

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

**2007**

Department of the Treasury Internal Revenue Service (77) **Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements**

**Treated as a Private Foundation**

For calendar year 2007, or tax year beginning 07/01, 2007, and ending 06/30/2008

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

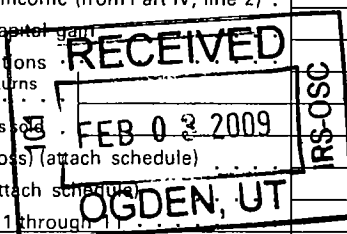
Use the IRS label Otherwise, print or type. See Specific Instructions.	Name of foundation <b>MCKNIGHT BRAIN RESEARCH FOUNDATION 52-5511641</b>		A Employer identification number <b>65-6301255</b>
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see the instructions)
	200 S. ORANGE AVE, SOAB -10 City or town, state, and ZIP code <b>ORLANDO, FL 32801</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"/> 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:  Section 501(c)(3) exempt private foundation  
 Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$ 54,437,224**

J Accounting method:  Cash  Accrual  Other (specify) \_\_\_\_\_  
 (Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))		(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 (attach schedule) . . . . .				
	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 . . . . .	1,652,193.	1,671,625.		STMT 1
	5a Gross rents . . . . .				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	3,259,940.			
	b Gross sales price for all assets on line 6a <u>28,614,975.</u>				
	7 Capital gain net income (from Part IV, line 2) . . . . .		3,598,352.		
	8 Net short-term capital gain				
	9 Income modifications				
	10 a Gross sales less returns and allowances . . . . .				
b Less Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)	68,147.	2,066,000.		STMT 2	
12 Total Add lines 1 through 11	4,980,280.	7,335,977.			
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc . . . . .	260,326.	130,163.		130,163.
	14 Other employee salaries and wages . . . . .				
	15 Pension plans, employee benefits . . . . .				
	16a Legal fees (attach schedule) . . . . . STMT 3	26,892.	9,144.	NONE	16,135.
	b Accounting fees (attach schedule) STMT 4	400.	NONE	NONE	400.
	c Other professional fees (attach schedule) . . . . .				
	17 Interest . . . . .				
	18 Taxes (attach schedule) (see the instructions) . . . . . STMT 5	212,368.	37,163.		
	19 Depreciation (attach schedule) and depletion . . . . .				
	20 Occupancy . . . . .				
	21 Travel, conferences, and meetings . . . . .	85,540.			85,540.
	22 Printing and publications . . . . .				
	23 Other expenses (attach schedule) STMT 6	3,270.	1,196,185.		3,270.
	24 Total operating and administrative expenses Add lines 13 through 23 . . . . .	588,796.	1,372,655.	NONE	235,508.
	25 Contributions, gifts, grants paid . . . . .	2,875,000.			2,875,000.
26 Total expenses and disbursements Add lines 24 and 25	3,463,796.	1,372,655.	NONE	3,110,508.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements . . . . .	1,516,484.				
b Net investment income (if negative, enter -0-)		5,963,322.			
c Adjusted net income (if negative, enter -0-)					



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing . . . . .			
	2	Savings and temporary cash investments . . . . .	1,251,118.	485,760.	485,760.
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5	Grants receivable . . . . .			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 16 of the instructions)			
	7	Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8	Inventories for sale or use . . . . .			
	9	Prepaid expenses and deferred charges . . . . .			
	10 a	Investments - U S and state government obligations (attach schedule)			
	b	Investments - corporate stock (attach schedule) . . . . . STMT 7	314.	999,801.	755,895.
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
	12	Investments - mortgage loans . . . . .			
	13	Investments - other (attach schedule) . . . . . STMT 8	49,861,732.	51,144,087.	53,195,569.
	14	Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
15	Other assets (describe ▶ )				
16	<b>Total assets</b> (to be completed by all filers - see the instructions Also, see page 1, item I) . . . . .	51,113,164.	52,629,648.	54,437,224.	
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 (attach schedule) . . . . .			
	22	Other liabilities (describe ▶ )			
23	<b>Total liabilities</b> (add lines 17 through 22) . . . . .				
Net Assets or Fund Balances	<b>Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/></b> <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 and complete lines 27 through 31 ▶ <input checked="" type="checkbox"/></b>				
	27	Capital stock, trust principal, or current funds . . . . .	51,113,164.	52,629,648.	
	28	Paid-in or capital surplus, or land, bldg, and equipment fund . . . . .			
29	Retained earnings, accumulated income, endowment, or other funds . . . . .				
30	<b>Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	51,113,164.	52,629,648.		
31	<b>Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .	51,113,164.	52,629,648.		

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	51,113,164.
2	Enter amount from Part I, line 27a . . . . .	2	1,516,484.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3 . . . . .	4	52,629,648.
5	Decreases not included in line 2 (itemize) ▶	5	
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6	52,629,648.

**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 SEE PART IV SCHEDULE						
b						
c						
d						
e						
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)			
a						
b						
c						
d						
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) 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						
2 Capital gain net income or (net capital loss) . . . . .				2	3,598,352.	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8. . . . .						

**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 page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2006	3,246,129.	57,950,543.	0.05601550619
2005	1,978,489.	53,563,568.	0.03693721449
2004	3,026,049.	49,369,240.	0.06129421883
2003	1,665,404.	48,620,060.	0.03425343367
2002	148,481.	42,312,965.	0.00350911358
2 Total of line 1, column (d) . . . . .			2 0.19200948676
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years . . . . .			3 0.03840189735
4 Enter the net value of noncharitable-use assets for 2007 from Part X, line 5 . . . . .			4 57,544,041.
5 Multiply line 4 by line 3 . . . . .			5 2,209,800.
6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .			6 59,633.
7 Add lines 5 and 6 . . . . .			7 2,269,433.
8 Enter qualifying distributions from Part XII, line 4 . . . . .			8 3,110,508.

