

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

2006

Department of the Treasury
Internal Revenue Service

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

For calendar year **2006**, or tax year beginning _____, and ending _____

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

| | | |
|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Use the IRS label. Otherwise, print or type. See Specific Instructions. | Name of foundation HOLMAN FOUNDATION, INC. Number and street (or P O box number if mail is not delivered to street address) Room/suite DANSER, BALAAM & FRANK, 5 INDEPENDENCE WA320 City or town, state, and ZIP code PRINCETON, NJ 08540 | A Employer identification number 22-3127387 B Telephone number (609)987-0300 C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |
| H Check type of organization: | <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation | |
| I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 5,599,819. | J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ | |

| Part I | Analysis of Revenue and Expenses <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) |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|---------------------------|-------------------------|-------------------------------------------------------------|
| Revenue | 1 Contributions, gifts, grants, etc., received | 3,206,823. | | 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 | | | | |
| | 4 Dividends and interest from securities | 103,113. | 106,315. | | STATEMENT 1 |
| | 5a Gross rents | | | | |
| | b Net rental income or (loss) | | | | |
| | 6a Net gain or (loss) from sale of assets not on line 10 | 689,893. | | | |
| | b Gross sales price for all assets on line 6a 5,383,129. | | | | |
| | 7 Capital gain net income (from Part IV, line 2) | | 4,633,558. | | |
| | 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 | | 0. | <603.> | | STATEMENT 2 |
| 12 Total Add lines 1 through 11 | | 3,999,829. | 4,739,270. | | |
| Operating and Administrative Expenses | 13 Compensation of officers, directors, trustees, etc | 0. | 0. | | 0. |
| | 14 Other employee salaries and wages | | | | |
| | 15 Pension plans, employee benefits | | | | |
| | 16a Legal fees STMT 3 | 32,324. | 13,175. | | 19,149. |
| | b Accounting fees STMT 4 | 5,800. | 0. | | 5,800. |
| | c Other professional fees STMT 5 | 17,423. | 17,423. | | 0. |
| | 17 Interest | | 2,960. | | |
| | 18 Taxes STMT 6 | 204. | 138. | | 0. |
| | 19 Depreciation and depletion | | | | |
| | 20 Occupancy | | | | |
| | 21 Travel, conferences, and meetings | 2,523. | 1,859. | | 664. |
| | 22 Printing and publications | | | | |
| | 23 Other expenses STMT 7 | 175. | 267. | | 25. |
| | 24 Total operating and administrative expenses. Add lines 13 through 23 | 58,449. | 35,822. | | 25,638. |
| | 25 Contributions, gifts, grants, and other disbursements | 281,090. | | | 281,090. |
| 26 Total expenses and disbursements. Add lines 24 and 25 | 339,539. | 35,822. | | 306,728. | |
| 27 Subtract line 26 from line 12. | | | | | |
| a Excess of revenue over expenses and disbursements | 3,660,290. | | | | |
| b Net investment income (if negative, enter -0-) | | 4,703,448. | | | |
| c Adjusted net income (if negative, enter -0-) | | | N/A | | |

LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Form **990-PF** (2006)

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| Part II Balance Sheets <small>Attached schedules and amounts in the description column should be for end-of-year amounts only</small> | | 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 | 496. | 759,828. | 759,828. |
| | 3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶ | | | |
| | 4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶ | | | |
| | 5 Grants receivable | | | |
| | 6 Receivables due from officers, directors, trustees, and other disqualified persons | | | |
| | 7 Other notes and loans receivable ▶ Less: allowance for doubtful accounts ▶ | | | |
| | 8 Inventories for sale or use | | | |
| | 9 Prepaid expenses and deferred charges | | | |
| | 10a Investments - U.S. and state government obligations | | | |
| | b Investments - corporate stock STMT 9 | 1,515,974. | 2,437,438. | 2,645,642. |
| | c Investments - corporate bonds | | | |
| | 11 Investments - land, buildings, and equipment: basis ▶ Less: accumulated depreciation ▶ | | | |
| | 12 Investments - mortgage loans | | | |
| | 13 Investments - other STMT 10 | 0. | 2,000,000. | 2,194,349. |
| 14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation ▶ | | | | |
| 15 Other assets (describe ▶ _____) | | | | |
| 16 Total assets (to be completed by all filers) | 1,516,470. | 5,197,266. | 5,599,819. | |
| Liabilities | 17 Accounts payable and accrued expenses | | | |
| | 18 Grants payable | | | |
| | 19 Deferred revenue | | | |
| | 20 Loans from officers, directors, trustees, and other disqualified persons | | | |
| | 21 Mortgages and other notes payable | | | |
| | 22 Other liabilities (describe ▶ _____) | | | |
| 23 Total liabilities (add lines 17 through 22) | 0. | 0. | | |
| Net Assets or Fund Balances | Foundations that follow SFAS 117, check here ▶ <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 | 1,516,470. | 5,197,266. | |
| | 28 Paid-in or capital surplus, or land, bldg., and equipment fund | 0. | 0. | |
| | 29 Retained earnings, accumulated income, endowment, or other funds | 0. | 0. | |
| 30 Total net assets or fund balances | 1,516,470. | 5,197,266. | | |
| 31 Total liabilities and net assets/fund balances | 1,516,470. | 5,197,266. | | |

