 1e)	Accrued Market Discount (Box 1f)	Wash Sale Loss Disallowed (Box 1g)	Gain/Loss Amount	Additional Information
ABB LTD -SPONS ADR CUSIP 000375204	195 00000	05/24/2012	03/17/2016	3,792 55	3,174 95	0 00	0 00	617 60	**Box 6:** Gross Proceeds
	300 00000	01/28/2015	03/17/2016	5,834 87	5,821 35	0 00	0 00	13 52	**Box 6:** Gross Proceeds
	924 00000	01/28/2015	03/17/2016	17,970 86	17,929 76	0 00	0 00	41 10	**Box 6:** Gross Proceeds
Subtotals	**1419.00000**			**$27,598.28**	**$26,926.06**	**$0.00**	**$0.00**	**$672.22**	
ABBVIE INC CUSIP 00287Y109	247 00000	02/18/2015	03/17/2016	13,521 71	14,588 54	0 00	0 00	-1,066 83	**Box 6:** Gross Proceeds
ALTRIA GROUP INC CUSIP 02209S103	343 00000	01/22/2014	03/17/2016	21,413 02	12,862 32	0 00	0 00	8,550 70	**Box 6:** Gross Proceeds
BASF SE SPONSORED ADR CUSIP 055262505	25 00000	12/16/2011	03/17/2016	1,835 71	1,675 00	0 00	0 00	160 71	**Box 6:** Gross Proceeds
	101 00000	01/28/2015	03/17/2016	7,416 27	8,869 13	0 00	0 00	-1,452 86	**Box 6:** Gross Proceeds
	33 00000	01/28/2015	03/17/2016	2,425 94	2,897 83	0 00	0 00	-471 89	**Box 6:** Gross Proceeds
Subtotals	**159.00000**			**$11,677.92**	**$13,441.96**	**$0.00**	**$0.00**	**($1,764.04)**	
BEMIS CO INC CUSIP 081437105	12 00000	12/16/2011	03/17/2016	647 50	350 73	0 00	0 00	296 77	**Box 6:** Gross Proceeds
	239 00000	01/22/2014	03/17/2016	12,896 16	9,263 52	0 00	0 00	3,632 64	**Box 6:** Gross Proceeds
Subtotals	**251.00000**			**$13,543.66**	**$9,614.25**	**$0.00**	**$0.00**	**$3,929 41**	
BRITISH AMERN TOB PLC SPON ADR CUSIP: 110448107	72 00000	05/29/2013	03/17/2016	8,419 45	8,038 56	0 00	0 00	380 89	**Box 6:** Gross Proceeds
	96.00000	01/22/2014	03/17/2016	11,225 94	10,104 96	0 00	0 00	1,120 98	**Box 6:** Gross Proceeds
Subtotals	**168.00000**			**$19,645.39**	**$18,143.52**	**$0.00**	**$0.00**	**$1,501 87**	
CONTINENTAL RESOURCES SR UNSECURED CPN 5.0000% DUE 09/15/2022 CUSIP 212015AH4	8000 00000	07/08/2014	03/17/2016	7,185 60	8,481 91	0 00	0 00	-1,296 31	Original Basis 8,720 50 **Box 6:** Gross Proceeds
	13000 00000	07/09/2014	03/17/2016	11,676 60	13,783 95	0 00	0 00	-2,107 35	Original Basis 14,171 30 **Box 6·** Gross Proceeds