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 on page 18

**Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the 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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	59,633.
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	
3	Add lines 1 and 2	3	59,633.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	NONE
5	Tax based on investment income Subtract line 4 from line 3 If zero or less, enter -0-	5	59,633.
6	Credits/Payments		
6a	2007 estimated tax payments and 2006 overpayment credited to 2007	6a	154,398.
6b	Exempt foreign organizations-tax withheld at source	6b	NONE
6c	Tax paid with application for extension of time to file (Form 8868)	6c	NONE
6d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	154,398.
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	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	94,765.
11	Enter the amount of line 10 to be Credited to 2008 estimated tax	11	59,636. Refunded

**Part VII-A Statements Regarding Activities**

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

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 page 20 of the instructions) . . . . . 11a 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? . . . . . 11b N/A
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract? . . . . . 12 X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? . . . . . 13 X
Website address N/A
14 The books are in care of SUNTRUST BANK Telephone no (407) 237-4293
Located at 200 S. ORANGE AVE., ORLANDO, FL ZIP + 4 32801
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-F in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year 15

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
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? Yes No X
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? Yes No X
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? Yes No X
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? X Yes No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? Yes No X
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). Yes No X
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)? 1b X
Organizations relying on a current notice regarding disaster assistance check here
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2007? 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 2007, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2007? Yes No X
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 page 22 of the instructions) 2b N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? Yes No X
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) 3b N/A
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 2007? 4b X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions)  Yes  No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?  Yes  No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)?  Yes  No 5b N/A

Organizations relying on a current notice regarding disaster assistance check here

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

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No 6b X

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

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  No 7b N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 23 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 10		260,326.	-0-	-0-

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 23 of the instructions) If none, enter "NONE."

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

Total number of other employees paid over \$50,000  NONE

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

**3 Five highest-paid independent contractors for professional services** (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
SEE STATEMENT 12	NONE	
-----		
-----		
-----		
-----		

Total number of others receiving over \$50,000 for professional services . . . . . **NONE**

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

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 NONE	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments** (see page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments. See page 24 of the instructions	
3 NONE	
Total. Add lines 1 through 3 . . . . .	

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	57,798,894.
b	Average of monthly cash balances	1b	621,452.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	NONE
d	<b>Total</b> (add lines 1a, b, and c)	1d	58,420,346.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	NONE
3	Subtract line 2 from line 1d	3	58,420,346.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions)	4	876,305.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	57,544,041.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	2,877,202.

**Part XI Distributable Amount** (see page 25 of the 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	2,877,202.
2a	Tax on investment income for 2007 from Part VI, line 5	2a	59,633.
b	Income tax for 2007. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	59,633.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,817,569.
4	Recoveries of amounts treated as qualifying distributions	4	NONE
5	Add lines 3 and 4	5	2,817,569.
6	Deduction from distributable amount (see page 25 of the instructions)	6	NONE
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	2,817,569.

**Part XII Qualifying Distributions** (see page 26 of the 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	3,110,508.
b	Program-related investments - total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	NONE
b	Cash distribution test (attach the required schedule)	3b	NONE
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	3,110,508.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 26 of the instructions)	5	59,633.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	3,050,875.

**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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2006	(c) 2006	(d) 2007
1 Distributable amount for 2007 from Part XI, line 7 . . . . .				2,817,569.
2 Undistributed income, if any, as of the end of 2006:				
a Enter amount for 2006 only . . . . .			NONE	
b Total for prior years 2005, . . . . .		NONE		
3 Excess distributions carryover, if any, to 2007:				
a From 2002 . . . . .			NONE	
b From 2003 . . . . .			NONE	
c From 2004 . . . . .			NONE	
d From 2005 . . . . .			NONE	
e From 2006 . . . . .			448,561.	
f Total of lines 3a through e . . . . .	448,561.			
4 Qualifying distributions for 2007 from Part XII, line 4: ▶ \$ 3,110,508.				
a Applied to 2006, but not more than line 2a . . . . .			NONE	
b Applied to undistributed income of prior years (Election required - see page 27 of the instructions) . . . . .		NONE		
c Treated as distributions out of corpus (Election required - see page 27 of the instructions) . . . . .	NONE			
d Applied to 2007 distributable amount . . . . .				2,817,569.
e Remaining amount distributed out of corpus . . . . .	292,939.			
5 Excess distributions carryover applied to 2007 . . . . . (If an amount appears in column (d), the same amount must be shown in column (a) )	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5 . . . . .	741,500.			
b Prior years' undistributed income Subtract line 4b from line 2b . . . . .		NONE		
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 . . . . .		NONE		
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions . . . . .		NONE		
e Undistributed income for 2006 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions . . . . .			NONE	
f Undistributed income for 2007 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2008 . . . . .				NONE
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions) . . . . .	NONE			
8 Excess distributions carryover from 2002 not applied on line 5 or line 7 (see page 27 of the instructions) . . . . .	NONE			
9 Excess distributions carryover to 2008 Subtract lines 7 and 8 from line 6a . . . . .	741,500.			
10 Analysis of line 9:				
a Excess from 2003 . . . . .			NONE	
b Excess from 2004 . . . . .			NONE	
c Excess from 2005 . . . . .			NONE	
d Excess from 2006 . . . . .			448,561.	
e Excess from 2007 . . . . .			292,939.	

**Part XIV Private Operating Foundations** (see page 27 of the instructions and Part VII-A, question 9) **NOT APPLICABLE**

**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)

	Tax year	Prior 3 years			(e) Total
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test - enter					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i), . . . . .					
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> "Support" alternative test - enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties), . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> Gross investment income . . . . .					

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

EVELYN FRANKS MCKNIGHT (DECEASED 10/02/1999)

**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 page 28 of the 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 13

**b** The form in which applications should be submitted and information and materials they should include  
SEE ATTACHED STATEMENT FOR LINE 2

**c** Any submission deadlines  
SEE ATTACHED STATEMENT FOR LINE 2

**d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors  
SEE ATTACHED STATEMENT FOR LINE 2

**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 STATEMENT 14				
<b>Total . . . . .</b>				<b>▶ 3a</b> 2,875,000.
b <i>Approved for future payment</i>				
<b>Total . . . . .</b>				<b>▶ 3b</b>



**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. |     |    |

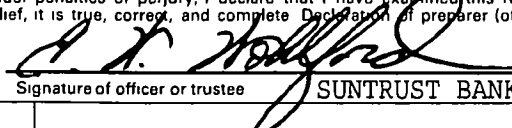

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2 a 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.

