Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No. 1545-0052

2010

For calendar year 2010, or tax year beginning , 2010, and ending ,

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

Name of foundation: **Stegall Charitable Educational Foundation**

A Employer identification number: **48-1281001**

Number and street (or P.O. box number if mail is not delivered to street address): **107 N. Maple** Room/suite:

B Telephone number (see the instructions): **(615) 895-9890**

City or town: **Murfreesboro** State: **TN** ZIP code: **37130**

C If exemption application is pending, check here ►

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, column (c), line 16)* ► $ 972,398.

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 the instructions).)*

	Line	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)				
	2 Ck ► ☒ if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	1.			
	4 Dividends and interest from securities	22,016.			
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)		6,012.		
	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) Securities Litigation Payment	3.			
	12 **Total.** Add lines 1 through 11	22,020.	6,012.		
OPERATING AND ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	12,416.			12,416.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) L-16b Stmt	6,354.			6,296.
	c Other prof fees (attach sch) L-16c Stmt	6,296.			6,354.
	17 Interest				
	18 Taxes (attach schedule)(see instr.) Foreign Taxes	203.			203.
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Line 23 Stmt	79.			79.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	25,348.			25,348.
	25 Contributions, gifts, grants paid	22,500.			22,500.
	26 **Total expenses and disbursements.** Add lines 24 and 25	47,848.			47,848.
	27 Subtract line 26 from line 12:				
	a **Excess of revenue over expenses and disbursements**	-25,828.			
	b **Net investment income** (if negative, enter -0-)		6,012.		
	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 (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments	1,542.	1,503.	1,503.
	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)			
	b Investments — corporate stock (attach schedule)			
	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)			
	14 Land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ► L-15 Stmt)	911,261.	970,895.	970,895.
	16 Total assets (to be completed by all filers – see instructions. Also, see page 1, item I)	912,803.	972,398.	972,398.
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)			
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here ► [X] and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	912,803.	972,398.	
	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			
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	912,803.	972,398.	
	31 Total liabilities and net assets/fund balances (see the instructions)	912,803.	972,398.	

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	912,803.
2	Enter amount from Part I, line 27a	2	-25,828.
3	Other increases not included in line 2 (itemize) ► Unrecognized appreciation of securities	3	85,423.
4	Add lines 1, 2, and 3	4	972,398.
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	972,398.

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)
1a	F3A-002780	P	12/17/09	09/08/10
b	CFJ-465143	P	07/10/07	12/31/10
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	254,199.		248,372.	5,827.
b	28,749.		28,564.	185.
c				
d				
e				

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

	(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	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				5,827.
b				185.
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	6,012.
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	

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2009	24,500.	818,389.	0.029937
2008	16,500.	945,968.	0.017442
2007	5,170.	92,132.	0.056115
2006	5,000.	6,341.	0.788519
2005	1,500.	9,610.	0.156087

2	**Total** of line 1, column (d)	2	1.048100
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	0.209620
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	906,462.
5	Multiply line 4 by line 3	5	190,013.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	60.
7	Add lines 5 and 6	7	190,073.
8	Enter qualifying distributions from Part XII, line 4	8	47,848.

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 ► ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary – see instr.)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☐ and enter 1% of Part I, line 27b	1	120.
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	120.
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	120.
6	Credits/Payments:		
a	2010 estimated tax pmts and 2009 overpayment credited to 2010 — 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	
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	120.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►	10	0.
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ► **Refunded** ►	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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
	*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ► $ ______ **(2)** On foundation managers ► $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see the instructions) ► TN - Tennessee			
b	If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses.*	10		X

Part VII-A Statements Regarding Activities *(Continued)*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation 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?	13	X	

Website address ► **www.fdncenter.org/grantmaker/stegall**

14 The books are in care of ► **Sandra Y. Trail** Telephone no. ► **(615) 895-9890**

Located at ► **107 N. Maple, Murfreesboro, TN** ZIP + 4 ► **37130**

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

and enter the amount of tax-exempt interest received or accrued during the year ► 15

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. 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
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? ☐ 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 the instructions)?	1b		X
	Organizations relying on a current notice regarding disaster assistance check here ► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	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 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? ☐ 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 the instructions.)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ► 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? ☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 2010 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 2010.)*	3b		
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 2010?	4b		X

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

5a During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 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

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

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

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

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

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

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

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? 7b X

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
Whitney Stegall, Jr. 1050 Beach Grove Road, Brentwood, TN 37027	President, 5.00	0.	0.	0.
Amy Swartz 1425 Bradberry Drive, Murfreesboro, TN 37130	Secretary, 5.00	0.	0.	0.
Sandra Y. Trail, 107 N. Maple, Murfreesboro, TN 37130	Treasurer, 5.00	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				
0				
0				
0				
0				

Total number of other employees paid over $50,000 ► **None**

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

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

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

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 Awarded scholarships to qualifying applicants	22,500.
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	905,018.
b	Average of monthly cash balances	1b	15,248.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	920,266.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) — 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	920,266.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	13,804.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	906,462.
6	**Minimum investment return.** Enter 5% of line 5	6	45,323.

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	45,323.
2a	Tax on investment income for 2010 from Part VI, line 5	2a 120.		
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b		2c	120.
3	Distributable amount before adjustments. Subtract line 2c from line 1		3	45,203.
4	Recoveries of amounts treated as qualifying distributions		4	
5	Add lines 3 and 4		5	45,203.
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	45,203.

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	47,848.
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	47,848.
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	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	47,848.

