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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 instructions is at *www.irs.gov/form990pf*.**

OMB No 1545-0052

2016

Open to Public Inspection

For calendar year 2016, or tax year beginning 01-01-2016 , and ending 12-31-2016

Name of foundation
The James I Harrison Family Foundation

A Employer identification number
58-2327810

Number and street (or P O box number if mail is not delivered to street address)
3925 Rice Mine Road NE

Room/suite

B Telephone number (see instructions)
(205) 345-2400

City or town, state or province, country, and ZIP or foreign postal code
Tuscaloosa, AL 35406

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

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

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

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

I Fair market value of all assets at end of year *(from Part II, col (c), line 16)* ▶$ 8,147,679

J Accounting method ☑ Cash ☐ Accrual ☐ Other (specify) _____
(Part I, column (d) must be on cash basis)

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check ▶ ☑ if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments	123,297	123,297		
	4 Dividends and interest from securities	87,152	87,152		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	39,904			
	b Gross sales price for all assets on line 6a 2,547,403				
	7 Capital gain net income (from Part IV, line 2)		39,904		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)				
	12 **Total.** Add lines 1 through 11	250,353	250,353		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	17,534	17,534		
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule)	5,000	4,000		1,000
	c Other professional fees (attach schedule)				
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	6,957	503		
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule)	3,328	3,066		
	24 **Total operating and administrative expenses.** Add lines 13 through 23	32,819	25,103		1,000
	25 Contributions, gifts, grants paid	2,210,418			2,210,418
	26 **Total expenses and disbursements.** Add lines 24 and 25	2,243,237	25,103		2,211,418
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	-1,992,884			
	b **Net investment income** (if negative, enter -0-)		225,250		
	c **Adjusted net income** (if negative, enter -0-)				

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing	5,313	6,919	6,919
	2 Savings and temporary cash investments	243,043	225,513	225,513
	3 Accounts receivable ▶			
	Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶			
	Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	5,152,084	3,741,075	3,947,960
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	4,617,260	4,047,531	3,967,287
	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)	10,017,700	8,021,038	8,147,679
Liabilities	17 Accounts payable and accrued expenses	3,778		
	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)	3,778	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 ▶ ☑ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	10,013,922	8,021,038	
	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)	10,013,922	8,021,038	
	31 **Total liabilities and net assets/fund balances** (see instructions)	10,017,700	8,021,038	

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	10,013,922
2	Enter amount from Part I, line 27a	2	-1,992,884
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	8,021,038
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	8,021,038

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	See Additional Data Table			
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	See Additional Data Table			
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	See Additional Data Table			
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	39,904
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	-15,976

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 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	1,866,477	11,103,548	0 16810
2014	1,673,924	12,477,570	0 13416
2013	1,887,703	13,463,749	0 14021
2012	2,313,073	14,676,303	0 15761
2011	1,623,572	16,321,297	0 09948

2	**Total** of line 1, column (d)	2	0 699540
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 139908
4	Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	8,589,909
5	Multiply line 4 by line 3	5	1,201,797
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	2,253
7	Add lines 5 and 6	7	1,204,050
8	Enter qualifying distributions from Part XII, line 4	8	2,211,418

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter _____ **(attach copy of letter if necessary–see instructions)**		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b	1	2,253
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	2,253
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	2,253
6	Credits/Payments		
a	2016 estimated tax payments and 2015 overpayment credited to 2016 — 6a: 6,800		
b	Exempt foreign organizations—tax withheld at source — 6b:		
c	Tax paid with application for extension of time to file (Form 8868) — 6c:		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments Add lines 6a through 6d	7	6,800
8	Enter any **penalty** for underpayment of estimated tax Check here ☑ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	4,547
11	Enter the amount of line 10 to be **Credited to 2017 estimated tax** ▶ 4,547 **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		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)?	1b		No
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ _____ **(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		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		No
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b		No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ GA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation* .	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*	10		No

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions).	11		No
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶ N/A

