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Or call the IRS Identity Theft Hotline at 1-800-908-4490

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Form **990-PF**

Department of the Treasury Internal Revenue Service (77)

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

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

OMB No 1545-0052

2008

For calendar year 2008, or tax year beginning , 2008, and ending ,

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.

THE MEL AND GRACE MCLEAN FOUNDATION
1336 MAIN STREET
FORTUNA, CA 95540

A Employer identification number: 68-0400603

B Telephone number (see the instructions): (707) 725-1722

C If exemption application is pending, check here ☐

D 1 Foreign organizations, check here ☐

2 Foreign organizations meeting the 85% test, check here and attach computation ☐

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization [X] 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, column (c), line 16)* ► $ 22,124,742.

J Accounting method: ☐ Cash ☐ Accrual [X] 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).)*

	Line	Description	(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 (att sch)	39,000.			
	2	Ck ► ☐ if the foundn is not req to att Sch B				
	3	Interest on savings and temporary cash investments	295,232.	295,232.	295,232.	
	4	Dividends and interest from securities	1,162,901.	1,162,901.	1,162,901.	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain/(loss) from sale of assets not on line 10	1,789,636.	STATEMENT 1		
	b	Gross sales price for all assets on line 6a 11,383,834.				
	7	Capital gain net income (from Part IV, line 2)				
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less: Cost of goods sold				
	c	Gross profit/(loss) (att sch)				
	11	Other income (attach schedule) SEE STATEMENT 2	131,204.	131,204.	131,204.	
	12	**Total.** Add lines 1 through 11	3,417,973.	1,589,337.	1,589,337.	
OPERATING AND ADMINISTRATIVE EXPENSES	13	Compensation of officers, directors, trustees, etc	54,151.	10,364.		43,787.
	14	Other employee salaries and wages	69,005.			69,005.
	15	Pension plans, employee benefits				
	16a	Legal fees (attach schedule) SEE ST 3	9,416.			9,416.
	b	Accounting fees (attach sch) SEE ST 4	32,394.	9,308.		23,086.
	c	Other prof fees (attach sch)				
	17	Interest				
	18	Taxes (attach schedule) SEE STMT 5	8,605.	661.		7,944.
	19	Depreciation (attach sch) and depletion	3,363.	504.		
	20	Occupancy	15,676.	2,351.		13,325.
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule) SEE STATEMENT 6	366,742.	233,971.		132,771.
	24	**Total operating and administrative expenses.** Add lines 13 through 23	559,352.	257,159.		299,334.
	25	Contributions, gifts, grants paid PART XV	687,244.			687,244.
	26	**Total expenses and disbursements.** Add lines 24 and 25	1,246,596.	257,159.	0.	986,578.
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	2,171,377.			
	b	**Net investment income** (if negative, enter -0-)		1,332,178.		
	c	**Adjusted net income** (if negative, enter -0-)			1,589,337.	

STATUTE UNIT RECEIVED MAY 17 2012 ACCOUNTS MANAGEMENT OGDEN

RECEIVED MAY 14 2012 OGDEN, UT 002 IRS-OSC

SCANNED MAY 31 2012

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2

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 (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
ASSETS	1	Cash – non-interest-bearing	100.	200.	
	2	Savings and temporary cash investments	239,942.	371,140.	
	3	Accounts receivable ► 50,527.			
		Less· allowance for doubtful accounts ►	12,331.	50,527.	
	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 the instructions)			
	7	Other notes and loans receivable (attach sch) ►			
		Less. allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges	37,775.	15,387.	
	10a	Investments – U.S. and state government obligations (attach schedule)			
	b	Investments – corporate stock (attach schedule)	27,381,957.	22,124,742.	22,124,742.
	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)	1,372,212.	1,291,157.	
	14	Land, buildings, and equipment: basis ► 50,291.			
		Less accumulated depreciation (attach schedule) SEE STMT 7 ► 19,506.	25,593.	30,785.	
	15	Other assets (describe ► SEE STATEMENT 8)	1,928.	1,715.	
	16	**Total assets** (to be completed by all filers – see instructions Also, see page 1, item I)	29,071,838.	23,885,653.	22,124,742.
LIABILITIES	17	Accounts payable and accrued expenses		2,476.	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)			
	23	**Total liabilities** (add lines 17 through 22)	0.	2,476.	
NET ASSETS OR FUND BALANCES		**Foundations that follow SFAS 117, check here ► [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	29,071,838.	23,883,177.	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ► [ ] and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, building, and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see the instructions)	29,071,838.	23,883,177.	
	31	**Total liabilities and net assets/fund balances** (see the instructions)	29,071,838.	23,885,653.	