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 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7					45,203.
2 Undistributed income, if any, as of the end of 2010:					
a Enter amount for 2009 only				40,919.	
b Total for prior years: 20___, 20___, 20___					
3 Excess distributions carryover, if any, to 2010:					
a From 2005	1,500.				
b From 2006	5,000.				
c From 2007	5,170.				
d From 2008	46,833.				
e From 2009	53,417.				
f **Total** of lines 3a through e		111,920.			
4 Qualifying distributions for 2010 from Part XII, line 4: ► $ 47,848.					
a Applied to 2009, 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)					
d Applied to 2010 distributable amount					
e Remaining amount distributed out of corpus		47,848.			
5 Excess distributions carryover applied to 2010 *(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		159,768.			
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					
d Subtract line 6c from line 6b. Taxable amount – see instructions			0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount – see instructions				40,919.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011					45,203.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)					
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)		1,500.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a		158,268.			
10 Analysis of line 9:					
a Excess from 2006	5,000.				
b Excess from 2007	5,170.				
c Excess from 2008	46,833.				
d Excess from 2009	53,417.				
e Excess from 2010	47,848.				

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 2010, enter the date of the ruling ►

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

	Tax year	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a 'Assets' alternative test – enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the 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:

Stegall Charitable Education Foundation, c/o Whitney Stegall, Jr., Trustee
P.O. Box 150786
Nashville TN 37215-0786 (615) 895-9890

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

SEE ATTACHED

c Any submission deadlines:

SEE ATTACHED

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

SEE ATTACHED

STEGALL CHARITABLE EDUCATIONAL FOUNDATION

Scholarships in the amount of Five Hundred and No/100 ($500.00) per semester (no more than two in one year) shall be granted to high school students, high school graduates or existing college students entering a full-time program of college study within one year from the scholarship application deadline. **The scholarship application deadline for the Spring Semester is December 1 and the deadline for the Fall Semester is July 1.** Scholarship funds shall be used only for college tuition, fees, room and board, and books and materials. Funds granted shall be a gift to the student and are not required to be repaid, except as hereinafter set forth. <u>Funds shall be granted on a per-semester basis</u>. <u>Each semester's award will be accompanied with instructions for the grant and the re-qualification process for subsequent semester awards</u>. Scholarships will be given on an equal opportunity basis. The criteria for selecting such students shall be in the discretion of the Trustees, giving preferential treatment first, to those individuals that have demonstrated a willingness to serve the general public through past civic responsibilities, and secondly, to those individuals who have expressed an intention to become an attorney.

To qualify for scholarship funds, students shall be required to possess the following:

1. At least a 2.8 (on a 4.0 scale) cumulative high school G.P.A. (or its equivalent, to be submitted as a sealed transcript) or an 18 composite A.C.T. score (or its equivalent) for first-time freshman;
2. At least a 3.0 cumulative G.P.A. (on a 4.0 scale) for college upper classmen and transfer students;
3. Need for financial assistance;
4. Full-time student status, except when less than a full-time course load is necessary to complete a degree program; and
5. Unrestricted academic standing with the university or college with which courses will be taken (e.g., no academic suspensions).

Students shall register for classes in accordance with university procedure and the Foundation shall pay tuition funds to the university directly, on behalf of the student. In the event a student's tuition is paid in full from other sources, the scholarship award shall be paid directly to the student for payment of fees, room and board, books, and materials.

At the end of each academic term, each scholarship recipient shall submit a college transcript, showing grades from the term just completed, to the Foundation's Board of Trustees. In order to continue receiving the scholarship grant for the next academic term, the student must possess at least a 2.5 G.P.A. for the preceding term paid for by the Foundation. <u>Transcripts for qualification or re-qualification for subsequent semester awards should be submitted no later than fifteen (15) days following the end of the semester.</u>

Any student who withdraws from a class during the academic term, and such withdrawal causes such student to lose full-time status with the university, shall be required to reimburse the Foundation for the tuition cost for the class from which he or she withdrew. This reimbursement condition may be waived at the sole discretion of the Board of Trustees for a student who suffers a serious injury, illness or similar good cause for withdrawal from a class or classes. Any student who is found to have provided false information on his or her scholarship application form shall be liable to the Foundation for the full cost of the scholarship used.

Return your completed application and pertinent attachments to:
Whit Stegall
P.O. Box 150786
Nashville, TN 37215-0786

Stegall Charitable Educational Foundation Scholarship Application Form
(Please print or type)

Student Name and Address:

____

High School(s) Attended, Address of School:

____

Date of Graduation:______________

Cumulative G.P.A. (on 4.0 scale) at end of most recent semester or date of graduation:_____

Please attach an official copy of your final high school transcript.

Latest ACT Composite Score (or its equivalent) ________________

University or College that you will attend and Address (list any attended in past or that you are currently attending):

____

If applicable at this time - University or College Cumulative G.P.A. (on a 4.0 scale) _______

Please attach an official copy of your current college transcript.

Please explain why you are in financial need of this scholarship. Specifically, indicate whether you are still a dependent for federal income tax purposes, and if so, the name and annual income for the person or persons for whom you are a dependent:

____

Past civic responsibilities:____

Career Intentions:____

Any personal statement or letter submitted an applicant will be reviewed by the board.