Part III Analysis of Changes in Net Assets or Fund Balances

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------------|
| 1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) | 1 | 1,516,470. |
| 2 Enter amount from Part I, line 27a | 2 | 3,660,290. |
| 3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8 | 3 | 20,506. |
| 4 Add lines 1, 2, and 3 | 4 | 5,197,266. |
| 5 Decreases not included in line 2 (itemize) ▶ | 5 | 0. |
| 6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 | 6 | 5,197,266. |

Part IV Capital Gains and Losses for Tax on Investment Income

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.) | (b) How acquired P - Purchase D - Donation | (c) Date acquired (mo., day, yr.) | (d) Date sold (mo., day, yr.) |
|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------|----------------------------------|
| 1a SCHEDULE ATTACHED | P | | |
| b SCHEDULE ATTACHED | D | | |
| c ACACIA PARTNERS | P | | |
| d ACACIA PARTNERS | P | | |
| 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 530,824. | | 531,727. | <903.> |
| b 4,852,305. | | 223,955. | 4,628,350. |
| c | | | 7,412. |
| d | | | <1,301.> |
| e | | | |

| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h)) |
|---------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------------|-------------------------------------------------------------------------------------------------|
| (i) F.M.V. as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col. (i) over col. (j), if any | |
| a | | | <903.> |
| b | | | 4,628,350. |
| c | | | 7,412. |
| d | | | <1,301.> |
| 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 | 4,633,558. |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8 } | 3 | N/A |

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

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

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

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

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

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

| (a) Base period years Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio (col. (b) divided by col. (c)) |
|-------------------------------------------------------------------|---------------------------------------|-------------------------------------------|----------------------------------------------------------|
| 2005 | 101,960. | 1,982,394. | .051433 |
| 2004 | 81,678. | 1,723,563. | .047389 |
| 2003 | 72,674. | 1,613,581. | .045039 |
| 2002 | 84,234. | 1,243,520. | .067738 |
| 2001 | 58,234. | 1,116,092. | .052177 |

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------------|
| 2 Total of line 1, column (d) | 2 | .263776 |
| 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 | .052755 |
| 4 Enter the net value of noncharitable-use assets for 2006 from Part X, line 5 | 4 | 4,912,410. |
| 5 Multiply line 4 by line 3 | 5 | 259,154. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b) | 6 | 47,034. |
| 7 Add lines 5 and 6 | 7 | 306,188. |
| 8 Enter qualifying distributions from Part XII, line 4 | 8 | 306,728. |

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)

Table with 11 rows for excise tax calculation. Includes categories like 'Exempt operating foundations', 'Domestic foundations', and 'Tax due'. Total amount owed is 46,620.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Includes questions about political campaigns, unrelated business income, and substantial contributors. Includes 'Yes' and 'No' columns.

Part VII-A Statements Regarding Activities *Continued*

| | | | | |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---|-----|
| 11a | 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) | | | X |
| b | If "Yes," did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in the attachment for line 11a? | N/A | | |
| 12 | Did the foundation acquire a direct or indirect interest in any applicable insurance contract? | | | X |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Web site address ▶ <u>N/A</u> | | X | |
| 14 | The books are in care of ▶ <u>DANSER, BALAAM & FRANK</u> Telephone no. ▶ <u>(609) 987-0300</u> Located at ▶ <u>5 INDEPENDENCE WAY, PRINCETON, NJ</u> ZIP+4 ▶ <u>08540</u> | | | |
| 15 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 | | | N/A |

