

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

**2008**

**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 **JUN 1, 2008**, and ending **MAY 31, 2009**

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. | Name of foundation<br><b>The Hanley Family Foundation, Inc.<br/>c/o Michael Hanley</b>   | A Employer identification number<br><b>59-2745187</b>  |
|   | Number and street (or P.O. box number if mail is not delivered to street address) Room/suite<br><b>485 Winfield Glen Court</b> | B Telephone number<br><b>(404) 351-2262</b>  |
|   | City or town, state, and ZIP code<br><b>Atlanta, GA 30342</b>  | C If exemption application is pending, check here <input type="checkbox"/><br>D 1. Foreign organizations, check here <input type="checkbox"/><br>2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> |

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

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 15,248,026.** (Part I, column (d) must be on cash basis.)  
 J Accounting method:  Cash  Accrual  Other (specify) \_\_\_\_\_

| Part I Analysis of Revenue and Expenses<br><small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)</small> |   | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|--|---|------------------------------------|---------------------------|-------------------------|---|
| <b>Revenue</b>   | 1 Contributions, gifts, grants, etc., received                                      | 1,300,000.                         |                           | N/A                     |   |
|  | 2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B |                                    |                           |                         |   |
|  | 3 Interest on savings and temporary cash investments                                | 5,885.                             | 5,885.                    |                         | Statement 2   |
|  | 4 Dividends and interest from securities  | 286,850.                           | 286,850.                  |                         | Statement 3   |
|  | 5a Gross rents  |                                    |                           |                         |   |
|  | b Net rental income or (loss)   |                                    |                           |                         |   |
|  | 6a Net gain or (loss) from sale of assets not on line 10                            | <774,145.>                         |                           |                         | Statement 1   |
|  | b Gross sales price for all assets on line 6a                                       | 12,846,979.                        |                           |                         |   |
|  | 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 or (loss)   |   |                                    |                           |                         |   |
| 11 Other income  | 200,354.  | 200,354.                           |                           | Statement 4             |   |
| 12 <b>Total.</b> Add lines 1 through 11  | 1,018,944.  | 493,089.                           |                           |                         |   |
| <b>Operating and Administrative Expenses</b>   | 13 Compensation of officers, directors, trustees, etc.                              | 85,000.                            | 8,500.                    |                         | 76,500.   |
|  | 14 Other employee salaries and wages  |                                    |                           |                         |   |
|  | 15 Pension plans, employee benefits   | 6,502.                             | 650.                      |                         | 5,852.  |
|  | 16a Legal fees  |                                    |                           |                         |   |
|  | b Accounting fees Stmt 5  | 18,676.                            | 12,676.                   |                         | 6,000.  |
|  | c Other professional fees   |                                    |                           |                         |   |
|  | 17 Interest   |                                    |                           |                         |   |
|  | 18 Taxes Stmt 6   | 11,461.                            | 11,461.                   |                         | 0.  |
|  | 19 Depreciation and depletion   |                                    |                           |                         |   |
|  | 20 Occupancy  |                                    |                           |                         |   |
|  | 21 Travel, conferences, and meetings  |                                    |                           |                         |   |
|  | 22 Printing and publications  |                                    |                           |                         |   |
|  | 23 Other expenses Stmt 7  | 103,391.                           | 91,517.                   |                         | 11,873.   |
|  | 24 <b>Total operating and administrative expenses.</b> Add lines 13 through 23      | 225,030.                           | 124,804.                  |                         | 100,225.  |
|  | 25 Contributions, gifts, grants paid  | 779,494.                           |                           |                         | 779,494.  |
| 26 <b>Total expenses and disbursements.</b> Add lines 24 and 25  | 1,004,524.  | 124,804.                           |                           | 879,719.                |   |
| 27 Subtract line 26 from line 12:  |   |                                    |                           |                         |   |
| a Excess of revenue over expenses and disbursements  | 14,420.   |                                    |                           |                         |   |
| b <b>Net investment income</b> (if negative, enter -0-)  |   | 368,285.                           |                           |                         |   |
| c <b>Adjusted net income</b> (if negative, enter -0-)  |   |                                    | N/A                       |                         |   |