14 The books are in care of ▶ James I Harrison Jr Telephone no ▶ (205) 345-2400

Located at ▶ 3925 Rice Mine Road NE Tuscaloosa AL ZIP+4 ▶ 35406

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

16	At any time during calendar year 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?		Yes	No
		16		No
	See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) 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		No
	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		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 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 ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	2b		No
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ 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).*	3b		No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2016?	4b		No

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

5a	During the year did the foundation pay or incur any amount to				
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	☐ 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	No
	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	No
	If "Yes" to 6b, file Form 8870				
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	☐ Yes	☑ No		
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?			7b	No

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

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

(a) Name and address	Title, and average hours per week **(b)** devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	Expense account, **(e)** other allowances
James I Harrison Jr 6745 Emerald Lane Tuscaloosa, AL 35406	Pres/Sec/Treas 1 00	0		
Peggy T Harrison 6745 Emerald Lane Tuscaloosa, AL 35406	Director 1 00	0		
Lazard Freres Co LLC 10 Rockefeller Plaza New York, NY 10020	Trustee 15 00	17,534		

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	Title, and average hours per week **(b)** devoted to position	**(c)** Compensation	**(d)** Contributions to employee benefit plans and deferred compensation	Expense account, **(e)** other allowances
NONE				

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

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

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

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

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

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 Charitable Program (Providing support to a total of 50 charitable organizations in the total amount of $2,210,418)	0
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions **3**	
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	4,413,222
b	Average of monthly cash balances		1b	340,211
c	Fair market value of all other assets (see instructions)		1c	3,967,287
d	**Total** (add lines 1a, b, and c)		1d	8,720,720
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	
3	Subtract line 2 from line 1d		3	8,720,720
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	130,811
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	8,589,909
6	**Minimum investment return.** Enter 5% of line 5		6	429,495

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	429,495
2a	Tax on investment income for 2016 from Part VI, line 5	2a 2,253		
b	Income tax for 2016 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	2,253
3	Distributable amount before adjustments Subtract line 2c from line 1		3	427,242
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	427,242
6	Deduction from distributable amount (see instructions)		6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	427,242

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	2,211,418
b	Program-related investments—total from Part IX-B		1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes		2	
3	Amounts set aside for specific charitable projects that satisfy the			
a	Suitability test (prior IRS approval required)		3a	
b	Cash distribution test (attach the required schedule)		3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4		4	2,211,418
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	2,253
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4		6	2,209,165

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				427,242
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only.				
b Total for prior years 20___, 20___, 20___				
3 Excess distributions carryover, if any, to 2016				
a From 2011. 823,411				
b From 2012. 1,593,550				
c From 2013. 1,229,564				
d From 2014. 1,063,627				
e From 2015. 1,324,208				
f Total of lines 3a through e.	6,034,360			
4 Qualifying distributions for 2016 from Part XII, line 4 ▶ $ 2,211,418				
a Applied to 2015, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions).				
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2016 distributable amount.				427,242
e Remaining amount distributed out of corpus	1,784,176			
5 Excess distributions carryover applied to 2016				
(If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	7,818,536			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.				
d Subtract line 6c from line 6b Taxable amount —see instructions				
e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount—see instructions				
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)				
8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions) . . .	823,411			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	6,995,125			
10 Analysis of line 9				
a Excess from 2012. . . . 1,593,550				
b Excess from 2013. . . . 1,229,564				
c Excess from 2014. . . . 1,063,627				
d Excess from 2015. . . . 1,324,208				
e Excess from 2016. . . . 1,784,176				

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

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

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

	Tax year	Prior 3 years			(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
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 organization had $5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

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

James I Harrison Jr

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

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

Check here ▶ ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail address of the person to whom applications should be addressed

The James I Harrison Family Foundat
3925 Rice Mine Road NE
Tuscaloosa, AL 35406
(205) 345-2400