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

| | | Yes | No |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1a | During the year did the foundation (either directly or indirectly): | | |
| (1) | Engage in the sale or exchange, or leasing of property with a disqualified person? <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? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b | If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/> | 1b | X |
| 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 2006? | 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 2006, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2006? If "Yes," list the years ▶ _____, _____, _____ <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b | Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.) N/A | 2b | |
| c | If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ _____, _____, _____ | | |
| 3a | Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| b | If "Yes," did it have excess business holdings in 2006 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 2006.) N/A | 3b | |
| 4a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4a | X |
| b | Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2006? | 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
 Organizations relying on a current notice regarding disaster assistance check here N/A

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). N/A

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
 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

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 | | 0. | 0. | 0. |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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

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

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

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

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

Table with 3 columns: (a) Name and address of each person paid more than \$50,000, (b) Type of service, (c) Compensation. Row 1 contains '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.

Table with 2 columns: Description, Expenses. Rows 1-4 contain 'N/A'.

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.

Table with 2 columns: Description, Amount. Rows 1-2 contain 'N/A'.

All other program-related investments. See instructions.

Table with 2 columns: Description, Amount. Row 3 contains 'All other program-related investments. See instructions.' Total row shows 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 | 4,609,421. |
| b | Average of monthly cash balances | 1b | 377,797. |
| c | Fair market value of all other assets | 1c | |
| d | Total (add lines 1a, b, and c) | 1d | 4,987,218. |
| 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 | 4,987,218. |
| 4 | Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) | 4 | 74,808. |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 | 5 | 4,912,410. |
| 6 | Minimum investment return. Enter 5% of line 5 | 6 | 245,621. |

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 | 245,621. |
| 2a | Tax on investment income for 2006 from Part VI, line 5 | 2a | 47,034. |
| b | Income tax for 2006. (This does not include the tax from Part VI.) | 2b | 9. |
| c | Add lines 2a and 2b | 2c | 47,043. |
| 3 | Distributable amount before adjustments. Subtract line 2c from line 1 | 3 | 198,578. |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | 0. |
| 5 | Add lines 3 and 4 | 5 | 198,578. |
| 6 | Deduction from distributable amount (see instructions) | 6 | 0. |
| 7 | Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1 | 7 | 198,578. |

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 | 306,728. |
| b | Program-related investments - total from Part IX-B | 1b | 0. |
| 2 | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes | 2 | |
| 3 | Amounts set aside for specific charitable projects that satisfy the: | | |
| a | Suitability test (prior IRS approval required) | 3a | |
| b | Cash distribution test (attach the required schedule) | 3b | |
| 4 | Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4 | 4 | 306,728. |
| 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 | 47,034. |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 259,694. |

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 2005 | (c) 2005 | (d) 2006 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------|-------------|-------------|
| 1 Distributable amount for 2006 from Part XI, line 7 | | | | 198,578. |
| 2 Undistributed income, if any, as of the end of 2005 | | | | |
| a Enter amount for 2005 only | | | 0. | |
| b Total for prior years: | | 0. | | |
| 3 Excess distributions carryover, if any, to 2006: | | | | |
| a From 2001 | 3,158. | | | |
| b From 2002 | 22,754. | | | |
| c From 2003 | | | | |
| d From 2004 | | | | |
| e From 2005 | 3,662. | | | |
| f Total of lines 3a through e | 29,574. | | | |
| 4 Qualifying distributions for 2006 from Part XII, line 4: ▶ \$ | 306,728. | | | |
| a Applied to 2005, but not more than line 2a | | | 0. | |
| b Applied to undistributed income of prior years (Election required - see instructions) | | 0. | | |
| c Treated as distributions out of corpus (Election required - see instructions) | 0. | | | |
| d Applied to 2006 distributable amount | | | | 198,578. |
| e Remaining amount distributed out of corpus | 108,150. | | | |
| 5 Excess distributions carryover applied to 2006 (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 | 137,724. | | | |
| 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 2005. Subtract line 4a from line 2a. Taxable amount - see instr. | | | 0. | |
| f Undistributed income for 2006. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2007 | | | | 0. |
| 7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) | 0. | | | |
| 8 Excess distributions carryover from 2001 not applied on line 5 or line 7 | 3,158. | | | |
| 9 Excess distributions carryover to 2007. Subtract lines 7 and 8 from line 6a | 134,566. | | | |
| 10 Analysis of line 9: | | | | |
| a Excess from 2002 | 22,754. | | | |
| b Excess from 2003 | | | | |
| c Excess from 2004 | | | | |
| d Excess from 2005 | 3,662. | | | |
| e Excess from 2006 | 108,150. | | | |