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	29,071,838.
2	Enter amount from Part I, line 27a	2	2,171,377.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	31,243,215.
5	Decreases not included in line 2 (itemize) ► SEE STATEMENT 9	5	7,360,038.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	23,883,177.

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Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a	N/A			
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

	(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a				
b				
c				
d				
e				

2 Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7 — **2**

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 the instructions). If (loss), enter -0- in Part I, line 8 — **3**

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 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 (column (b) divided by column (c))
2007	353,050.	26,103,379.	0.013525
2006	347,413.	596,368.	0.582548
2005	338,071.	176,987.	1.910146
2004	398,552.	54,784.	7.274971
2003	491,675.	80,238.	6.127708

2	**Total** of line 1, column (d)	2	15.908898
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	3.181780
4	Enter the net value of noncharitable-use assets for 2008 from Part X, line 5.	4	25,901,500.
5	Multiply line 4 by line 3	5	82,412,875.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	13,322.
7	Add lines 5 and 6	7	82,426,197.
8	Enter qualifying distributions from Part XII, line 4	8	986,578.

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.

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Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see the instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here ► ☐ 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 ► ☐ and enter 1% of Part I, line 27b c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			1	26,644.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			2	0.
3 Add lines 1 and 2			3	26,644.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			4	0.
5 **Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	26,644.
6 Credits/Payments:				
a 2008 estimated tax pmts and 2007 overpayment credited to 2008	6a	20,516.		
b Exempt foreign organizations – tax withheld at source	6b			
c Tax paid with application for extension of time to file (Form 8868)	6c	6,619.		
d Backup withholding erroneously withheld	6d			
7 Total credits and payments Add lines 6a through 6d			7	27,135.
8 Enter any **penalty** for underpayment of estimated tax Check here ☒ if Form 2220 is attached			8	228.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ►			9	0.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►			10	263.
11 Enter the amount of line 10 to be Credited to 2009 estimated tax ►	263.	Refunded ►	11	0.

Part VII-A Statements Regarding Activities

		Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?	1b		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation ► $ 0. (2) On foundation managers ► $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ► $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4a Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4b	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, column (c), and Part XV*	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see the instructions) ► CA			
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8b	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2008 or the taxable year beginning in 2008 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10 Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

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Part VII-A Statements Regarding Activities *Continued*

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	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 ► EUGENE B LUCAS Telephone no. ► (707) 725-1722

Located at ► 1336 MAIN STREET, FORTUNA, CA ZIP + 4 ► 95540-2128

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here .. N/A. ► ☐

and enter the amount of tax-exempt interest received or accrued during the year ► 15 N/A

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

				Yes	No
1 a	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			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ 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			
	(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			
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 the instructions)?		1 b	N/A	
	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 2008?		1 c		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 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__	☐ Yes ☒ No			
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 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. ► 20__ , 20__ , 20__ , 20__				
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			
b	If 'Yes,' did it have excess business holdings in 2008 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 2008)*		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 2008?		4b		X

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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 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 instructions)? **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? N/A ☐ Yes ☐ No

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? **6b** X (No)

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? **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 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		53,630.	0.	521.

2 Compensation of five highest-paid employees (other than those included on line 1– see 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
LEIGH PIERRE-OETKER 204 DEAN ST. MANILA, CA 95521	EXECUTIVE DIR 35	59,350.	0.	3,100.

Total number of other employees paid over $50,000 ► 0

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

3 Five highest-paid independent contractors for professional services – (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than $50,000	(b) Type of service	(c) Compensation
MCCULLOUGH & ASSOCIATES 101 CALIFORNIA ST. SAN FRANCISCO, CA 94111	INVESTMENT EXPENSE	198,242.
Total number of others receiving over $50,000 for professional services	►	0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments See instructions. 3	
Total. Add lines 1 through 3 ►	0.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see 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	24,133,912.
	b Average of monthly cash balances	1b	2,162,027.
	c Fair market value of all other assets (see instructions)	1c	
	d Total (add lines 1a, b, and c)	1d	26,295,939.
	e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	26,295,939.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	394,439.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	25,901,500.
6	**Minimum investment return.** Enter 5% of line 5	6	1,295,075.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ► ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1	1,295,075.
2a	Tax on investment income for 2008 from Part VI, line 5 — 2a 26,644.		
b	Income tax for 2008 (This does not include the tax from Part VI.) — 2b		
c	Add lines 2a and 2b	2c	26,644.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,268,431.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,268,431.
6	Deduction from distributable amount (see instructions)	6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,268,431.

