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

**2007**

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

For calendar year 2007, or tax year beginning **MAR 1, 2007**, and ending **FEB 29, 2008**

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 <b>THE PEGGY MEYERHOFF PEARLSTONE FOUNDATION, INC.</b>		A Employer identification number <b>52-1035731</b>
	Number and street (or P O box number if mail is not delivered to street address) <b>2 VILLAGE SQUARE</b>	Room/suite <b>212</b>	B Telephone number <b>410-532-2263</b>
	City or town, state, and ZIP code <b>BALTIMORE, MD 21210-1624</b>		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"/>
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		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ <b>7,232,100.</b> (Part I, column (d) must be on cash basis)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____			

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B					
3 Interest on savings and temporary cash investments		1,956.	1,956.		STATEMENT 1
4 Dividends and interest from securities		112,155.	112,155.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		1,549,765.			
b Gross sales price for all assets on line 6a <b>1,303,132.</b>					
7 Capital gain net income (from Part IV, line 2)			1,549,765.		
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		<18,782.>	<18,782.>		STATEMENT 3
12 Total Add lines 1 through 11		1,645,094.	1,645,094.		
13 Compensation of officers, directors, trustees, etc.		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 4		10,500.	10,500.		0.
c Other professional fees STMT 5		69,441.	39,441.		30,000.
17 Interest					
18 Taxes STMT 6		1,688.	520.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 7		27,906.	27,906.		0.
24 Total operating and administrative expenses Add lines 13 through 23		109,535.	78,367.		30,000.
25 Contributions, gifts, grants paid		280,210.			280,210.
26 Total expenses and disbursements Add lines 24 and 25		389,745.	78,367.		310,210.
27 Subtract line 26 from line 12					
a Excess of revenue over expenses and disbursements		1,255,349.			
b Net investment income (if negative, enter -0-)			1,566,727.		
c Adjusted net income (if negative, enter -0-)				N/A	

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**THE PEGGY MEYERHOFF PEARLSTONE  
FOUNDATION, INC.**

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<b>Part II Balance Sheets</b> <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
<b>Assets</b>	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	100,685.	198,749.	198,749.
	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	30,800.	1,200.	1,200.
	10a Investments - U S and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other <span style="float: right;">STMT 8</span>	4,853,697.	6,040,582.	7,032,151.
14 Land, buildings, and equipment basis ▶ Less accumulated depreciation ▶				
15 Other assets (describe ▶ _____)				
<b>16 Total assets (to be completed by all filers)</b>	<b>4,985,182.</b>	<b>6,240,531.</b>	<b>7,232,100.</b>	
<b>Liabilities</b>	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 ▶ _____)			
<b>23 Total liabilities (add lines 17 through 22)</b>	<b>0.</b>	<b>0.</b>		
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here</b> ▶ <input type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds	4,985,182.	6,240,531.	
	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.		
<b>30 Total net assets or fund balances</b>	<b>4,985,182.</b>	<b>6,240,531.</b>		
<b>31 Total liabilities and net assets/fund balances</b>	<b>4,985,182.</b>	<b>6,240,531.</b>		

**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	4,985,182.
2 Enter amount from Part I, line 27a	2	1,255,349.
3 Other increases not included in line 2 (itemize) ▶ _____	3	0.
4 Add lines 1, 2, and 3	4	6,240,531.
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	6,240,531.

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**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				
b SEE ATTACHED STATEMENT				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e	1,303,132.	1,047,967.	1,549,765.	
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) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a				
b				
c				
d				
e			1,549,765.	
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	1,549,765.	
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))
2006	255,500.	6,270,002.	.040750
2005	245,000.	5,745,549.	.042642
2004	252,595.	5,310,618.	.047564
2003	243,750.	4,413,957.	.055223
2002	215,000.	4,058,461.	.052976
2 Total of line 1, column (d)			.239155
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			.047831
4 Enter the net value of noncharitable-use assets for 2007 from Part X, line 5			7,508,831.
5 Multiply line 4 by line 3			359,155.
6 Enter 1% of net investment income (1% of Part I, line 27b)			15,667.
7 Add lines 5 and 6			374,822.
8 Enter qualifying distributions from Part XII, line 4 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			310,210.