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 2006, 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) 2006 | (b) 2005 | (c) 2004 | (d) 2003 | |
| 2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed | | | | | |
| b 85% of line 2a | | | | | |
| c Qualifying distributions from Part XII, line 4 for each year listed | | | | | |
| d Amounts included in line 2c not used directly for active conduct of exempt activities | | | | | |
| e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c | | | | | |
| 3 Complete 3a, b, or c for the alternative test relied upon: | | | | | |
| a "Assets" alternative test - enter: | | | | | |
| (1) Value of all assets | | | | | |
| (2) Value of assets qualifying under section 4942(j)(3)(B)(i) | | | | | |
| b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed | | | | | |
| c "Support" alternative test - enter: | | | | | |
| (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) | | | | | |
| (2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) | | | | | |
| (3) Largest amount of support from an exempt organization | | | | | |
| (4) Gross investment income | | | | | |

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see page 28 of 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).)
- WAYNE J HOLMAN III**
- b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

- 2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
- Check here if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.
- a** The name, address, and telephone number of the person to whom applications should be addressed:
- b** The form in which applications should be submitted and information and materials they should include:
- c** Any submission deadlines:
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

| 3 Grants and Contributions Paid During the Year or Approved for Future Payment | | | | |
|---------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|--------------------------------|----------------------------------|-----------------|
| Recipient | 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) | | | | |
| a Paid during the year | | | | |
| SEE STATEMENT 12 | | | | |
| Total | | | ▶ 3a | 281,090. |
| b Approved for future payment | | | | |
| NONE | | | | |
| Total | | | ▶ 3b | 0. |

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 | | X |
| (2) Other assets | | X |
| b Other transactions: | | |
| (1) Sales of assets to a noncharitable exempt organization | | X |
| (2) Purchases of assets from a noncharitable exempt organization | | X |
| (3) Rental of facilities, equipment, or other assets | | X |
| (4) Reimbursement arrangements | | X |
| (5) Loans or loan guarantees | | X |
| (6) Performance of services or membership or fundraising solicitations | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | X |
| d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

| (a) Line no | (b) Amount involved | (c) Name of noncharitable exempt organization | (d) Description of transfers, transactions, and sharing arrangements |
|-------------|---------------------|-----------------------------------------------|----------------------------------------------------------------------|
| | | N/A | |
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2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? Yes No

b If "Yes," complete the following schedule.

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

Sign Here

Signature of officer or trustee *[Handwritten Signature]* 15

Paid Preparer's Use Only

Preparer's signature *[Handwritten Signature]*

Firm's name (or yours if self-employed), address, and ZIP code
DANSER, BALAAM & FRANK
5 INDEPENDENCE WAY, SUIT
PRINCETON, NJ 08540

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service**Schedule of Contributors**Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No 1545-0047

2006

Name of organization

HOLMAN FOUNDATION, INC.

Employer identification number

22-3127387

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 foundationCheck 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 \$5,000 or 2% of the amount on line 1 of these forms. (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 check the box in the heading of their Form 990, 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 Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

| | |
|--------------------------------------------------------|-----------------------------------------------------|
| Name of organization HOLMAN FOUNDATION, INC. | Employer identification number 22-3127387 |
|--------------------------------------------------------|-----------------------------------------------------|

Part I Contributors (See Specific Instructions.)

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|------------|---------------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | WAYNE J HOLMAN III 615 RIFORD ROAD GLEN ELLYN, IL 60137 | \$ 3,206,823. | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ _____ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution) |

| | |
|--------------------------------------------------------|-----------------------------------------------------|
| Name of organization HOLMAN FOUNDATION, INC. | Employer identification number 22-3127387 |
|--------------------------------------------------------|-----------------------------------------------------|

Part II Noncash Property (See Specific Instructions)

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|------------------------------|----------------------------------------------|------------------------------------------------|----------------------|
| 1 | SEE ATTACHED _____ _____ _____ | \$ 3,206,823. | _____ |
| _____ | _____ _____ _____ | \$ _____ | _____ |
| _____ | _____ _____ _____ | \$ _____ | _____ |
| _____ | _____ _____ _____ | \$ _____ | _____ |
| _____ | _____ _____ _____ | \$ _____ | _____ |
| _____ | _____ _____ _____ | \$ _____ | _____ |
| _____ | _____ _____ _____ | \$ _____ | _____ |