Part XII Qualifying Distributions (see 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	986,578.
	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	
3	Amounts set aside for specific charitable projects that satisfy the:		
	a Suitability test (prior IRS approval required)	3a	
	b Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4.	4	986,578.
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 instructions)	5	
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	986,578.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

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Part XIII Undistributed Income (see instructions)

		(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7					1,268,431.
2 Undistributed income, if any, as of the end of 2007:					
a Enter amount for 2007 only				0.	
b Total for prior years 20___, 20___, 20___			0.		
3 Excess distributions carryover, if any, to 2008					
a From 2003	151,001.				
b From 2004	395,821.				
c From 2005	329,297.				
d From 2006	317,844.				
e From 2007					
f **Total** of lines 3a through e		1,193,963.			
4 Qualifying distributions for 2008 from Part XII, line 4 ► $ 986,578.					
a Applied to 2007, but not more than line 2a				0.	
b Applied to undistributed income of prior years (Election required – see instructions)			0.		
c Treated as distributions out of corpus (Election required – see instructions)		0.			
d Applied to 2008 distributable amount					986,578.
e Remaining amount distributed out of corpus		0.			
5 Excess distributions carryover applied to 2008 *(If an amount appears in column (d), the same amount must be shown in column (a).)*		281,853.			281,853.
6 **Enter the net total of each column as indicated below:**					
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5		912,110.			
b Prior years' undistributed income. Subtract line 4b from line 2b			0.		
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			0.		
d Subtract line 6c from line 6b. Taxable amount – see instructions			0.		
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount – see instructions				0.	
f Undistributed income for 2008. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2009					0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)		0.			
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see instructions)		0.			
9 **Excess distributions carryover to 2009.** Subtract lines 7 and 8 from line 6a		912,110.			
10 Analysis of line 9					
a Excess from 2004	264,969.				
b Excess from 2005	329,297.				
c Excess from 2006	317,844.				
d Excess from 2007					
e Excess from 2008					

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Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) N/A

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2008, 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			
	(a) 2008	**(b)** 2007	**(c)** 2006	**(d)** 2005	**(e) Total**
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon.					
a 'Assets' alternative test – enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter.					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year – see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

NONE

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

NONE

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

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

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

SEE STATEMENT 11

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

SEE STATEMENT FOR LINE 2A

c Any submission deadlines.

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

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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 *Paid during the year*				
SEE ATTACHED SCHEDULE			THE FOUNDATION MAKES GRANTS FOR ACTIVITIES WHICH ENHANCE CHILDREN'S ACTIVITIES AND WELL-BEING.	687,244.
Total			► 3a	687,244.
b *Approved for future payment*				
Total			► 3b	

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Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		
1 Program service revenue:	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	(e) Related or exempt function income (see the instructions)
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	295,232.	
4 Dividends and interest from securities			14	1,162,901.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					1,789,636.
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a MLP K-1			14	81,194.	
b ROYALTY TRUST K-1			14	50,010.	
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)				1,589,337.	1,789,636.
13 **Total.** Add line 12, columns (b), (d), and (e) 13					3,378,973.

(See worksheet in the instructions for line 13 to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See the instructions.)
N/A	

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

		Yes	No
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?			
a Transfers from the reporting foundation to a noncharitable exempt organization of			
(1) Cash	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment, or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		X

d If the answer to any of the above is 'Yes,' complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

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

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

b If 'Yes,' complete the following schedule

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

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

SIGN HERE ► Signature of officer or trustee | Date | ► PRESIDENT & CEO Title

Paid Preparer's Use Only			
Preparer's signature ►	DOMINIQUE J. KILMER	Date	Check if self-employed ► ☐ Preparer's Identifying number (See Signature in the instrs) P00070418
Firm's name (or yours if self-employed), address, and ZIP code ►	ANDERSON, LUCAS, SOMERVILLE, ETAL 1338 MAIN STREET FORTUNA, CA 95540		EIN ► 94-1167235 Phone no ► (707) 725-4442