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**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 Date of ruling letter _____ (attach copy of ruling letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	31,335.
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	31,335.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0.
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	31,335.
6	Credits/Payments		
a	2007 estimated tax payments and 2006 overpayment credited to 2007	6a	1,200.
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	1,200.
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	30,135.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2008 estimated tax	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X

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**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? Website address ▶ N/A		X	
14	The books are in care of ▶ RICHARD L. PEARLSTONE Telephone no ▶ 410-532-2263 Located at ▶ 2 VILLAGE SQUARE, SUITE 212, BALTIMORE, MD ZIP+4 ▶ 21210-1624			
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here		
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2007?		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 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶		
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.)		
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 2007 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 2007.)		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2007?		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  5b

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. 6b X

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
RICHARD L. PEARLSTONE P.O. BOX 1860 ASPEN, CO. 81612-1860	VP / SEC / TREAS /	0.00	0.	0.
ELLEN P. LEARY 710 6TH AVENUE NORTH NAPLES, FL 34102	PRESIDENT	0.00	0.	0.
EUGENE SCHREIBER 20 SOUTH CHARLES STREET, SUITE 1200 BALTIMORE, MD 21201	ASST. SECRETARY	0.00	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

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**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 N/A	
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	
<b>Total.</b> Add lines 1 through 3 <span style="float: right;">▶ 0.</span>	

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**Part X** Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

<b>1</b> Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b> Average monthly fair market value of securities	<b>1a</b>	7,490,056.
<b>b</b> Average of monthly cash balances	<b>1b</b>	133,123.
<b>c</b> Fair market value of all other assets	<b>1c</b>	
<b>d</b> Total (add lines 1a, b, and c)	<b>1d</b>	7,623,179.
<b>e</b> Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b> Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b> Subtract line 2 from line 1d	<b>3</b>	7,623,179.
<b>4</b> Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	114,348.
<b>5</b> Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	7,508,831.
<b>6</b> Minimum investment return. Enter 5% of line 5	<b>6</b>	375,442.

**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)

<b>1</b> Minimum investment return from Part X, line 6		<b>1</b>	375,442.
<b>2a</b> Tax on investment income for 2007 from Part VI, line 5	<b>2a</b>	31,335.	
<b>b</b> Income tax for 2007 (This does not include the tax from Part VI)	<b>2b</b>		
<b>c</b> Add lines 2a and 2b	<b>2c</b>	31,335.	
<b>3</b> Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	344,107.	
<b>4</b> Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.	
<b>5</b> Add lines 3 and 4	<b>5</b>	344,107.	
<b>6</b> Deduction from distributable amount (see instructions)	<b>6</b>	0.	
<b>7</b> Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	344,107.	

**Part XII** Qualifying Distributions (see instructions)

<b>1</b> Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b> Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	310,210.
<b>b</b> Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b> Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b> Amounts set aside for specific charitable projects that satisfy the		
<b>a</b> Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b> Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b> Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	310,210.
<b>5</b> Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	<b>5</b>	0.
<b>6</b> Adjusted qualifying distributions. Subtract line 5 from line 4	<b>6</b>	310,210.

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.

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**Part XIII Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2006	(c) 2006	(d) 2007
<b>1</b> Distributable amount for 2007 from Part XI, line 7				344,107.
<b>2</b> Undistributed income, if any, as of the end of 2006				
<b>a</b> Enter amount for 2006 only			27,180.	
<b>b</b> Total for prior years		0.		
<b>3</b> Excess distributions carryover, if any, to 2007.				
<b>a</b> From 2002				
<b>b</b> From 2003				
<b>c</b> From 2004				
<b>d</b> From 2005				
<b>e</b> From 2006				
<b>f</b> Total of lines 3a through e	0.			
<b>4</b> Qualifying distributions for 2007 from Part XII, line 4 ▶ \$ 310,210.				
<b>a</b> Applied to 2006, but not more than line 2a			27,180.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2007 distributable amount				283,030.
<b>e</b> Remaining amount distributed out of corpus	0.			
<b>5</b> Excess distributions carryover applied to 2007 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<b>6</b> Enter the net total of each column as indicated below.				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2006 Subtract line 4a from line 2a Taxable amount - see instr			0.	
<b>f</b> Undistributed income for 2007 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2008				61,077.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2002 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2008. Subtract lines 7 and 8 from line 6a	0.			
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2003				
<b>b</b> Excess from 2004				
<b>c</b> Excess from 2005				
<b>d</b> Excess from 2006				
<b>e</b> Excess from 2007				

THE PEGGY MEYERHOFF PEARLSTONE  
FOUNDATION, INC.