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

By either telephone or written request Applicants must provide the Foundation with a copy of their IRS exemption letter Most grants are awarded based on the proactive efforts of the Foundation President

c Any submission deadlines

None

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

Generally limited to organizations located in Tuscaloosa County, Alabama

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* See Additional Data Table				
Total . . . . . ▶ **3a**				2,210,418
b *Approved for future payment* See Additional Data Table				
Total . . . . . ▶ **3b**				158,000

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					123,297
4 Dividends and interest from securities. . . .					87,152
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					39,904
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). .					250,353
13 **Total.** Add line 12, columns (b), (d), and (e).				13	250,353

(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)

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)		No
(2) Other assets	1a(2)		No
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1b(1)		No
(2) Purchases of assets from a noncharitable exempt organization	1b(2)		No
(3) Rental of facilities, equipment, or other assets	1b(3)		No
(4) Reimbursement arrangements	1b(4)		No
(5) Loans or loan guarantees	1b(5)		No
(6) Performance of services or membership or fundraising solicitations	1b(6)		No
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		No

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

(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

******	2017-05-02	******
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
Darren L Neuschwander CPA				P00291621
Firm's name ▶ Green Neuschwander & Manning LLC				Firm's EIN ▶
Firm's address ▶ PO Box 1197 Robertsdale, AL 36567				Phone no (888) 558-5257

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

List and describe the kind(s) of property sold (e g , real estate, **(a)** 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)
Pershing LLC nondividend distributions	P	2016-01-01	2016-12-31
Lazard Asset Mgmt (see attached)	P	2016-01-01	2016-12-31
Lazard Asset Mgmt (see attached)	P	2015-01-01	2016-12-31
Lazard Asset Mgmt (see attached)	P	2015-01-01	2016-12-31
Lazard Core Fixed Income Portfolio	P	2016-01-01	2016-12-31
Lazard Core Fixed Income Portfolio	P	2015-01-01	2016-12-31
Lazard Asset Mgmt- Basis Adj	P	2016-01-01	2016-12-31

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(e) Gross sales price	Depreciation allowed **(f)** (or allowable)	Cost or other basis **(g)** plus expense of sale	Gain or (loss) **(h)** (e) plus (f) minus (g)
1,995			1,995
198,650		218,305	-19,655
1,533,193		1,452,031	81,162
807,783		801,620	6,163
5,782			5,782
		31,445	-31,445
		4,098	-4,098

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			Gains (Col (h) gain minus col (k), but not less than -0-) **or** **(l)** Losses (from col (h))
(i) F M V as of 12/31/69	Adjusted basis **(j)** as of 12/31/69	Excess of col (i) **(k)** over col (j), if any	
			1,995
			-19,655
			81,162
			6,163
			5,782
			-31,445
			-4,098

Form 990PF Part XV Line 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*				
Holy Spirit Catholic Church 733 37th Street Tuscaloosa, AL 35405	None	EOF	Charitable	686,932
Auburn University School of Pharmacy Auburn, AL 36849	None	EOF	Charitable	10,000
United Way of West Alabama 2720 6th Street Tuscaloosa, AL 35403	None	EOF	Charitable	60,000
Impact Alabama 1901 6th Ave N Ste 2400 Birmingham, AL 35203	None	EOF	Charitable	10,000
Community Foundation of West Alabam PO Box 3033 Tuscaloosa, AL 35403	None	EOF	Charitable	1,000
Total . . . . . ▶ 3a				2,210,418

Form 990PF Part XV Line 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*				
Tuscaloosa Symphony P O Box 20001 Tuscaloosa, AL 35402	None	EOF	Charitable	10,000
Judson College P O Box 120 Marion, AL 36756	None	EOF	Charitable	25,000
Samford University 800 Lakeshore Drive Birmingham, AL 35229	None	EOF	Charitable	25,000
Society of St Vincent de Paul 733 37th St Tuscaloosa, AL 35405	None	EOF	Charitable	5,000
Magic Moments 2112 11th Ave South Ste 219 Birmingham, AL 35205	None	EOF	Charitable	4,500
Total . . . . . ▶ 3a				2,210,418