| Part II Balance Sheets      |   | Attached schedules and amounts in the description column should be for end-of-year amounts only. |                | Beginning of year     | End of year |  |
|-----------------------------|---|--|----------------|-----------------------|-------------|--|
|                             |   | (a) Book Value   | (b) Book Value | (c) Fair Market Value |             |  |
| Assets                      | 1   | Cash - non-interest-bearing  |                |                       |             |  |
|                             | 2   | Savings and temporary cash investments   | 779,043.       | 2,230,918.            | 2,230,918.  |  |
|                             | 3   | Accounts receivable  |                |                       |             |  |
|                             |   | Less: allowance for doubtful accounts  |                |                       |             |  |
|                             | 4   | Pledges receivable   |                |                       |             |  |
|                             |   | Less: allowance for doubtful accounts  |                |                       |             |  |
|                             | 5   | Grants receivable  |                |                       |             |  |
|                             | 6   | Receivables due from officers, directors, trustees, and other disqualified persons               |                |                       |             |  |
|                             | 7   | Other notes and loans receivable   |                |                       |             |  |
|                             |   | Less: allowance for doubtful accounts  |                |                       |             |  |
|                             | 8   | Inventories for sale or use  |                |                       |             |  |
|                             | 9   | Prepaid expenses and deferred charges  | 7,722.         | 4,039.                | 4,039.      |  |
|                             | 10a   | Investments - U.S. and state government obligations  |                |                       |             |  |
|                             | b   | Investments - corporate stock Stmt 8   | 5,341,357.     | 3,574,961.            | 3,370,261.  |  |
|                             | c   | Investments - corporate bonds  |                |                       |             |  |
|                             | 11  | Investments - land, buildings, and equipment: basis  |                |                       |             |  |
|                             | Less: accumulated depreciation  |  |                |                       |             |  |
| 12                          | Investments - mortgage loans  |  |                |                       |             |  |
| 13                          | Investments - other Stmt 9  | 9,078,613.   | 8,916,657.     | 8,016,119.            |             |  |
| 14                          | Land, buildings, and equipment: basis   |  |                |                       |             |  |
|                             | Less: accumulated depreciation  |  |                |                       |             |  |
| 15                          | Other assets (describe Statement 10)  | 3,143,719.   | 3,634,616.     | 1,626,689.            |             |  |
| 16                          | <b>Total assets</b> (to be completed by all filers)   | 18,350,454.  | 18,361,191.    | 15,248,026.           |             |  |
| Liabilities                 | 17  | Accounts payable and accrued expenses  |                |                       |             |  |
|                             | 18  | Grants payable   |                |                       |             |  |
|                             | 19  | Deferred revenue   |                |                       |             |  |
|                             | 20  | Loans from officers, directors, trustees, and other disqualified persons                         |                |                       |             |  |
|                             | 21  | Mortgages and other notes payable  |                |                       |             |  |
|                             | 22  | Other liabilities (describe)   |                |                       |             |  |
|                             | 23  | <b>Total liabilities</b> (add lines 17 through 22)   | 0.             | 0.                    |             |  |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and complete lines 27 through 31.   |  |                |                       |             |  |
|                             | 27  | Capital stock, trust principal, or current funds   | 0.             | 0.                    |             |  |
|                             | 28  | Paid-in or capital surplus, or land, bldg., and equipment fund                                   | 0.             | 0.                    |             |  |
| 29                          | Retained earnings, accumulated income, endowment, or other funds  | 18,350,454.  | 18,361,191.    |                       |             |  |
| 30                          | <b>Total net assets or fund balances</b>  | 18,350,454.  | 18,361,191.    |                       |             |  |
| 31                          | <b>Total liabilities and net assets/fund balances</b>   | 18,350,454.  | 18,361,191.    |                       |             |  |

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 | 18,350,454. |
| 2 | Enter amount from Part I, line 27a   | 2 | 14,420.     |
| 3 | Other increases not included in line 2 (itemize)   | 3 | 0.          |
| 4 | Add lines 1, 2, and 3  | 4 | 18,364,874. |
| 5 | Decreases not included in line 2 (itemize) <b>Federal Income Tax Expense</b>   | 5 | 3,683.      |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30  | 6 | 18,361,191. |

**Part IV Capital Gains and Losses for Tax on Investment Income**

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)  |  | (b) How acquired<br>P - Purchase<br>D - Donation  | (c) Date acquired<br>(mo., day, yr.)  | (d) Date sold<br>(mo., day, yr.) |
|---|--|---|---|----------------------------------|
| 1a  |  |   |   |                                  |
| b See Attached Statements   |  |   |   |                                  |
| c   |  |   |   |                                  |
| d   |  |   |   |                                  |
| e   |  |   |   |                                  |
| (e) Gross sales price   | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale   | (h) Gain or (loss)<br>(e) plus (f) minus (g)  |                                  |
| a   |  |   |   |                                  |
| b   |  |   |   |                                  |
| c   |  |   |   |                                  |
| d   |  |   |   |                                  |
| e 12,846,979.   |  | 13,621,124.   | <774,145.>  |                                  |
| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69   |  |   | (i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) |                                  |
| (i) F.M.V. as of 12/31/69   | (j) Adjusted basis<br>as of 12/31/69       | (k) Excess of col. (i)<br>over col. (j), if any   |   |                                  |
| a   |  |   |   |                                  |
| b   |  |   |   |                                  |
| c   |  |   |   |                                  |
| d   |  |   |   |                                  |
| e   |  |   | <774,145.>  |                                  |
| 2 Capital gain net income or (net capital loss)   |  | { If gain, also enter in Part I, line 7<br>If (loss), enter -0- in Part I, line 7 ..... } |   | 2 <774,145.>                     |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):<br>If gain, also enter in Part I, line 8, column (c).<br>If (loss), enter -0- in Part I, line 8 ..... |  | { ..... }   |   | 3 N/A                            |

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No  
If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

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

| (a)<br>Base period years<br>Calendar year (or tax year beginning in)   | (b)<br>Adjusted qualifying distributions | (c)<br>Net value of noncharitable-use assets | (d)<br>Distribution ratio<br>(col. (b) divided by col. (c)) |
|--|--|--|---|
| 2007   | 998,051.                                 | 18,807,452.                                  | .053067   |
| 2006   | 1,002,170.                               | 20,444,248.                                  | .049020   |
| 2005   | 912,749.                                 | 19,390,599.                                  | .047072   |
| 2004   | 866,874.                                 | 18,574,355.                                  | .046670   |
| 2003   | 782,439.                                 | 17,673,284.                                  | .044272   |
| 2 Total of line 1, column (d)  |  |  | 2 .240101   |
| 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 .048020   |
| 4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5   |  |  | 4 15,115,955.   |
| 5 Multiply line 4 by line 3  |  |  | 5 725,868.  |
| 6 Enter 1% of net investment income (1% of Part I, line 27b)   |  |  | 6 3,683.  |
| 7 Add lines 5 and 6  |  |  | 7 729,551.  |
| 8 Enter qualifying distributions from Part XII, line 4   |  |  | 8 879,719.  |