**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 2007, 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)

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

Tax year	Prior 3 years			(e) Total
	(a) 2007	(b) 2006	(c) 2005	
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 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) )

NONE

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

NONE

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

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

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

SEE STATEMENT 9

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

c Any submission deadlines

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

**Part XV** Supplementary Information (continued)

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i>  SEE ATTACHED SCHEDULE				280,210.
<b>Total</b>				▶ 3a 280,210.
b <i>Approved for future payment</i>  NONE				
<b>Total</b>				▶ 3b 0.

Part XVI-A Analysis of Income-Producing Activities

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include Program service revenue, Membership dues and assessments, Interest on savings and temporary cash investments, Dividends and interest from securities, Net rental income from real estate, Net rental income from personal property, Other investment income, Gain or (loss) from sales of assets other than inventory, Net income from special events, Gross profit from sales of inventory, and Other revenue.

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

Table with 2 columns: Line No and Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

THE PEGGY MEYERHOFF PEARLSTONE  
FOUNDATION, INC.

Form 990-PF (2007)

52-1035731 Page 13

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

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?
- |   | Yes | No |
|---|-----|----|
| 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	

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

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

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

Signature of officer or trustee: Ernest H. Schreiber Date: 6/25/08 Title: Asst Secy

Preparer's signature: [Signature] Date: 6/25/08 Check if self-employed:  Preparer's SSN or PTIN: \_\_\_\_\_

Firm's name (or yours if self-employed): COX, FERBER & ASSOCIATES, LLC EIN: \_\_\_\_\_  
 address, and ZIP code: 4 NORTH PARK DRIVE, SUITE 121 HUNT VALLEY, MD 21030 Phone no: 410-771-8033

Form 990-PF (2007)

**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 PNC - SEE SCHEDULE ATTACHED	P		
b PNC - SEE SCHEDULE ATTACHED	P		
c STIFEL NICHOLAS	P		
d THRU PASSPORT I, LLP			
e THRU PASSPORT I, LLP			
f CAPITAL GAINS DIVIDENDS			
g			
h			
i			
j			
k			
l			
m			
n			
o			

(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 158,175.		150,450.	7,725.
b 498,308.		386,128.	112,180.
c 583,985.		511,389.	72,596.
d			232,462.
e			1,062,138.
f 62,664.			62,664.
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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Losses (from col (h)) Gains (excess of col (h) gain over col (k), but not less than "-0-")
a			7,725.
b			112,180.
c			72,596.
d			232,462.
e			1,062,138.
f			62,664.
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 If (loss), enter "-0-" in Part I, line 7 }	2	1,549,765.
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

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
THRU PNC BANK	1,956.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	1,956.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BARON PARTNERS FUND	95,982.	55,101.	40,881.
DF DENT PREMIER GROWTH	7,654.	7,563.	91.
THRU PNC BANK	46,675.	0.	46,675.
THRU STIFEL NICOLAUS	24,508.	0.	24,508.
TOTAL TO FM 990-PF, PART I, LN 4	174,819.	62,664.	112,155.

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
PASSPORT I, LLP	<18,756.>	<18,756.>	
ICAHN ENTERPRISES, LP	<26.>	<26.>	
TOTAL TO FORM 990-PF, PART I, LINE 11	<18,782.>	<18,782.>	

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	10,500.	10,500.		0.
TO FORM 990-PF, PG 1, LN 16B	10,500.	10,500.		0.



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
INVESTMENT ADVISOR FEES	34,337.	34,337.		0.
CONSULTING FEES	30,000.	0.		30,000.
CUSTODY FEES	5,104.	5,104.		0.
TO FORM 990-PF, PG 1, LN 16C	69,441.	39,441.		30,000.