THE HOLMAN FOUNDATION, INC
EIN# 22-3127387
Form 990PF - 2006, Schedule B, Schedule of Contributors

Contributions Received From:

Wayne J. Holman, III

Cash 4,300.00

Securities at market value on date of gift 1/19/06

| <u>Shares</u> | <u>Book Value</u> | |
|--------------------------------------|-------------------|------------|
| 1,000 American Int'l Group @ \$68 10 | \$ 68,100.00 | |
| 1,500 General Electric @ \$34 68 | 52,020 00 | |
| 2,300 Johnson & Johnson @ \$62.17 | 142,991 00 | |
| 2,405 JP Morgan Chase @ \$39 06 | 93,939 30 | |
| 3,000 Merck & Co. @ \$33 32 | 99,960 00 | |
| 1,200 Pepsico, Inc @ \$58.33 | 69,996 00 | 527,006.30 |

On February 1, 2006 Wayne J Holman III made a gift of his entire lifetime unitrust interest in the Holman 2006 Charitable Remainder Unitrust under Charitable Remainder Unitrust dated 8/22/94 to the Holman Foundation, Inc., the charitable remainder organization named in the trust

The value of the property on the date of transfer to the Foundation was:

Cash 17,162.00

Shares

| | | |
|------------------------------------|--------------|--------------|
| 500 Bellsouth Corp @ \$34 89 | 17,445.00 | |
| 1,500 General Electric @ \$33 95 | 50,925.00 | |
| 39,000 Johhson & Johnson @ \$60.39 | 2,355,210.00 | |
| 3,500 JP Morgan Chase @ \$42.10 | 147,350.00 | |
| 2,500 Verizon @ \$34.97 | 87,425.00 | 2,658,355.00 |

Total Contributions Received \$ 3,206,823.30

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

| SOURCE | GROSS AMOUNT | CAPITAL GAINS DIVIDENDS | COLUMN (A) AMOUNT |
|----------------------------------|--------------|----------------------------|----------------------|
| ACACIA PARTNERS | 3,540. | 0. | 3,540. |
| RBC DAIN RAUSCHER | 51,385. | 0. | 51,385. |
| RBC DAIN RAUSCHER | 1,500. | 0. | 1,500. |
| UBS FINANCIAL, INC. | 50,228. | 0. | 50,228. |
| TOTAL TO FM 990-PF, PART I, LN 4 | 106,653. | 0. | 106,653. |

FORM 990-PF OTHER INCOME STATEMENT 2

| DESCRIPTION | (A) REVENUE PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME |
|---------------------------------------|-----------------------------|-----------------------------------|-------------------------------|
| ACACIA PARTNERS, LP | | <603.> | |
| TOTAL TO FORM 990-PF, PART I, LINE 11 | | <603.> | |

FORM 990-PF LEGAL FEES STATEMENT 3

| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
|----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| SMITH STRATTON ET AL | 7,020. | 0. | | 7,020. |
| SAUL EWING LLP | 22,418. | 13,175. | | 9,243. |
| CAPLIN & DRYSDALE | 2,886. | 0. | | 2,886. |
| TO FM 990-PF, PG 1, LN 16A | 32,324. | 13,175. | | 19,149. |

| FORM 990-PF | ACCOUNTING FEES | | | STATEMENT 4 |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
| DANSER, BALAAM & FRANK | 5,800. | 0. | | 5,800. |
| TO FORM 990-PF, PG 1, LN 16B | 5,800. | 0. | | 5,800. |

| FORM 990-PF | OTHER PROFESSIONAL FEES | | | STATEMENT 5 |
|------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
| RBC DAIN RAUSCHER | 17,423. | 17,423. | | 0. |
| TO FORM 990-PF, PG 1, LN 16C | 17,423. | 17,423. | | 0. |

| FORM 990-PF | TAXES | | | STATEMENT 6 |
|---------------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
| FED TAX ON INVESTMENT INCOME | 110. | 0. | | 0. |
| FOREIGN TAX WITHHELD | 94. | 138. | | 0. |
| TO FORM 990-PF, PG 1, LN 18 | 204. | 138. | | 0. |