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CONTINENTAL RESOURCES SR UNSECURED CPN 5 0000% DUE 09/15/2022 CUSIP. 212015AH4									
Subtotals	**21000.00000**			**$18,862 20**	**$22,265.86**	**$0.00**	**$0.00**	**($3,403.66)**	
DISCOVER BANK SR UNSECURED NOTE CPN 3 2000% DUE 08/09/2021 CUSIP 25466AAF8	17000 00000	12/09/2014	03/17/2016	16,694 00	17,056 38	0 00	0 00	-362 38	Original Basis 17,068 85 **Box 6:** Gross Proceeds
ENEL AMERICAS SA SPONSORED ADR CUSIP· 29274F104	276 00000	10/21/2014	03/17/2016	3,782 25	4,326 19	0 00	0 00	-543 94	**Box 6** Gross Proceeds
ERICSSON (LM) TEL-SP ADR NEW CUSIP 294821608	447 00000	09/19/2013	03/17/2016	4,334 55	6,317 27	0 00	0 00	-1,982 72	**Box 6:** Gross Proceeds
	611 00000	01/22/2014	03/17/2016	5,924 86	7,362 12	0 00	0 00	-1,437 26	**Box 6.** Gross Proceeds
	793 00000	06/03/2014	03/17/2016	7,689 71	9,780 86	0 00	0 00	-2,091 15	**Box 6:** Gross Proceeds
	393 00000	10/21/2014	03/17/2016	3,810 93	4,557 35	0 00	0 00	-746 42	**Box 6:** Gross Proceeds
Subtotals	**2244 00000**			**$21,760.05**	**$28,017.60**	**$0.00**	**$0.00**	**($6,257.55)**	
GENERAL ELECTRIC COMPANY CUSIP 369604103	676 00000	05/29/2013	03/17/2016	20,891 25	15,972 52	0 00	0 00	4,918 73	**Box 6:** Gross Proceeds
	983 00000	01/22/2014	03/17/2016	30,378 86	25,636.14	0.00	0 00	4,742.72	**Box 6:** Gross Proceeds
Subtotals	**1659.00000**			**$51,270.11**	**$41,608.66**	**$0.00**	**$0.00**	**$9,661.45**	
GOLDMAN SACHS GRP INC UNSECURED CPN· 2 6250% DUE 01/31/2019 CUSIP 38145XAA1	19000 00000	05/14/2014	03/17/2016	19,294 50	19,140 24	0 00	0 00	154 26	Original Basis 19,225 72 **Box 6.** Gross Proceeds
	1000 00000	05/20/2014	03/17/2016	1,015 50	1,008 28	0 00	0 00	7 22	Original Basis 1,013 31 **Box 6:** Gross Proceeds
Subtotals	**20000.00000**			**$20,310.00**	**$20,148.52**	**$0.00**	**$0.00**	**$161.48**	

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HARRIS CORP DEL CUSIP 413875105	103 00000	01/22/2014	03/17/2016	8,079 86	7,297 49	0 00	0 00	782 37	**Box 6:** Gross Proceeds
JPMORGAN CHASE & CO CUSIP 46625H100	173 00000	06/03/2014	03/17/2016	10,127 96	9,600 24	0 00	0 00	527 72	**Box 6:** Gross Proceeds
JEFFERIES GRP INC SR UNSECURED CPN 6 8750% DUE 04/15/2021 CUSIP 472319AH5	4000 00000	05/19/2014	03/17/2016	4,451 48	4,532 43	0 00	0 00	-80 95	Original Basis 4,700 26 **Box 6:** Gross Proceeds
JOHNSON & JOHNSON CUSIP 478160104	380 00000	06/03/2014	03/17/2016	40,510 95	38,897 26	0 00	0 00	1,613 69	**Box 6:** Gross Proceeds
	38 00000	02/18/2015	03/17/2016	4,051 10	3,804 67	0 00	0 00	246 43	**Box 6:** Gross Proceeds
Subtotals	**418.00000**			**$44,562.05**	**$42,701.93**	**$0 00**	**$0.00**	**$1,860.12**	
L-3 COMMUNICATIONS CORP SENIOR NOTES CPN 4 7500% DUE 07/15/2020 CUSIP 502413AZ0	1000 00000	09/09/2014	03/17/2016	1,028 85	1,064 66	0 00	0 00	-35 81	Original Basis 1,085 56 **Box 6:** Gross Proceeds
LENDER PROCESS SERVICES COMPANY GTD CPN 5 7500% DUE 04/15/2023 CUSIP 52602EAD4	7000 00000	02/27/2014	03/17/2016	7,242 69	7,370 22	0 00	0 00	-127 53	Original Basis 7,486 70 **Box 6:** Gross Proceeds
	4000 00000	05/28/2014	03/17/2016	4,138 68	4,250 88	0 00	0 00	-112 20	Original Basis 4,330 00 **Box 6:** Gross Proceeds
	2000 00000	02/04/2015	03/17/2016	2,069 34	2,108 96	0 00	0 00	-39 62	Original Basis 2,131 86 **Box 6:** Gross Proceeds
Subtotals	**13000.00000**			**$13,450.71**	**$13,730.06**	**$0.00**	**$0.00**	**($279 35)**	