FORM 990-PF	TAXES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAXES	1,168.	0.		0.
FOREIGN TAXES	520.	520.		0.
TO FORM 990-PF, PG 1, LN 18	1,688.	520.		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
PORTFOLIO EXPENSES THRU PARTNERSHIP	27,906.	27,906.		0.
TO FORM 990-PF, PG 1, LN 23	27,906.	27,906.		0.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	8
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MARKETABLE SECURITIES	FMV	4,286,343.	5,380,582.
INVESTMENT PARTNERSHIP	FMV	1,754,239.	1,651,569.
TOTAL TO FORM 990-PF, PART II, LINE 13		6,040,582.	7,032,151.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION  
PART XV, LINES 2A THROUGH 2D

STATEMENT 9

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

RICHARD L. PEARLSTONE  
2 VILLAGE SQUARE, STE 212  
BALTIMORE, MD 21210-1624

TELEPHONE NUMBER

410-532-2263

FORM AND CONTENT OF APPLICATIONS

A WRITTEN PROPOSAL SHOULD BE SUBMITTED DESCRIBING THE ACTIVITIES REQUEST TO BE FUNDED WITH ANY SUPPORTING DETAILS.

ANY SUBMISSION DEADLINES

NONE

RESTRICTIONS AND LIMITATIONS ON AWARDS

NONE

THE PEGGY MEYERHOFF PEARLSTONE FOUNDATION, INC  
 SCHEDULE OF CHARITABLE CONTRIBUTIONS

FORM 990PF, PART XV, ITEM 3  
 GRANTS AND CONTRIBUTIONS PAID  
 For the Year Ended February 29, 2008  
 FID #52-1035731

<u>RECIPIENT</u>	<u>ADDRESS</u>	<u>FOUNDATION STATUS</u>	<u>STATEMENT OF PURPOSE</u>	<u>AMOUNT</u>
AJ Muste Memorial Institute	New York, NY	501(c)(3)	General Purpose of Organization	\$ 5,000
Atlanta Jobs With Justice	Decatur, GA	501(c)(3)	General Purpose of Organization	5,000
Baltimore School for the Arts	Baltimore, MD	501(c)(3)	General Purpose of Organization	35,000
Boston University School of Law	Boston, MA	501(c)(3)	General Purpose of Organization	15,000
Boys & Girls Club of Collier County	Naples, FL	501(c)(3)	General Purpose of Organization	5,000
Center For Constitutional Rights	New York, NY	501(c)(3)	General Purpose of Organization	5,000
Center For Social Inclusion for				
Alston/Bannerman Fellowship	Baltimore, MD	501(c)(3)	General Purpose of Organization	5,000
Center For the Study of Public Policy	Dorchester, MA	501(c)(3)	General Purpose of Organization	10,000
Coalition of Immokalee Workers	Immokalee, FL	501(c)(3)	General Purpose of Organization	3,000
Davis-Putter Scholarship Fund	New York, NY	501(c)(3)	General Purpose of Organization	3,000
Doctors Without Borders USA	Hagerstown, MD	501(c)(3)	General Purpose of Organization	5,000
Esperanza Center	San Antonio, TX	501(c)(3)	General Purpose of Organization	5,000
Greensboro Justice Fund	Northampton, MA	501(c)(3)	General Purpose of Organization	7,500
Harry Chapin Food Bank	Ft Myers, FL	501(c)(3)	General Purpose of Organization	3,000
Healthcare Justice Fund	St Louis, MO	501(c)(3)	General Purpose of Organization	50,000
Highlander Folk Center	New Market, TN	501(c)(3)	General Purpose of Organization	3,000
Institute for In These Times	Chicago, IL	501(c)(3)	General Purpose of Organization	3,000
Institute for Southern Studies	Durham, NC	501(c)(3)	General Purpose of Organization	5,000
Kopkind Colony	Guildford, VT	501(c)(3)	General Purpose of Organization	3,000
Labor Education & Research Project	Detroit, MI	501(c)(3)	General Purpose of Organization	20,000
Left Forum	New York, NY	501(c)(3)	General Purpose of Organization	3,000
Massachusetts Jobs With Justice	Boston, MA	501(c)(3)	General Purpose of Organization	10,000
Miami Worker's Center	Miami, FL	501(c)(3)	General Purpose of Organization	3,000
Monthly Review Foundation	New York, NY	501(c)(3)	General Purpose of Organization	5,000
Naples Art Museum	Naples, FL	501(c)(3)	General Purpose of Organization	3,000
Patriots Trail Girl Scouts	Boston, MA	501(c)(3)	General Purpose of Organization	10,000
Pearlstone Park	Baltimore, MD	501(c)(3)	General Purpose of Organization	3,710
PowerU Center for Social Change	Miami, FL	501(c)(3)	General Purpose of Organization	5,000
Reflect and Strengthen	Dorchester, MA	501(c)(3)	General Purpose of Organization	5,000
South Florida Jobs With Justice	Miami, FL	501(c)(3)	General Purpose of Organization	7,500
Transnational Information Exchange	Frankfort, Germany	501(c)(3)	General Purpose of Organization	10,000
US Labor Against the War	Washington, DC	501(c)(3)	General Purpose of Organization	1,000
War Times/Tiempo De Guerras	Emeryville, CA	501(c)(3)	General Purpose of Organization	500
WGBH Education Foundation - "Point of View"	Boston, MA	501(c)(3)	General Purpose of Organization	15,000
Women With a Vision NOWHC	New Orleans, LA	501(c)(3)	General Purpose of Organization	3,000
				<u>\$ 280,210</u>