| FORM 990-PF | OTHER EXPENSES | | | STATEMENT 7 |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION | (A) EXPENSES PER BOOKS | (B) NET INVEST- MENT INCOME | (C) ADJUSTED NET INCOME | (D) CHARITABLE PURPOSES |
| CUSTODIAN FEE | 150. | 150. | | 0. |
| ANNUAL REPORT FILING FEE | 25. | 0. | | 25. |
| PORTFOLIO DEDUCTIONS-ACACIA | 0. | 117. | | 0. |
| TO FORM 990-PF, PG 1, LN 23 | 175. | 267. | | 25. |

| FORM 990-PF | OTHER INCREASES IN NET ASSETS OR FUND BALANCES | STATEMENT | 8 |
|---------------------------------------------------------------------------|------------------------------------------------|-----------|---------|
| DESCRIPTION | | AMOUNT | |
| DIFFERENCE BETWEEN MARKET VALUE AND BOOK OF STOCKS CONTRIBUTED TO CHARITY | | | 20,506. |
| TOTAL TO FORM 990-PF, PART III, LINE 3 | | | 20,506. |

| FORM 990-PF | CORPORATE STOCK | STATEMENT | 9 |
|-----------------------------------------|-----------------|------------|-------------------|
| DESCRIPTION | | BOOK VALUE | FAIR MARKET VALUE |
| SEE ATTACHED | | 2,437,438. | 2,645,642. |
| TOTAL TO FORM 990-PF, PART II, LINE 10B | | 2,437,438. | 2,645,642. |

| FORM 990-PF | OTHER INVESTMENTS | STATEMENT | 10 | |
|----------------------------------------|-------------------|------------------|------------|-------------------|
| DESCRIPTION | | VALUATION METHOD | BOOK VALUE | FAIR MARKET VALUE |
| SEE ATTACHED | | COST | 2,000,000. | 2,194,349. |
| TOTAL TO FORM 990-PF, PART II, LINE 13 | | | 2,000,000. | 2,194,349. |

THE HOLMAN FOUNDATION, INC.

SCHEDULE OF INVESTMENTS

DECEMBER 31, 2006

| SHARES OR PAR | STOCK | BOOK VALUE | MARKET VALUE |
|---------------------|--------------------------------------|--------------|--------------|
| <u>Common Stock</u> | | | |
| 1,000 | 3M Co. | \$ 69,950.00 | \$ 77,930.00 |
| 1,000 | Aflac, Inc. | 44,500.00 | 46,000.00 |
| 1,000 | American Int'l Group, Inc | 68,100.00 | 71,660.00 |
| 1,000 | Astrazenca PLC ADR | 55,699.00 | 53,550.00 |
| 2,000 | BHP Billiton LTD Spons ADR | 78,850.00 | 79,500.00 |
| 1,000 | BP PLC Spons ADR | 69,000.00 | 67,100.00 |
| 1,000 | Caterpillar, Inc. | 63,330.00 | 61,330.00 |
| 1,000 | Cemex SA Spons ADR New | 29,050.00 | 33,880.00 |
| 1,000 | Chevron Corp. | 61,100.00 | 73,530.00 |
| 500 | City National Corp | 33,200.00 | 35,600.00 |
| 1,000 | Credit Suisse Group Spons ADR | 59,000.00 | 69,850.00 |
| 1,000 | Cullen Frost Bankers, Inc | 55,400.00 | 55,820.00 |
| 2,000 | Dow Chemical Company | 73,600.00 | 79,800.00 |
| 1,500 | Eli Lilly & Co. | 80,150.00 | 78,150.00 |
| 1,000 | Equitable Resources, Inc | 34,700.00 | 41,750.00 |
| 1,000 | Federated Invs, Inc. PA CL B | 32,950.00 | 33,780.00 |
| 500 | Fortune Brands, Inc. | 35,950.00 | 42,695.00 |
| 1,500 | Freeport McMoran Copper & Gold, Inc. | 80,125.00 | 83,595.00 |
| 2,000 | General Electric Co. | 68,265.00 | 74,420.00 |
| 1,000 | Glaxosmithkline PLC Spons ADR | 53,500.00 | 52,760.00 |
| 1,000 | Global Santa Fe Corp. | 47,250.00 | 58,780.00 |
| 1,000 | Graco, Inc. | 40,850.00 | 39,620.00 |
| 500 | Hartford Financial Svcs Group, Inc. | 43,250.00 | 46,655.00 |
| 1,000 | Hershey Co. | 49,450.00 | 49,800.00 |
| 2,000 | Home Depot, Inc. | 66,300.00 | 80,320.00 |
| 1,000 | Illinois Tool Works NC | 44,200.00 | 46,190.00 |
| 500 | Indymac Bancorp, inc. | 20,725.00 | 22,580.00 |
| 99 | Johnson & Johnson | 5,978.61 | 6,535.98 |
| 2,000 | JP Morgan Chase & Co. | 84,200.00 | 96,600.00 |
| 1,000 | Keycorp New | 35,850.00 | 38,030.00 |
| 2,500 | Masco Corp. | 66,750.00 | 74,675.00 |
| 1,500 | Merck & Co. | 49,980.00 | 65,400.00 |
| 1,000 | Norfolk Southern Corp. | 41,600.00 | 50,290.00 |

