

Form **990-T**

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

OMB No. 1545-0687

2008

Department of the Treasury
Internal Revenue Service

For calendar year 2008 or other tax year beginning **JUL 1, 2008** and ending **JUN 30, 2009**

Open to Public Inspection for 501(c)(3) Organizations Only

A <input type="checkbox"/> Check box if address changed	Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.)	D Employer identification number (Employees' trust, see instructions for Block D on page 9.)
B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type McKnight Brain Research Foundation Number, street, and room or suite no. If a P.O. box, see page 9 of instructions. Post Office Box 620005 City or town, state, and ZIP code Orlando, FL 32862	65-6301255 900000
C Book value of all assets at end of year 38,246,634.	F Group exemption number (See instructions for Block F.) ▶ G Check organization type <input type="checkbox"/> 501(c) corporation <input checked="" type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust	E Unrelated business activity codes (See instructions for Block E on page 9.)

H Describe the organization's primary unrelated business activity. **▶ Investment in partnerships**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation. **▶**

J The books are in care of **▶ SunTrust Bank** Telephone number **▶ (407) 237-5907**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales			
b	Less returns and allowances			
	c Balance ▶			
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit. Subtract line 2 from line 1c			
4 a	Capital gain net income (attach Schedule D)	77,447.		77,447.
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
c	Capital loss deduction for trusts			
5	Income (loss) from partnerships and S corporations (attach statement)	<312,712.>	Stmt 13	<312,712.>
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from controlled organizations (Sch. F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)			
12	Other income (See instructions; attach schedule.)			
13	Total. Combine lines 3 through 12	<235,265.>		<235,265.>

Part II Deductions Not Taken Elsewhere (see instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14	Compensation of officers, directors, and trustees (Schedule K)		14
15	Salaries and wages		15
16	Repairs and maintenance		16
17	Bad debts		17
18	Interest (attach schedule)		18
19	Taxes and licenses		19
20	Charitable contributions (See instructions for limitation rules.)	See Statement 14	20 0.
21	Depreciation (attach Form 4562)	21	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	22b
23	Depletion		23
24	Contributions to deferred compensation plans		24
25	Employee benefit programs		25
26	Excess exempt expenses (Schedule I)		26
27	Excess readership costs (Schedule J)		27
28	Other deductions (attach schedule)	See Statement 15	28 2,531.
29	Total deductions. Add lines 14 through 28		29 2,531.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30 <237,796.>
31	Net operating loss deduction (limited to the amount on line 30)		31
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32 <237,796.>
33	Specific deduction (Generally \$1,000, but see instructions for exceptions)		33 1,000.
34	Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34 <237,796.>

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here [] See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ (2) \$ (3) \$ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ (2) Additional 3% tax (not more than \$100,000) \$ c Income tax on the amount on line 34 35c 36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: [X] Tax rate schedule or [] Schedule D (Form 1041) 36 0. 37 Proxy tax. See instructions 37 38 Alternative minimum tax 38 39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 0.

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a 40b Other credits (see instructions) 40b 40c General business credit. Attach Form 3800 40c 40d Credit for prior year minimum tax (attach Form 8801 or 8827) 40d 40e Total credits. Add lines 40a through 40d 40e 41 Subtract line 40e from line 39 41 0. 42 Other taxes. Check if from: [] Form 4255 [] Form 8611 [] Form 8697 [] Form 8866 [] Other (attach schedule) 42 43 Total tax. Add lines 41 and 42 43 0. 44a Payments: A 2007 overpayment credited to 2008 44a 9,789. 44b 2008 estimated tax payments 44b 52,492. 44c Tax deposited with Form 8868 44c 44d Foreign organizations: Tax paid or withheld at source (see instructions) 44d 44e Backup withholding (see instructions) 44e 40. 44f Other credits and payments: [] Form 2439 [] Form 4136 [] Other Total 44f 45 Total payments. Add lines 44a through 44f 45 62,321. 46 Estimated tax penalty (see instructions). Check if Form 2220 is attached [] 46 47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed 47 48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 62,321. 49 Enter the amount of line 48 you want: Credited to 2009 estimated tax 26,000. Refunded 49 36,321.

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

1 At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here 2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file. 3 Enter the amount of tax-exempt interest received or accrued during the tax year \$

Schedule A - Cost of Goods Sold. Enter method of inventory valuation

N/A

1 Inventory at beginning of year 1 2 Purchases 2 3 Cost of labor 3 4a Additional section 263A costs 4a 4b Other costs (attach schedule) 4b 5 Total. Add lines 1 through 4b 5 6 Inventory at end of year 6 7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 7 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? Yes No X

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) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer Date Title May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [] No

Paid Preparer's Use Only Preparer's signature Date 05/17/10 Check if self-employed Preparer's SSN or PTIN P00428093 Firm's name (or yours if self-employed), address, and ZIP code Batts Morrison Wales & Lee, P.A. 1000 Legion Place, Suite 701 Orlando, Florida 32801 EIN 20-4193611 Phone no. 407-770-6000

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)(see instr. on pg 19)

1 Description of property

Table with 4 rows for property description (1-4).

Table with 3 columns: (a) From personal property, (b) From real and personal property, and 3(a) Deductions directly connected with the income.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) 0. (b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) 0.