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

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

|    |   |    |        |
|----|---|----|--------|
| 1a | Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1.<br>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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b  | 1  | 3,683. |
| c  | All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)   |    |        |
| 2  | Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)   | 2  | 0.     |
| 3  | Add lines 1 and 2   | 3  | 3,683. |
| 4  | Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)   | 4  | 0.     |
| 5  | <b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-  | 5  | 3,683. |
| 6  | Credits/Payments:   |    |        |
| a  | 2008 estimated tax payments and 2007 overpayment credited to 2008   | 6a | 7,722. |
| 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  | 7,722. |
| 8  | Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached  | 8  |        |
| 9  | <b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>   | 9  |        |
| 10 | <b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>   | 10 | 4,039. |
| 11 | Enter the amount of line 10 to be: <b>Credited to 2009 estimated tax</b> <input checked="" type="checkbox"/> <b>4,039.</b> <b>Refunded</b> <input type="checkbox"/>   | 11 | 0.     |

**Part VII-A Statements Regarding Activities**

|    | Yes | No  |
|----|-----|-----|
| 1a |     | X   |
| 1b |     | X   |
| 1c |     | X   |
| 2  |     | X   |
| 3  |     | X   |
| 4a |     | X   |
| 4b |     | N/A |
| 5  |     | X   |
| 6  | X   |     |
| 7  | X   |     |
| 8a |     |     |
| 8b | X   |     |
| 9  |     | X   |
| 10 |     | X   |

**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? .....  | 13                         | X   |   |
| Website address ▶ <u>http://www.hanleyfamilyfoundation.org/</u>                       |  |                            |     |   |
| 14  | The books are in care of ▶ <u>Michael Hanley</u> Telephone no. ▶ <u>(404) 351-2262</u>   |                            |     |   |
| Located at ▶ <u>485 Winfield Glen Court, Atlanta, GA</u> ZIP+4 ▶ <u>30342</u>         |  |                            |     |   |
| 15  | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here .....  | ▶ <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  |
|---|---|-----|-----|
| <b>1a</b>   | 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 checked="" type="checkbox"/> Yes <input 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? ( <b>Exception.</b> 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>b</b>  | If any answer is "Yes" to 1a(1)-(6), did <b>any</b> 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 page 20 of the instructions)? .....  | 1b  | X   |
| Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/> |   |     |     |
| <b>c</b>  | 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   |
| <b>2</b>  | 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)):  |     |     |
| <b>a</b>  | 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 ▶ _____, _____, _____  |   |     |     |
| <b>b</b>  | Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer "No" and attach statement - see instructions.) .....   | 2b  | N/A |
| <b>c</b>  | If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here.<br>▶ _____, _____, _____  |     |     |
| <b>3a</b>   | 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>b</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 |
| <b>4a</b>   | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? .....   | 4a  | X   |
| <b>b</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   |

**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)?  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)?  Yes  No **N/A** 5b

Organizations relying on a current notice regarding disaster assistance check here  Yes  No

**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 **N/A**

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

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 **N/A** 7b

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

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

| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|----------------------|---|---|---|---------------------------------------|
| See Statement 11     |   | 85,000.                                   | 0.  | 0.                                    |
|                      |   |   |   |                                       |
|                      |   |   |   |                                       |
|                      |   |   |   |                                       |
|                      |   |   |   |                                       |
|                      |   |   |   |                                       |
|                      |   |   |   |                                       |
|                      |   |   |   |                                       |
|                      |   |   |   |                                       |
|                      |   |   |   |                                       |

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

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

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

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

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

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

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

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

|   | Expenses |
|---|----------|
| 1 The granting of funds to charitable organizations involved in the diagnosis and treatment of alcohol and chemical dependence, including related research and education. |          |
| 2   |          |
| 3   |          |
| 4   |          |

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

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

|  | Amount |
|--|--------|
| 1 N/A  |        |
| 2  |        |
| 3 All other program-related investments. See instructions. |        |
| Total. Add lines 1 through 3                               | 0.     |

**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 | 5,873,211.  |
| b   | Average of monthly cash balances .....  | 1b | 1,637,936.  |
| c   | Fair market value of all other assets .....   | 1c | 7,835,000.  |
| d   | <b>Total</b> (add lines 1a, b, and c) .....   | 1d | 15,346,147. |
| 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  | 15,346,147. |
| 4   | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) .....   | 4  | 230,192.    |
| 5   | <b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4 ..... | 5  | 15,115,955. |
| 6   | <b>Minimum investment return.</b> Enter 5% of line 5 .....  | 6  | 755,798.    |

**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  | 755,798. |
| 2a | Tax on investment income for 2008 from Part VI, line 5 .....  | 2a | 3,683.   |
| b  | Income tax for 2008. (This does not include the tax from Part VI.) .....  | 2b |          |
| c  | Add lines 2a and 2b .....   | 2c | 3,683.   |
| 3  | Distributable amount before adjustments. Subtract line 2c from line 1 .....                                     | 3  | 752,115. |
| 4  | Recoveries of amounts treated as qualifying distributions .....   | 4  | 0.       |
| 5  | Add lines 3 and 4 .....   | 5  | 752,115. |
| 6  | Deduction from distributable amount (see instructions) .....  | 6  | 0.       |
| 7  | <b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 ..... | 7  | 752,115. |

**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 | 879,719. |
| b  | Program-related investments - total from Part IX-B .....  | 1b | 0.       |
| 2  | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes .....                         | 2  |          |
| 3 Amounts set aside for specific charitable projects that satisfy the:                       |   |    |          |
| a  | Suitability test (prior IRS approval required) .....  | 3a |          |
| b  | Cash distribution test (attach the required schedule) .....   | 3b |          |
| 4  | <b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4 .....                 | 4  | 879,719. |
| 5  | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b ..... | 5  | 3,683.   |
| 6  | <b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4 .....   | 6  | 876,036. |