Form 990PF Part XV Line 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*				
DCH Foundation 950 5th Ave East Tuscaloosa, AL 35401	None	EOF	Charitable	12,500
West Alabama Food Bank PO Box 805 Northport, AL 35476	None	EOF	Charitable	10,000
Salvation Army 1035 29th St Tuscaloosa, AL 35404	None	EOF	Charitable	500,000
Hospice of West Alabama 3851 Loop Road Tuscaloosa, AL 35404	None	EOF	Charitable	1,500
Benedictine Sisters Convent PO Box 488 Cullman, AL 35055	None	EOF	Charitable	1,000
Total . . . . . ▶ 3a				2,210,418

Form 990PF Part XV Line 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*				
St Bernard Abbey 1600 St Bernard Drive SE Cullman, AL 35055	None	EOF	Charitable	2,500
St Francis Catholic Church 811 5th Ave Tuscaloosa, AL 35401	None	EOF	Charitable	15,000
Boys and Girls Club 1275 Peachtree St NW Atlanta, GA 30309	None	EOF	Charitable	1,330
AL School Readiness Alliance PO Box 4433 Montgomery, AL 36103	None	EOF	Charitable	10,000
St Anne's Home 2772 Hanover Circle S Birmingham, AL 35205	None	EOF	Charitable	10,000
Total 3a . . . . . ▶				2,210,418

Form 990PF Part XV Line 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*				
Catholic Charities 721 N LaSalle Chicago, IL 60654	None	EOF	Charitable	10,000
Kings Home 221 Kings Home Dr Chelsea, AL 35043	None	EOF	Charitable	5,000
Prince of Peace Catholic Church 4600 Preserve Pkwy Hoover, AL 35226	None	EOF	Charitable	10,000
Children's Hands on Museum 2213 University Blvd Tuscaloosa, AL 35401	None	EOF	Charitable	2,000
Easter Seals West Alabama 1400 James I Harrison Jr Pkwy Ea Tuscaloosa, AL 35405	None	EOF	Charitable	50,000
Total . . . . . ▶ 3a				2,210,418

Form 990PF Part XV Line 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*				
Big Brothers Big Sisters 2202 N Westshore Blvd Ste 455 Tampa, FL 33607	None	EOF	Charitable	1,000
Univ of AL Rise Foundation PO Box 870305 Tuscaloosa, AL 35487	None	EOF	Charitable	3,000
Foundation for Mitochondria 1266 W Paces Ferry Rd Ste 301 Atlanta, GA 30327	None	EOF	Charitable	30,000
Shelton State Community College Fou 9500 Old Greensboro Rd Tuscaloosa, AL 35405	None	EOF	Charitable	2,500
Tuscaloosa Child Care Detention Svc 6001 12th Ave E Tuscaloosa, AL 35405	None	EOF	Charitable	5,000
Total 3a . . . . . ▶				2,210,418

Form 990PF Part XV Line 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*				
Caring Days 943 31st St E Tuscaloosa, AL 35405	None	EOF	Charitable	1,000
Shirley Place Foundation Inc 810 Overlook Rd N Tuscaloosa, AL 35406	None	EOF	Charitable	15,000
The University of AL Adapted Athlet PO Box 870312 Tuscaloosa, AL 35487	None	EOF	Charitable	2,500
Alabama Institute for Deaf Blind 205 Sout Street E Talladega, AL 35160	None	EOF	Charitable	10,000
Live Beyond 2110 Gladstone Ave Nashville, TN 37211	None	EOF	Charitable	25,000
Total 3a . . . . . ▶				2,210,418