PEGGY MEYERHOFF PEARLSTONE FOUNDATION  
SCHEDULE OF SALE OF INVESTMENTS  
FOR THE YEAR ENDED FEBRUARY 29, 2008

DESCRIPTION	DATE ACQUIRED	DATE SOLD	NUMBER OF SHARES	SALE PRICE	COST	GAIN (LOSS)
AETNA INC	06/29/06	12/13/07	100	5,767	3,848	1,919
ALTRIA GROUP INC	02/14/06	12/13/07	400	30,788	22,089	8,699
ALTRIA GROUP INC	02/14/06	01/03/08	50	3,786	2,761	1,025
ALTRIA GROUP INC	02/14/06	01/09/08	150	11,900	8,283	3,617
ANADARKO PETE CORP	02/14/06	12/13/07	100	6,302	4,857	1,445
APACHE CORP	01/04/06	12/04/07	75	7,200	5,276	1,924
APACHE CORP	02/14/06	12/13/07	100	10,488	6,870	3,618
BANK OF AMERICA CORP	02/14/06	07/19/07	250	12,248	11,098	1,150
BORDERS GROUP INC	02/14/06	12/13/07	500	5,985	12,312	(6,327)
BRITISH AMERN TOB PLC SPONSORED	02/14/06	12/13/07	100	7,734	4,548	3,186
CHEVRONTEXACO CORPORATION	02/14/06	12/04/07	150	13,071	8,426	4,646
CHEVRONTEXACO CORPORATION	02/14/06	12/13/07	100	9,158	5,589	3,569
CITIGROUP INC	02/14/06	07/13/07	300	15,702	14,126	1,576
CONOCOPHILLIPS	02/14/06	12/05/07	300	24,336	17,753	6,582
CONOCOPHILLIPS	02/14/06	12/13/07	200	16,616	11,806	4,810
DEVON ENERGY CORPORATION	02/14/06	12/13/07	100	8,870	5,862	3,008
ENCANA CORP	06/13/06	12/05/07	200	13,027	9,192	3,835
FEDERAL NATL MTG ASSN	02/14/06	12/13/07	175	5,507	9,586	(4,079)
HOME DEPOT INC	02/14/06	07/12/07	275	11,264	11,253	11
HOME DEPOT INC	02/14/06	09/11/07	525	19,425	20,268	(843)
IMPERIAL TOB GROUP PLC	08/06/01	12/13/07	25	2,560	584	1,977
KEYCORP NEW	02/14/06	12/13/07	100	2,253	3,661	(1,408)
KRAFT FOODS INC CL A	02/14/06	04/09/07	1,245	39,273	20,191	19,082
KRAFT FOODS INC CL A	03/18/87	04/12/07	1	20	2	19
MERCK & CO INC	02/14/06	04/19/07	400	20,068	13,856	6,212
OCCIDENTAL PETE CORP	02/14/06	12/04/07	175	12,115	7,659	4,456
OCCIDENTAL PETE CORP	02/14/06	12/13/07	50	3,623	2,188	1,435
PFIZER INC	03/11/02	12/13/07	75	1,765	2,097	(332)
QUEST DIAGNOSTICS INC	02/14/06	11/29/07	300	16,558	15,629	929
STAPLES INCORPORATED	02/14/06	12/13/07	100	2,278	2,267	11
TXU CORPORATION	05/18/06	10/11/07	300	20,775	15,877	4,898