**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)<br>Corpus | (b)<br>Years prior to 2007 | (c)<br>2007 | (d)<br>2008 |
|--|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2008 from Part XI, line 7   |               |                            |             | 752,115.    |
| 2 Undistributed income, if any, as of the end of 2007:   |               |                            |             |             |
| a Enter amount for 2007 only   |               |                            | 810,132.    |             |
| b Total for prior years:   |               | 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: ▶ \$ 879,719.   |               |                            |             |             |
| a Applied to 2007, but not more than line 2a   |               |                            | 810,132.    |             |
| 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   |               |                            |             | 69,587.     |
| 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 instr.  |               |                            | 0.          |             |
| f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009  |               |                            |             | 682,528.    |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)   | 0.            |                            |             |             |
| 8 Excess distributions carryover from 2003 not applied on line 5 or line 7   | 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 |           |
| <b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed                     |          |               |          |          |           |
| <b>b</b> 85% of line 2a  |          |               |          |          |           |
| <b>c</b> Qualifying distributions from Part XII, line 4 for each year listed   |          |               |          |          |           |
| <b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities   |          |               |          |          |           |
| <b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c                                   |          |               |          |          |           |
| <b>3</b> Complete 3a, b, or c for the alternative test relied upon:  |          |               |          |          |           |
| <b>a</b> "Assets" alternative test - enter:  |          |               |          |          |           |
| <b>(1)</b> Value of all assets   |          |               |          |          |           |
| <b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)   |          |               |          |          |           |
| <b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed                              |          |               |          |          |           |
| <b>c</b> "Support" alternative test - enter:   |          |               |          |          |           |
| <b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) |          |               |          |          |           |
| <b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)                                      |          |               |          |          |           |
| <b>(3)</b> Largest amount of support from an exempt organization   |          |               |          |          |           |
| <b>(4)</b> Gross investment income   |          |               |          |          |           |

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

**See Statement 12**

**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:

Michael Hanley, (404) 351-2262  
 485 Winfield Glen Court, Atlanta, GA 30342

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

Request grant guidelines and information to be submitted.

**c** Any submission deadlines:

None

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

See Part IX-A.

**Part XV** **Supplementary Information** (continued)

| <b>3 Grants and Contributions Paid During the Year or Approved for Future Payment</b> |  |   |                                |                                  |                 |
|---|--|---|--------------------------------|----------------------------------|-----------------|
| Recipient   |  | 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          |
| Name and address (home or business)   |  |   |                                |                                  |                 |
| <i>a Paid during the year</i>   |  |   |                                |                                  |                 |
| See Statement 13  |  |   |                                |                                  |                 |
| <b>Total</b> .....  |  |   |                                | <b>3a</b>                        | <b>779,494.</b> |
| <i>b Approved for future payment</i>  |  |   |                                |                                  |                 |
| None  |  |   |                                |                                  |                 |
| <b>Total</b> .....  |  |   |                                | <b>3b</b>                        | <b>0.</b>       |





**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, 990-EZ, and 990-PF.

OMB No. 1545-0047

**2008**

|   |   |
|---|---|
| <b>Name of the organization</b><br>The Hanley Family Foundation, Inc.<br>c/o Michael Hanley | <b>Employer identification number</b><br>59-2745187 |
|---|---|

**Organization type** (check one):

**Filers of:**

**Section:**

Form 990 or 990-EZ

501(c)( ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

**General Rule**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** \$5,000 or **(2)** 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ..... ▶ \$ \_\_\_\_\_

**Caution.** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. These instructions will be issued separately.

Schedule B (Form 990, 990-EZ, or 990-PF) (2008)

|   |   |
|---|---|
| <b>Name of organization</b><br>The Hanley Family Foundation, Inc.<br>c/o Michael Hanley | <b>Employer identification number</b><br>59-2745187 |
|---|---|

**Part I Contributors** (see instructions)

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4   | (c)<br>Aggregate contributions | (d)<br>Type of contribution  |
|------------|---|--------------------------------|--|
| 1          | John W. and Mary J. Hanley<br><hr/> 600 St. Anne's Lane<br><hr/> Vero Beach, FL 32967 | \$ 1,300,000.                  | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
| _____      | _____<br><hr/> _____<br><hr/> _____   | \$ _____                       | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
| _____      | _____<br><hr/> _____<br><hr/> _____   | \$ _____                       | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
| _____      | _____<br><hr/> _____<br><hr/> _____   | \$ _____                       | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
| _____      | _____<br><hr/> _____<br><hr/> _____   | \$ _____                       | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
| _____      | _____<br><hr/> _____<br><hr/> _____   | \$ _____                       | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
| _____      | _____<br><hr/> _____<br><hr/> _____   | \$ _____                       | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |

**Part IV Capital Gains and Losses for Tax on Investment Income**

| (a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co. | (b) How acquired<br>P - Purchase<br>D - Donation | (c) Date acquired<br>(mo., day, yr.) | (d) Date sold<br>(mo., day, yr.) |
|---|--|--------------------------------------|----------------------------------|
| 1a LTCG Class Action Proceeds-State Street  | P  | Various                              | Various                          |
| b LTCG Class Action Proceeds-Bessemer Trust   | P  | Various                              | Various                          |
| c Bessemer Trust 3594 - Statement D   | P  | Various                              | Various                          |
| d Bessemer Trust 3594 - Statement D   | P  | Various                              | Various                          |
| e Bessemer Trust 3B04 - Statement D   | P  | Various                              | Various                          |
| f Bessemer Trust 3B04 - Statement D   | P  | Various                              | Various                          |
| g State Street Bank & Trust - Statement D   | P  | Various                              | Various                          |
| h State Street Bank & Trust - Statement D   | P  | Various                              | Various                          |
| i Sonamed Corp pfd Series A   | P  | 08/16/00                             | 07/08/08                         |
| j Sonamed Corp  | P  | 08/01/96                             | 07/08/08                         |
| k Capital Gain on K-1 Silchester  | P  | Various                              | Various                          |
| l Capital Gain on K-1 Silchester  | P  | Various                              | Various                          |
| m Capital Gain on K-1 Old Westbury I  | P  | Various                              | Various                          |
| n Capital Gain on K-1 Old Westbury I  | P  | Various                              | Various                          |
| o Capital Loss on K-1 Old Westbury II   | P  | Various                              | Various                          |