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				
Jessica L. Bass 140 Horners Loop Humboldt TN 38343	NONE	N/A	Scholarship Vanderbilt University	500.
Oluwatola Adebusola Assan 2471 Oakhill Drive Murfreesboro TN 37130	NONE	N/A	Scholarship MTSU	1,000.
Oluwatomilola Adekunbi Assan 2471 Oakhill Drive Murfreesboro TN 37130	NONE	N/A	Scholarship MTSU	1,000.
Seraiah Vinson 1228 Kyle Drive Cookeville TN 38501	NONE	N/A	Scholarship Vanderbilt University	1,000.
Ezra Helton 309 East McKinney Ave Rogersville TN 37857	NONE	N/A	Scholarship East Tennessee State University	1,000.
Michael Mitchell 648 Boone Lane Jackson TN 38301	NONE	N/A	Scholarship University of Tennessee	500.
Joshua Ragan 896 Walnut Grove Road Bluff City TN 37618	NONE	N/A	Scholarship Carson-Newman College	1,000.
Hollie Glisson 1088 Akins Store Road Munford TN 38058	NONE	N/A	Scholarship Baptist College of Health Sciences	1,500.
Michael Nanney 509 Forrest Pointe Drive Murfreesboro TN 37130	NONE	N/A	Scholarship Middle Tennessee State University	1,000.
See Line 3a statement				14,000.
Total			► 3a	22,500.
b Approved for future payment				
Total			► 3b	

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 the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	1.	
4 Dividends and interest from securities			14	22,016.	
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			14	6,012.	
8 Gain or (loss) from sales of assets other than inventory					
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a SEC LITIG PAYMT			14	3.	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				28,032.	
13 **Total.** Add line 12, columns (b), (d), and (e)				13	28,032.

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

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 the instructions.)
3	N/A

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

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

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

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

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

b If 'Yes,' complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

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

Sandy Neil, Trustee — Signature of officer or trustee | 03/16/11 Date | Trustee Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if [X] if self-employed	PTIN
Sandra Y. Trail	Sandra Y. Trail		X	P00499270

Firm's name ▶ Sandra Y. Trail — Firm's EIN ▶

Firm's address ▶ 107 N Maple St. Murfreesboro TN 37130 — Phone no. (615) 895-9890

Form 990-PF, Page 1, Part I, Line 23
Line 23 Stmt

Other expenses:	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Annual Report TN Sec. of State	40.			40.
Postage	39.			39.
Contract Mailing				
FPT-005193 Generic Expenses				
Total	79.			79.

Form 990-PF, Page 11, Part XV, line 3a
Line 3a statement

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	Person or Business Checkbox Amount
a Paid during the year				
Jack Parker 1021 Francis St #347D Knoxville TN 37916	NONE	N/A	Scholarship University of Tennesee	Person or X Business 500.
Erin Grayson P.O. Box 6740 Maryville TN 37802	NONE	N/A	Scholarship Bryan College	Person or X Business 500.
Lydia Steele 721 Bryan Drive #7764 Dayton TN 37321	NONE	N/A	Scholarship Bryan College	Person or X Business 1,000.
Stephen Doyle 1019 Craig Drive Milan TN 38358	NONE	N/A	Scholarship UT Chattanooga	Person or X Business 1,000.
Adrian Riser 1220 Harrington Drive Knoxville TN 37922	NONE	N/A	Scholarship MTSU	Person or X Business 1,000.
Alexandra Bergin 424 Bonnie Valley Lebanon TN 37087	NONE	N/A	Scholarship Belmont University	Person or X Business 1,000.
Andy A. Danniels 151 Whites Creek Road Spring City TN 37381	NONE	N/A	Scholarship Chattanooga ST Tech Community College	Person or X Business 500.
Jalesa Lowe 1301 E. Main St. Murfreesboro TN 37132	NONE	N/A	Scholarship MTSU	Person or X Business 1,000.
Lauren A. Massey 600 Lookout Drive Columbia TN 38401	NONE	N/A	Scholarship Columbia ST Community College	Person or X Business 1,000.
Benjamin W. Weigel 5213 Smartt Drive Nashville TN 37220	NONE	N/A	Scholarship Nashville School of Law	Person or X Business 1,500.
Oluwatosin Assan 2471 Oakhill Drive Murfreesboro TN 37130	NONE	N/A	Scholarship MTSU	Person or X Business 1,000.

Form 990-PF, Page 11, Part XV, line 3a Continued
Line 3a statement

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	Person or Business Checkbox Amount
a *Paid during the year*				
Tina R. Burks 220 Indian Park Drive Apt 206 Murfreesboro TN 37128	NONE	N/A	Scholarship Columbia State Community College	Person or [X] Business [ ] 500.
Nicholas C. Christiansen 3006 Palace Place Murfreesboro TN 37129	NONE	N/A	Scholarship University Of Memphis	Person or [X] Business [ ] 1,000.
Lynsey Hughes 305 Austin Springs Rd #3 Piney Flats TN 37686	NONE	N/A	Scholarship Tusculum College	Person or [X] Business [ ] 500.
Katelyn Massie 235 Nauvoo School Road Dyersberg TN 38024	NONE	N/A	Scholarship University Of Tennessee-Martin	Person or [X] Business [ ] 500.
Holly McKnight 1100 N. Church St. Murfreesboro TN 37130	NONE	N/A	Scholarship Lipscomb Univ	Person or [X] Business [ ] 1,000.
Bethany Roe 3990 Kristen Street Spring Hill TN 37174	NONE	N/A	Scholarship MTSU	Person or [X] Business [ ] 500.
Total				14,000.

Form 990-PF, Page 1, Part I
Line 16b - Accounting Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Trail & Agee	990PF prep.	6,354.			
Total		6,354.			

Form 990-PF, Page 1, Part I
Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
First TN Bank	Investment Advisor Fees	6,296.			

Form 990-PF, Page 1, Part I Continued
Line 16c - Other Professional Fees

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Total		6,296.			

