

**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

2008

Department of the Treasury
Internal Revenue Service (77)

Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements.

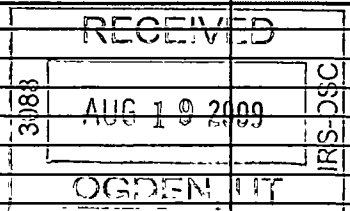
For calendar year 2008, or tax year beginning , 2008, and ending ,

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	PETER SATEGNA EDUCATIONAL FOUNDATION 30998 HUNTWOOD AVE., SUITE 107 HAYWARD, CA 94541		A Employer identification number 26-1702354
			B Telephone number (see the instructions) 510 487-4774
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			C If exemption application is pending, check here <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 824,899.		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	
			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)</i>		(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 (att sch)				
	2 <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments . . .	4,311.	4,311.	N/A	
	4 Dividends and interest from securities . . .	9,401.	9,401.		
	5a Gross rents . . .				
	b Net rental income or (loss).				
	6a Net gain/(loss) from sale of assets not on line 10	-84,190.			
	b Gross sales price for all assets on line 6a	169,403.			
	7 Capital gain net income (from Part IV, line 2)		0.		
	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/(loss) (att sch)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11 . . .	-70,478.	13,712.			
EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits . . .				
	16a Legal fees (attach schedule) See St 1	4,500.			
	b Accounting fees (attach sch)				
	c Other prof fees (attach sch) See St 2	5,206.	5,206.		
	17 Interest				
	18 Taxes (attach schedule) . . .				
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings . . .				
	22 Printing and publications . . .				
23 Other expenses (attach schedule)					
24 Total operating and administrative expenses. Add lines 13 through 23	9,706.	5,206.			
25 Contributions, gifts, grants paid Part XV	15,000.			15,000.	
26 Total expenses and disbursements. Add lines 24 and 25.	24,706.	5,206.		15,000.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-95,184.				
b Net investment income (if negative, enter -0-)		8,506.			
c Adjusted net income (if negative, enter -0-)					

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash — non-interest-bearing				
	2	Savings and temporary cash investments		210,191.	210,191.	
	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 the instructions)				
	7	Other notes and loans receivable (attach sch) ▶				
		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)		182,462.	193,696.	
	b	Investments — corporate stock (attach schedule)		384,839.	295,425.	
	c	Investments — corporate bonds (attach schedule)		127,324.	125,587.	
	11	Investments — land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation (attach schedule) ▶					
12	Investments — mortgage loans					
13	Investments — other (attach schedule)					
14	Land, buildings, and equipment, basis ▶					
	Less: accumulated depreciation (attach schedule) ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers — see instructions. Also, see page 1, item l)		0.	904,816.	824,899.	
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	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 and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds			904,816.	
30	Total net assets or fund balances (see the instructions)		0.	904,816.		
31	Total liabilities and net assets/fund balances (see the instructions)		0.	904,816.		

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	0.
2	Enter amount from Part I, line 27a	2	-95,184.
3	Other increases not included in line 2 (itemize) ▶ See Statement 3	3	1,000,000.
4	Add lines 1, 2, and 3	4	904,816.
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	904,816.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a PUBLICLY TRADED SECURITIES	P		
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 169,403.		253,593.	-84,190.
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			-84,190.
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	-84,190.
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 the instructions). If (loss), enter -0- in Part I, line 8]	3	-84,190.

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) N/A

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 (column (b) divided by column (c))
2007			
2006			
2005			
2004			
2003			

2 Total of line 1, column (d)	2	
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

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

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

1 a Exempt operating foundations described in section 4940(d)(2), check here... <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling letter: _____ (attach copy of ruling letter if necessary – see instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here. <input type="checkbox"/> and enter 1% of Part I, line 27b		1	170.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	170.
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	170.
6 Credits/Payments:			
a 2008 estimated tax prmts and 2007 overpayment credited to 2008	6a		
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld.	6d		
7 Total credits and payments. Add lines 6a through 6d.		7	0.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached		8	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	170.
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 2009 estimated tax. <input type="checkbox"/> Refunded <input type="checkbox"/>		11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) <input type="checkbox"/> N/A		
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? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions).	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	X	
14	The books are in care of ▶ GARY SMITH Telephone no ▶ 510 487-4774 Located at ▶ 30998 HUNTWOOD AVE., SUITE 107 HAYWARD CA ZIP + 4 ▶ 94541			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here N/A ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year. ▶ 15 N/A			

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
1 a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	N/A
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2008?	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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__ .		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see the instructions.)	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20__ , 20__ , 20__ , 20__ .		
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If 'Yes,' did it have excess business holdings in 2008 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 2008.)	3b	N/A
4 a 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 2008?	4b	X

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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 propoganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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 N/A

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? Yes No

6b X

If you answered 'Yes' to 6b, also file Form 8870.