Sign Here	Signature of officer or trustee  SUNTRUST BANK
	Preparer's signature  Firm's name (or yours if self-employed), address, and ZIP code KPMG LLP PO BOX 6768 PROVIDENCE, RI

01/26/2009 TRUSTEE

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		TOTAL LONG-TERM CAPITAL GAIN DIVIDENDS					1,996,000.	
350,000.00		10063.255	PRICE T ROWE GROWTH STK FD INC			08/12/2005	07/25/2007	
		275,934.00	PROPERTY TYPE: SECURITIES			74,066.00		
350,000.00		21618.283	STI CLASSIC LARGE CAP VALUE EQ			10/22/2004	07/25/2007	
		249,259.00	PROPERTY TYPE: SECURITIES			100,741.00		
300,000.00		2160.294	VANGUARD INSTITUTIONAL INDEX FD			08/09/2006	07/25/2007	
		250,400.00	PROPERTY TYPE: SECURITIES			49,600.00		
33,708.00		2392.326	STI CLASSIC FD-LARGE CAP QUAN EQ			06/20/2007	08/08/2007	
		33,177.00	PROPERTY TYPE: SECURITIES			531.00		
1012938.00		71890.544	STI CLASSIC FD-LARGE CAP QUAN E			06/20/2006	08/08/2007	
		1013348.00	PROPERTY TYPE: SECURITIES			-410.00		
600,000.00		27112.517	ROWE T PRICE REAL ESTATE FD CO			09/29/2005	08/10/2007	
		512,969.00	PROPERTY TYPE: SECURITIES			87,031.00		
250,000.00		1885.37	VANGUARD INSTITUTIONAL INDEX FDS			08/09/2006	08/21/2007	
		218,533.00	PROPERTY TYPE: SECURITIES			31,467.00		
250,000.00		1865.394	VANGUARD INSTITUTIONAL INDEX FD			08/09/2006	08/23/2007	
		216,218.00	PROPERTY TYPE: SECURITIES			33,782.00		
500,000.00		3685.957	VANGUARD INSTITUTIONAL INDEX FD			08/09/2006	09/06/2007	
		427,239.00	PROPERTY TYPE: SECURITIES			72,761.00		
16,051.00		579.877	BLAIR WILLIAM MUT FDS INC SMALL			10/20/2006	09/20/2007	
		15,489.00	PROPERTY TYPE: SECURITIES			562.00		

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
136,461.00		5423.728 FIDELITY ADVISOR SER VIII DIVER PROPERTY TYPE: SECURITIES 121,220.00					02/08/2006	09/20/2007
							15,241.00	
48,664.00		1674.604 GOLDMAN SACHS TR EMERGING MKTS PROPERTY TYPE: SECURITIES 35,987.00					10/20/2006	09/20/2007
							12,677.00	
39,749.00		2630.642 LAZARD FDS INC MID CAP PORTFOLI PROPERTY TYPE: SECURITIES 38,475.00					12/27/2006	09/20/2007
							1,274.00	
53,156.00		2049.19 MELLON INSTL FDS INVT TR PROPERTY TYPE: SECURITIES 42,919.00					12/14/2005	09/20/2007
							10,237.00	
43,341.00		4342.786 PIMCO FDS PAC INVT MGMT SER GLO PROPERTY TYPE: SECURITIES 42,559.00					09/29/2005	09/20/2007
							782.00	
204,615.00		5834.474 PRICE T ROWE GROWTH STK FD INC PROPERTY TYPE: SECURITIES 159,981.00					08/12/2005	09/20/2007
							44,634.00	
40,867.00		1758.477 ROWE T PRICE REAL ESTATE FD COM PROPERTY TYPE: SECURITIES 33,270.00					09/29/2005	09/20/2007
							7,597.00	
13,111.00		720.385 STI CLASSIC FUNDS SMALL CAP EQ PROPERTY TYPE: SECURITIES 13,284.00					12/12/2005	09/20/2007
							-173.00	
188,943.00		11692.017 STI CLASSIC LARGE CAP VALUE EQ PROPERTY TYPE: SECURITIES 134,809.00					10/22/2004	09/20/2007
							54,134.00	
53,752.00		3756.254 STI CLASSIC FD-AGGRESSIVE GRWTH PROPERTY TYPE: SECURITIES 39,967.00					08/12/2005	09/20/2007
							13,785.00	
1161289.00		8329.429 VANGUARD INSTITUTIONAL INDEX FD PROPERTY TYPE: SECURITIES 965,464.00					08/09/2006	09/20/2007
							195,825.00	

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
278,964.00		10522.954					06/28/2007	09/27/2007
		MELLON INSTL FDS INVT TR PROPERTY TYPE: SECURITIES						
		257,307.00					21,657.00	
2226245.00		83977.551					12/14/2005	09/27/2007
		MELLON INSTL FDS INVT TR PROPERTY TYPE: SECURITIES						
		1672452.00					553,793.00	
								12/31/2007
		. LIGHTHOUSE DIVERSIFIED PROPERTY TYPE: SECURITIES					165,927.00	
		. LIGHTHOUSE DIVERSIFIED PROPERTY TYPE: SECURITIES						12/31/2007
		. LIGHTHOUSE DIVERSIFIED PROPERTY TYPE: SECURITIES					2,259.00	
		. LIGHTHOUSE GLOBAL LONG/SHORT FUND, LP PROPERTY TYPE: SECURITIES						12/31/2007
		. LIGHTHOUSE GLOBAL LONG/SHORT FUND, LP PROPERTY TYPE: SECURITIES					120,804.00	
		. LIGHTHOUSE GLOBAL LONG/SHORT FUND, LP PROPERTY TYPE: SECURITIES						12/31/2007
		. LIGHTHOUSE GLOBAL LONG/SHORT FUND, LP PROPERTY TYPE: SECURITIES					49,424.00	
567,519.00		26757.159					10/20/2006	02/28/2008
		BLAIR WILLIAM MUT FDS INC SMAL PROPERTY TYPE: SECURITIES						
		714,684.00					-147165.00	
161,322.00		13556.489					12/26/2007	02/28/2008
		LAZARD FDS INC MID CAP PORTFOL PROPERTY TYPE: SECURITIES						
		171,354.00					-10,032.00	
1425365.00		119778.566					12/27/2006	02/28/2008
		LAZARD FDS INC MID CAP PORTFO PROPERTY TYPE: SECURITIES						
		1730843.00					-305478.00	
2934216.00		145258.211					12/07/2007	06/20/2008
		FIDELITY ADVISOR SER VIII DIV PROPERTY TYPE: SECURITIES						
		3623068.00					-688852.00	
5064215.00		250703.724					12/08/2006	06/20/2008
		FIDELITY ADVISOR SER VIII DIV PROPERTY TYPE: SECURITIES						
		5707495.00					-643280.00	