Form 990-PF, Page 2, Part II, Line 15
Other Assets Stmt

Line 15 - Other Assets:	Beginning Year Book Value	End of Year Book Value	End of Year Fair Market Value
F3A-002780	570,244.	651,420.	651,420.
FPT-005185 Securities	0.	0.	0.
CFJ-465143 Securities	340,965.	319,475.	319,475.
FPT-005193 Securities	38.	0.	0.
FPT-005207 Securities	1.	0.	0.
FPT-005215 Securities	0.	0.	0.
FPT-005223 Securities	13.	0.	0.
FPT-005231 Securities	0.	0.	0.
Total	911,261.	970,895.	970,895.

National Financial Services LLC

2010 Detail Information		
Account No.	Taxpayer ID.	Page
F3A-002780	**-***1001	5 of 6

Envelope 9145 000044 14

THE STEGALL CHARITABLE EDUCATION
SANDRA TRAIL
107 N MAPLE STREET
MURFREESBORO TN 37130

Customer Service: 901-818-6000

DUPLICATED 03/07/2011

Additional Information — Amount

This detail information is not reported to the IRS. It may assist you in tax return preparation.

Account Fees	6,022.37
Short-Term Realized Gain/Loss	5,899.03
Long-Term Realized Gain/Loss	-71.55

Detail Information — Account Fees

This detail information is not reported to the IRS. It may assist you in tax return preparation.

Description	Date		Amount
MANAGED ACCOUNT FEE	01/15/10		1,406.32
MANAGED ACCOUNT FEE	01/15/10		246.28
MANAGED ACCOUNT FEE	04/15/10	C	1,484.94
MANAGED ACCOUNT FEE	07/15/10		1,369.47
MANAGED ACCOUNT FEE	10/15/10		1,515.36
	Total Account Fees		**6,022.37**

Detail Information — Short-Term Realized Gain/Loss

Cost basis, realized gain and loss, and holding period information reported may not reflect all adjustments necessary for tax reporting purposes.
This detail information is not reported to the IRS. It may assist you in tax return preparation.

Description/CUSIP Date Acquired	Date Sold	Quantity	Proceeds	Cost Basis		Gain/Loss(-)
AMERICAN HIGH INCOME TRUST F2 / 026547828						
03/10/10	09/08/10	2,430.203	26,635.02	26,392.00	a	243.02
COLUMBIA ACORN INTERNATIONAL CL Z / 197199813						
12/17/09	03/10/10	741.583	25,948.00	24,939.44	a	1,008.56
COLUMBIA SMALL CAP GROWTH I CL Z / 19765P596						
12/17/09	03/10/10	230.061	6,000.00	5,328.21	a	671.79
DODGE & COX STOCK / 256219106						
12/17/09	09/08/10	525.100	48,955.07	50,000.00	a	-1,044.93
AMERICAN EUROPACIFIC GROWTH FUND CL F2 / 29875E100						
12/17/09	03/10/10	474.084	17,982.00	18,119.49	a	-137.49
FIDELITY CONVERTIBLE SECURITIES / 316145200						
12/17/09	03/10/10	130.435	3,000.00	2,799.14	a	200.86
HUSSMAN STRATEGIC GROWTH / 448108100						
12/17/09	03/10/10	1,752.336	22,464.95	22,500.00	a	-35.05

National Financial Services LLC

Envelope 9145 000044 14

THE STEGALL CHARITABLE EDUCATION
SANDRA TRAIL
107 N MAPLE STREET
MURFREESBORO TN 37130

Customer Service: 901-818-6000

DUPLICATED 03/07/2011

etail Information — Short-Term Realized Gain/Loss

Cost basis, realized gain and loss, and holding period information reported may not reflect all adjustments necessary for tax reporting purposes. This detail information is not reported to the IRS. It may assist you in tax return preparation.

escription/CUSIP te Acquired	Date Sold	Quantity	Proceeds	Cost Basis	Gain/Loss(-)
FS EMERGING MARKETS DEBT FUND CL I / 55273E640					
12/17/09	03/10/10	1,995.723	28,658.58	28,000.00 a	658.58
ROWE PRICE EMERGING MKTS STOCK / 77956H864					
12/17/09	09/08/10	960.549	30,084.39	28,000.00 a	2,084.39
OYCE TOTAL RETURN FD INVESTMENT CL / 780905881					
12/17/09	09/08/10	3,122.044	35,060.55	33,000.00 a	2,060.55
HORNBURG INTL VALUE CL INSTL / 885215566					
12/17/09	09/08/10	356.134	9,028.00	8,839.25 a	188.75
				Short-Term Realized Gain	7,116.50
				Short-Term Realized Loss	-1,217.47
				Short-Term Realized Disallowed Loss	0.00
				Total Short-Term Realized Gain/Loss	**5,899.03**

· Average Cost-Single Category

nortization, accretion, and similar adjustments to cost basis are not provided for short-term instruments, unit investment trusts, or securities of foreign issuers.

etail Information — Long-Term Realized Gain/Loss

Cost basis, realized gain and loss, and holding period information reported may not reflect all adjustments necessary for tax reporting purposes. This detail information is not reported to the IRS. It may assist you in tax return preparation.

scription/CUSIP te Acquired	Date Sold	Quantity	Proceeds	Cost Basis	Gain/Loss(-)
RST HORIZON NATL CORP / 320517105					
unknown	01/25/10	19.000	251.74	unknown	unknown
OST HOTELS & RESORTS INC COM / 44107P104					
various	01/25/10	6.000	67.19	100.29 f	-33.10
ACERICH CO / 554382101					
various	01/25/10	2.000	63.89	102.34 f	-38.45
				Long-Term Realized Gain	0.00
				Long-Term Realized Loss	-71.55
				Long-Term Realized Disallowed Loss	0.00
				Total Long-Term Realized Gain/Loss	**-71.55** ††

- All gain/loss information may not be reflected due to incomplete cost basis information.

