

**SCHEDULE I
(Form 990)**

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

Department of the Treasury
Internal Revenue Service
Name of the organization

OMB No. 1545-0047
2012
Open to Public
Inspection

SMITH/SHAVER LAW SCHOOL SCHOLARSHIP FUND, INC.

Employer identification number
20-2749954

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(1) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table
- 3 Enter total number of other organizations listed in the line 1 table

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 SCHOLARSHIPS FOR LAW SCHOOLS	55	300,000.	-0-	N/A	N/A
2					
3					
4					
5					
6					
7					

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

PART I, LINES 1 & 2. THE SCHOLARSHIP FUND MAINTAINS RECORDS OF TRANSFERS OF FUNDS AS DIRECTED BY THE FIVE SUPPORTED LAW SCHOOLS.

INCLUDING WIRE TRANSFERS, FINANCIAL RECORDS, AS WELL AS THE SCHOLARSHIP FUND'S FINANCIAL INSTITUTIONS' MONTHLY STATEMENTS, ARE AVAILABLE

TO BOARD MEMBERS. THE SCHOLARSHIP FUND WORKS WITH THE ADMISSIONS OFFICES AT THE LAW SCHOOLS, WHICH RECOMMEND CANDIDATES BASED

ON CRITERIA PROVIDED BY THE FUND. BOARD MEMBERS ALSO MEET WITH SMITH/SHAVER SCHOLARS FROM TIME TO TIME. INDIVIDUAL SCHOLARSHIPS VARY IN AMOUNT

BY LAW SCHOOL AND YEAR ALTHOUGH THE TOTAL FUNDS PAID TO THE LAW SCHOOLS ARE THE SAME (\$60,000.00 PER LAW SCHOOL IN 2012). INDIVIDUAL SCHOLARSHIPS

RANGE FROM \$5,000.00 TO \$20,000.00 PER YEAR. AWARDS ARE BASED PRIMARILY ON NEED. THERE ARE NO RESTRICTIONS OR LIMITATIONS BASED UPON RACE

OR EMPLOYMENT STATUS OF THE PROSPECTIVE RECIPIENT OR RELATIVE OF THE RECIPIENT. THE SELECTION CRITERIA ARE IN ACCORD WITH THE COURT ORDER

PROVIDING FOR THE FUND. THE LAW SCHOOLS MAINTAIN RECORDS OF THE SCHOLARS AT EACH RESPECTIVE LAW SCHOOL AND UPDATE THE FUND AS TO SCHOLAR

STATUS CHANGES.

PART III, 1(a). INDIVIDUAL SCHOLARSHIPS ARE AWARDED THROUGH THE LAW SCHOOLS. EACH LAW SCHOOL RECEIVES THE SAME TOTAL.

PART III, 1(b). THERE WERE OVER 50 SCHOLARS, SOME OF WHOM WERE PRESENT FOR ONLY PART OF THE YEAR (GRADUATED OR NEWLY-SELECTED SCHOLARS).

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

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Name of the organization

SMITH/SHAVER LAW SCHOOL SCHOLARSHIP FUND, INC.

Employer identification number

20-2749954

FORM 990, PART III, LINE 1. THE SMITH/SHAVER LAW SCHOOL SCHOLARSHIP FUND, INC. WAS ESTABLISHED BY ORDER OF NORTH CAROLINA SUPERIOR COURT JUDGE HOWARD E. MANNING, JR. THROUGH A GRANT FROM THE SETTLEMENT FUND CREATED IN THE CLASS ACTIONS KNOWN AS SMITH v. STATE OF NORTH CAROLINA AND SHAVER v. STATE OF NORTH CAROLINA. THE INITIAL SCHOLARSHIP FUND CONSISTED OF \$6 MILLION REMAINING IN THE SETTLEMENT FUND FOLLOWING PAYMENTS TO CLASS MEMBERS IN FULL AND THE COSTS OF SETTLEMENT ADMINISTRATION. THE COURT DIRECTED THAT THE SCHOLARSHIP FUND BE USED TO PROVIDE SCHOLARSHIPS FOR NORTH CAROLINA RESIDENTS WHO ATTEND LAW SCHOOL AT ONE OF THE FOLLOWING: CAMPBELL UNIVERSITY, DUKE UNIVERSITY, NORTH CAROLINA CENTRAL UNIVERSITY, THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL, AND WAKE FOREST UNIVERSITY. SMITH/SHAVER SCHOLARSHIPS ARE BASED PRIMARILY ON NEED.

FORM 990, PART VI, LINES 1b & 7a. FIVE BOARD MEMBERS ARE APPOINTED TO REPRESENT THE LAW SCHOOLS. THE REMAINING BOARD MEMBERS SERVE ON THE BOARD AS DIRECTED BY THE COURT ORDER NOTED ABOVE.