THE HOLMAN FOUNDATION, INC.

SCHEDULE OF INVESTMENTS
DECEMBER 31, 2006

| SHARES OR PAR | STOCK | BOOK VALUE | MARKET VALUE |
|--------------------------------|----------------------------------|------------------------|------------------------|
| 3,000 | Norsk Hydro A S Spons ADR | 72,500 00 | 92,010.00 |
| 1,000 | Oshkosh Truck Corp CL B | 45,750.00 | 48,420.00 |
| 561 | Pepsico, Inc | 32,723.13 | 35,090.55 |
| 500 | Petroleo Brasileiro SA Spons ADR | 40,350 00 | 51,495.00 |
| 1,000 | Royal Dutch Shell PLC Spons ADR | 65,050 00 | 70,790 00 |
| 3,750 | Statoil ASA Spons ADR | 96,875 00 | 98,700 00 |
| 750 | Sunoco, Inc. | 46,612.50 | 46,770.00 |
| 1,500 | Sysco Corp. | 45,225.00 | 55,140.00 |
| 1,000 | TCF Financial Corp. | 26,500.00 | 27,420.00 |
| 1,000 | TXU Corp. | 56,150 00 | 54,210.00 |
| 1,000 | United Parcel Service, Inc. CL B | 69,950.00 | 74,980.00 |
| 1,000 | Wachovia Corp. | 54,750.00 | 56,950 00 |
| 1,000 | Washington Mutual, Inc. | 42,200.00 | 45,490 00 |
| | | <u>2,437,438 24</u> | <u>2,645,641 53</u> |
| <u>Alternative Investments</u> | | | |
| | Acacia Partners, LP | <u>2,000,000 00</u> | <u>2,194,348.54</u> |
| | Total Investments | <u>\$ 4,437,438.24</u> | <u>\$ 4,839,990.07</u> |

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 11

| NAME AND ADDRESS | TITLE AND AVRG HRS/WK | COMPEN- SATION | EMPLOYEE BEN PLAN CONTRIB | EXPENSE ACCOUNT |
|----------------------------------------------|--------------------------|-------------------|------------------------------|--------------------|
| WAYNE J HOLMAN III | PRESIDENT/TRUSTEE | | | |
| GLEN ELLYN, IL | 1.00 | 0. | 0. | 0. |
| JAMES S HILL | TREAS/TRUSTEE | | | |
| PRINCETON, NJ | 1.00 | 0. | 0. | 0. |
| EUGENE MEYER | TRUSTEE | | | |
| WASHINGTON, DC | 1.00 | 0. | 0. | 0. |
| LEE LIBERMAN OTIS | TRUSTEE | | | |
| ALEXANDRIA, VA | 1.00 | 0. | 0. | 0. |
| STEPHEN MOORE | TRUSTEE | | | |
| FALLS CHURCH, VA | 1.00 | 0. | 0. | 0. |
| JOHN VONKANNON | SECRETARY/TRUSTEE | | | |
| WASHINGTON, DC | 1.00 | 0. | 0. | 0. |
| TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII | | 0. | 0. | 0. |