FIFO (First-in, First-out)

nortization, accretion, and similar adjustments to cost basis are not provided for short-term instruments, unit investment trusts, or securities of foreign issuers.

National Financial Services LLC

Envelope 9145 000020 05

THE STEGALL CHARITABLE EDUCATION
SANDRA TRAIL
107 NORTH MAPLE ST
MURFREESBORO TN 37130

Customer Service: 901-818-6000

DUPLICATED 03/07/2011

Additional Information — Amount

This detail information is not reported to the IRS. It may assist you in tax return preparation.

Account Fees	273.80
Long-Term Realized Gain/Loss	184.41

Detail Information — Account Fees

This detail information is not reported to the IRS. It may assist you in tax return preparation.

Description	Date		Amount
MANAGED ACCOUNT FEE	01/15/10		58.31
MANAGED ACCOUNT FEE	01/15/10		6.57
MANAGED ACCOUNT FEE	04/15/10	C	58.16
MANAGED ACCOUNT FEE	07/15/10		58.52
MANAGED ACCOUNT FEE	10/15/10		57.24
ALT INV ANNUAL FEE 25537M100	12/20/10		35.00
	Total Account Fees		**273.80**

Detail Information — Long-Term Realized Gain/Loss

Cost basis, realized gain and loss, and holding period information reported may not reflect all adjustments necessary for tax reporting purposes.
This detail information is not reported to the IRS. It may assist you in tax return preparation.

Description/CUSIP Date Acquired	Date Sold	Quantity	Proceeds	Cost Basis	Gain/Loss(-)
BANK OF AMERICA CORPORATION 4.50000% / 060505BU7					
11/01/06	08/02/10	5,000.000	5,000.00	4,916.75	0.00
		Adjusted Cost Basis		5,000.00 f cp d	0.00
		Market Discount Income		83.25 r	
CONOCO FDG CO NT 6.350% 10/15/2011 MAKE / 20825UAB0					
11/04/04	08/03/10	5,000.000	5,345.08	5,635.85 f cp	-290.77
FEDL HOME LN MTG CRP POOL #A64142 / 3128KUS73					
07/10/07	01/15/10		218.54	214.17 f cp p	4.37
07/10/07	02/15/10		11.60	11.37 f cp p	0.23
07/10/07	03/15/10		1,170.39	1,146.98 f cp p	23.41
07/10/07	04/15/10		243.30	238.43 f cp p	4.87
07/10/07	05/15/10		375.47	367.96 f cp p	7.51
07/10/07	06/15/10		110.40	108.19 f cp p	2.21
07/10/07	07/15/10		240.09	235.29 f cp p	4.80
07/10/07	08/15/10		402.12	394.08 f cp p	8.04

National Financial Services LLC

Envelope 9145 000020 05

THE STEGALL CHARITABLE EDUCATION
SANDRA TRAIL
107 NORTH MAPLE ST
MURFREESBORO TN 37130

Customer Service: 901-818-6000

DUPLICATED 03/07/2011

Detail Information — Long-Term Realized Gain/Loss

Cost basis, realized gain and loss, and holding period information reported may not reflect all adjustments necessary for tax reporting purposes. This detail information is not reported to the IRS. It may assist you in tax return preparation.

Description/CUSIP Date Acquired	Date Sold	Quantity	Proceeds	Cost Basis			Gain/Loss(-)
FEDL HOME LN MTG CRP POOL #A64142 / 3128KUS73							
07/10/07	09/15/10		9.57	9.38	f cp	p	0.19
07/10/07	10/15/10		130.60	127.99	f cp	p	2.61
07/10/07	11/15/10		226.03	221.51	f cp	p	4.52
07/10/07	12/15/10		136.94	134.20	f cp	p	2.74
unknown	01/15/11		9.72	unknown			unknown
		USD Subtotal	**3,284.77**	**3,209.55**			
FEDL NATL MTG ASSN POOL #357628 5.50000% / 31376KHD1							
09/30/04	01/25/10		112.17	113.29	f cp	p	-1.12
09/30/04	02/25/10		76.64	77.41	f cp	p	-0.77
09/30/04	03/25/10		43.35	43.78	f cp	p	-0.43
09/30/04	04/25/10		123.89	125.13	f cp	p	-1.24
09/30/04	05/25/10		77.99	78.77	f cp	p	-0.78
09/30/04	06/25/10		145.41	146.86	f cp	p	-1.45
09/30/04	07/25/10		78.18	78.96	f cp	p	-0.78
09/30/04	08/25/10		79.77	80.57	f cp	p	-0.80
09/30/04	09/25/10		151.69	153.21	f cp	p	-1.52
09/30/04	10/25/10		118.47	119.66	f cp	p	-1.19
09/30/04	11/25/10		151.94	153.46	f cp	p	-1.52
09/30/04	12/25/10		95.94	96.90	f cp	p	-0.96
unknown	01/25/11		144.05	unknown			unknown
		USD Subtotal	**1,399.49**	**1,268.00**			
FEDL NATL MTG ASSN POOL #851485 5.50000% / 31408G6W2							
02/08/06	01/25/10		9.66	9.47	f cp	p	0.19
02/08/06	02/25/10		9.71	9.52	f cp	p	0.19
02/08/06	03/25/10		462.69	453.44	f cp	p	9.25
02/08/06	04/25/10		8.98	8.80	f cp	p	0.18
02/08/06	05/25/10		434.54	425.85	f cp	p	8.69
02/08/06	06/25/10		8.60	8.43	f cp	p	0.17
02/08/06	07/25/10		497.01	487.07	f cp	p	9.94
02/08/06	08/25/10		7.91	7.75	f cp	p	0.16
02/08/06	09/25/10		15.36	15.05	f cp	p	0.31
02/08/06	10/25/10		8.03	7.87	f cp	p	0.16
02/08/06	11/25/10		602.91	590.85	f cp	p	12.06
02/08/06	12/25/10		7.30	7.15	f cp	p	0.15
unknown	01/25/11		7.31	unknown			unknown
		USD Subtotal	**2,080.01**	**2,031.25**			