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

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

7b N/A

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

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

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 4		0.	0.	0.

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

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

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 -- (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 0

Part IX-A Summary of Direct Charitable Activities

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

2	

3	

4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	

2	

All other program-related investments. See instructions.	
3	

Total. Add lines 1 through 3 0

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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	380,383.
b	Average of monthly cash balances	1b	458,587.
c	Fair market value of all other assets (see instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	838,970.
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	838,970.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	12,585.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	826,385.
6	Minimum investment return. Enter 5% of line 5	6	41,319.

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	41,319.
2a	Tax on investment income for 2008 from Part VI, line 5	2a	170.
b	Income tax for 2008 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	170.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	41,149.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	41,149.
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	41,149.

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	15,000.
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) See Statement 5	3b	26,149.
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	41,149.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	41,149.

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 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				41,149.
2 Undistributed income, if any, as of the end of 2007:				
a Enter amount for 2007 only			0.	
b Total for prior years: 20__, 20__, 20__		0.		
3 Excess distributions carryover, if any, to 2008:				
a From 2003				
b From 2004				
c From 2005				
d From 2006				
e From 2007				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ \$ <u>41,149.</u>				
a Applied to 2007, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions).		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2008 distributable amount				41,149.
e Remaining amount distributed out of corpus.	0.			
5 Excess distributions carryover applied to 2008 (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 2007. Subtract line 4a from line 2a. Taxable amount - see instructions			0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a.	0.			
10 Analysis of line 9:				
a Excess from 2004				
b Excess from 2005				
c Excess from 2006				
d Excess from 2007				
e Excess from 2008				

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 2008, 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			(e) Total
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	
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 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).)
None

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
None

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

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

a The name, address, and telephone number 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 SCHOLARSHIPS, INC. 26838 GRANDVIEW AVE HAYWARD, CA 94542			SCHOLARSHIPS	15,000.
Total				▶ 3a 15,000.
b Approved for future payment				
Total				▶ 3b

Part XVI-A Analysis of Income-Producing Activities

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, and (e) Related or exempt function income. Rows include categories like Program service revenue, Fees and contracts from government agencies, Membership dues and assessments, Interest on savings and temporary cash investments, Dividends and interest from securities, Net rental income, Gain or (loss) from sales of assets, and Total.

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

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

Table with 2 columns: Line No. and 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. The first row contains 'N/A'.

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

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
- (2) Other assets

b Other transactions:

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

	Yes	No
1 a (1)		X
1 a (2)		X
1 b (1)		X
1 b (2)		X
1 b (3)		X
1 b (4)		X
1 b (5)		X
1 b (6)		X
1 c		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			

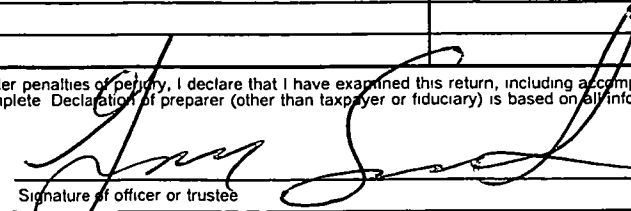
2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If 'Yes,' complete the following schedule

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

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 or fiduciary) is based on all information.

SIGNATURE

 Signature of officer or trustee

HERE
Paid Preparer's Use Only

Preparer's signature: **Self-Prepared**

Firm's name (or yours if self-employed), address, and ZIP code:

Client 6000

PETER SATEGNA EDUCATIONAL FOUNDATION

26-1702354

8/12/09

03:10PM

Statement 1
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
EXEMPTION QUALIFICATION	\$ 4,500.			
Total	\$ 4,500.	\$ 0.		\$ 0.

Statement 2
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
INVESTMENT MANAGEMENT	\$ 5,206.	\$ 5,206.		
Total	\$ 5,206.	\$ 5,206.		\$ 0.

Statement 3
Form 990-PF, Part III, Line 3
Other Increases

ESTABLISHING FUNDING FROM ESTATE OF PETER SATEGNA	\$ 1,000,000.
Total	\$ 1,000,000.

Statement 4
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
GARY SMITH 30998 HUNTWOOD AVE, SUITE 107 HAYWARD, CA 94541	Chairman 3.00	\$ 0.	\$ 0.	\$ 0.
LEE STIMMEL 30998 HUNTWOOD AVE, SUITE 107 HAYWARD, CA 94541	Co-chairman 1.00	0.	0.	0.
SHANNON SUCATO 30998 HUNTWOOD AVE, SUITE 107 HAYWARD, CA 94541	Secretary 2.00	0.	0.	0.
PAUL ERLE 30998 HUNTWOOD AVE, SUITE 107 HAYWARD, CA 94541	Treasurer 2.00	0.	0.	0.