**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
8303343.00		267590.816	PRICE T ROWE GROWTH STK FD IN			08/12/2005	06/20/2008	
		6637333.00	PROPERTY TYPE: SECURITIES			1666010.00		
TOTAL GAIN (LOSS) .....		.....					----- 3,598,352. =====	

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
DIVIDENDS & INTEREST	1,652,193.	1,671,625.
TOTAL	----- 1,652,193. =====	----- 1,671,625. =====

FORM 990PF, PART I - OTHER INCOME  
=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
PARTNERSHIP INCOME FEDERAL TAX REFUND	68,147.	2,066,000.
TOTALS	----- 68,147. -----	----- 2,066,000. -----

FORM 990PF, PART I - LEGAL FEES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
AKERMAN, SENTERFITT	26,892.	9,144.		16,135.
TOTALS	26,892.	9,144.	NONE	16,135.
	=====	=====	=====	=====

FORM 990PF, PART I - ACCOUNTING FEES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
TAX PREP FEE	400.			400.
TOTALS	400.	NONE	NONE	400.
	=====	=====	=====	=====

FORM 990PF, PART I - TAXES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----
990 PF ESTIMATES	100,594.	
990 T ESTIMATES	71,952.	
2006 990T BAL DUE	39,822.	
FOREIGN TAX		37,163.
TOTALS	----- 212,368. =====	----- 37,163. =====

FORM 990PF, PART I - OTHER EXPENSES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	CHARITABLE PURPOSES -----
MEMBERSHIP DUES	470.		470.
INSURANCE	1,706.		1,706.
ADMINISTRATION EXP	1,094.		1,094.
PORTFOLIO DEDUCT K-1		1,196,185.	
TOTALS	----- 3,270. =====	----- 1,196,185. =====	----- 3,270. =====

MCKNIGHT BRAIN RESEARCH FOUNDATION 52-5511641

65-6301255

FORM 990PF, PART II - CORPORATE STOCK

=====

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
SEE ATTACHED STATEMENT	314.	999,801.	755,895.
	-----	-----	-----
TOTALS	314.	999,801.	755,895.
	=====	=====	=====



FORM 990PF, PART II - OTHER INVESTMENTS

=====

DESCRIPTION -----	COST/ FMV C OR F -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----	ENDING FMV ---
SEE ATTACHED STATEMENT	C	49,861,732.	51,144,087.	53,195,569.
TOTALS		----- 49,861,732. =====	----- 51,144,087. =====	----- 53,195,569. =====

-----  
STATE(S) WHERE THE FOUNDATION IS REGISTERED  
=====

FL

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

OFFICER NAME:

SUNTRUST BANK

ADDRESS:

200 S. ORANGE AVE, SOAB - 10  
ORLANDO, FL 32801

TITLE:

TRUSTEE, VAR

COMPENSATION ..... 100,326.

OFFICER NAME:

DR. MICHAEL DOCKERY,

ADDRESS:

C/O SUNTRUST BANK, 200 S ORANGE AVE  
ORLANDO, FL 32801

TITLE:

TRUSTEE, VAR

COMPENSATION ..... 40,000.

OFFICER NAME:

DR. J. LEE DOCKERY

ADDRESS:

C/O SUNTRUST BANK, 200 S ORANGE AVE  
ORLANDO,, FL 32801

TITLE:

TRUSTEE, VAR

COMPENSATION ..... 40,000.

OFFICER NAME:

DR. NINA ELLENBOGEN RAIM

ADDRESS:

C/O SUNTRUST BANK, 200 S ORANGE AVE  
ORLANDO,, FL 32801

TITLE:

TRUSTEE, VAR

COMPENSATION ..... 40,000.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

=====

OFFICER NAME:

JOHN CLARKSON

ADDRESS:

C/O SUNTRUST BANK, 200 S ORANGE AVE  
ORLANDO, FL 32801

TITLE:

TRUSTEE, VAR

COMPENSATION ..... 40,000.

TOTAL COMPENSATION: 260,326.

=====

990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALS  
=====

NAME:  
NONE

=====

RECIPIENT NAME:

TERESA BORCHECK

ADDRESS:

C/O SUNTRUST BANK, 200 S. ORANGE AVE  
ORLANDO, FL 32801

FORM, INFORMATION AND MATERIALS:

NO REQUIRED FORMAT

SUBMISSION DEADLINES:

NONE

RESTRICTIONS OR LIMITATIONS ON AWARDS:

THE FOUNDATION WAS ESTABLISHED TO PROVIDE SUPPORT FOR MEDICAL RESEARCH  
OF THE BRAIN TO ACCOMPLISH ALLEVIATION OF MEMORY LOSS OF THE AGING,  
INCLUDING MAKING GRANTS TO ORGANIZATIONS INVOLVED IN THIS RESEARCH

=====

RECIPIENT NAME:  
UNIVERSITY OF MIAMI  
RELATIONSHIP:  
NONE  
PURPOSE OF GRANT:  
RESEARCH OF THE BRAIN  
FOUNDATION STATUS OF RECIPIENT:  
N/A  
AMOUNT OF GRANT PAID ..... 875,000.