Form 990PF Part XV Line 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*				
Franciscan Missons PO Box 130 Waterford, WI 53185	None	EOF	Charitable	3,000
Auburn University Foundation 317 South College Street Auburn, AL 36849	None	EOF	Charitable	5,000
Univ of AL Office of Advancement Box 870101 Tuscaloosa, AL 35487	None	EOF	Charitable	10,000
Sprayberry School 2300 26th Avenue Northport, AL 35476	None	EOF	Charitable	500,000
Family Counseling Services 2020 Paul W Bryant Dr Tuscaloosa, AL 35401	None	EOF	Charitable	25,000
Total 3a . . . . . ▶				2,210,418

Form 990PF Part XV Line 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*				
West Alabama Food Bank PO Box 805 Northport, AL 35476	None	EOF	Charitable	5,000
University of Alabama Crossing Poin PO Box 870232 Tuscaloosa, AL 35487	None	EOF	Charitable	600
Tuscaloosa County Preservation Soci 1010 Greensboro Ave Tuscaloosa, AL 35401	None	EOF	Charitable	1,000
Boy Scouts of America 1325 West Walnut Hill Lane Irving, TX 75015	None	EOF	Charitable	10,000
Ronald McDonald House One Kroc Dr Oak Brook, IL 60523	None	EOF	Charitable	50,000
Total . . . . . ▶ **3a**				2,210,418

Form 990PF Part XV Line 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*				
Tuscaloosa Public Library Foundatio 1801 Jack Warner Pkwy Tuscaloosa, AL 35401	None	EOF	Charitable	3,000
Milan Baptist Church 27 3rd Ave Milan, GA 31060	None	EOF	Charitable	3,000
Our Lady of the Valley Catholic Chu 5514 Double Oak Ln Birmingham, AL 35242	None	EOF	Charitable	19,000
Boys and Girls Club 1275 Peachtree St NW Atlanta, GA 30309	None	EOF	Charitable	500
St Francis Catholic Church 811 5th Ave Tuscaloosa, AL 35401	None	EOF	Charitable	2,056
Total 3a . . . . . ▶				2,210,418

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93491122008417

TY 2016 Accounting Fees Schedule

Name: The James I Harrison Family Foundation

EIN: 58-2327810

Software ID: 16000303

Software Version: 2016v3.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Green, Neuschwander and Manning LLC	5,000	4,000	0	1,000

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93491122008417

TY 2016 Other Expenses Schedule

Name: The James I Harrison Family Foundation

EIN: 58-2327810

Software ID: 16000303

Software Version: 2016v3.0

Other Expenses Schedule

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Filing Fees	262			
Investment Expenses- pass through	3,066	3,066		

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93491122008417

TY 2016 Taxes Schedule

Name: The James I Harrison Family Foundation
EIN: 58-2327810
Software ID: 16000303
Software Version: 2016v3.0

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Federal Taxes Paid	6,454			
Foreign Tax Withheld	503	503		

TRANSACTIONS WE DO NOT REPORT TO THE IRS *(Continued)*

ADVISORY FEES AND OTHER EXPENSES *(Continued)*

Transaction Type	Description	CUSIP	Date Paid	Amount
MANAGEMENT FEE PAID			04/12/2016	(942 55)
MANAGEMENT FEE PAID			07/14/2016	(1,253 90)
MANAGEMENT FEE PAID			10/17/2016	(827 39)
Total				**(3,599 45)**

Advisory Fees and Other Expenses Certain Advisory Fees and Other Expenses charged to your account during the tax year will be displayed in this section Advisory fees are generally deductible to the extent they exceed 2% of your AGI on IRS Form 1040, Schedule A

TAX INFORMATION STATEMENT INSTRUCTIONS.

The Tax Information Statement provides a detailed summary of your account transactions during 2016 It includes information related to transactions we are required to report to the IRS, as well as information that we do not report The instructions are provided to help you prepare your tax returns For a more detailed explanation of your Tax Information Statement and to view the Tax Guide, please visit mytaxhandbook com If your account was transferred to our firm during 2016, your Tax Information Statement only includes your activity during the time you conducted business with our firm Your former firm should provide you with IRS Form 1099 reporting for prior activity These instructions have been tailored for use by taxpayers that are U S individuals who are investors for tax purposes

Additional Information.

