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**Foundation Source Achieves Major Milestone in
Formation of New Private Foundations**

Foundation Center 2008 report confirms that 11.4% of all new private, non-operating (family) foundations formed in 2007 were formed on the Foundation Source platform.

FAIRFIELD, Conn. - June 18, 2009 - Foundation Source, the nation's leading provider of support services for private foundations, confirmed today that one out of every nine new private, non-operating foundations formed in the United States in the calendar year 2007 (the last year for which data is available) was formed on the Foundation Source platform. In determining its share of newly formed foundations, the company once again relied on data published in the Foundation Center's annual report, *Foundation Growth and Giving Estimates*, which, in turn, is based on data published by the IRS.

Foundation Source works in partnership with the nation's leading trust and estate attorneys, private wealth managers and trusted family advisors to provide a full range of back office, technology and support services. These services have found particular appeal among philanthropically-inclined families who seek the flexibility and control that only a private foundation can provide. Since the company's founding in 2000, Foundation Source has set its sights on an ambitious agenda to thoroughly automate and simplify the formation and operation of the private foundation. Today, having achieved that vision and having radically lowered both the cost of entry and cost of operation, families with modest philanthropic budgets now take advantage of the benefits of a private foundations with the strength and experience of Foundation Source as their silent partner.

Since its inception, Foundation Source has introduced numerous innovations that have thoroughly transformed the way private foundations are set up and operated. Among them:

- **Foundation Formation:** Trust & estate attorneys coast-to-coast rely on Foundation Source's highly regarded "Fast Track" service to form new foundations for their clients. Foundation Source is able to provide fully functional, newly formed foundations (set up as corporations) within three business days for under \$5,000.

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- **Cost of Operation:** With its full suite of back-office, technology and support services, Foundation Source has been able to significantly lower the cost and radically simplify the operation of private foundations. Today, foundations are routinely formed on the Foundation Source platform with assets as little as \$250,000 - \$500,000.
- **Flexibility and Control:** Through an ever expanding array of technology and service innovations, Foundation Source continues to provide its clients with the ability to freely to “express” their philanthropy in ways never conceived before the debut of the Foundation Source service. Examples include:
 - Online Grantmaking – pioneered and perfected by Foundation Source with the debut of Foundation Source Online, the company’s award-winning online platform for research, tracking, granting and reporting
 - Grants to Individuals – through coordination with the IRS, Foundation Source clients are able to easily grant funds directly to individuals for emergency, hardship and medical purposes.
 - No- Interest Loans – in a recent innovation, Foundation Source launched its “Mortgage Assistance Program” enabling private foundations to provide direct financial assistance to families under the threat of foreclosure.
 - Grant Certificates – philanthropic “gift certificates” that allow foundation families to give the joy of giving to others.
 - International Grants – routine under the Foundation Source banner.
- **Family Engagement** – with the modern family as likely to be geographically distributed as they are to be connected via the Internet, Foundation Source has taken a novel approach to bringing foundation families together. The key: *Foundation Source Online* - the company’s award-winning internet platform that welcomes multiple generations to participate in the family philanthropy through a web site customized and configured for each Foundation Source family.

“For over a century, private foundations have been the philanthropic vehicle of choice for the nation’s most prominent families, and for good reason,” said Daniel M. Schley, Foundation Source executive chairman. “It is widely understood in philanthropic circles that the private foundation offers families by far the most flexibility and control of any form of ‘organized philanthropy,’ including donor-advised funds and community foundation accounts. Historically, however, the flexibility and control that were the hallmarks of the private foundation were offset in part by the cost and effort to set up and operate the foundation. Today, that’s all changed. The 21st century foundation, the *Foundation Source Foundation*, is a hallmark of simplicity and efficiency. Now, charitable families can choose the philanthropic vehicle that’s right for them without regard for cost or operation.”

Added Andrew C. Bangser, Foundation Source president, “Year over year, our company’s share of newly formed private foundations continues to grow. We are particularly pleased to have crossed over the 10% threshold in 2007. Based on our company’s continued growth in 2008, even in the face of a declining economy, we anticipate significant growth in market share once again when the

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2008 data is published later this year. I am confident that our transformative approach to the setup and operation of the private foundation will remain very compelling, and in time more and more wealth advisors, attorneys and trusted advisors will look to Foundation Source as their operating partner.”

About Foundation Source (www.foundationsource.com)

Foundation Source is the nation’s leading provider of support services for private foundations. The company’s back-office, online and support services ease the burden, freeing foundations to focus more on mission, strategy and family priorities and less on back-office administration and compliance tasks. The result: better run foundations with greater social impact. Foundation Source was recently named Philanthropic Group of the Year by the editors of *Private Asset Management*.

Today, Foundation Source provides its full range of award-winning services to nearly 900 private foundations coast-to-coast representing over \$3.2 billion in foundation assets. Foundation Source provides its services through partnerships with the nation’s leading private wealth management firms, trust and estate attorneys and CPAs. The company is headquartered in Fairfield, CT with regional offices in Atlanta, Boston, Chicago, Denver, New York City, Philadelphia, Salt Lake City, San Francisco and Seattle.

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