RECIPIENT NAME:  
UNIVERSITY OF ALABAMA  
RELATIONSHIP:  
NONE  
PURPOSE OF GRANT:  
ANNUAL PAYMENT FOR BRAIN RESEARCH  
FOUNDATION STATUS OF RECIPIENT:  
N/A  
AMOUNT OF GRANT PAID ..... 1,000,000.

RECIPIENT NAME:  
UNIVERSITY OF ARIZONA  
ADDRESS:  
1501 NORTH CAMPBELL AVE  
TUSCON, AZ 85724  
RELATIONSHIP:  
NONE  
PURPOSE OF GRANT:  
CONTRIBUTION TO THE CHAIR  
FOUNDATION STATUS OF RECIPIENT:  
N/A  
AMOUNT OF GRANT PAID ..... 1,000,000.

TOTAL GRANTS PAID: ..... 2,875,000.  
=====

# Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).

**2007**

Name of estate or trust <b>MCKNIGHT BRAIN RESEARCH FOUNDATION 52-5511641</b>	Employer identification number <b>65-6301255</b>
---	---

Note: Form 5227 filers need to complete only Parts I and II

**Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 40 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
<b>1a</b>					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b . . . . .	<b>1b</b>	-325,852.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824 . . . . .	<b>2</b>	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	<b>3</b>	
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2006 Capital Loss Carryover Worksheet . . . . .	<b>4</b>	( )
5 <b>Net short-term gain or (loss)</b> Combine lines 1a through 4 in column (f) Enter here and on line 13, column (3) on the back . . . . . ▶	<b>5</b>	-325,852.

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see page 40 of the instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
<b>6a</b> LONG-TERM CAPITAL GAIN DIVIDENDS		STMT 1			1,996,000.

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b. . . . .	<b>6b</b>	1,917,063.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824 . . . . .	<b>7</b>	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts . . . . .	<b>8</b>	
9 Capital gain distributions . . . . .	<b>9</b>	11,141.
10 Gain from Form 4797, Part I . . . . .	<b>10</b>	
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2006 Capital Loss Carryover Worksheet . . . . .	<b>11</b>	( )
12 <b>Net long-term gain or (loss)</b> . Combine lines 6a through 11 in column (f) Enter here and on line 14a, column (3) on the back . . . . . ▶	<b>12</b>	3,924,204.



<b>Part III Summary of Parts I and II</b> Caution: Read the instructions before completing this part.		(1) Beneficiaries' (see page 41)	(2) Estate's or trust's	(3) Total
13	Net short-term gain or (loss)	13		-325,852.
14	Net long-term gain or (loss):			
a	Total for year	14a		3,924,204.
b	Unrecaptured section 1250 gain (see line 18 of the wrksht)	14b		
c	28% rate gain	14c		
15	Total net gain or (loss). Combine lines 13 and 14a	15		3,598,352.

**Note:** If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a) If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary

**Part IV Capital Loss Limitation**

16	Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of a The loss on line 15, column (3) or b \$3,000	16	( )
----	--	----	-----

**Note:** If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 42 of the instructions to figure your capital loss carryover

**Part V Tax Computation Using Maximum Capital Gains Rates**

**Form 1041 filers.** Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero

**Caution:** Skip this part and complete the worksheet on page 43 of the instructions if:

- Either line 14b, col (2) or line 14c, col (2) is more than zero, or
- Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero

**Form 990-T trusts.** Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero Skip this part and complete the worksheet on page 43 of the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17		
18	Enter the smaller of line 14a or 15 in column (2) but not less than zero	18		
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19		
20	Add lines 18 and 19	20		
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0-	21		
22	Subtract line 21 from line 20 If zero or less, enter -0-	22		
23	Subtract line 22 from line 17 If zero or less, enter -0-	23		
24	Enter the smaller of the amount on line 17 or \$2,150	24		
25	Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes Skip lines 25 through 27; go to line 28 and check the "No" box <input type="checkbox"/> No. Enter the amount from line 23	25		
26	Subtract line 25 from line 24	26		
27	Multiply line 26 by 5% (.05)			27
28	Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes Skip lines 28 thru 31, go to line 32 <input type="checkbox"/> No. Enter the smaller of line 17 or line 22	28		
29	Enter the amount from line 26 (If line 26 is blank, enter -0-)	29		
30	Subtract line 29 from line 28	30		
31	Multiply line 30 by 15% (.15)			31
32	Figure the tax on the amount on line 23 Use the 2007 Tax Rate Schedule on page 27 of the instructions			32
33	Add lines 27, 31, and 32			33
34	Figure the tax on the amount on line 17. Use the 2007 Tax Rate Schedule on page 27 of the instructions			34
35	Tax on all taxable income Enter the smaller of line 33 or line 34 here and on line 1a of Schedule G, Form 1041 (or line 36 of Form 990-T)			35



Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side  
**MCKNIGHT BRAIN RESEARCH FOUNDATION 52-5511641** Employer identification number  
**65-6301255**

**Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year**

(a) Description of property (Example 100 sh 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price (see page 40 of the instructions)	(e) Cost or other basis (see page 40 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a 10063.255 PRICE T ROWE GROWTH STK FD INC	08/12/2005	07/25/2007	350,000.00	275,934.00	74,066.00
21618.283 STI CLASSIC LARGE CAP VALUE EQUITY FUND	10/22/2004	07/25/2007	350,000.00	249,259.00	100,741.00
71890.544 STI CLASSIC FD-LARGE CAP QUAN EQT#624	06/20/2006	08/08/2007	1,012,938.00	1,013,348.00	-410.00
27112.517 ROWE T PRICE REAL ESTATE FD COM	09/29/2005	08/10/2007	600,000.00	512,969.00	87,031.00
1885.37 VANGUARD INSTITUTIONAL INDEX FDSHR B	08/09/2006	08/21/2007	250,000.00	218,533.00	31,467.00
1865.394 VANGUARD INSTITUTIONAL INDEX FDSHR B	08/09/2006	08/23/2007	250,000.00	216,218.00	33,782.00
3685.957 VANGUARD INSTITUTIONAL INDEX FDSHR B	08/09/2006	09/06/2007	500,000.00	427,239.00	72,761.00
5423.728 FIDELITY ADVISOR SER VIII DIVERSIFIE	02/08/2006	09/20/2007	136,461.00	121,220.00	15,241.00
2049.19 MELLON INSTL FDS INVT TR	12/14/2005	09/20/2007	53,156.00	42,919.00	10,237.00
4342.786 PIMCO FDS PAC INVT MGMT SER GLOBAL	09/29/2005	09/20/2007	43,341.00	42,559.00	782.00
5834.474 PRICE T ROWE GROWTH STK FD INC	08/12/2005	09/20/2007	204,615.00	159,981.00	44,634.00
1758.477 ROWE T PRICE REAL ESTATE FD COM	09/29/2005	09/20/2007	40,867.00	33,270.00	7,597.00
720.385 STI CLASSIC FUNDS SMALL CAP EQUITY FD TR CL	12/12/2005	09/20/2007	13,111.00	13,284.00	-173.00
11692.017 STI CLASSIC LARGE CAP VALUE EQUITY FUND	10/22/2004	09/20/2007	188,943.00	134,809.00	54,134.00
3756.254 STI CLASSIC FD-AGGRESSIVE GRWTH #558	08/12/2005	09/20/2007	53,752.00	39,967.00	13,785.00
8329.429 VANGUARD INSTITUTIONAL INDEX FDSHR B	08/09/2006	09/20/2007	1,161,289.00	965,464.00	195,825.00
83977.551 MELLON INSTL FDS INVT TR	12/14/2005	09/27/2007	2,226,245.00	1,672,452.00	553,793.00
. LIGHTHOUSE DIVERSIFIED		12/31/2007			2,259.00
. LIGHTHOUSE GLOBAL LONG/SHORT FUND, LP		12/31/2007			49,424.00
26757.159 BLAIR WILLIAM MUT FDS INC SMALL CAP	10/20/2006	02/28/2008	567,519.00	714,684.00	-147,165.00
119778.566 LAZARD FDS INC MID CAP PORTFOLIO INS	12/27/2006	02/28/2008	1,425,365.00	1,730,843.00	-305,478.00
250703.724 FIDELITY ADVISOR SER VIII DIVERSIFIE	12/08/2006	06/20/2008	5,064,215.00	5,707,495.00	-643,280.00
267590.816 PRICE T ROWE GROWTH STK FD INC	08/12/2005	06/20/2008	8,303,343.00	6,637,333.00	1,666,010.00
<b>6b Total</b> Combine the amounts in column (f) Enter here and on Schedule D, line 6b . . . . .					<b>1,917,063.00</b>

Schedule D-1 (Form 1041) 2007

FEDERAL CAPITAL GAIN DIVIDENDS

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LONG-TERM CAPITAL GAIN DIVIDENDS

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15% RATE CAPITAL GAIN DIVIDENDS

BLAIR WILLIAM MUT FDS INC SMALL CAP	19,072.00
FIDELITY ADVISOR SER VIII DIVERSIFIE	947,452.00
GOLDMAN SACHS TR EMERGING MKTS EQTY	80,492.00
LAZARD FDS INC MID CAP PORTFOLIO INS	106,170.00
PRICE T ROWE GROWTH STK FD INC	235,480.00
ROWE T PRICE REAL ESTATE FD COM	51,995.00
STI CLASSIC FUNDS SMALL CAP EQUITY FD TR CL	115,043.00
STI CLASSIC LARGE CAP VALUE EQUITY FUND	369,125.00
STI CLASSIC FD-AGGRESSIVE GRWTH #558	71,171.00

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TOTAL 15% RATE CAPITAL GAIN DIVIDENDS 1,996,000.00

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TOTAL LONG-TERM CAPITAL GAIN DIVIDENDS 1,996,000.00

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1CKNIGHT BRAIN RESEARCH FDN TT  
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PORTFOLIO SUMMARY

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MAJOR INVESTMENT CLASS	MARKET VALUE	PERCENT OF ACCOUNT	FEDERAL TAX COST	UNREALIZED GAIN/LOSS (FED TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT MARKET
<b>PRINCIPAL PORTFOLIO</b>						
STIF & MONEY MARKET FUNDS	485,759.94	0.89 %	485,759.94	0.00	10,371	2.14 %
EQUITY SECURITIES	755,894.70	1.39 %	999,801.55	243,906.85-	37,893	5.01 %
MUTUAL FUNDS	42,030,652.30	77.21 %	38,445,274.68	3,585,377.62	676,475	1.61 %
PROPRIETARY FUNDS	11,164,916.63	20.51 %	12,698,806.11	1,533,889.48-	193,148	1.73 %
MISCELLANEOUS ASSETS	<u>0.00</u>	<u>0.00 %</u>	<u>6.00</u>	<u>6.00-</u>	<u>0</u>	<u>0.00 %</u>
PRINCIPAL PORTFOLIO TOTAL	54,437,223.57	100.00 %	52,629,648.28	1,807,575.29	917,887	1.69 %
<b>TOTAL ASSETS</b>	<b>54,437,223.57</b>	<b>100.00 %</b>	<b>52,629,648.28</b>	<b>1,807,575.29</b>	<b>917,887</b>	<b>1.69 %</b>