Envelope 9145 000020 05

THE STEGALL CHARITABLE EDUCATION
SANDRA TRAIL
107 NORTH MAPLE ST
MURFREESBORO TN 37130

Customer Service: 901-818-6000

DUPLICATED 03/07/2011

Detail Information — Long-Term Realized Gain/Loss

Description/CUSIP Date Acquired	Date Sold	Quantity	Proceeds	Cost Basis	Gain/Loss(-)

Cost basis, realized gain and loss, and holding period information reported may not reflect all adjustments necessary for tax reporting purposes. This detail information is not reported to the IRS. It may assist you in tax return preparation.

UNITED STATES TREAS NTS 4.62500% / 912828FS4					
12/03/07	01/12/10	11,000.000	11,639.38	11,574.92	0.00
		Adjusted Cost Basis		11,258.59 f cp d	380.79
		Current Year Amortized Premium		5.12 j	
				Long-Term Realized Gain	487.74
				Long-Term Realized Loss	-303.33
				Long-Term Realized Disallowed Loss	0.00
				Total Long-Term Realized Gain/Loss	**184.41** ††

†† - All gain/loss information may not be reflected due to incomplete cost basis information.

f - FIFO (First-in, First-out)

cp - Cost basis information (or proceeds from short sales) was provided by you. We treat it as original cost basis. For equities, we will adjust the cost basis for any corporate actions which our system supports from the date the security was transferred to the account. For asset-backed fixed income securities, we will adjust the cost basis for principal pay downs from the date the security was transferred to the account. We do not apply any wash sale rules to tax lots with customer-provided cost basis. In certain cases, when positions are transferred between accounts the cost basis information may be automatically transferred and deemed to be customer-provided.

d - Adjusted cost basis reflects any cumulative original issue discount, premium, or acquisition premium (including any year-to-date amount). It assumes such amounts were amortized or accrued for tax purposes from the acquisition date through the disposition date. Premium amortization was calculated using the yield-to-maturity method. Acquisition premium was calculated using the ratable accrual method. Any market discount accretion for this position was calculated using the straight-line method and, if applicable, recognized upon disposition. Gain/loss displayed for this transaction is calculated using the cost basis adjustments, as described above. The adjusted cost basis used here may not reflect all adjustments necessary for tax reporting purposes (such as wash sale adjustments) and may not apply if you are using an alternative amortization calculation method. Refer to IRS Publication 550, *Investment Income and Expenses*, for additional information.

j- Current year amortized premium was calculated using the yield-to-maturity amortization method. Cumulative premium amortization from acquisition date through disposition date is reflected in the adjusted cost basis. For tax-exempt securities, amortization of premium is required and is not deductible from taxable income. For taxable bonds, a tax election may be required to amortize premium, and the current year's amortized premium may be deductible from taxable income. Our adjusted cost basis calculation may not reflect all adjustments necessary for tax reporting purposes. It may not be applicable if you have not made a particular tax election or if you are using an alternative amortization calculation method. Review prior adjustments that you have made, and consult your tax advisor and IRS Publication 550, *Investment Income and Expenses* , for additional information.

r- Market discount income was calculated using the straight-line method from acquisition date through disposition date. Our calculation assumed the taxpayer elected to defer recognizing the market discount until sale (disposition). Other elections available under tax laws may be more beneficial, depending on your individual tax situation. For federal tax purposes, market discount income, from both taxable and tax-exempt bonds is treated as taxable interest income.

p - For fixed income securities subject to paydowns (early repayment of principal), cost basis is adjusted using a method that takes paydowns into account and, in some cases, calculates original issue discount, premium, and acquisition premium using a straight-line method. Note that this method may not produce your adjusted tax basis for federal tax purposes. Refer to IRS Publication 550, *Investment Income and Expenses* , for more information and consult your tax advisor. If gain/loss has not been calculated for this position, it has had return of principal payments greater than its original cost basis.

Amortization, accretion, and similar adjustments to cost basis are not provided for short-term instruments, unit investment trusts, or securities of foreign issuers.

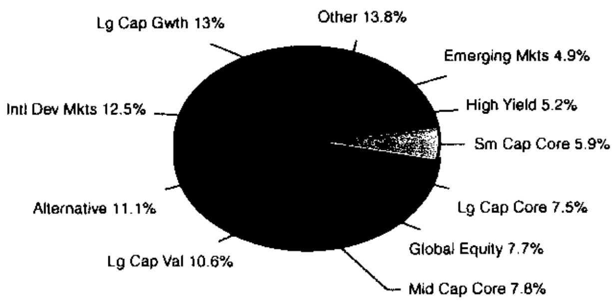
FIRST TENNESSEE.
Advisory Services

Holdings as of 12/31/2010

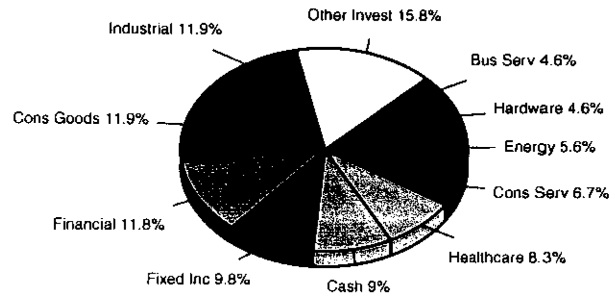
Overview

Market Value		**$651,420**
Fund Holdings	98.6%	$642,589
Cash	1.4%	$8,831
Unrealized Gains/Losses		
Long-Term Gains		$55,548
Long-Term Losses		$0
Short-Term Gains		$24,514
Short-Term Losses		$0