Client 6000

PETER SATEGNA EDUCATIONAL FOUNDATION

26-1702354

8/12/09

03:45PM

Statement 4 (continued)
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
MARYANN PARRY 30998 HUNTWOOD AVE, SUITE 107 HAYWARD, CA 94541	Director 1.00	\$ 0.	\$ 0.	\$ 0.
CHRIS SMITH 30998 HUNTWOOD AVE, SUITE 107 HAYWARD, CA 94541	Director 1.00	0.	0.	0.
Total		<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 5
Form 990-PF, Part XII, Line 3b
Explanation for Cash Distribution Test

Foundation has established a scholarship program in which it intends to satisfy scholarship grants over a five year period. The amounts set aside will be paid within 60 months of the set aside. The project will not end within the current taxable year. This is the foundations initial year, thus there are no previous set asides. An actual amount of \$15,000 was paid for scholarships pursuant to Internal Revenue Service code section 170(c)(2)(B).

Investment Detail - Fixed Income

Accounting Method
Fixed Income: First In First Out (FIFO)

U.S. Treasuries	Units Purchased	Par Cost Per Unit	Market Price Cost Basis	Market Value Cost Basis	Adjusted Cost Basis	% of Account Assets Acquired	Unrealized Gain or (Loss)	Estimated Annual Income Yield to Maturity
US TREAS NT 4.125%08/10 (M)	25,000.0000	105.8594	26,464.85	25,570.50	3%	894.35 ^b	1,031.25	
U S T NOTE DUE 08/15/10 CUSIP: 912828ED8	25,000.0000	103.0882	25,772.07	25,570.50	05/28/08	894.35 ^b	2.67% <i>Accrued Interest: 389.52</i>	
US TREAS NT 4.25% 08/14 (M)	25,000.0000	114.8594	28,714.85	25,909.92	3%	2,804.93 ^b	1,062.50	
U S T NOTE DUE 08/15/14 CUSIP: 912828CT5	25,000.0000	103.9788	25,994.72	25,909.92	05/28/08	2,804.93 ^b	3.53% <i>Accrued Interest: 401.32</i>	
US TREAS NT 4.875%07/11 (M)	25,000.0000	110.3438	27,585.95	26,167.11	3%	1,418.84 ^b	1,218.75	
U S T NOTE DUE 07/31/11 CUSIP: 912828FN5	25,000.0000	105.6858	26,421.47	26,167.11	05/28/08	1,418.84 ^b	2.98% <i>Accrued Interest: 510.02</i>	
Total U.S. Treasuries			82,765.85	77,647.53	10%	5,118.12^b	3,312.50 <i>Total Accrued Interest for U.S. Treasuries: 1,300.86</i>	

Investment Detail - Fixed Income (continued)

Accounting Method
Fixed Income: First In First Out [FIFO]

Government Obligations	Par Units Purchased	Market Price Cost Per Unit	Market Value Cost Basis	Adjusted Cost Basis	% of Account Assets Acquired	Unrealized Gain or (Loss)	Estimated Annual Income Yield to Maturity
FED HM LN MTG 4.5%13 (M)	25,000.0000	108.9487	27,237.18	25,534.50	3%	1,702.68 ^b	1,125.00
NOTES DUE 01/15/13 CUSIP: 3134A4SA3 MOODY'S: Aaa S&P: AAA	25,000.0000	102.4191	25,604.79	25,534.50	05/28/08	1,702.68 ^b	3.92%
<i>Accrued Interest: 518.75</i>							
FED HOME LN BK 5.25%14 (M)	25,000.0000	113.1807	28,295.18	26,335.71	3%	1,959.47 ^b	1,312.50
NOTES DUE 06/18/14 CUSIP: 3133X7FK5 MOODY'S: Aaa S&P: AAA	25,000.0000	105.8504	26,462.60	26,335.71	05/28/08	1,959.47 ^b	4.14%
<i>Accrued Interest: 47.40</i>							
FED NATL MTG 5%15 (M)	25,000.0000	112.5837	28,145.93	25,899.09	3%	2,246.84 ^b	1,250.00
NOTES DUE 04/15/15 CUSIP: 31359MA45 MOODY'S: Aaa S&P: AAA	25,000.0000	103.8834	25,970.87	25,899.09	05/28/08	2,246.84 ^b	4.34%
<i>Accrued Interest: 263.89</i>							
Total Government Obligations			83,678.29	77,769.30	10%	5,908.99^b	3,687.50
<i>Total Accrued Interest for Government Obligations: 830.04</i>							
Corporate Bonds	Par Units Purchased	Market Price Cost Per Unit	Market Value Cost Basis	Adjusted Cost Basis	% of Account Assets Acquired	Unrealized Gain or (Loss)	Estimated Annual Income Yield to Maturity
ABBOTT LABS 5.6%17 (M)	25,000.0000	107.7263	26,931.58	25,448.20	3%	1,483.38 ^b	1,400.00
BONDS DUE 11/30/17 CUSIP: 002819AB6 MOODY'S: A1 S&P: AA	25,000.0000	101.8830	25,470.75	25,448.20	05/28/08	1,483.38 ^b	5.34%
<i>Accrued Interest: 120.56</i>							

Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings. Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement.

Investment Detail - Fixed Income (continued)

Accounting Method
Fixed Income: First In First Out [FIFO]

	Par Units Purchased	Market Price Cost Per Unit	Market Value Cost Basis	Adjusted Cost Basis	% of Account Assets Acquired	Unrealized Gain or (Loss)	Estimated Annual Income Yield to Maturity
Corporate Bonds (continued)							
CONOCO FUNDING 6.35%11F	25,000.0000	105.0268	26,256.70	26,356.13	3%	(99.43) ^b	1,587.50
CO GUARNT DUE 10/15/11 CUSIP: 20825UAB0 MOODY'S: A1 S&P: A	25,000.0000	106.4790	26,619.75	26,356.13	05/28/08	(99.43) ^b	4.26%
						Accrued Interest: 335.14	
NATL RURAL UTIL 4.75%14 (M)	25,000.0000	91.6850	22,921.25	25,198.23	3%	(2,276.98) ^b	1,187.50
COLL TRUST DUE 03/01/14 CUSIP: 637432DC6 MOODY'S: A1 S&P: A+	25,000.0000	100.8650	25,216.25	25,198.23	05/28/08	(2,276.98) ^b	4.57%
						Accrued Interest: 395.83	
ORACLE 5.25%16 (M) BONDS DUE 01/15/16	25,000.0000	102.7631	25,690.78	25,067.01	3%	623.77 ^b	1,312.50
CUSIP: 68402LAC8 MOODY'S: A2 S&P: A	25,000.0000	100.2800	25,070.00	25,067.01	05/28/08	623.77 ^b	5.20%
						Accrued Interest: 605.21	
WACHOVIA BANK 5.6%16 (M) BONDS DUE 03/15/16	25,000.0000	95.1480	23,787.00	24,947.50	3%	(1,160.50)	1,400.00
CUSIP: 92976GAE1 MOODY'S: Aa3 S&P: A+	25,000.0000	99.7900	24,947.50	24,947.50	05/28/08	(1,160.50)	5.63%
						Accrued Interest: 412.22	
Total Corporate Bonds			125,587.31	127,017.07	15%	(1,429.76)^b	6,887.50
						Total Accrued Interest for Corporate Bonds: 1,868.96	

Investment Detail - Fixed Income (continued)

Accounting Method
Fixed Income: First In First Out [FIFO]

	Par	Market Price	Market Value	Adjusted Cost Basis	% of Account Assets	Unrealized Gain or (Loss)	Estimated Annual Income
Municipal Bonds	Units Purchased	Cost Per Unit	Cost Basis		Acquired		Yield to Maturity
RENTON WASH WTR 4.4%15 (M)	25,000.0000	109.0080	27,252.00	26,211.60	3%	1,040.40 ^b	1,100.00
REV DUE 12/01/15 & SWR REV OID FSA CALLABLE 12/01/12 AT 100.00000 CUSIP: 760167RQ1 MOODY'S: Aa3 S&P: AAA	25,000.0000	104.9430	26,235.75	26,211.60	11/03/08	1,040.40 ^b	3.60%
							<i>Accrued Interest: 91.67</i>
Total Municipal Bonds			27,252.00	26,211.60	3%	1,040.40^b	1,100.00
							<i>Total Accrued Interest for Municipal Bonds: 91.67</i>
Total Fixed Income			319,283.25	308,645.50	39%	10,637.75^b	14,987.50

Accrued Interest represents the interest that would be received if the fixed income investment was sold prior to the coupon payment.
Estimated Annual Income and yield calculations are for informational purposes only and are not a projection or guarantee of future dividends.