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MACYS RETAIL HLDGS INC COMPANY GTD CPN 3 8750% DUE 01/15/2022 CUSIP 55616XAF4	3000 00000	03/06/2014	03/17/2016	3,060 03	3,068 63	0 00	0 00	-8 60	Original Basis 3,090 00 **Box 6:** Gross Proceeds
MASCO CORP BONDS CPN· 6 1250% DUE· 10/03/2016 CUSIP 574599BD7	6000 00000	05/20/2014	03/17/2016	6,163 32	6,167 18	0 00	0 00	-3 86	Original Basis.6,630.00 **Box 6:** Gross Proceeds
	1000 00000	08/12/2014	03/17/2016	1,027 22	1,027 20	0 00	0 00	0 02	Original Basis 1,083 50 **Box 6:** Gross Proceeds
Subtotals	**7000.00000**			**$7,190.54**	**$7,194 38**	**$0.00**	**$0.00**	**($3.84)**	
MERRILL LYNCH & CO INC GLOBAL BONDS CPN 6 5000% DUE 07/15/2018 CUSIP 590188JF6	4000 00000	03/06/2014	03/17/2016	4,366 28	4,381 62	0 00	0 00	-15 34	Original Basis 4,700 70 **Box 6:** Gross Proceeds
	4000 00000	06/03/2014	03/17/2016	4,366 28	4,392 65	0 00	0 00	-26 37	Original Basis 4,684 26 **Box 6:** Gross Proceeds
	1000 00000	11/06/2014	03/17/2016	1,091 57	1,093 09	0 00	0 00	-1 52	Original Basis 1,145 57 **Box 6:** Gross Proceeds
Subtotals	**9000 00000**			**$9,824 13**	**$9,867.36**	**$0.00**	**$0.00**	**($43.23)**	
MICROSOFT CORP CUSIP 594918104	123 00000	03/12/2014	03/17/2016	6,758 70	4,708 04	0 00	0 00	2,050 66	**Box 6:** Gross Proceeds
	199 00000	10/21/2014	03/17/2016	10,934 81	8,905 33	0 00	0 00	2,029 48	**Box 6:** Gross Proceeds
Subtotals	**322.00000**			**$17,693.51**	**$13,613.37**	**$0.00**	**$0.00**	**$4,080.14**	
NOVARTIS AG SPON ADR CUSIP 66987V109	155 00000	05/29/2013	03/17/2016	11,350 12	11,265 55	0 00	0 00	84 57	**Box 6:** Gross Proceeds
	212 00000	01/22/2014	03/17/2016	15,524 04	17,138 01	0 00	0 00	-1,613 97	**Box 6:** Gross Proceeds
Subtotals	**367 00000**			**$26,874.16**	**$28,403.56**	**$0.00**	**$0 00**	**($1,529.40)**	

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QUALCOMM INC CUSIP 747525103	30 00000	09/19/2013	03/17/2016	1,547 13	2,095 46	0 00	0 00	-548 33	**Box 6:** Gross Proceeds
	245 00000	01/22/2014	03/17/2016	12,634 94	18,570 87	0 00	0 00	-5,935 93	**Box 6:** Gross Proceeds
	67 00000	06/03/2014	03/17/2016	3,455 28	5,395 82	0 00	0 00	-1,940 54	**Box 6:** Gross Proceeds
Subtotals	**342.00000**			**$17,637.35**	**$26,062 15**	**$0.00**	**$0.00**	**($8,424.80)**	
ROCHE HOLDINGS LTD ADR CUSIP 771195104	274 00000	05/29/2013	03/17/2016	8,462 30	8,764 73	0 00	0 00	-302 43	**Box 6:** Gross Proceeds
	793 00000	01/28/2015	03/17/2016	24,491 28	27,358 50	0 00	0 00	-2,867 22	**Box 6:** Gross Proceeds
Subtotals	**1067.00000**			**$32,953.58**	**$36,123.23**	**$0.00**	**$0.00**	**($3,169 65)**	
SANOFI ADR CUSIP 80105N105	74 00000	12/16/2011	03/17/2016	2,988 42	2,570 76	0 00	0 00	417 66	**Box 6:** Gross Proceeds
	17 00000	05/24/2012	03/17/2016	686 64	581 94	0 00	0 00	104 70	**Box 6.** Gross Proceeds
	169 00000	05/24/2012	03/17/2016	6,824 93	5,785 17	0 00	0 00	1,039 76	**Box 6:** Gross Proceeds
	184 00000	01/28/2015	03/17/2016	7,431 87	8,465 84	0 00	0 00	-1,033 97	**Box 6:** Gross Proceeds
	200 00000	01/28/2015	03/17/2016	8,076 12	9,202 00	0 00	0 00	-1,125 88	**Box 6:** Gross Proceeds
Subtotals	**644.00000**			**$26,007.98**	**$26,605.71**	**$0.00**	**$0.00**	**($597.73)**	
SIEMENS A G - ADR CUSIP 826197501	73 00000	01/28/2015	03/18/2016	7,667 02	7,756 45	0 00	0 00	-89 43	**Box 6:** Gross Proceeds
SYSCO CORPORATION CUSIP 871829107	88 00000	12/16/2011	03/17/2016	4,080 84	2,547 60	0 00	0 00	1,533 24	**Box 6:** Gross Proceeds
	93 00000	01/19/2012	03/17/2016	4,312 71	2,791 86	0 00	0 00	1,520 85	**Box 6:** Gross Proceeds
	264 00000	01/22/2014	03/17/2016	12,242 56	9,614 74	0 00	0 00	2,627 82	**Box 6:** Gross Proceeds
Subtotals	**445.00000**			**$20,636.11**	**$14,954.20**	**$0.00**	**$0.00**	**$5,681.91**	
TARGET CORP CUSIP 87612E106	290 00000	02/18/2015	03/17/2016	24,123 09	22,341 92	0 00	0 00	1,781 17	**Box 6:** Gross Proceeds