AS ORIGINALLY FILED

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

► **Attach to Form 990, 990-EZ and 990-PF**
► **See separate instructions.**

OMB No 1545-0047

2008

Name of the organization	Employer identification number
THE MEL AND GRACE MCLEAN FOUNDATION	68-0400603

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)(_____) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions)

General Rule –

☒ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

Special Rules –

☐ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (**1**) $5,000 or (**2**) 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than $1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc, contributions of $5,000 or more during the year) ► $ ____________

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

AS ORIGINALLY FILED

Name of organization: THE MEL AND GRACE MCLEAN FOUNDATION

Employer identification number: 68-0400603

Part I **Contributors** (see instructions)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	MELVIN F MCLEAN SURVIVOR'S TR 1336 MAIN STREET FORTUNA, CA 95540	$ 39,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution)

AS ORIGINALLY FILED

Name of organization: THE MEL AND GRACE MCLEAN FOUNDATION

Employer identification number: 68-0400603

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	N/A	$	
		$	
		$	
		$	
		$	
		$	

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AS ORIGINALLY FILED

Name of organization
THE MEL AND GRACE MCLEAN FOUNDATION

Employer identification number
68-0400603

Part III ***Exclusively* religious, charitable, etc, individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than $1,000 for the year.** (Complete cols **(a)** through **(e)** and the following line entry.)

For organizations completing Part III, enter total of *exclusively* religious, charitable, etc, contributions of **$1,000 or less** for the year (Enter this information once – see instructions.) ► $ N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

AS ORIGINALLY FILED

STATEMENT 1
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

DESCRIPTION:	45,000 SARA LEE		
DATE ACQUIRED:	5/29/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	1/24/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	626,025.		
COST OR OTHER BASIS:	798,395.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-172,370.
DESCRIPTION:	FHLB		
DATE ACQUIRED:	5/17/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	1/28/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	500,000.		
COST OR OTHER BASIS:	490,830.		
BASIS METHOD:	COST		
		GAIN (LOSS)	9,170.
DESCRIPTION:	FNMA		
DATE ACQUIRED:	5/17/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	1/24/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	500,000.		
COST OR OTHER BASIS:	492,185.		
BASIS METHOD:	COST		
		GAIN (LOSS)	7,815.
DESCRIPTION:	1,000 FRONTLINE		
DATE ACQUIRED:	2/01/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	2/25/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	47,655.		
COST OR OTHER BASIS:	32,210.		
BASIS METHOD:	COST		
		GAIN (LOSS)	15,445.
DESCRIPTION:	1,400 FORDING CANADIAN COAL		
DATE ACQUIRED:	11/05/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	4/02/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	76,947.		
COST OR OTHER BASIS:	48,887.		
BASIS METHOD:	COST		
		GAIN (LOSS)	28,060.

AS ORIGINALLY FILED

STATEMENT 1 (CONTINUED)
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

DESCRIPTION:	5,000 ENCANA CORP		
DATE ACQUIRED:	2/27/2003		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	4/21/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	436,192.		
COST OR OTHER BASIS:	83,119.		
BASIS METHOD:	COST		
		GAIN (LOSS)	353,073.
DESCRIPTION:	5,000 ENCANA CORP		
DATE ACQUIRED:	2/28/2003		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	5/07/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	420,119.		
COST OR OTHER BASIS:	82,555.		
BASIS METHOD:	COST		
		GAIN (LOSS)	337,564.
DESCRIPTION:	500,000 FHLB		
DATE ACQUIRED:	5/17/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	5/15/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	500,000.		
COST OR OTHER BASIS:	500,055.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-55.
DESCRIPTION:	3,600 FORDING CANADIAN COAL		
DATE ACQUIRED:	11/05/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	6/03/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	296,378.		
COST OR OTHER BASIS:	125,711.		
BASIS METHOD:	COST		
		GAIN (LOSS)	170,667.
DESCRIPTION:	2,400 EL DU PONT DE NEMOURS & CO		
DATE ACQUIRED:	3/28/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	6/11/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	111,090.		
COST OR OTHER BASIS:	122,256.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-11,166.