Investment Detail - Equities

Accounting Method
Equities: First In First Out [FIFO]

	Quantity	Market Price	Market Value	% of Account Assets	Unrealized Gain or (Loss)	Estimated Yield	Estimated Annual Income
Equities	Units Purchased	Cost Per Share	Cost Basis	Acquired		Holding Days	Holding Period
ABBOTT LABORATORIES (M) SYMBOL: ABT	165.0000	53.3700	8,806.05	1%	(923.75)	2.69%	237.60
	165.0000	58.9684	9,729.80	08/11/08	(923.75)	142	Short-Term
ALLERGAN INC (M) SYMBOL: AGN	245.0000	40.3200	9,878.40	1%	(2,870.75)	0.49%	49.00
	200.0000	54.8947	10,978.95	05/21/08	(2,914.95)	224	Short-Term
	45.0000	39.3377	1,770.20	11/03/08	44.20	58	Short-Term
<i>Cost Basis</i>			12,749.15				

Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings. Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement.

Investment Detail - Equities (continued)

Accounting Method
Equities: First In First Out [FIFO]

Equities (continued)	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	% of Account Assets Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
APPLE INC (M)	115.0000	85.3500	9,815.25	1%	(7,979.05)	0.00%	0.00
SYMBOL: AAPL	70.0000	169.7378	11,881.65	06/26/08	(5,907.15)	188	Short-Term
	15.0000	176.7333	2,651.00	08/11/08	(1,370.75)	142	Short-Term
	30.0000	108.7216	3,261.65	11/03/08	(701.15)	58	Short-Term
<i>Cost Basis</i>			17,794.30				
AUTO DATA PROCESSING (M)	195.0000	39.3400	7,671.30	<1%	(1,220.00)	3.35%	257.40
SYMBOL: ADP	195.0000	45.5964	8,891.30	08/11/08	(1,220.00)	142	Short-Term
AVON PRODUCTS INC (M)	230.0000	24.0300	5,526.90	<1%	(2,011.25)	3.32%	184.00
SYMBOL: AVP	145.0000	36.0917	5,233.30	06/26/08	(1,748.95)	188	Short-Term
	10.0000	43.1900	431.90	09/16/08	(191.60)	106	Short-Term
	75.0000	24.9726	1,872.95	11/03/08	(70.70)	58	Short-Term
<i>Cost Basis</i>			7,538.15				
BARD C R INCORPORATED (M)	45.0000	84.2600	3,791.70	<1%	(128.15)	0.75%	28.80
SYMBOL: BCR	45.0000	87.1078	3,919.85	06/26/08	(128.15)	188	Short-Term
BEST BUY INC (M)	80.0000	28.1100	2,248.80	<1%	(886.55)	1.99%	44.80
SYMBOL: BBY	80.0000	39.1918	3,135.35	09/26/08	(886.55)	96	Short-Term
C V S CAREMARK CORP (M)	435.0000	28.7400	12,501.90	2%	(4,989.10)	0.96%	120.06
SYMBOL: CVS	305.0000	42.5193	12,968.40	05/21/08	(4,202.70)	224	Short-Term
	65.0000	38.2492	2,486.20	08/08/08	(618.10)	145	Short-Term
	65.0000	31.3292	2,036.40	11/03/08	(168.30)	58	Short-Term
<i>Cost Basis</i>			17,491.00				
CELGENE CORP (M)	75.0000	55.2800	4,146.00	<1%	(200.95)	0.00%	0.00
SYMBOL: CELG	75.0000	57.9593	4,346.95	05/21/08	(200.95)	224	Short-Term

Investment Detail - Equities (continued)

Accounting Method
Equities: First In First Out [FIFO]

Equities (continued)	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	% of Account Assets Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
CISCO SYSTEMS INC (M)	625.0000	16.3000	10,187.50	1%	(4,161.85)	0.00%	0.00
SYMBOL: CSCO	520.0000	24.0852	12,524.31	06/26/08	(4,048.31)	188	Short-Term
	105.0000	17.3813	1,825.04	11/03/08	(113.54)	58	Short-Term
<i>Cost Basis</i>			14,349.35				
COGNIZANT TECH SOL CL A (M)	130.0000	18.0600	2,347.80	<1%	(268.76)	0.00%	0.00
SYMBOL: CTSH	130.0000	20.1273	2,616.56	11/03/08	(268.76)	58	Short-Term
DEERE & CO (M)	95.0000	38.3200	3,640.40	<1%	(2,841.80)	2.92%	106.40
SYMBOL: DE	60.0000	68.7658	4,125.95	08/11/08	(1,826.75)	142	Short-Term
	35.0000	67.3214	2,356.25	08/14/08	(1,015.05)	139	Short-Term
<i>Cost Basis</i>			6,482.20				
EMERSON ELECTRIC CO (M)	100.0000	36.6100	3,661.00	<1%	(1,353.95)	3.60%	132.00
SYMBOL: EMR	100.0000	50.1495	5,014.95	08/11/08	(1,353.95)	142	Short-Term
FLUOR CORPORATION NEW (M)	70.0000	44.8700	3,140.90	<1%	(3,315.16)	1.11%	35.00
SYMBOL: FLR	70.0000	92.2295	6,456.06	06/26/08	(3,315.16)	188	Short-Term
GENZYME CORPORATION (M)	140.0000	66.3700	9,291.80	1%	(843.99)	0.00%	0.00
SYMBOL: GENZ	100.0000	72.0243	7,202.44	06/26/08	(565.44)	188	Short-Term
	40.0000	73.3337	2,933.35	11/03/08	(278.55)	58	Short-Term
<i>Cost Basis</i>			10,135.79				
GOOGLE INC CLASS A (M)	15.0000	307.6500	4,614.75	<1%	(1,504.90)	0.00%	0.00
SYMBOL: GOOG	10.0000	432.7350	4,327.35	09/26/08	(1,250.85)	96	Short-Term
	5.0000	358.4600	1,792.30	11/03/08	(254.05)	58	Short-Term
<i>Cost Basis</i>			6,119.65				