Schedule E - Unrelated Debt-Financed Income (See instructions on page 19)

Table with 4 columns: 1 Description of debt-financed property, 2 Gross income from or allocable to debt-financed property, 3(a) Straight line depreciation, 3(b) Other deductions.

Table with 5 columns: 4 Amount of average acquisition debt, 5 Average adjusted basis, 6 Column 4 divided by column 5, 7 Gross income reportable, 8 Allocable deductions.

Totals Enter here and on page 1, Part I, line 7, column (A) 0. Enter here and on page 1, Part I, line 7, column (B) 0. Total dividends-received deductions included in column 8 0.

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (See instructions on page 20)

Table with 6 columns: 1 Name of controlled organization, 2 Employer identification number, 3 Net unrelated income, 4 Total of specified payments made, 5 Part of column 4 that is included in the controlling organization's gross income, 6 Deductions directly connected with income.

Nonexempt Controlled Organizations

Table with 5 columns: 7 Taxable income, 8 Net unrelated income (loss), 9 Total of specified payments made, 10 Part of column 9 that is included in the controlling organization's gross income, 11 Deductions directly connected with income.

Totals Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) 0. Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) 0.

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization

(see instructions on page 21)

Table with 5 columns: 1 Description of income, 2 Amount of income, 3 Deductions directly connected, 4 Set-asides, 5 Total deductions and set-asides. Totals: 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income

(see instructions on page 21)

Table with 7 columns: 1 Description of exploited activity, 2 Gross unrelated business income, 3 Expenses directly connected, 4 Net income (loss), 5 Gross income from activity, 6 Expenses attributable, 7 Excess exempt expenses. Totals: 0.

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Totals: 0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

Table with 7 columns: 1 Name of periodical, 2 Gross advertising income, 3 Direct advertising costs, 4 Advertising gain or (loss), 5 Circulation income, 6 Readership costs, 7 Excess readership costs. Totals: 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 22)

Table with 4 columns: 1 Name, 2 Title, 3 Percent of time devoted to business, 4 Compensation attributable to unrelated business. Total: 0.

Net Operating Loss Carryback Election

The Foundation elects to apply IRC Section 172(b)(1)(H) under Revenue Procedure 2009-52. The Foundation is not a TARP recipient nor an affiliate of a TARP recipient in 2008 or 2009. The Foundation elects a four-year NOL carryback period.

Backup Withholding:

The Foundation is a partner in the following partnerships, for which UBTI is reported on this return. The partnerships also reported on Schedule K-1 the Foundation's share of U.S. taxes withheld, as follows:

Lighthouse Diversified Fund (QP)II, LP; EIN 65-1137821	12.
Lighthouse Global Long/Short Fund, L.P.; EIN 59-3789085	4.
Lighthouse Credit Opportunities Fund, L.P.; EIN 57-1140919	24.
	<hr/>
Total Backup Withholding	40.
	<hr/> <hr/>

Form 990-T	Income (Loss) from Partnerships	Statement 13
------------	---------------------------------	--------------

Description	Amount
Lighthouse Global Long/Short Fund, L.P.	<63,258.>
Lighthouse Diversified Fund (QP) II, L.P.	<219,703.>
Lighthouse Credit Opportunities Fund, L.P.	<29,751.>
<hr/>	
Total to Form 990-T, Page 1, line 5	<312,712.>

Form 990-T	Contributions	Statement 14
------------	---------------	--------------

Description/Kind of Property	Method Used to Determine FMV	Amount
University of Arizona	N/A	1,300,000.
University of Alabama	N/A	1,000,000.
<hr/>		
Total to Form 990-T, Page 1, line 20		2,300,000.

Form 990-T	Other Deductions	Statement 15
------------	------------------	--------------

Description	Amount
Legal fees	2,531.
<hr/>	
Total to Form 990-T, Page 1, line 28	2,531.

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).

Name of estate or trust

Employer identification number

McKnight Brain Research Foundation

65-6301255

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	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1 a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	37,333.
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2007 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on page 2	5	37,333.

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	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6 a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	40,114.
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2007 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on page 2	12	40,114.

Part III Summary of Parts I and II		(1) Beneficiaries'	(2) Estate's or trust's	(3) Total
<i>Caution: Read the instructions before completing this part.</i>				
13 Net short-term gain or (loss)	13		37,333.	37,333.
14 Net long-term gain or (loss):				
a Total for year	14a		40,114.	40,114.
b Unrecaptured section 1250 gain (see line 18 of the worksheet)	14b			
c 28% rate gain	14c			
15 Total net gain or (loss). Combine lines 13 and 14a	15		77,447.	77,447.

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 7 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 8 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 8 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 \$2,200		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 and 26; go to line 27 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 Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 27 through 30; go to line 31. <input type="checkbox"/> No. Enter the smaller of line 17 or line 22		27	
28 Enter the amount from line 26 (if line 26 is blank, enter -0-)		28	
29 Subtract line 28 from line 27		29	
30 Multiply line 29 by 15% (.15)		30	
31 Figure the tax on the amount on line 23. Use the 2008 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions)		31	
32 Add lines 30 and 31		32	
33 Figure the tax on the amount on line 17. Use the 2008 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions)		33	
34 Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on line 1a of Schedule G, Form 1041 (or line 36 of Form 990-T)		34	