AS ORIGINALLY FILED

STATEMENT 1 (CONTINUED)
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

DESCRIPTION:	3,000 FRANKLIN RESOURCES, INC.		
DATE ACQUIRED:	1/04/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	7/02/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	274,374.		
COST OR OTHER BASIS:	332,810.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-58,436.
DESCRIPTION:	6,000 EXXON MOBIL CORP		
DATE ACQUIRED:	5/25/1999		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	7/01/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	525,352.		
COST OR OTHER BASIS:	242,915.		
BASIS METHOD:	COST		
		GAIN (LOSS)	282,437.
DESCRIPTION:	10,000 GENCO- SHIPPING		
DATE ACQUIRED:	9/18/2006		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	7/31/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	679,802.		
COST OR OTHER BASIS:	228,560.		
BASIS METHOD:	COST		
		GAIN (LOSS)	451,242.
DESCRIPTION:	4,500 LONG'S DRUGS		
DATE ACQUIRED:	7/15/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	8/18/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	317,757.		
COST OR OTHER BASIS:	249,272.		
BASIS METHOD:	COST		
		GAIN (LOSS)	68,485.
DESCRIPTION:	12,500 LONG'S DRUGS		
DATE ACQUIRED:	7/15/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	8/19/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	888,406.		
COST OR OTHER BASIS:	709,465.		
BASIS METHOD:	COST		
		GAIN (LOSS)	178,941.

AS ORIGINALLY FILED

STATEMENT 1 (CONTINUED)
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

DESCRIPTION: 10,000 FREDDIE MAC
DATE ACQUIRED: 2/13/2008
HOW ACQUIRED: PURCHASE
DATE SOLD: 9/08/2008
TO WHOM SOLD:
GROSS SALES PRICE: 31,095.
COST OR OTHER BASIS: 268,305.
BASIS METHOD: COST
GAIN (LOSS) -237,210.

DESCRIPTION: 10,000 FNMA
DATE ACQUIRED: 1/29/2008
HOW ACQUIRED: PURCHASE
DATE SOLD: 9/08/2008
TO WHOM SOLD:
GROSS SALES PRICE: 32,370.
COST OR OTHER BASIS: 263,262.
BASIS METHOD: COST
GAIN (LOSS) -230,892.

DESCRIPTION: 9,450 IPC HOLDINGS LTD
DATE ACQUIRED: 4/20/2007
HOW ACQUIRED: PURCHASE
DATE SOLD: 9/19/2008
TO WHOM SOLD:
GROSS SALES PRICE: 297,840.
COST OR OTHER BASIS: 274,050.
BASIS METHOD: COST
GAIN (LOSS) 23,790.

DESCRIPTION: 17,500 IPC HOLDINGS LTD
DATE ACQUIRED: 5/02/2007
HOW ACQUIRED: PURCHASE
DATE SOLD: 9/19/2008
TO WHOM SOLD:
GROSS SALES PRICE: 555,290.
COST OR OTHER BASIS: 513,278.
BASIS METHOD: COST
GAIN (LOSS) 42,012.

DESCRIPTION: 3,000 IPC HOLDINGS, LTD
DATE ACQUIRED: 5/14/2008
HOW ACQUIRED: PURCHASE
DATE SOLD: 9/19/2008
TO WHOM SOLD:
GROSS SALES PRICE: 94,932.
COST OR OTHER BASIS: 87,750.
BASIS METHOD: COST
GAIN (LOSS) 7,182.

AS ORIGINALLY FILED

STATEMENT 1 (CONTINUED)
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

DESCRIPTION:	FEDERAL FARM CREDIT BANK		
DATE ACQUIRED:	10/01/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	10/01/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	500,000.		
COST OR OTHER BASIS:	500,090.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-90.
DESCRIPTION:	FEDERAL FARM CREDIT BANK		
DATE ACQUIRED:	10/03/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	10/03/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	500,000.		
COST OR OTHER BASIS:	500,090.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-90.
DESCRIPTION:	15,000 FORDING CANADIAN COAL		
DATE ACQUIRED:	11/05/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	10/28/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	1,147,697.		
COST OR OTHER BASIS:	523,795.		
BASIS METHOD:	COST		
		GAIN (LOSS)	623,902.
DESCRIPTION:	17,000 ANHEUSERBUSCH (MERGER)		
DATE ACQUIRED:	4/08/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	11/18/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	1,190,000.		
COST OR OTHER BASIS:	892,365.		
BASIS METHOD:	COST		
		GAIN (LOSS)	297,635.
DESCRIPTION:	4,000 FRANKLIN RESOURCES		
DATE ACQUIRED:	1/04/2007		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	12/29/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	234,923.		
COST OR OTHER BASIS:	443,747.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-208,824.