3M CO	11/21/06	12/13/07	50	4,289	4,050	238
UST INC	02/14/06	12/13/07	1,000	57,859	39,174	18,685
UST INC	08/01/95	01/09/08	500	27,496	16,119	11,376
UNITED HEALTH GROUP INC	09/22/06	12/13/07	200	11,421	9,977	1,444
WACHOVIA CORP	02/14/06	12/13/07	250	9,805	13,903	(4,098)
COVIDIEN LTD ISIN	03/11/02	12/13/07	100	4,264	4,567	(304)
TYCO INTERNATIONAL LTD	03/11/02	09/27/07	100	4,398	5,613	(1,215)
TYCO INTERNATIONAL LTD	02/14/06	12/13/07	100	4,226	3,966	260
TYCO ELECTRONICS LTD ISIN	03/11/02	12/13/07	100	3,701	4,205	(504)
WORLDCOM CLASS ACTION SETTLMNT	03/11/02	12/13/07		1,012		1,012
WORLDCOM CLASS ACTION SETTLMNT	03/11/02	12/13/07		253		253
MARLAN REALTY INV LIQUIDATION	03/11/02	12/13/07		9,125	4,740	4,385
TOTAL PNC				498,308	386,128	112,181
AMGEN INC	01/29/07	08/14/07	150	7,746	10,535	(2,789)
BANK OF AMERICA CORP	03/13/07	07/19/07	150	7,349	7,445	(96)
BANK OF AMERICA CORP	12/05/07	12/13/07	100	4,226	4,474	(248)
DYNEGY INC	11/01/06	03/26/07	215	1,980	1,312	669
ENCANA CORP	12/28/06	12/05/07	100	6,514	4,714	1,800
HOME DEPOT INC	10/13/06	09/11/07	150	5,550	5,550	-
ISHARES RUSSELL 1000 VALUE INDEX	04/20/07	07/12/07	50	4,414	4,321	93
ISHARES RUSSELL 1000 VALUE INDEX	04/20/07	08/14/07	100	8,127	8,643	(515)
ISHARES RUSSELL 1000 VALUE INDEX	04/09/07	09/27/07	175	15,046	14,879	167
ISHARES RUSSELL 1000 VALUE INDEX	10/12/07	12/13/07	100	8,119	8,780	(661)
LILLY ELI & CO	03/05/07	12/13/07	25	1,342	1,287	55
MICROSOFT CORP	09/11/06	03/07/07	700	19,347	17,348	2,000
OCCIDENTAL PETE CORP	12/28/06	12/04/07	100	6,923	4,926	1,997
PNC FINANCIAL SERVICES GROUP	07/19/07	12/13/07	75	4,984	5,316	(332)
SPDR TR UNIT SER 1	02/15/07	03/07/07	100	13,973	14,549	(576)
TXU CORPORATION	01/29/07	10/11/07	200	13,850	10,781	3,069
US BANCORP	07/12/07	12/13/07	200	6,555	6,622	(67)
UNITEDHEALTH GROUP INC	07/26/07	12/13/07	200	11,421	10,055	1,366
VERIZON COMMUNICATIONS INC	03/07/07	12/13/07	100	4,493	3,565	928
VERIZON COMMUNICATIONS INC	03/07/07	01/09/08	150	6,216	5,348	868
TOTAL PNC				158,175	150,450	7,725