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GIFTS AND GRACE INC
CUSTOMCHOICE

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Proceeds from Broker and Barter Exchange Transactions, continued

Long Term Gains or Losses (Box 2) For Covered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired (Box 1b)	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis (Box 1e)	Accrued Market Discount (Box 1f)	Wash Sale Loss Disallowed (Box 1g)	Gain/Loss Amount	Additional Information
TRAVELERS COS INC/ THE CUSIP 89417E109	130 00000	06/03/2014	03/17/2016	15,073 17	12,118 94	0 00	0 00	2,954 23	**Box 6**· Gross Proceeds
UNILEVER PLC SPONS ADR CUSIP 904767704	943 00000	01/28/2015	03/17/2016	42,490 84	41,056 62	0 00	0 00	1,434 22	**Box 6:** Gross Proceeds
US TREASURY NOTES CPN 2 3750% DUE 08/15/2024 CUSIP 912828D56	34000 00000	10/28/2014	03/17/2016	35,459 16	34,262 02	0 00	0 00	1,197 14	Original Basis 34,300 16 **Box 6:** Gross Proceeds
US TREASURY NOTES CPN 1 1250% DUE 05/31/2019 CUSIP 912828SX9	13000 00000	08/20/2014	03/17/2016	13,004 33	12,707 50	94 13	0 00	202 70	**Box 6:** Gross Proceeds
	22000 00000	10/28/2014	03/17/2016	22,007 34	21,697 50	89 50	0 00	220 34	**Box 6:** Gross Proceeds
	20000 00000	02/03/2015	03/17/2016	20,006 68	19,963 28	0 00	0 00	43 40	**Box 6:** Gross Proceeds
Subtotals	**55000.00000**			**$55,018.35**	**$54,368.28**	**$183.63**	**$0.00**	**$466.44**	
US TREASURY NOTES CPN 1.3750% DUE 05/31/2020 CUSIP 912828VF4	37000 00000	02/03/2015	03/17/2016	37,056 09	37,055 29	0 00	0 00	0 80	Original Basis 37,069 38 **Box 6:** Gross Proceeds
WELLPOINT INC SR UNSECURED CPN· 2 2500% DUE 08/15/2019 CUSIP 94973VBH9	17000 00000	08/27/2014	03/18/2016	16,973 82	16,946.79	0.00	0.00	27 03	**Box 6:** Gross Proceeds
	1000 00000	11/06/2014	03/18/2016	998 46	981 89	0 58	0 00	15 99	**Box 6:** Gross Proceeds
Subtotals	**18000.00000**			**$17,972.28**	**$17,928.68**	**$0 58**	**$0 00**	**$43.02**	

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Proceeds from Broker and Barter Exchange Transactions, continued