FORM 990, PART VI, LINE 11b. EACH BOARD MEMBER RECEIVED A COPY OF FORM 990 AND RELATED SCHEDULES PRIOR TO FILING AND WAS PROVIDED AN OPPORTUNITY TO COMMENT. EACH BOARD MEMBER RECEIVED FINANCIAL UPDATES, INCLUDING AN ANNUAL INCOME STATEMENT, CASH FLOW STATEMENT, AND BALANCE SHEET FOR YEAR 2012 PRIOR TO THE FEBRUARY 2013 ANNUAL BOARD MEETING. THE FUND'S INVESTMENT MANAGER WAS CONSULTED AS NEEDED DURING THE YEAR AS WAS AN ATTORNEY SPECIALIZING IN NONPROFIT ORGANIZATIONS LAW.

PART VI, LINE 12c. BOARD MEMBERS ABIDE BY THE CONFLICTS POLICY SET OUT IN THE BY-LAWS, WHICH REQUIRES A BOARD MEMBER, AMONG OTHER THINGS, TO DISCLOSE ANY DIRECT OR INDIRECT MATERIAL FINANCIAL INTEREST CONCERNING ANY TRANSACTION. DURING 2012, THE SCHOLARSHIP FUND ENGAGED IN NO TRANSACTIONS OTHER THAN RETENTION OF ITS INVESTMENT ADVISOR, THE SETTING OF GENERAL INVESTMENT POLICY, AND PAYMENTS MADE AS DIRECTED BY THE SUPPORTED LAW SCHOOLS. FOLLOW-UP WAS UNDERTAKEN TO CONFIRM WIRE TRANSFER RECEIPT. POTENTIAL SCHOLARSHIP RECIPIENTS ARE IDENTIFIED BY THE SUPPORTED LAW SCHOOLS, MINIMIZING THE POSSIBILITY OF CONFLICTS ARISING IN THE SELECTION PROCESS. MINUTES OF BOARD MEETINGS ARE TAKEN AND CIRCULATED FOR BOARD MEMBER REVIEW AND APPROVAL. THE MINUTES REFLECT DISCLOSURE AND DISCUSSION REGARDING ANY POTENTIAL CONFLICT.

Name of the organization SMITH/SHAVER LAW SCHOOL SCHOLARSHIP FUND, INC.	Employer identification number 20-2749954
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PART VI, LINE 13. THE SCHOLARSHIP FUND HAS NO EMPLOYEES. ALL OFFICERS ARE ALSO BOARD MEMBERS. FOR THIS REASON THE SCHOLARSHIP FUND DOES NOT HAVE A FORMAL WHISTLEBLOWER POLICY.

PART VI, LINES 15a & 15b. THE SCHOLARSHIP FUND HAS NO EMPLOYEES AND THE FUND'S BOARD MEMBERS AND OFFICERS SERVE WITHOUT COMPENSATION. AS NO COMPENSATION IS PAID, THERE IS NO PROCESS BY WHICH COMPENSATION IS TO BE DETERMINED.

PART VI, LINES 18 & 19. IN 2012, THE SCHOLARSHIP FUND KEPT PACKETS OF ALL DOCUMENTS REQUIRED BY THE IRS TO BE PROVIDED TO THE PUBLIC ON REQUEST AT THE SCHOLARSHIP FUND'S STREET ADDRESS. NO REQUESTS WERE MADE IN 2012 BUT THE SCHOLARSHIP FUND STOOD READY TO PROVIDE THE DOCUMENTS. THROUGHOUT 2012, RELEVANT DOCUMENTS COULD BE ACCESSED ON THE SCHOLARSHIP FUND'S WEBSITE --www.smithshaverscholarship.org -- WHICH INCLUDES THE SCHOLARSHIP FUND'S ARTICLES OF INCORPORATION, BY-LAWS, FORM 1023, FORM 990s AND RELATED SCHEDULES, AS WELL AS IRS AND NORTH CAROLINA EXEMPTION LETTERS. THE FUND'S CONFLICT OF INTEREST POLICY IS SET OUT IN THE BY-LAWS.

PART VI, LINE 20. MR. EDWARDS MAINTAINS THE SCHOLARSHIP FUND'S RECORDS AT A PRIVATE RESIDENCE, WHICH IS NOT REQUIRED TO BE DISCLOSED ON FORM 990. MR. EDWARDS, HOWEVER, MAY BE REACHED THROUGH THE SCHOLARSHIP FUND'S CHAIR, KEITH W. VAUGHAN, AT THE SCHOLARSHIP FUND'S MAILING ADDRESS AND TELEPHONE NUMBER.

**SCHEDULE R
(Form 990)**

OMB No. 1545-0047

2012

**Open to Public
Inspection**

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

SMITH/SHAVER LAW SCHOOL SCHOLARSHIP FUND, INC.