Asset Allocation[1]



Stock and Fund Distribution by Sector[1]



Fund Holding	Style	Sector	Units	Price	Market[2] Value	Accrued	Cost[3] Basis	Gain[4] Loss	% of Total
Absolute Strategies I (ASFIX)	Alternative	Mutual Funds	1,941.926	10.84	$21,050	$0	$20,565	$485	3.2%
American Funds EuroPacific Gr F-2 (AEPFX)	Intl Dev Mkts	Mutual Funds	703.31	41.33	$29,068	$0	$26,881	$2,187	4.5%
Columbia Acorn International Z (ACINX)	Intl Dev Mkts	Mutual Funds	427.016	40.92	$17,473	$0	$14,361	$3,113	2.7%
Columbia Small Cap Growth I Z (CMSCX)	Sm Cap Gwth	Mutual Funds	978.92	31.60	$30,934	$0	$22,672	$8,262	4.7%
Fidelity Convertible Securities (FCVSX)	Alternative	Mutual Funds	1,174.318	25.45	$29,886	$0	$25,201	$4,686	4.6%
Hartford Capital Appreciation I (ITHIX)	Lg Cap Core	Mutual Funds	1,408.377	34.64	$48,786	$0	$42,729	$6,057	7.5%
Invesco Mid Cap Core Equity I (GTAVX)	Mid Cap Core	Mutual Funds	2,104.771	24.15	$50,830	$0	$45,000	$5,830	7.8%
Invesco Van Kampen Global Franchise Y (VGFIX)	Global Equity	Mutual Funds	2,325.581	21.53	$50,070	$0	$44,000	$6,070	7.7%
JHancock3 Disciplined Value I (JVLIX)	Lg Cap Val	Mutual Funds	5,470.677	12.64	$69,149	$0	$61,381	$7,768	10.6%
JPMorgan High Yield Select (OHYFX)	High Yield	Mutual Funds	4,135.48	8.15	$33,704	$0	$32,753	$951	5.2%
Keeley Small Cap Value I (KSCIX)	Sm Cap Core	Mutual Funds	1,518.407	25.11	$38,127	$0	$30,687	$7,440	5.9%
Oppenheimer Developing Markets Y (ODVYX)	Emerging Mkts	Mutual Funds	881.213	36.07	$31,785	$0	$27,018	$4,767	4.9%
PIMCO Unconstrained Bond Inst (PFIUX)	Interm. Bond	Mutual Funds	1,879.982	11.10	$20,868	$0	$20,567	$301	3.2%
Schwab Hedged Equity (SWHEX)	Alternative	Mutual Funds	1,399.115	15.24	$21,323	$0	$20,553	$770	3.3%
T. Rowe Price Growth Stock (PRGFX)	Lg Cap Gwth	Mutual Funds	2,627.628	32.15	$84,478	$0	$70,000	$14,478	13.0%
Templeton Global Bond Adv (TGBAX)	Intl Bond	Mutual Funds	2,231.076	13.56	$30,253	$0	$28,000	$2,253	4.6%
Thornburg International Value I (TGVIX)	Intl Dev Mkts	Mutual Funds	1,215.179	28.64	$34,803	$0	$30,161	$4,642	5.3%

[redacted]

Growth Allocation
Growth Allocation (F3A002780)
as of Dec 31, 2010

FIRST TENNESSEE
Advisory Services

Holdings as of 12/31/2010

Cash Balance	Total
Cash	$8,831

1 *Asset style classifications are provided by Morningstar and mapped into one of the style classifications supported on this platform. Sector information is provided by Morningstar. Bond type and rating information is provided by FT Interactive Data.*

2 *Based on market-close prices at 12/31/2010. Where Mutual Fund holdings are listed, the Net Asset Value (NAV) is used as the market price.*

3 *"First-In First-Out (For Mutual Fund: Average Cost)" is the current accounting method. Cost basis values are not provided by the custodian in all cases, and should be independently verified from your original purchase records.*

4 *Capital gain/loss data presented here is a general guide and should not be relied upon in the preparation of your tax returns.*

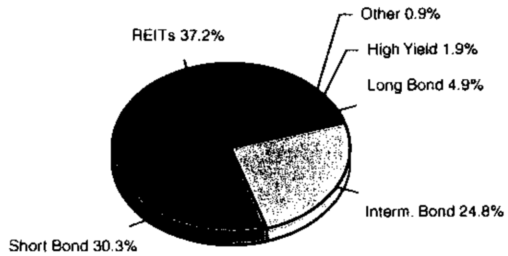
FIRST TENNESSEE. Advisory Services

Holdings as of 12/31/2010

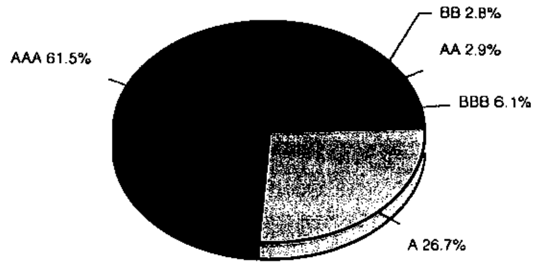
Overview

Market Value		**$319,475**
Bond Holdings	61.9%	$197,904
Other Holdings	37.2%	$118,783
Cash	0.9%	$2,788
Unrealized Gains/Losses		
Long-Term Gains		n/a
Long-Term Losses		n/a
Short-Term Gains		$360
Short-Term Losses		$0

Asset Allocation[1]



Bond Distribution by S&P Ratings[1]



All Bonds below grade BB are considered speculative grade.