| (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|-----------------------|--|---|--|
| a 1,182.              |  |   | 1,182.                                       |
| b 776.                |  |   | 776.   |
| c 861,545.            |  | 989,265.  | <127,720.>                                   |
| d 1,852,012.          |  | 2,303,714.                                      | <451,702.>                                   |
| e 244,986.            |  | 197,914.  | 47,072.                                      |
| f 551,856.            |  | 510,850.  | 41,006.                                      |
| g 442,844.            |  | 589,109.  | <146,265.>                                   |
| h 8,481,983.          |  | 8,943,872.                                      | <461,889.>                                   |
| i 38,340.             |  | 38,400.   | <60.>  |
| j 29,880.             |  | 48,000.   | <18,120.>                                    |
| k 25,238.             |  |   | 25,238.                                      |
| l 296,753.            |  |   | 296,753.                                     |
| m 2,904.              |  |   | 2,904.                                       |
| n 15,222.             |  |   | 15,222.                                      |
| o <5,614.>            |  |   | <5,614.>                                     |

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

| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis<br>as of 12/31/69 | (k) Excess of col. (i)<br>over col. (j), if any | (l) Losses (from col. (h))<br>Gains (excess of col. (h) gain over col. (k),<br>but not less than "-0-") |
|---------------------------|--------------------------------------|---|---|
| a                         |                                      |   | 1,182.  |
| b                         |                                      |   | 776.  |
| c                         |                                      |   | <127,720.>  |
| d                         |                                      |   | <451,702.>  |
| e                         |                                      |   | 47,072.   |
| f                         |                                      |   | 41,006.   |
| g                         |                                      |   | <146,265.>  |
| h                         |                                      |   | <461,889.>  |
| i                         |                                      |   | <60.>   |
| j                         |                                      |   | <18,120.>   |
| k                         |                                      |   | 25,238.   |
| l                         |                                      |   | 296,753.  |
| m                         |                                      |   | 2,904.  |
| n                         |                                      |   | 15,222.   |
| o                         |                                      |   | <5,614.>  |

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

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

3

**Part IV** Capital Gains and Losses for Tax on Investment Income

| (a) List and describe the kind(s) of property sold, e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co. | (b) How acquired<br>P - Purchase<br>D - Donation | (c) Date acquired<br>(mo., day, yr.) | (d) Date sold<br>(mo., day, yr.) |
|---|--|--------------------------------------|----------------------------------|
| 1a Capital Loss on K-1 Old Westbury II  | P  | Various                              | Various                          |
| b Capital Gains Dividends   |  |                                      |                                  |
| c   |  |                                      |                                  |
| d   |  |                                      |                                  |
| e   |  |                                      |                                  |
| f   |  |                                      |                                  |
| g   |  |                                      |                                  |
| h   |  |                                      |                                  |
| i   |  |                                      |                                  |
| j   |  |                                      |                                  |
| k   |  |                                      |                                  |
| l   |  |                                      |                                  |
| m   |  |                                      |                                  |
| n   |  |                                      |                                  |
| o   |  |                                      |                                  |

| (e) Gross sales price | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale | (h) Gain or (loss)<br>(e) plus (f) minus (g) |
|-----------------------|--|---|--|
| a <90.>               |  |   | <90.>  |
| b 7,162.              |  |   | 7,162.                                       |
| c                     |  |   |  |
| d                     |  |   |  |
| e                     |  |   |  |
| f                     |  |   |  |
| g                     |  |   |  |
| h                     |  |   |  |
| i                     |  |   |  |
| j                     |  |   |  |
| k                     |  |   |  |
| l                     |  |   |  |
| m                     |  |   |  |
| n                     |  |   |  |
| o                     |  |   |  |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 |                                      |   | (l) Losses (from col. (h))<br>Gains (excess of col. (h) gain over col. (k),<br>but not less than "-0-") |
|---|--------------------------------------|---|---|
| (i) F.M.V. as of 12/31/69   | (j) Adjusted basis<br>as of 12/31/69 | (k) Excess of col. (i)<br>over col. (j), if any |   |
| a   |                                      |   | <90.>   |
| b   |                                      |   | 7,162.  |
| c   |                                      |   |   |
| d   |                                      |   |   |
| e   |                                      |   |   |
| f   |                                      |   |   |
| g   |                                      |   |   |
| h   |                                      |   |   |
| i   |                                      |   |   |
| j   |                                      |   |   |
| k   |                                      |   |   |
| l   |                                      |   |   |
| m   |                                      |   |   |
| n   |                                      |   |   |
| o   |                                      |   |   |

|   |   |            |
|---|---|------------|
| 2 Capital gain net income or (net capital loss) ..... { If gain, also enter in Part I, line 7<br>If (loss), enter "-0-" in Part I, line 7 } .....                                       | 2 | <774,145.> |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):<br>If gain, also enter in Part I, line 8, column (c).<br>If (loss), enter "-0-" in Part I, line 8 ..... | 3 | N/A        |