Investment Detail - Equities (continued)

Accounting Method
Equities: First In First Out [FIFO]

Equities (continued)	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	% of Account Assets Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
HEWLETT-PACKARD COMPANY (M)	260.0000	36.2900	9,435.40	1%	(1,653.80)	0.88%	83.20
SYMBOL: HPQ	155.0000	44.9477	6,966.90	06/26/08	(1,341.95)	188	Short-Term
	5.0000	52.5200	262.60	09/16/08	(81.15)	106	Short-Term
	80.0000	39.2918	3,143.35	11/03/08	(240.15)	58	Short-Term
	20.0000	35.8175	716.35	11/24/08	9.45	37	Short-Term
<i>Cost Basis</i>			<i>11,089.20</i>				
HOME DEPOT INC (M)	215.0000	23.0200	4,949.30	<1%	118.63	3.90%	193.50
SYMBOL: HD	215.0000	22.4682	4,830.67	11/03/08	118.63	58	Short-Term
INTEL CORP (M)	375.0000	14.6600	5,497.50	<1%	(3,788.45)	3.81%	210.00
SYMBOL: INTC	375.0000	24.7625	9,285.95	08/11/08	(3,788.45)	142	Short-Term
INTL BUSINESS MACHINES (M)	55.0000	84.1600	4,628.80	<1%	(1,823.83)	2.37%	110.00
SYMBOL: IBM	15.0000	122.0018	1,830.03	06/26/08	(567.63)	188	Short-Term
	25.0000	128.0580	3,201.45	08/11/08	(1,097.45)	142	Short-Term
	15.0000	94.7433	1,421.15	11/03/08	(158.75)	58	Short-Term
<i>Cost Basis</i>			<i>6,452.63</i>				
INTRCONTINENTALEXCHANGE (M)	40.0000	82.4400	3,297.60	<1%	(74.95)	0.00%	0.00
SYMBOL: ICE	40.0000	84.3137	3,372.55	11/03/08	(74.95)	58	Short-Term
JOHNSON & JOHNSON (M)	40.0000	59.8300	2,393.20	<1%	(277.80)	3.07%	73.60
SYMBOL: JNJ	40.0000	66.7750	2,671.00	10/03/08	(277.80)	89	Short-Term
JPMORGAN CHASE & CO (M)	150.0000	31.5300	4,729.50	<1%	(1,922.90)	4.82%	228.00
SYMBOL: JPM	70.0000	47.8150	3,347.05	09/26/08	(1,139.95)	96	Short-Term
	35.0000	41.7271	1,460.45	10/14/08	(356.90)	78	Short-Term
	45.0000	40.9977	1,844.90	11/03/08	(426.05)	58	Short-Term
<i>Cost Basis</i>			<i>6,652.40</i>				

Investment Detail - Equities (continued)

Accounting Method
Equities: First In First Out (FIFO)