Long Term Gains or Losses (Box 2) For Covered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired (Box 1b)	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis (Box 1e)	Accrued Market Discount (Box 1f)	Wash Sale Loss Disallowed (Box 1g)	Gain/Loss Amount	Additional Information
ZURICH REINSURANCE SR NOTES CPN 7 1250% DUE. 10/15/2023 CUSIP 989822AA9	1000 00000	05/12/2014	03/17/2016	1,175 38	1,160 92	0 00	0 00	14 46	Original Basis 1,192 50 **Box 6:** Gross Proceeds
ACCENTURE PLC IRELAND SHARES CLASS A CUSIP G1151C101	136 00000	12/18/2013	03/17/2016	14,748 07	10,251 91	0 00	0 00	4,496 16	**Box 6:** Gross Proceeds
	190 00000	01/22/2014	03/17/2016	20,603 93	16,208 80	0 00	0 00	4,395 13	**Box 6:** Gross Proceeds
	68 00000	06/03/2014	03/17/2016	7,374 05	5,563 83	0 00	0 00	1,810 22	**Box 6:** Gross Proceeds
Subtotals	**394.00000**			**$42,726 05**	**$32,024.54**	**$0.00**	**$0 00**	**$10,701 51**	
Totals				**$762,418.32**	**$733,892.92**	**$184.21**	**$0.00**	**$28,341.19**	

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Proceeds from Broker and Barter Exchange Transactions, continued

Long Term Gains or Losses (Box 2) For Noncovered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis	Accrued Market Discount	Wash Sale Loss Disallowed	Gain/Loss Amount	Additional Information
BURLINGTN NORTH SANTA FE SR UNSECURED CPN 3 0000% DUE 03/15/2023 CUSIP 12189LAM3	16000 00000	12/04/2013	03/17/2016	16,343 20	14,913 44	0 00	0 00	1,429 76	**Box 6:** Gross Proceeds
CVS CAREMARK CORP NOTES CPN 4 1250% DUE 05/15/2021 CUSIP 126650BW9	17000 00000	11/21/2013	03/17/2016	18,399 27	17,812 43	0 00	0 00	586 84	**Box 6:** Gross Proceeds
DUKE ENERGY INDIANA INC 1ST MTG CPN 3 7500% DUE 07/15/2020 CUSIP 263901AC4	18000 00000	01/19/2012	03/18/2016	19,163 52	19,350 00	0 00	0 00	-186 48	**Box 6:** Gross Proceeds
ERICSSON LM NOTES CPN 4 1250% DUE 05/15/2022 CUSIP 294829AA4	17000 00000	05/11/2012	03/17/2016	17,482 80	17,158 10	0 00	0 00	324 70	**Box 6:** Gross Proceeds
	1000 00000	06/24/2014	03/17/2016	1,028 40	1,041 79	0 00	0 00	-13 39	**Box 6:** Gross Proceeds
Subtotals	**18000.00000**			**$18,511.20**	**$18,199.89**	**$0.00**	**$0.00**	**$311.31**	
FEDERAL NATL MTG ASSN NOTES CPN 1 0000% DUE 12/26/2017 CUSIP 3135G0SJ3	29000 00000	01/04/2013	03/17/2016	28,840 67	28,994 20	0 00	0 00	-153 53	**Box 6:** Gross Proceeds
JEFFERIES GRP INC SR UNSECURED CPN 6 8750% DUE 04/15/2021 CUSIP 472319AH5	12000 00000	07/22/2013	03/17/2016	13,354 44	13,560 00	0 00	0 00	-205 56	**Box 6:** Gross Proceeds

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Proceeds from Broker and Barter Exchange Transactions, continued

Long Term Gains or Losses (Box 2) For Noncovered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis	Accrued Market Discount	Wash Sale Loss Disallowed	Gain/Loss Amount	Additional Information
KENNAMETAL INC SR UNSECURED CPN 2 6500% DUE 11/01/2019 CUSIP 489170AD2	10000 00000	04/23/2013	03/17/2016	9,337 80	10,064 80	0 00	0 00	-727 00	**Box 6:** Gross Proceeds
	6000 00000	05/07/2013	03/17/2016	5,602 68	6,088 44	0 00	0 00	-485 76	**Box 6:** Gross Proceeds
Subtotals	**16000.00000**			**$14,940.48**	**$16,153.24**	**$0.00**	**$0.00**	**($1,212.76)**	
KROGER CO/THE SENIOR NOTES CPN 3 4000% DUE 04/15/2022 CUSIP 501044CQ2	17000 00000	04/02/2013	03/17/2016	17,639 37	17,765 00	0 00	0 00	-125 63	**Box 6:** Gross Proceeds
L-3 COMMUNICATIONS CORP SENIOR NOTES CPN 4 7500% DUE 07/15/2020 CUSIP 502413AZ0	15000 00000	04/25/2013	03/17/2016	15,432 75	16,746 88	0 00	0 00	-1,314 13	**Box 6:** Gross Proceeds
LYONDELLBASELL IND SR UNSECURED CPN· 6 0000% DUE 11/15/2021 CUSIP 552081AD3	16000 00000	08/14/2013	03/17/2016	18,040 00	18,241.28	0.00	0.00	-201.28	**Box 6:** Gross Proceeds
MACYS RETAIL HLDGS INC COMPANY GTD CPN. 3 8750% DUE 01/15/2022 CUSIP 55616XAF4	14000 00000	12/06/2013	03/17/2016	14,280 14	13,902 00	0 00	0 00	378 14	**Box 6:** Gross Proceeds
MASCO CORP BONDS CPN 6 1250% DUE 10/03/2016 CUSIP 574599BD7	10000 00000	12/29/2011	03/17/2016	10,272 20	10,331 97	0 00	0 00	-59 77	**Box 6:** Gross Proceeds