Bond Holding	Type	S&P, Moody	Par	Price	Market[2] Value	Accrued Interest	Maturity Status	Coupon	Yield	% of Total
Aol Time Warner Inc	Short Bond	BBB, BAA	4,000	107.60	$4,304	$45	05/01/12	6.88%	6.40%	1.3%
Bellsouth Corp	Short Bond	A-, A	5,000	104.25	$5,212	$62	10/15/11	6.00%	5.76%	1.6%
Citigroup Inc	Interm. Bond	A-, BAA1	6,000	103.45	$6,207	$88	09/15/14	5.00%	4.81%	1.9%
Cvs Caremark Corporation	Interm. Bond	BBB+, BAA	6,000	111.26	$6,676	$28	06/01/17	5.75%	5.11%	2.1%
Federal Home Ln Bks	Short Bond	AAA, AAA	30,000	103.12	$30,937	$587	08/19/11	5.38%	5.22%	9.7%
Federal Home Ln Bks	Short Bond	AAA, AAA	10,000	107.15	$10,715	$103	10/10/12	4.62%	4.32%	3.4%
Federal Home Ln Mtg Corp	Short Bond	AAA, AAA	9,000	101.08	$9,097	$148	03/15/11	5.62%	5.57%	2.8%
Fhlmc Pc Gold Comb 30	Long Bond	NR, NR	15,000	51.02	$7,652	$18	08/01/37	6.00%	5.54%	2.4%
Fnma Pass-Thru Lng 30 Year	Long Bond	NR, NR	10,000	33.93	$3,393	$2	10/01/34	5.50%	5.11%	1.1%
Fnma Pass-Thru Lng 30 Year	Long Bond	NR, NR	10,000	45.90	$4,590	$3	01/01/36	5.50%	5.12%	1.4%
Goldman Sachs Group Inc	Short Bond	A, A1	5,000	107.71	$5,385	$118	01/15/14	5.15%	4.79%	1.7%
Goldman Sachs Group Inc	Short Bond	A, A1	5,000	100.16	$5,008	$158	01/15/11	6.88%	6.87%	1.6%
International Lease Fin Mtn Be	High Yield	BB+, B1	5,000	100.50	$5,025	$78	09/20/13	5.62%	5.54%	1.6%
Jpmorgan & Chase & Co	Short Bond	A, A1	5,000	108.36	$5,418	$142	01/02/13	5.75%	5.34%	1.7%
Lehman Bros Hldgs Inc Mtn Be	High Yield	NR, NR	5,000	23.12	$1,156	$0	01/14/11 *Defaulted*	5.00%	n/a	0.4%
Oracle Corp / Ozark Hldg Inc	Short Bond	A, A	5,000	100.12	$5,006	$115	01/15/11	5.00%	5.00%	1.6%
Sbc Communications Inc	Interm. Bond	A-, A	5,000	112.13	$5,606	$12	06/15/16	5.62%	5.01%	1.8%
United States Treas Nts	Interm. Bond	AAA, AAA	43,000	113.40	$48,761	$772	08/15/17	4.75%	4.18%	15.3%

The Stegall Education Foundation
Reporting Only Services (CFJ465143)
as of Dec 31, 2010

FIRST TENNESSEE.
Advisory Services

Holdings as of 12/31/2010

Bond Holding	Type	S&P, Moody	Par	Price	Market[2] Value	Accrued Interest	Maturity Status	Coupon	Yield	% of Total
United States Treas Nts	Interm. Bond	AAA, AAA	10,000	120.09	$12,009	$122	07/15/17	2.62%	2.17%	3.8%
Unitedhealth Group Inc	Short Bond	A-, BAA1	5,000	100.85	$5,042	$77	03/15/11	5.25%	5.21%	1.6%
Verizon Global Fdg Corp	Short Bond	A-, A3	5,000	110.41	$5,520	$122	09/01/12	7.38%	6.69%	1.7%
Wachovia Corp 2nd New	Short Bond	AA-, A1	5,000	103.65	$5,182	$55	10/15/11	5.30%	5.12%	1.6%

Other Holding	Style	Sector	Units	Price	Market[2] Value	Accrued	Maturity	Yield Coupon	Cost[3] Basis	Gain[4] Loss	% of Total
Dividend Capital Total Realty Trust Inc	REITs	Not Avail	11,878.3072	10.00	$118,783 [5]	$0			n/a	n/a	37.2%

Cash Balance	Total
Cash	$2,788

1 *Asset style classifications are provided by Morningstar and mapped into one of the style classifications supported on this platform. Sector information is provided by Morningstar. Bond type and rating information is provided by FT Interactive Data.*

2 *Based on market-close prices at 12/31/2010. Where Mutual Fund holdings are listed, the Net Asset Value (NAV) is used as the market price.*

3 *"First-In First-Out (For Mutual Fund: Average Cost)" is the current accounting method. Cost basis values are not provided by the custodian in all cases, and should be independently verified from your original purchase records.*

4 *Capital gain/loss data presented here is a general guide and should not be relied upon in the preparation of your tax returns.*

5 *Current value is not available for this holding.*