Form 990-PF                      Gain or (Loss) from Sale of Assets                      Statement 1

| (a)<br>Description of Property          | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Manner<br>Acquired<br>Deprec. | (f)<br>Date<br>Acquired<br>Gain or Loss | Date Sold |
|---|-----------------------------|-------------------------------|---------------------------|--------------------------------------|---|-----------|
| LTCG Class Action Proceeds-State Street | 1,182.                      | 0.                            | 0.                        | Purchased                            | Various                                 | Various   |

| (a)<br>Description of Property            | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Manner<br>Acquired<br>Deprec. | (f)<br>Date<br>Acquired<br>Gain or Loss | Date Sold |
|---|-----------------------------|-------------------------------|---------------------------|--------------------------------------|---|-----------|
| LTCG Class Action Proceeds-Bessemer Trust | 776.                        | 0.                            | 0.                        | Purchased                            | Various                                 | Various   |

| (a)<br>Description of Property    | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Manner<br>Acquired<br>Deprec. | (f)<br>Date<br>Acquired<br>Gain or Loss | Date Sold |
|-----------------------------------|-----------------------------|-------------------------------|---------------------------|--------------------------------------|---|-----------|
| Bessemer Trust 3594 - Statement D | 861,545.                    | 0.                            | 989,265.                  | Purchased                            | Various                                 | Various   |

| (a)<br>Description of Property    | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Deprec. | (f)<br>Gain or Loss |
|-----------------------------------|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| Bessemer Trust 3594 - Statement D |                             |                               |                           |                |                     |
|                                   | 1,852,012.                  | 0.                            | 2,303,714.                | 0.             | <451,702.>          |

| (a)<br>Description of Property    | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Deprec. | (f)<br>Gain or Loss |
|-----------------------------------|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| Bessemer Trust 3B04 - Statement D |                             |                               |                           |                |                     |
|                                   | 244,986.                    | 0.                            | 197,914.                  | 0.             | 47,072.             |

| (a)<br>Description of Property    | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Deprec. | (f)<br>Gain or Loss |
|-----------------------------------|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| Bessemer Trust 3B04 - Statement D |                             |                               |                           |                |                     |
|                                   | 551,856.                    | 0.                            | 510,850.                  | 0.             | 41,006.             |

| (a)<br>Description of Property          | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Deprec. | (f)<br>Gain or Loss |
|---|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| State Street Bank & Trust - Statement D |                             |                               |                           |                |                     |
|   | 442,844.                    | 0.                            | 589,109.                  | 0.             | <146,265.>          |

| (a)<br>Description of Property          | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | Manner<br>Acquired | Date<br>Acquired | Date Sold           |
|---|-----------------------------|-------------------------------|---------------------------|--------------------|------------------|---------------------|
| State Street Bank & Trust - Statement D | 8,481,983.                  | 0.                            | 8,943,872.                | Purchased          | Various          | Various             |
|   |                             |                               |                           | (e)<br>Deprec.     |                  | (f)<br>Gain or Loss |
|   |                             |                               |                           |                    | 0.               | <461,889.>          |

| (a)<br>Description of Property | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | Manner<br>Acquired | Date<br>Acquired | Date Sold           |
|--------------------------------|-----------------------------|-------------------------------|---------------------------|--------------------|------------------|---------------------|
| Sonamed Corp pfd Series A      | 38,340.                     | 0.                            | 38,400.                   | Purchased          | 08/16/00         | 07/08/08            |
|                                |                             |                               |                           | (e)<br>Deprec.     |                  | (f)<br>Gain or Loss |
|                                |                             |                               |                           |                    | 0.               | <60.>               |

| (a)<br>Description of Property | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | Manner<br>Acquired | Date<br>Acquired | Date Sold           |
|--------------------------------|-----------------------------|-------------------------------|---------------------------|--------------------|------------------|---------------------|
| Sonamed Corp                   | 29,880.                     | 0.                            | 48,000.                   | Purchased          | 08/01/96         | 07/08/08            |
|                                |                             |                               |                           | (e)<br>Deprec.     |                  | (f)<br>Gain or Loss |
|                                |                             |                               |                           |                    | 0.               | <18,120.>           |

| (a)<br>Description of Property | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | Manner<br>Acquired | Date<br>Acquired | Date Sold           |
|--------------------------------|-----------------------------|-------------------------------|---------------------------|--------------------|------------------|---------------------|
| Capital Gain on K-1 Silchester | 25,238.                     | 0.                            | 0.                        | Purchased          | Various          | Various             |
|                                |                             |                               |                           | (e)<br>Deprec.     |                  | (f)<br>Gain or Loss |
|                                |                             |                               |                           |                    | 0.               | 25,238.             |

| (a)<br>Description of Property | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Deprec. | (f)<br>Gain or Loss |
|--------------------------------|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| Capital Gain on K-1 Silchester | 296,753.                    | 0.                            | 0.                        | 0.             | 296,753.            |

| (a)<br>Description of Property     | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Deprec. | (f)<br>Gain or Loss |
|------------------------------------|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| Capital Gain on K-1 Old Westbury I | 2,904.                      | 0.                            | 0.                        | 0.             | 2,904.              |

| (a)<br>Description of Property     | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Deprec. | (f)<br>Gain or Loss |
|------------------------------------|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| Capital Gain on K-1 Old Westbury I | 15,222.                     | 0.                            | 0.                        | 0.             | 15,222.             |

| (a)<br>Description of Property      | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Deprec. | (f)<br>Gain or Loss |
|-------------------------------------|-----------------------------|-------------------------------|---------------------------|----------------|---------------------|
| Capital Loss on K-1 Old Westbury II | <5,614.>                    | 0.                            | 0.                        | 0.             | <5,614.>            |

| (a)<br>Description of Property        | (b)<br>Gross<br>Sales Price | (c)<br>Cost or<br>Other Basis | (d)<br>Expense of<br>Sale | (e)<br>Manner<br>Acquired<br>Deprec. | (f)<br>Date<br>Acquired<br>Gain or Loss | Date Sold  |
|---------------------------------------|-----------------------------|-------------------------------|---------------------------|--------------------------------------|---|------------|
| Capital Loss on K-1 Old Westbury II   | <90.>                       | 0.                            | 0.                        | Purchased                            | Various                                 | Various    |
| Capital Gains Dividends from Part IV  |                             |                               |                           |                                      |   | 7,162.     |
| Total to Form 990-PF, Part I, line 6a |                             |                               |                           |                                      |   | <774,145.> |