Employer identification number

20-2749954

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) CAMPBELL UNIVERSITY, INCORPORATED BUIES CREEK, NORTH CAROLINA EIN: 56-0529940	EDUCATION	NC	501(c)(3)	2 N/A			✓
(2) DUKE UNIVERSITY DURHAM, NORTH CAROLINA EIN: 56-0532129	EDUCATION	NC	501(c)(3)	2 N/A			✓
(3) NORTH CAROLINA CENTRAL UNIVERSITY DURHAM, NORTH CAROLINA EIN: 56-6000730	EDUCATION	NC	GOVT. ENTITY	2 N/A			✓
(4) UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL CHAPEL HILL, NORTH CAROLINA EIN: 56-6001393	EDUCATION	NC	GOVT. ENTITY	2 N/A			✓
(5) WAKE FOREST UNIVERSITY WINSTON-SALEM, NORTH CAROLINA EIN: 56-0532138	EDUCATION	NC	501(c)(3)	2 N/A			✓
(6) -----							
(7) -----							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50135Y

Schedule R (Form 990) 2012

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		✓
b Gift, grant, or capital contribution to related organization(s)		✓
c Gift, grant, or capital contribution from related organization(s)		✓
d Loans or loan guarantees to or for related organization(s)		✓
e Loans or loan guarantees by related organization(s)		✓
f Dividends from related organization(s)		✓
g Sale of assets to related organization(s)		✓
h Purchase of assets from related organization(s)		✓
i Exchange of assets with related organization(s)		✓
j Lease of facilities, equipment, or other assets to related organization(s)		✓
k Lease of facilities, equipment, or other assets from related organization(s)		✓
l Performance of services or membership or fundraising solicitations for related organization(s)		✓
m Performance of services or membership or fundraising solicitations by related organization(s)		✓
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		✓
o Sharing of paid employees with related organization(s)		✓
p Reimbursement paid to related organization(s) for expenses		✓
q Reimbursement paid by related organization(s) for expenses		✓
r Other transfer of cash or property to related organization(s)		✓
s Other transfer of cash or property from related organization(s)		✓

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) SEE PART VII BELOW.				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
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(14)													
(15)													
(16)													

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

PART V. CASH TRANSFERS ARE MADE AT THE DIRECTION OF THE SUPPORTED LAW SCHOOLS. IN 2012, TRANSFERS RELATING TO SCHOLARSHIP AWARDS WERE MADE FOR EACH LAW SCHOOL IN THE AMOUNT OF \$60,000.00 FOR A TOTAL OF \$300,000.00. THE SCHOLARSHIP FUND'S BOARD OF DIRECTORS DETERMINES THE TOTAL AMOUNT OF NEW SCHOLARSHIP AWARDS AT ITS ANNUAL MEETING. THE AMOUNT IS DIVIDED EVENLY AMONG THE LAW SCHOOLS SO THAT EACH LAW SCHOOL IS ALLOCATED ONE-FIFTH OF THE NEW AWARDS. THIS AMOUNT, COMBINED WITH AMOUNTS PREVIOUSLY COMMITTED BY THE BOARD FROM EARLIER YEARS, IS TRANSFERRED AT THE DIRECTION OF THE LAW SCHOOLS. ALLOCATIONS TO THE LAW SCHOOLS ARE EQUAL WITH THE NUMBER OF SCHOLARS AND INDIVIDUAL SCHOLARSHIP AMOUNTS VARYING BY LAW SCHOOL. PAYMENTS ARE MADE TWICE A YEAR, ONE TRANSFER FOR FALL SEMESTER TUITION AND ONE TRANSFER FOR SPRING SEMESTER TUITION. EACH LAW SCHOOL ALLOCATES THE TRANSFER WITH RESPECT TO THE SMITH/SHAVER SCHOLARS ATTENDING THE LAW SCHOOL.



Department of the Treasury
Internal Revenue Service
Ogden UT 84201

For assistance, call:
1-877-829-5500
FAX 801-620-5670

Notice Number: CP211A
Date: July 15, 2013

Taxpayer Identification Number:
20-2749954
Tax Form: 990
Tax Period: December 31, 2012

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SMITH SHAVER LAW SCHOOL SCHOLARSHIP
% KEITH W VAUGHAN
ONE W FOURTH ST STE 1200
WINSTON SALEM NC 27101-3818

039567

APPLICATION FOR EXTENSION OF TIME TO FILE AN EXEMPT ORGANIZATION RETURN - APPROVED

We received and approved your Form 8868, Application for Extension of Time to File an Exempt Organization Return, for the return (form) and tax period identified above. Your extended due date to file your return is **August 15, 2013**.

When it's time to file your Form 990, 990-EZ, 990-PF or 1120-POL, you should consider filing electronically. Electronic filing is the fastest, easiest and most accurate way to file your return. For more information, visit the Charities and Nonprofit web at www.irs.gov/eo. This site will provide information about:

- The type of returns that can be filed electronically,
- approved e-File providers, and
- if you are required to file electronically.

If you have any questions, please call us at the number shown above, or you may write us at the address shown at the top of this letter.