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 12

| RECIPIENT NAME AND ADDRESS | RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT | RECIPIENT STATUS | AMOUNT |
|------------------------------------------------------------------------------------------------|------------------------------------------------|---------------------|---------|
| COMPETITIVE ENTERPRISE INSTITUTE 1001 CONNECTICUT AVE, WASHINGTON, DC 20035 | NONE GENERAL PURPOSE | PUBLIC CHARITY | 10,062. |
| CONSOURCE INC. 1700 K ST, WASHINGTON, DC 20007 | NONE GENERAL PURPOSE | PUBLIC CHARITY | 30,000. |
| DONORS TRUST 111 NORTH HENRY ST, ALEXANDRIA, VA 22314 | NONE GENERAL PURPOSE | PUBLIC CHARITY | 20,062. |
| ETHICS & PUBLIC POLICY CENTER 1015 FIFTEENTH ST, WASHINGTON, DC 20005 | NONE GENERAL PURPOSE | PUBLIC CHARITY | 20,020. |
| FOUNDATION FOR RESEARCH ON ECONOMICS & ENVIRONMENT 662 FERGUSON RD, BOZEMAN, MT 59718 | NONE GENERAL PURPOSE | PUBLIC CHARITY | 30,167. |
| FREE ENTERPRISE INSTITUTE 555 12TH ST, WASHINGTON, DC 20004 | NONE GENERAL PURPOSE | PUBLIC CHARITY | 40,266. |
| NATIONAL CENTER FOR POLICY ANALYSIS 12770 COIT RD, DALLAS, TX 75251 | NONE GENERAL PURPOSE | PUBLIC CHARITY | 20,133. |
| PACIFIC RESEARCH INSTITUTE FOR PUBLIC POLICY 755 SANSOME ST, SAN FRANCISCO, CA 94111 | NONE GENERAL PURPOSE | PUBLIC CHARITY | 10,062. |

| | | | |
|-----------------------------------------------------------------------|-------------------------|-------------------|---------|
| THE CATO INSTITUTE 1000 MASSACHUSETTS AVE, WASHINGTON, DC 20001 | NONE GENERAL PURPOSE | PUBLIC CHARITY | 50,018. |
|-----------------------------------------------------------------------|-------------------------|-------------------|---------|

| | | | |
|---------------------------------------------------------------------------|-------------------------|-------------------|---------|
| THE HERITAGE FOUNDATION 214 MASSACHUSETTS AVE, WASHINGTON, DC 20002 | NONE GENERAL PURPOSE | PUBLIC CHARITY | 50,300. |
|---------------------------------------------------------------------------|-------------------------|-------------------|---------|

| | | | |
|----------------------------------------|--|--|-----------------|
| TOTAL TO FORM 990-PF, PART XV, LINE 3A | | | <u>281,090.</u> |
|----------------------------------------|--|--|-----------------|

THE HOLMAN FOUNDATION, INC.

SCHEDULE OF GAIN OR LOSS ON SALE OF SECURITIES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2006

| SHARES OR PAR | | PROCEEDS | TAX BASIS | GAIN(LOSS) |
|------------------|-----------------------------------------|---------------------|-------------------|-------------------------------|
| 68,000 | Johnson & Johnson | \$ 4,391,968.16 | \$ 35,457.97 | \$ 4,356,510.19 |
| 600 | Lucent Technologies, Inc | 1,349.96 | 8,184.47 | (6,834.51) |
| 36 | Medco Health Solutions, Inc | 2,285.93 | 530.45 | 1,755.48 |
| 500 | Bellsouth Corp | 21,874.33 | 1,996.66 | 19,877.67 |
| 1,800 | Merck & Co. | 76,647.64 | 37,202.31 | 39,445.33 |
| 4,534 | JP Morgan Chase & Co | 211,957.99 | 75,542.68 | 136,415.31 |
| 2,500 | Verizon Communications | 90,622.22 | 34,682.87 | 55,939.35 |
| 500 | Caterpillar, Inc | 30,824.05 | 32,525.00 | (1,700.95) |
| \$ 100,000 | Kraft Food, Inc., 4.625%, 11/1/06 | 100,000.00 | 99,982.00 | 18.00 |
| 1,600 | General Electric | 55,598.29 | 30,357.22 | 25,241.07 |
| \$ 100,000 | Fed Home Loan Bk, 4.125%, 11/17/06 | 100,000.00 | 99,927.73 | 72.27 |
| \$ 100,000 | Fed Home Loan Bk, 2.22%, 11/27/06 | 100,000.00 | 99,730.42 | 269.58 |
| \$ 100,000 | Fed Home Loan Bk, 2.25%, 12/4/06 | 100,000.00 | 99,665.05 | 334.95 |
| \$ 100,000 | Fed Home Loan Bk, 2.75%, 12/15/06 | 100,000.00 | 99,896.91 | 103.09 |
| | | <u>5,383,128.57</u> | <u>755,681.74</u> | |
| | Net Realized Gain on Sale of Securities | | | <u><u>\$ 4,627,446.83</u></u> |