Recipient's Identification Number For your protection, this form shows only the last four digits of your Social Security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN) or employer identification number (EIN) However, Pershing LLC will report your complete identification number to the IRS and, where applicable, to state and/or local governments

Account Number A unique number the payer assigned to distinguish your account

FATCA Filing Requirement If the FATCA filing requirement box is checked, the payer is reporting on this Form 1099 to satisfy its chapter 4 account reporting requirement You also may have a filing requirement See the Instructions to Form 8938 For 2016 this box has been intentionally left blank

Electronic Delivery The IRS allows for the electronic delivery of 1099 forms, and Pershing offers electronic delivery of this Tax Information Statement If you would like to receive electronic delivery, speak to your advisor for more information

Nominee Recipients If your truncated Social Security number or Employer Identification Number is shown on your Tax Information Statement, and the statement includes amounts belonging to another person, you are considered a nominee recipient Generally, you must file IRS Form 1099 for each of the other owners, showing the income allocable to each File the applicable IRS Form 1099, along with IRS Form 1096 (Annual Summary and Transmittal of U S Information Returns), with the IRS center in your area List yourself as the payer on IRS Form 1099 and as the filer on IRS Form 1096 List the other owner(s) as the recipient(s) on IRS Form 1099 You must provide a copy of each IRS Form 1099 you file to the other owner(s) Spouses are not required to file a nominee return to show amounts owned by their spouse

Payer The payer for all transactions on your Tax Information Statement is Pershing LLC (Taxpayer Identification Number 13 2741729) This name and Taxpayer Identification Number should be listed wherever the payer's name is requested on an IRS form with respect to amounts reported on your Tax Information Statement

Corrections Please review your Tax Information Statement If it is incorrect, contact your advisor or financial organization If necessary, we will promptly correct the information provided to the IRS and mail a Revised Tax Information Statement to you After the initial mailing, revised statements will begin mailing in February and will be mailed at least weekly from March through the end of June Per recent revisions to the Tax Code, if we make an income correction to your account after issuing your tax statement and the correction is an increase or decrease of less than $100 of income we may not send you a revised tax statement If you would like to receive revisions that are less than $100 please contact your Investment Professional This change to the law is first effective for tax statements filed with the IRS or furnished to you after December 31, 2016

Federal Income Tax Withheld Federal income tax withheld is 28% of interest, dividends and proceeds from broker and barter exchange transactions, and could be reported in any of these sections of your Tax Information Statement Backup withholding applies when certain conditions exist If this Tax Information Statement reflects backup withholding, you may need to provide a new IRS Form W 9 (Request for Taxpayer Identification Number and Certification) See IRS Form W 9 for information on backup withholding and how to furnish your Taxpayer Identification Number

State and Local Tax Reporting We are required to provide information to a number of state and local jurisdictions This guide describes the federal tax reporting requirements We are required to report information to California, Connecticut, Minnesota, Montana, New York and Rhode Island concerning municipal bond interest income earned from bonds not issued by these states We report certain 1099 information directly to California, Kansas, Massachusetts, North Dakota and Oklahoma For 2016, we withheld, remitted and reported state income tax for California, Maine and South Carolina according to the requirements of those states We also provided tax information to Puerto Rico as required by the Puerto Rico taxing authority Check with your tax professional for your specific state and local tax reporting requirements

Cost Basis Adjustments There are times when your cost basis reported from a broker will not match your calculations for reporting purposes IRS Form 8949 allows you and the IRS to reconcile amounts that were reported to you and the IRS on IRS Form 1099 B with the amounts you report on your return

Important Note Concerning Cost Basis Your original cost basis for each security affects much of the reporting in this document You should pay special attention to the basis of any item where we received the basis from you or a third party If the original basis shown in this tax document is not correct, then the results of our calculations will likewise produce incorrect results The IRS requires us to remind you that the taxpayer is ultimately responsible for the accuracy of your tax return