AS ORIGINALLY FILED

STATEMENT 1 (CONTINUED)
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

DESCRIPTION:	12,816 STAR BULK CARRIERS CORP.		
DATE ACQUIRED:	9/03/2008		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	12/10/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	43,031.		
COST OR OTHER BASIS:	122,662.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-79,631.
DESCRIPTION:	10,000 NORDIC AMERICAN TANKER		
DATE ACQUIRED:	3/04/2004		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	12/11/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	345,810.		
COST OR OTHER BASIS:	212,675.		
BASIS METHOD:	COST		
		GAIN (LOSS)	133,135.
DESCRIPTION:	10,883 STAR BULK CARRIERS CORP.		
DATE ACQUIRED:	9/03/2008		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	12/15/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	30,759.		
COST OR OTHER BASIS:	104,077.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-73,318.
DESCRIPTION:	23,519 STAR BULK CARRIERS CORP.		
DATE ACQUIRED:	9/03/2008		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	12/16/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	63,597.		
COST OR OTHER BASIS:	225,345.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-161,748.
DESCRIPTION:	1,300 STAR BULK CARRIERS CORP.		
DATE ACQUIRED:	9/03/2008		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	12/17/2008		
TO WHOM SOLD:			
GROSS SALES PRICE:	3,804.		
COST OR OTHER BASIS:	12,545.		
BASIS METHOD:	COST		
		GAIN (LOSS)	-8,741.

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STATEMENT 1 (CONTINUED)
FORM 990-PF, PART I, LINE 6A
NET GAIN (LOSS) FROM NONINVENTORY SALES PER BOOKS
ASSETS NOT INCLUDED IN PART IV

DESCRIPTION: 1,000 FRANKLIN RESOURCES
DATE ACQUIRED: 1/04/2007
HOW ACQUIRED: PURCHASE
DATE SOLD: 9/19/2008
TO WHOM SOLD:
GROSS SALES PRICE: 112,589.
COST OR OTHER BASIS: 110,937.
BASIS METHOD: COST
GAIN (LOSS) 1,652.

DESCRIPTION: PRINTER
DATE ACQUIRED: 1/07/2000
HOW ACQUIRED: PURCHASE
DATE SOLD: 7/02/2008
TO WHOM SOLD:
GROSS SALES PRICE: 0.
COST OR OTHER BASIS: 241.
BASIS METHOD: COST
DEPRECIATION: 241.
GAIN (LOSS) 0.

TOTAL $ 1,789,636.

STATEMENT 2
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
MLP K-1	$ 81,194.	$ 81,194.	$ 81,194.
ROYALTY TRUST K-1	50,010.	50,010.	50,010.
TOTAL	$ 131,204.	$ 131,204.	$ 131,204.

STATEMENT 3
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANCROFT & MCALISTER	$ 2,623.			$ 2,623.
JANSSEN & MALLOY	6,793.			6,793.
TOTAL	$ 9,416.	$ 0.	$ 0.	$ 9,416.

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STATEMENT 4
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ANDERSON, LUCAS, SOMERVILLE & BORGES	$ 22,247.	$ 7,786.		$ 14,461.
DAVID L MOONIE & CO	10,000.	1,500.		8,500.
HUNTER HUNTER & HUNT	147.	22.		125.
TOTAL	$ 32,394.	$ 9,308.	$ 0.	$ 23,086.

STATEMENT 5
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FRANCHISE TAX	$ 10.			$ 10.
PAYROLL TAXES	8,595.	$ 661.		7,934.
TOTAL	$ 8,605.	$ 661.	$ 0.	$ 7,944.

STATEMENT 6
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AUTO ALLOWANCE	$ 3,100.			$ 3,100.
BANK CHARGES	197.			197.
BOARD MEETING COSTS	568.			568.
COMPUTER MAINTENANCE	1,949.	$ 292.		1,657.
DUES	1,656.			1,656.
EDUCATION/CONFERENCES	8,763.			8,763.
EQUIPMENT RENT	1,320.			1,320.
FOREIGN TAX	34,368.	34,368.		
HEALTH INSURANCE	5,958.			5,958.
INSURANCE	5,816.			5,816.
INVESTMENT EXPENSES	198,242.	198,242.		
MEALS & ENTERTAINMENT	5,485.			5,485.
MISCELLANEOUS	1,324.			1,324.
OFFICE EXPENSE	2,739.	411.		2,328.
REPAIRS	3,258.			3,258.
SPECIAL EVENT EXPENSE	86,562.			86,562.
UTILITIES AND TELEPHONE	4,384.	658.		3,726.
WORKER'S COMPENSATION	1,053.			1,053.
TOTAL	$ 366,742.	$ 233,971.	$ 0.	$ 132,771.