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Proceeds from Broker and Barter Exchange Transactions, continued

Long Term Gains or Losses (Box 2) For Noncovered Securities (Box 5)

Description CUSIP (Box 1a)	Quantity Sold	Date Acquired	Date Sold or Disposed (Box 1c)	Proceeds (Box 1d)	Cost or Other Basis	Accrued Market Discount	Wash Sale Loss Disallowed	Gain/Loss Amount	Additional Information
MERRILL LYNCH & CO INC GLOBAL BONDS CPN 6.5000% DUE 07/15/2018 CUSIP 590188JF6	9000 00000	12/22/2011	03/17/2016	9,824 13	8,679 22	0 00	0 00	1,144 91	**Box 6:** Gross Proceeds
MORGAN STANLEY SR UNSECURED CPN 5 5000% DUE 07/28/2021 CUSIP 61747WAL3	16000 00000	07/31/2013	03/17/2016	17,969 60	17,537 60	0 00	0 00	432 00	**Box 6:** Gross Proceeds
PHILLIPS 66 COMPANY GTD CPN 4 3000% DUE 04/01/2022 CUSIP: 718546AC8	6000 00000	05/17/2013	03/17/2016	6,306 60	6,637 50	0 00	0 00	-330 90	**Box 6:** Gross Proceeds
	10000 00000	08/05/2013	03/17/2016	10,511 00	10,337.50	0 00	0.00	173.50	**Box 6:** Gross Proceeds
Subtotals	**16000.00000**			**$16,817.60**	**$16,975.00**	**$0.00**	**$0.00**	**($157.40)**	
THOMSON REUTERS CORP NOTES CPN 4 7000% DUE 10/15/2019 CUSIP 884903BG9	14000 00000	03/06/2013	03/17/2016	14,909 02	16,012 50	0 00	0 00	-1,103 48	**Box 6:** Gross Proceeds
	3000 00000	08/26/2013	03/17/2016	3,194 79	3,292 50	0 00	0 00	-97 71	**Box 6:** Gross Proceeds
Subtotals	**17000.00000**			**$18,103.81**	**$19,305.00**	**$0.00**	**$0.00**	**($1,201.19)**	
VALERO ENERGY CORP BONDS CPN 6 1250% DUE 06/15/2017 CUSIP 91913YAM2	15000 00000	12/29/2011	03/18/2016	15,626 85	17,096 10	0 00	0 00	-1,469 25	**Box 6:** Gross Proceeds
VERIZON COMMUNICATIONS SR UNSECURED CPN 4 5000% DUE 09/15/2020 CUSIP 92343VBQ6	16000 00000	11/21/2013	03/18/2016	17,527 52	17,179 84	0 00	0 00	347 68	**Box 6:** Gross Proceeds

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Long Term Gains or Losses (Box 2) For Noncovered Securities (Box 5)

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ZURICH REINSURANCE SR NOTES CPN 7 1250% DUE 10/15/2023 CUSIP 989822AA9	16000 00000	01/20/2012	03/17/2016	18,806 08	17,080 00	0 00	0 00	1,726 08	**Box 6:** Gross Proceeds
	1000 00000	08/21/2012	03/17/2016	1,175 38	1,137 50	0 00	0 00	37 88	**Box 6:** Gross Proceeds
Subtotals	**17000 00000**			**$19,981.46**	**$18,217.50**	**$0.00**	**$0.00**	**$1,763.96**	
Totals				**$321,068.21**	**$320,960.59**	**$0.00**	**$0.00**	**$107.62**	

For some tax lots complete data is not available Therefore, you may see N/A in the Proceeds, Gain/Loss or Cost columns In these situations, you should determine the actual cost or proceeds and calculate the Gain/Loss
Please note that the totals will include any available cost or proceeds, even if the Gain/Loss is marked N/A