Form 990-PF Interest on Savings and Temporary Cash Investments Statement 2

| Source   | Amount |
|--|--------|
| Wachovia                                       | 931.   |
| Wachovia MMKT                                  | 4,954. |
| Total to Form 990-PF, Part I, line 3, Column A | 5,885. |

Form 990-PF Dividends and Interest from Securities Statement 3

| Source  | Gross Amount | Capital Gains<br>Dividends | Column (A)<br>Amount |
|---|--------------|----------------------------|----------------------|
| Dividends - Bessemer Trust  | 36,173.      | 0.                         | 36,173.              |
| Dividends - Investors Bank & Trust                                | 29,072.      | 0.                         | 29,072.              |
| Dividends - TIFF Multi-Asset Fund                                 | 47,754.      | 7,162.                     | 40,592.              |
| Dividends from Schedule K-1 -- Old Westbury Private Capital II    | 406.         | 0.                         | 406.                 |
| Dividends from Schedule K-1 -- Silchester International Investors | 162,839.     | 0.                         | 162,839.             |
| Interest - Bessemer Trust   | 2,495.       | 0.                         | 2,495.               |
| Interest - Investors Bank & Trust                                 | 4,854.       | 0.                         | 4,854.               |
| Interest - Welch & Forbes   | 1,064.       | 0.                         | 1,064.               |
| Interest from Schedule K-1 -- Old Westbury Private Capital I      | 854.         | 0.                         | 854.                 |
| Interest from Schedule K-1 -- Old Westbury Private Capital II     | 3,386.       | 0.                         | 3,386.               |

|  |          |        |          |
|--|----------|--------|----------|
| Interest from Schedule K-1 --<br>Silchester International<br>Investors | 418.     | 0.     | 418.     |
| US Government Interest -<br>Bessemer Trust                             | 4,697.   | 0.     | 4,697.   |
| Total to Fm 990-PF, Part I, ln 4                                       | 294,012. | 7,162. | 286,850. |

| Form 990-PF   | Other Income                |                                   | Statement                     | 4 |
|---|-----------------------------|-----------------------------------|-------------------------------|---|
| Description   | (a)<br>Revenue<br>Per Books | (b)<br>Net Invest-<br>ment Income | (c)<br>Adjusted<br>Net Income |   |
| Ordinary Income from Schedule K-1<br>-- Old Westbury Private Capital II | <393.>                      | <393.>                            |                               |   |
| Other Loss from Schedule K-1 --<br>Silchester Investment Advisor        | 133,520.                    | 133,520.                          |                               |   |
| Other Loss from Schedule K-1 -- Old<br>Westbury Private Capital I       | 20,051.                     | 20,051.                           |                               |   |
| Other Loss from Schedule K-1 -- Old<br>Westbury Private Capital II      | <200.>                      | <200.>                            |                               |   |
| Other Income - Investor Bank &<br>Trust                                 | 1,650.                      | 1,650.                            |                               |   |
| Annuity Income - American Natl  | 13,278.                     | 13,278.                           |                               |   |
| Annuity Income - Penn Mutual  | 15,311.                     | 15,311.                           |                               |   |
| Annuity Income - Ntionwide Life   | 17,137.                     | 17,137.                           |                               |   |
| Total to Form 990-PF, Part I, line 11                                   | 200,354.                    | 200,354.                          |                               |   |

| Form 990-PF                  | Accounting Fees              |                                   |                               | Statement                     | 5 |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|---|
| Description                  | (a)<br>Expenses<br>Per Books | (b)<br>Net Invest-<br>ment Income | (c)<br>Adjusted<br>Net Income | (d)<br>Charitable<br>Purposes |   |
| Accounting Fees              | 18,676.                      | 12,676.                           |                               | 6,000.                        |   |
| To Form 990-PF, Pg 1, ln 16b | 18,676.                      | 12,676.                           |                               | 6,000.                        |   |

| Form 990-PF                 | Taxes                        |                                   |                               | Statement                     | 6  |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|----|
| Description                 | (a)<br>Expenses<br>Per Books | (b)<br>Net Invest-<br>ment Income | (c)<br>Adjusted<br>Net Income | (d)<br>Charitable<br>Purposes |    |
| Foreign Taxes               | 11,461.                      | 11,461.                           |                               |                               | 0. |
| To Form 990-PF, Pg 1, ln 18 | 11,461.                      | 11,461.                           |                               |                               | 0. |

| Form 990-PF  | Other Expenses               |                                   |                               | Statement                     | 7       |
|--|------------------------------|-----------------------------------|-------------------------------|-------------------------------|---------|
| Description  | (a)<br>Expenses<br>Per Books | (b)<br>Net Invest-<br>ment Income | (c)<br>Adjusted<br>Net Income | (d)<br>Charitable<br>Purposes |         |
| Administration Expenses  | 1,589.                       | 217.                              |                               |                               | 1,372.  |
| Investment Management Fees   | 80,047.                      | 80,047.                           |                               |                               | 0.      |
| Investment Expenses from<br>Schedule K-1 -- Old Westbury<br>Private Capital I  | 3,958.                       | 3,958.                            |                               |                               | 0.      |
| Investment Expenses from<br>Schedule K-1 -- Old Westbury<br>Private Capital II | 3,806.                       | 3,806.                            |                               |                               | 0.      |
| Insurance  | 7,836.                       | 1,908.                            |                               |                               | 5,927.  |
| Direct Charitable Purpose<br>Expense   | 4,574.                       | 0.                                |                               |                               | 4,574.  |
| Investment Expenses from<br>Silchester Intl                                    | 1,581.                       | 1,581.                            |                               |                               | 0.      |
| To Form 990-PF, Pg 1, ln 23  | 103,391.                     | 91,517.                           |                               |                               | 11,873. |