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STATEMENT 7
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	$ 9,919.	$ 8,701.	$ 1,218.	$ 0.
MACHINERY AND EQUIPMENT	12,059.	3,761.	8,298.	0.
IMPROVEMENTS	28,313.	7,044.	21,269.	0.
TOTAL	$ 50,291.	$ 19,506.	$ 30,785.	$ 0.

STATEMENT 8
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
NET INTANGIBLE ASSETS	$ 1,359.	
ROUNDING	1.	
WORKERS COMP DEPOSIT	355.	
TOTAL	$ 1,715.	$ 0.

STATEMENT 9
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

PRIOR PERIOD ADJ FOR TAX, ETC...	$ 54,721.
UNREALIZED GAINS ON INVESTMENTS	7,305,317.
TOTAL	$ 7,360,038.

STATEMENT 10
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN-SATION	CONTRI-BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
EUGENE LUCAS 1338 MAIN ST. FORTUNA, CA 95540	PRESIDENT 15.00	$ 36,490.	$ 0.	$ 157.
JACK SELVAGE 1910 MCCLASKEY LANE EUREKA, CA 95503	AT LARGE 5.00	0.	0.	0.
JON SAPPER 1965 HOME AVE FORTUNA, CA 95540	AT LARGE 5.00	6,350.	0.	0.

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STATEMENT 10 (CONTINUED)
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN-SATION	CONTRI-BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
DENNIS SCOTT 1053 NORTHWESTERN AVENUE FORTUNA, CA 95540	VICE PRESIDENT 5.00	$ 7,915.	$ 0.	$ 364.
LESLIE M WESTFALL PO BOX 4947 EUREKA, CA 95502	SECRETARY 5.00	675.	0.	0.
JENNIFER BUDWIG P.O. BOX 717 HYDESVILLE, CA	AT LARGE 0	2,200.	0.	0.
ERIN DUNN 750 14TH ST. FORTUNA, CA 95540	AT LARGE 0	0.	0.	0.
	TOTAL	$ 53,630.	$ 0.	$ 521.

STATEMENT 11
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:
NAME: MCLEAN FOUNDATION
CARE OF: C/O LEIGH PIERRE-OETKER
STREET ADDRESS: 1336 MAIN ST.
CITY, STATE, ZIP CODE: FORTUNA, CA 95540
TELEPHONE: 707-725-1722
FORM AND CONTENT:
SUBMISSION DEADLINES:
RESTRICTIONS ON AWARDS:

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CLIENT 179 THE MEL AND GRACE MCLEAN FOUNDATION 68-0400603

11/13/09 02:34PM

OTHER REVENUE
AMOUNT
ROYALTY TRUST K-1

INCOME FROM ROYALTY TRUST K-1	$	62,344.
LESS DEPLETION		-12,334.
TOTAL	$	50,010.

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Form **4562**

Department of the Treasury Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

► See separate instructions. ► Attach to your tax return.

OMB No. 1545-0172

2008

Attachment Sequence No. 67

Name(s) shown on return: THE MEL AND GRACE MCLEAN FOUNDATION

Identifying number: 68-0400603

Business or activity to which this form relates: FORM 990/990-PF

Part I Election To Expense Certain Property Under Section 179

Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount See the instructions for a higher limit for certain businesses	1	$250,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	$800,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

6 (a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ►	13	

Note: *Do not use Part II or Part III below for listed property Instead, use Part V.*

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	2,665.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ► ☐		

Section B – Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		3,045.	5	HY	S/L	305.
c 7-year property		5,510.	7	HY	S/L	393.
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C – Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

(a)	(b)	(c)	(d)	(e)	(f)	(g)
20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions	22	3,363.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

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Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A – Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.*)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If 'Yes,' is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
26 Property used more than 50% in a qualified business use:								
27 Property used 50% or less in a qualified business use:								
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B – Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions)

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)		

Note: *If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles*

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year (see instructions).					
43 Amortization of costs that began before your 2008 tax year				43	
44 **Total.** Add amounts in column (f) See the instructions for where to report				44	

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