Equities (continued)	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	% of Account Assets Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
LOCKHEED MARTIN CORP (M)	75.0000	84.0800	6,306.00	<1%	(523.71)	2.71%	171.00
SYMBOL: LMT	25.0000	105.9296	2,648.24	10/03/08	(546.24)	89	Short-Term
	15.0000	96.0613	1,440.92	10/14/08	(179.72)	78	Short-Term
	15.0000	84.5333	1,268.00	11/03/08	(6.80)	58	Short-Term
	20.0000	73.6275	1,472.55	11/24/08	209.05	37	Short-Term
<i>Cost Basis</i>			6,829.71				
MC DONALDS CORP (M)	100.0000	62.1900	6,219.00	<1%	774.54	3.81%	237.50
SYMBOL: MCD	70.0000	53.6364	3,754.55	10/23/08	598.75	69	Short-Term
	30.0000	56.3303	1,689.91	11/24/08	175.79	37	Short-Term
<i>Cost Basis</i>			5,444.46				
MEMC ELECTRNC MATERIALS (M)	155.0000	14.2800	2,213.40	<1%	(1,390.44)	0.00%	0.00
SYMBOL: WFR	155.0000	23.2505	3,603.84	10/20/08	(1,390.44)	72	Short-Term
MICROSOFT CORP (M)	535.0000	19.4400	10,400.40	1%	(2,724.63)	2.67%	278.20
SYMBOL: MSFT	195.0000	27.3854	5,340.16	09/26/08	(1,549.36)	96	Short-Term
	340.0000	22.8966	7,784.87	11/03/08	(1,175.27)	58	Short-Term
<i>Cost Basis</i>			13,125.03				
MONSANTO CO NEW DEL (M)	55.0000	70.3500	3,869.25	<1%	(2,043.46)	1.36%	52.80
SYMBOL: MON	20.0000	124.0478	2,480.96	05/21/08	(1,073.96)	224	Short-Term
	20.0000	105.8175	2,116.35	08/11/08	(709.35)	142	Short-Term
	15.0000	87.6933	1,315.40	11/03/08	(260.15)	58	Short-Term
<i>Cost Basis</i>			5,912.71				
NOVARTIS A G SPON ADR F (M)	90.0000	49.7600	4,478.40	<1%	(371.65)	0.00%	0.00
SPONSORED ADR 1 ADR REP 1 ORD SYMBOL: NVS	90.0000	53.8894	4,850.05	06/26/08	(371.65)	188	Short-Term
OCCIDENTAL PETE CORP (M)	60.0000	59.9900	3,599.40	<1%	648.50	2.13%	76.80
SYMBOL: OXY	60.0000	49.1816	2,950.90	11/24/08	648.50	37	Short-Term

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Investment Detail - Equities (continued)

Accounting Method
Equities: First In First Out [FIFO]

Equities (continued)	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	% of Account Assets Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
ORACLE CORPORATION (M)	405.0000	17.7300	7,180.65	<1%	(1,078.31)	0.00%	0.00
SYMBOL: ORCL	215.0000	20.1070	4,323.01	09/19/08	(511.06)	103	Short-Term
	75.0000	20.8426	1,563.20	09/26/08	(233.45)	96	Short-Term
	115.0000	20.6326	2,372.75	09/26/08	(333.80)	96	Short-Term
<i>Cost Basis</i>			8,258.96				
PEPSICO INCORPORATED (M)	240.0000	54.7700	13,144.80	2%	(2,514.46)	3.10%	408.00
SYMBOL: PEP	175.0000	68.0837	11,914.66	05/21/08	(2,329.91)	224	Short-Term
	65.0000	57.6092	3,744.60	11/03/08	(184.55)	58	Short-Term
<i>Cost Basis</i>			15,659.26				
PRAXAIR INC (M)	80.0000	59.3600	4,748.80	<1%	(2,817.43)	2.52%	120.00
SYMBOL: PX	80.0000	94.5778	7,566.23	06/26/08	(2,817.43)	188	Short-Term
PROCTER & GAMBLE (M)	205.0000	61.8200	12,673.10	2%	(1,594.75)	2.58%	328.00
SYMBOL: PG	175.0000	69.6640	12,191.20	08/11/08	(1,372.70)	142	Short-Term
	30.0000	69.2216	2,076.65	09/26/08	(222.05)	96	Short-Term
<i>Cost Basis</i>			14,267.85				
QUALCOMM INC (M)	225.0000	35.8300	8,061.75	<1%	(4,340.76)	1.78%	144.00
SYMBOL: QCOM	225.0000	55.1222	12,402.51	08/11/08	(4,340.76)	142	Short-Term
ROCKWELL COLLINS INC (M)	105.0000	39.0900	4,104.45	<1%	(2,625.55)	2.45%	100.80
SYMBOL: COL	105.0000	64.0952	6,730.00	05/21/08	(2,625.55)	224	Short-Term
SCHERING PLOUGH CORP (M)	325.0000	17.0300	5,534.75	<1%	819.70	1.52%	84.50
SYMBOL: SGP	325.0000	14.5078	4,715.05	11/03/08	819.70	58	Short-Term
SCHLUMBERGER LTD F (M)	115.0000	42.3300	4,867.95	<1%	(3,435.40)	1.98%	96.60
SYMBOL: SLB	70.0000	86.0150	6,021.05	09/26/08	(3,057.95)	96	Short-Term
	45.0000	50.7177	2,282.30	11/03/08	(377.45)	58	Short-Term
<i>Cost Basis</i>			8,303.35				

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Investment Detail - Equities (continued)

Accounting Method
Equities: First In First Out [FIFO]