PORTFOLIO DETAIL

MCKNIGHT BRAIN RESEARCH FDN TT  
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<u>PAR VALUE</u> <u>OR SHARES</u>	<u>ASSET DESCRIPTION</u>	<u>MARKET VALUE</u> <u>MARKET PRICE</u> <u>% OF MARKET</u>	<u>FED TAX COST</u> <u>COST PER UNIT</u>	<u>UNREALIZED</u> <u>GAIN/LOSS</u> <u>(FED TO MKT)</u>	<u>ESTIMATED</u> <u>ANNUAL</u> <u>INCOME</u>	<u>INCOME</u> <u>YIELD AT</u> <u>MARKET/</u> <u>YIELD TO</u> <u>MATURITY</u>
<u>PRINCIPAL PORTFOLIO</u>						
<u>STIF &amp; MONEY MARKET FUNDS</u>						
485,759.94	RIDGEWORTH FD-PRIME QUALITY MMKT I SHS #500 CUSIP: 76628T389	485,759.94 1.000 0.89 %	485,759.94 1.00	0.00	10,371	2.14 % 0.00 %
<u>EQUITY SECURITIES</u>						
<u>HEALTH CARE</u>						
5	JOHNSON & JOHNSON COM CUSIP: 478160104	321.70 64.340 0.00 %	313.55 62.71	8.15	9	2.80 % 0.00 %
<u>MUTUAL FUNDS-EQUITY</u>						
16,100	SPDR DJ WILSHIRE INTL REAL ESTATE ETF CUSIP: 78463X863	755,573.00 46.930 1.39 %	999,488.00 62.08	243,915.00-	37,883	5.01 % 0.00 %
<b>TOTAL EQUITY SECURITIES</b>		<b>755,894.70</b>	<b>999,801.55</b>	<b>243,906.85-</b>	<b>37,893</b>	<b>5.01 %</b>



PORTFOLIO DETAIL

1CKNIGHT BRAIN RESEARCH FDN TT  
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<u>PAR VALUE</u> <u>OR SHARES</u>	<u>ASSET DESCRIPTION</u>	<u>MARKET VALUE</u> <u>MARKET PRICE</u> <u>% OF MARKET</u>	<u>FED TAX COST</u> <u>COST PER UNIT</u>	<u>UNREALIZED</u> <u>GAIN/LOSS</u> <u>(FED TO MKT)</u>	<u>ESTIMATED</u> <u>ANNUAL</u> <u>INCOME</u>	<u>INCOME</u> <u>YIELD AT</u> <u>MARKET/</u> <u>YIELD TO</u> <u>MATURITY</u>
<u>MUTUAL FUNDS</u>						
40,214	DREYFUS ADVANTAGE FD INC PREMIER SELECT MIDCAP GROWTH FD CL R CUSIP: 26200C478	811,518.52 20.180 1.49 %	799,454.32 19.88	12,064.20	0	0.00 % 0.00 %
123,982	DWS INERNATIONAL FD INC INTL FD INSTL CL CUSIP: 23337R791	8,041,472.52 64.860 14.77 %	8,047,671.62 64.91	6,199.10-	347,770	4.32 % 0.00 %
151,804	DWS INVESTMENT TRUST CAP GROWTH FD INSTL CL CUSIP: 23338J707	8,086,599.08 53.270 14.85 %	8,320,377.24 54.81	233,778.16-	52,980	0.66 % 0.00 %
87,494.23	GOLDMAN SACHS TR EMERGING MKTS EQTY INSTL CL CUSIP: 38142B369	2,122,610.02 24.260 3.90 %	1,953,316.04 22.33	169,293.98	8,574	0.40 % 0.00 %
41,690.716	LIGHTHOUSE GLOBAL LONG/SHORT LP CUSIP: 532LHP156	5,542,030.23 132.932 10.18 %	5,000,000.00 119.93	542,030.23	0	0.00 % 0.00 %
48,738.152	LIGHTHOUSE DIVERSIFIED QPII LP CUSIP: 532LHP107	8,258,728.59 169.451 15.17 %	5,200,000.00 106.69	3,058,728.59	0	0.00 % 0.00 %
208,537.094	PIMCO FDS PAC INVNT MGMT SER GLOBAL FD INSTL CL CUSIP 693390874	2,164,615.04 10.380 3.98 %	2,047,562.44 9.82	117,052.60	78,618	3.63 % 0.00 %
85,862.788	T ROWE PRICE REAL ESTATE FD COM CUSIP. 779919109	1,549,823.32 18.050 2.85 %	1,661,607.28 19.35	111,783.96-	67,832	4.38 % 0.00 %



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PORTFOLIO DETAIL

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<u>PAR VALUE</u> <u>OR SHARES</u>	<u>ASSET DESCRIPTION</u>	<u>MARKET VALUE</u> <u>MARKET PRICE</u> <u>% OF MARKET</u>	<u>FED TAX COST</u> <u>COST PER UNIT</u>	<u>UNREALIZED</u> <u>GAIN/LOSS</u> <u>(FED TO MKT)</u>	<u>ESTIMATED</u> <u>ANNUAL</u> <u>INCOME</u>	<u>INCOME</u> <u>YIELD AT</u> <u>MARKET/</u> <u>YIELD TO</u> <u>MATURITY</u>
46,620.971	VANGUARD INSTL INDEX FD SH BEN INT CUSIP: 922040100	5,453,254.98 116.970 10.02 %	5,415,285.74 116.16	37,969.24	120,702	2.21 % 0.00 %
<b>TOTAL MUTUAL FUNDS</b>		<b>42,030,652.30</b>	<b>38,445,274.68</b>	<b>3,585,377.62</b>	<b>676,475</b>	<b>1.61 %</b>
<b>PROPRIETARY FUNDS</b>						
177,874.677	RIDGEWORTH FD-AGGRESSIVE GROWTH STK I SHS #558 CUSIP: 76628R102	2,244,778.42 12.620 4.12 %	1,911,460.77 10.75	333,317.65	0	0.00 % 0.00 %
606,420.823	RIDGEWORTH FD-LARGECAP VALUE EQUITY I SHS #512 CUSIP: 76628R672	7,131,508.88 11.760 13.10 %	8,688,880.63 14.33	1,557,371.75-	171,011	2.40 % 0.00 %
77,930.763	RIDGEWORTH FD-MIDCAP VAL EQUITY I SHS #412 CUSIP: 76628R615	726,314.71 9.320 1.33 %	796,898.87 10.23	70,584.16-	14,417	1.98 % 0.00 %
39,524	RIDGEWORTH FD-SMALLCAP GROWTH STK I SHS #614 CUSIP: 76628R516	575,469.44 14.560 1.06 %	563,612.24 14.26	11,857.20	0	0.00 % 0.00 %
45,414.662	RIDGEWORTH FD-SMALLCAP VAL EQUITY I SHS #588 CUSIP: 76628R474	486,845.18 10.720 0.89 %	737,953.60 16.25	251,108.42-	7,720	1.59 % 0.00 %
<b>TOTAL PROPRIETARY FUNDS</b>		<b>11,164,916.63</b>	<b>12,698,806.11</b>	<b>1,533,889.48-</b>	<b>193,148</b>	<b>1.73 %</b>