PEGGY MEYERHOFF PEARLSTONE FOUNDATION  
SCHEDULE OF SALE OF INVESTMENTS  
FOR THE YEAR ENDED FEBRUARY 29, 2008

DESCRIPTION	DATE ACQUIRED	DATE SOLD	NUMBER OF SHARES	SALE PRICE	COST	GAIN (LOSS)
WHITE MOUNTAINS INS GROUP	04/07/06	03/05/07	28	15,849	16,100	(251)
KOREA ELECTRIC POWER CORP	04/07/06	03/14/07	540	10,892	12,619	(1,728)
RELIANT ENERGY INC	04/07/06	05/11/07	800	19,886	8,846	11,040
CME GROUP INC CLASS A	07/13/07	07/13/07	CIL	438		438
INTERNATIONAL SECURITY EXCHANGE	04/03/06	08/13/07	100	6,545	4,105	2,439
ALLEGHENY ENERGY INC	07/07/06	11/05/07	60	3,587	2,030	1,557
CENTERPOINT ENERGY INC	04/07/06	11/05/07	1,950	33,791	23,166	10,625
CENTERPOINT ENERGY INC	04/07/06	11/07/07	950	17,135	11,286	5,849
BROADRIDGE INFRASTRUCTURE PTRS	02/15/08	02/15/08	CIL	16		16
INTERNATIONAL SECURITY EXCHANGE	04/03/06	12/19/07	150	10,125	6,158	3,967
ITT EDUCATIONAL SVCS INC	03/06/06	02/05/08	200	17,140	12,620	4,520
SHERWIN WILLIAMS CO	11/08/07	02/27/08	621	34,700	38,005	(3,306)
FASTENAL COMPANY	08/24/06	01/17/08	750	24,941	26,757	(1,816)
SUNCOR ENERGY INC	03/20/06	01/23/08	200	15,971	14,552	1,418
TECHNE CORP	10/19/06	01/18/08	450	29,025	24,525	4,500
3M COMPANY	11/21/06	01/14/08	400	31,252	32,678	(1,427)
APPLE INC	03/31/06	05/23/07	200	22,611	12,620	9,991
APPLE INC	03/31/06	06/14/07	150	17,853	9,465	8,388
APPLE INC	03/31/06	07/09/07	150	19,581	9,465	10,116
BROADRIDGE FINANCIAL SOLUTIONS	02/27/07	04/15/07	CIL	10		10
BROADRIDGE FINANCIAL SOLUTIONS	02/27/07	06/29/07	162	3,145	3,149	(4)
C H ROBINSON WORLDWIDE INC NEW	03/08/06	11/01/07	337	16,319	14,760	1,559
CITADEL BROADCASTING CORP	04/19/06	06/22/07	CIL	6		6
CITADEL BROADCASTING CORP	04/19/06	06/26/07	72	430	345	85
FIRST AMERICAN CORP	06/05/06	04/23/07	400	21,160	16,709	4,451
FIRST AMERICAN CORP	06/05/06	07/18/07	300	14,520	12,532	1,988
GENENTECH INC NEW	04/11/06	12/06/07	400	26,419	32,224	(5,805)
GENTEX CORP	03/06/06	06/08/07	1,800	31,001	29,448	1,553
ITT EDUCATIONAL SVCS INC	03/06/06	04/12/07	75	6,222	4,733	1,489
ITT EDUCATIONAL SVCS INC	03/06/06	10/18/07	200	25,309	12,620	12,689
MCGRAW-HILL COMPANIES	04/26/06	08/15/07	550	28,161	30,227	(2,066)
MOODYS CORPORATION	06/07/06	11/19/07	450	16,804	23,881	(7,077)
MOODYS CORPORATION	06/19/07	11/19/07	100	3,734	6,690	(2,956)
TEXAS INSTRUMENTS INC	03/09/06	03/16/07	950	29,630	29,460	170
WALGREEN COMPANY	03/06/06	10/03/07	675	26,601	29,612	(3,011)
ANGLO AMERICAN PLC CHG ADR		08/30/07		3,177		3,177
TOTAL STIFEL NICHOLAS				583,985	511,389	72,596