Equities (continued)	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	% of Account Assets Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
SOUTHWESTERN ENERGY CO (M)	240.0000	28.9700	6,952.80	<1%	(2,956.04)	0.00%	0.00
SYMBOL: SWN	165.0000	44.7472	7,383.30	06/26/08	(2,603.25)	188	Short-Term
	5.0000	35.0580	175.29	09/16/08	(30.44)	106	Short-Term
	70.0000	33.5750	2,350.25	11/03/08	(322.35)	58	Short-Term
<i>Cost Basis</i>			<i>9,908.84</i>				
STRYKER CORP (M)	130.0000	39.9500	5,193.50	<1%	(2,740.10)	1.00%	52.00
SYMBOL: SYK	85.0000	64.5323	5,485.25	09/26/08	(2,089.50)	96	Short-Term
	45.0000	54.4077	2,448.35	11/03/08	(650.60)	58	Short-Term
<i>Cost Basis</i>			<i>7,933.60</i>				
TARGET CORPORATION (M)	175.0000	34.5300	6,042.75	<1%	(3,290.20)	1.85%	112.00
SYMBOL: TGT	175.0000	53.3311	9,332.95	05/21/08	(3,290.20)	224	Short-Term
THE CHARLES SCHWAB CORP (M)	170.0000	16.1700	2,748.90	<1%	(963.95)	1.48%	40.80
SYMBOL: SCHW	170.0000	21.8403	3,712.85	05/21/08	(963.95)	224	Short-Term
THERMO FISHER SCIENTIFIC (M)	205.0000	34.0700	6,984.35	<1%	(4,496.20)	0.00%	0.00
SYMBOL: TMO	165.0000	59.7042	9,851.20	05/21/08	(4,229.65)	224	Short-Term
	40.0000	40.7337	1,629.35	11/03/08	(266.55)	58	Short-Term
<i>Cost Basis</i>			<i>11,480.55</i>				
UNITED TECHNOLOGIES CORP (M)	165.0000	53.6000	8,844.00	1%	(865.97)	2.87%	254.10
SYMBOL: UTX	110.0000	60.8647	6,695.12	09/26/08	(799.12)	96	Short-Term
	55.0000	54.8154	3,014.85	11/03/08	(66.85)	58	Short-Term
<i>Cost Basis</i>			<i>9,709.97</i>				
VISA INC CL A (M)	145.0000	52.4500	7,605.25	<1%	(2,073.93)	0.80%	60.90
CLASS A	65.0000	79.0476	5,138.10	06/26/08	(1,728.85)	188	Short-Term
SYMBOL: V	10.0000	68.1950	681.95	09/16/08	(157.45)	106	Short-Term
	25.0000	57.0792	1,426.98	10/14/08	(115.73)	78	Short-Term
	45.0000	54.0477	2,432.15	11/03/08	(71.90)	58	Short-Term
<i>Cost Basis</i>			<i>9,679.18</i>				

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Investment Detail - Equities (continued)

Accounting Method
Equities: First In First Out [FIFO]

Equities (continued)	Quantity Units Purchased	Market Price Cost Per Share	Market Value Cost Basis	% of Account Assets Acquired	Unrealized Gain or (Loss)	Estimated Yield Holding Days	Estimated Annual Income Holding Period
WAL-MART STORES INC ^(M)	185.0000	56.0600	10,371.10	1%	(328.62)	1.69%	175.75
SYMBOL: WMT	95.0000	59.8788	5,688.49	10/03/08	(362.79)	89	Short-Term
	25.0000	54.1792	1,354.48	10/14/08	47.02	78	Short-Term
	55.0000	56.6654	3,116.60	11/03/08	(33.30)	58	Short-Term
	10.0000	54.0150	540.15	11/24/08	20.45	37	Short-Term
Cost Basis			10,699.72				
WEATHERFORD INTL LTD F ^(M)	110.0000	10.8200	1,190.20	<1%	(3,818.88)	0.00%	0.00
SYMBOL: WFT	110.0000	45.5371	5,009.08	05/21/08	(3,818.88)	224	Short-Term
WELLS FARGO & CO NEW ^(M)	110.0000	29.4800	3,242.80	<1%	171.85	4.61%	149.60
SYMBOL: WFC	110.0000	27.9177	3,070.95	11/07/08	171.85	54	Short-Term
XTO ENERGY INC ^(M)	75.0000	35.2700	2,645.25	<1%	89.06	1.36%	36.00
SYMBOL: XTO	75.0000	34.0825	2,556.19	10/14/08	89.06	78	Short-Term
Total Equities			295,424.75	36%	(89,413.85)		5,072.71

Estimated Annual Income and yield calculations are for informational purposes only and are not a projection or guarantee of future dividends.