| Form 990-PF                              | Corporate Stock |                      | Statement | 8 |
|--|-----------------|----------------------|-----------|---|
| Description                              | Book Value      | Fair Market<br>Value |           |   |
| Corporate Stock - Bessemer Trust         | 2,118,910.      | 1,987,304.           |           |   |
| Corporate Stock - Investors Bank & Trust | 1,389,557.      | 1,351,412.           |           |   |
| Corporate Stock - Welch & Forbes         | 66,494.         | 31,545.              |           |   |
| Total to Form 990-PF, Part II, line 10b  | 3,574,961.      | 3,370,261.           |           |   |

| Form 990-PF                             | Other Investments | Statement  | 9                 |
|---|-------------------|------------|-------------------|
| Description                             | Valuation Method  | Book Value | Fair Market Value |
| Limited Partnerships - Bessemer Trust   | COST              | 322,870.   | 265,393.          |
| Silchester International Investors, Inc | COST              | 3,759,875. | 3,526,460.        |
| TIFF Multi-Asset Fund                   | COST              | 2,465,487. | 1,855,841.        |
| Annuity-Penn Mutual                     | COST              | 789,509.   | 789,509.          |
| Annuity-Nationwide                      | COST              | 789,461.   | 789,461.          |
| Annuity-American National               | COST              | 789,455.   | 789,455.          |
| Total to Form 990-PF, Part II, line 13  |                   | 8,916,657. | 8,016,119.        |

| Form 990-PF                            | Other Assets               | Statement              | 10                |
|--|----------------------------|------------------------|-------------------|
| Description                            | Beginning of Yr Book Value | End of Year Book Value | Fair Market Value |
| Cash Surrender Value of Life Insurance | 3,143,719.                 | 3,634,616.             | 1,626,689.        |
| To Form 990-PF, Part II, line 15       | 3,143,719.                 | 3,634,616.             | 1,626,689.        |



|   |                  |         |    |    |
|---|------------------|---------|----|----|
| Sondra Hanley<br>2826 10th Avenue East<br>Seattle, WA 98102               | Director<br>5.00 | 0.      | 0. | 0. |
| Kristin Hanley<br>51 Revere Street, Apt. 2<br>Boston, MA 02114            | Director<br>5.00 | 0.      | 0. | 0. |
| Mary K. Hanley<br>245 E. 44th St., Apt. 28D<br>New York, NY 10017         | Director<br>5.00 | 0.      | 0. | 0. |
| Michael James Hanley, Jr.<br>485 Winfield Glen Court<br>Atlanta, GA 30342 | Director<br>5.00 | 0.      | 0. | 0. |
| Totals included on 990-PF, Page 6, Part VIII                              |                  | 85,000. | 0. | 0. |

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|             |  |              |
|-------------|--|--------------|
| Form 990-PF | Part XV - Line 1a<br>List of Foundation Managers | Statement 12 |
|-------------|--|--------------|

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Name of Manager

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John W. Hanley, Sr.  
Mary Jane Hanley

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|             |  |              |
|-------------|--|--------------|
| Form 990-PF | Grants and Contributions<br>Paid During the Year | Statement 13 |
|-------------|--|--------------|

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| Recipient Name and Address   | Recipient Relationship<br>and Purpose of Grant | Recipient<br>Status | Amount  |
|--|--|---------------------|---------|
| Cumberland Heights Foundation<br>PO Box 90727, Nashville, TN 90727                     | N/A<br>See Part IX-A                           | Public              | 25,000. |
| Hanley Hall of the Treasure<br>Coast, Inc.<br>3395 11th Court, Vero Beach, FL<br>32960 | N/A<br>See Part IX-A                           | Public              | 11,000. |

|  |                      |        |          |
|--|----------------------|--------|----------|
| Hanley Center Foundation<br>933 45th St, West Palm Beach, FL<br>33407                            | N/A<br>See Part IX-A | Public | 430,000. |
| Caron Foundation<br>PO Box 150, Wernersville, PA<br>19565  | N/A<br>See Part IX-A | Public | 100,000. |
| Wake Forest University School of<br>Medicine<br>Medical Center Blvd.,<br>Winston-Salem, NC 27157 | N/A<br>See Part IX-A | Public | 100,000. |
| Casa De Recuperacion para<br>Alcoholicos<br>P O Box 8337, West Palm Beach, FL<br>33407           | N/A<br>See Part IX-A | Public | 25,194.  |
| Breakthru House Inc<br>1866 Eastfield Street, Decatur,<br>GA 30032                               | N/A<br>See Part IX-A | Public | 24,300.  |
| Alcohol & Drug Council of Middle<br>TN, Inc.<br>2612 Westwood Dr, Nashville, TN<br>37203         | N/A<br>See Part IX-A | Public | 15,000.  |
| Focus on Recovery Inc<br>2203-A Little Valley Road,<br>Hoover, AL 35216                          | N/A<br>See Part IX-A | Public | 10,000.  |

|   |                      |        |                 |
|---|----------------------|--------|-----------------|
| Nick's Place<br>4604 W Caroline Avenue,<br>Beltsville, MD 20705                           | N/A<br>See Part IX-A | Public | 10,000.         |
| Partnership for a Drug-Free<br>America<br>405 Lexington Ave, 16 FL, New<br>York, NY 10174 | N/A<br>See Part IX-A | Public | 25,000.         |
| Johnson Institue<br>613 Second Street NE, Washington,<br>DC 20002                         | N/A<br>See Part IX-A | Public | 4,000.          |
| Total to Form 990-PF, Part XV, line 3a  |                      |        | <u>779,494.</u> |