PORTFOLIO DETAIL

MCKNIGHT BRAIN RESEARCH FDN T1  
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PAR VALUE JR SHARES	ASSET DESCRIPTION	MARKET VALUE MARKET PRICE % OF MARKET	FED TAX COST COST PER UNIT	UNREALIZED GAIN/LOSS (FED TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT MARKET/ YIELD TO MATURITY
<u>MISCELLANEOUS ASSETS</u>						
1	CLASS ACTION PENDING AOL/TIME WARNER ON RCPT OF FINAL PMT CUSIP: 997000JA3	0.00 0.000 0.00 %	1.00 1.00	1.00-	0	0.00 % 0.00 %
1	CLASS ACTION PENDING AT & T ON RCPT OF FINAL PMT CUSIP 997000KY9	0.00 0.000 0.00 %	1.00 1.00	1.00-	0	0.00 % 0.00 %
1	CLASS ACTION PENDING BRISTOL MYERS 2ND ON RCPT OF FINAL PMT CUSIP. 997000KD5	0.00 0.000 0.00 %	1.00 1.00	1.00-	0	0.00 % 0.00 %
1	CLASS ACTION PENDING CONAGRA ON RCPT OF FINAL PMT CUSIP: 997000EJ9	0.00 0.000 0.00 %	1.00 1.00	1.00-	0	0.00 % 0.00 %
1	CLASS ACTION PENDING ENRON CORP ON RCPT OF FINAL PMT CUSIP: 997000WS9	0.00 0.000 0.00 %	0.00 0.00	0.00	0	0.00 % 0.00 %
1	CLASS ACTION PENDING FEDERAL HOME LOAN MTG CORP ON RCPT OF FINAL PMT CUSIP: 997000NNO	0.00 0.000 0.00 %	0.00 0.00	0.00	0	0.00 % 0.00 %
1	CLASS ACTION PENDING HONEYWELL INTL INC ON RCPT OF FINAL PMT CUSIP: 997000BB9	0.00 0.000 0.00 %	1.00 1.00	1.00-	0	0.00 % 0.00 %



PORTFOLIO DETAIL

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PAR VALUE OR SHARES	ASSET DESCRIPTION	MARKET VALUE MARKET PRICE % OF MARKET	FED TAX COST COST PER UNIT	UNREALIZED GAIN/LOSS (FED TO MKT)	ESTIMATED ANNUAL INCOME	INCOME YIELD AT MARKET/ YIELD TO MATURITY
1	CLASS ACTION PENDING KING PHARMACEUTICALS ON RCPT OF FINAL PMT CUSIP: 997000QD9	0.00 0.000 0.00 %	0 00 0.00	0.00	0	0.00 % 0.00 %
1	CLASS ACTION PENDING SPRINT CORP ON RCPT OF FINAL PMT CUSIP: 997000VNI	0.00 0.000 0.00 %	0.00 0.00	0.00	0	0.00 % 0.00 %
1	CLASS ACTION PENDING TENET HEALTHCARE ON RCPT OF FINAL PMT CUSIP: 997000KE3	0.00 0.000 0.00 %	1.00 1.00	1.00-	0	0.00 % 0.00 %
1	CLASS ACTION PENDING TYCO INTL ON RCPT OF FINAL PMT CUSIP: 997000VX9	0.00 0.000 0.00 %	0.00 0.00	0.00	0	0.00 % 0.00 %
TOTAL MISCELLANEOUS ASSETS		0.00	6.00	6.00-	0	0.00 %
PRINCIPAL PORTFOLIO TOTAL		54,437,223.57	52,629,648.28	1,807,575.29	917,887	1.69 %
TOTAL ASSETS		54,437,223.57	52,629,648.28	1,807,575.29	917,887	1.69 %



TRANSACTION SUMMARY

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	<u>CASH</u>	<u>FED TAX COST</u>
BEGINNING BALANCES	0.00	52,270,174.28
<u>RECEIPTS</u>		
DIVIDENDS	1,224.07	91,577.42
SALES & MATURITIES	<u>16,301,774.11</u>	<u>15,967,895.00-</u>
TOTAL RECEIPTS	16,302,998.18	15,876,317.58-
<u>DISBURSEMENTS</u>		
DISBURSEMENTS	30,681.61-	0.00
ADMINISTRATIVE EXPENSES	18,536.99-	0.00
FIDUCIARY TAX	17,988.00-	0.00
PURCHASES	<u>16,368,048.86-</u>	<u>16,368,048.86</u>
TOTAL DISBURSEMENTS	16,435,255.46-	16,368,048.86
<u>CASH SWEEP TRANSACTIONS</u>		
SWEEP PURCHASES	1,224.07-	1,224.07
SWEEP SALES	<u>133,481.35</u>	<u>133,481.35-</u>
TOTAL CASH SWEEP TRANSACTIONS	132,257.28	132,257.28-
ENDING BALANCES	0.00	52,629,648.28



MARKET VALUE SUMMARY

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BEGINNING MARKET VALUE		58,004,576.07
<u>RECEIPTS</u>		
DIVIDENDS	92,801.49	
GAIN/LOSS ON SALES & MATURITIES	<u>333,879.11</u>	
TOTAL RECEIPTS		426,680.60
<u>DISBURSEMENTS</u>		
DISBURSEMENTS	30,681.61-	
ADMINISTRATIVE EXPENSES	18,536.99-	
FIDUCIARY TAX	<u>17,988.00-</u>	
TOTAL DISBURSEMENTS		67,206.60-
NET CHANGE IN MARKET VALUE		<u>3,926,826.50-</u>
ENDING MARKET VALUE		54,437,223.57