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

2008

Department of the Treasury
Internal Revenue Service (77)

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

For calendar year 2008, or tax year beginning 10/01, **2008, and ending** 9/30, 2009

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.	PEEBLES SHEEN CHARITABLE FOUNDATION 549 HODGES LANE SANTA BARBARA, CA 93108	A Employer identification number 95-4035765
		B Telephone number (see the instructions) 805-695-8566

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16): \$ 747,855.

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

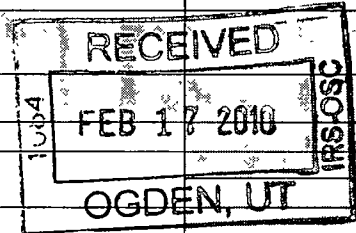
C If exemption application is pending, check here

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

Part I Analysis of Revenue and Expenses <i>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))</i>		(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)				
	2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments			N/A	
	4 Dividends and interest from securities	43,026.	43,026.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	-13,509.			
	b Gross sales price for all assets on line 6a	79,361.			
	7 Capital gain net income (from Part IV, line 2)		0.		
	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 1	4,155.	4,155.			
12 Total. Add lines 1 through 11	33,672.	47,181.			
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	325.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 2	14,570.	7,285.		7,285.
	c Other prof fees (attach sch) SEE ST 3	1,050.	1,000.		50.
	17 Interest				
	18 Taxes (attach schedule) SEE STMT 4	6,218.			70.
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses (attach schedule) SEE STATEMENT 5	104.	52.		52.	
24 Total operating and administrative expenses. Add lines 13 through 23	22,267.	8,337.		7,457.	
25 Contributions, gifts, grants paid PART XV	48,675.			48,675.	
26 Total expenses and disbursements. Add lines 24 and 25	70,942.	8,337.		56,132.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-37,270.				
b Net investment income (if negative, enter -0-)		38,844.			
c Adjusted net income (if negative, enter -0-)					



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash — non-interest-bearing		9,244.	428.	428.
	2	Savings and temporary cash investments		3,570.	64,932.	64,932.
	3	Accounts receivable				
		Less: allowance for doubtful accounts				
	4	Pledges receivable				
		Less: allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see 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				
	10a	Investments — U S and state government obligations (attach schedule)				
	b	Investments — corporate stock (attach schedule) STATEMENT 6		537,209.	509,149.	350,709.
	c	Investments — corporate bonds (attach schedule) STATEMENT 7		397,161.	374,179.	292,582.
	11	Investments — land, buildings, and equipment basis				
	Less: accumulated depreciation (attach schedule)					
12	Investments — mortgage loans					
13	Investments — other (attach schedule) STATEMENT 8		99,011.	60,237.	39,204.	
14	Land, buildings, and equipment basis					
	Less: accumulated depreciation (attach schedule)					
15	Other assets (describe)					
16	Total assets (to be completed by all filers — see instructions Also, see page 1, item I)		1,046,195.	1,008,925.	747,855.	
LIABILITIES	17	Accounts payable and accrued expenses				
	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.	0.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>					
	24	Unrestricted		1,046,195.	1,008,925.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>					
	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)		1,046,195.	1,008,925.	
	31	Total liabilities and net assets/fund balances (see the instructions)		1,046,195.	1,008,925.	

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	1,046,195.
2	Enter amount from Part I, line 27a	2	-37,270.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	1,008,925.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	1,008,925.

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)
1 a SEE STATEMENT 9			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(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	
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	-13,509.
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	-96.

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	54,615.	915,395.	0.059663
2006	46,490.	865,438.	0.053718
2005	63,393.	924,833.	0.068545
2004	101,770.	956,881.	0.106356
2003	33,600.	877,175.	0.038305
2 Total of line 1, column (d)			0.326587
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			0.065317
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5			655,794.
5 Multiply line 4 by line 3			42,834.
6 Enter 1% of net investment income (1% of Part I, line 27b)			388.
7 Add lines 5 and 6			43,222.
8 Enter qualifying distributions from Part XII, line 4			56,132.

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

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 <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary – see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	388.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)		
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	388.
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	388.
6	Credits/Payments		
a	2008 estimated tax pmts and 2007 overpayment credited to 2008	6 a	3,280.
b	Exempt foreign organizations – tax withheld at source	6 b	
c	Tax paid with application for extension of time to file (Form 8868)	6 c	
d	Backup withholding erroneously withheld	6 d	
7	Total credits and payments. Add lines 6a through 6d	7	3,280.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,892.
11	Enter the amount of line 10 to be: Credited to 2009 estimated tax <input type="checkbox"/> 2,892. Refunded <input type="checkbox"/> 0.	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1 a		X
1 b		X
<i>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</i>		
1 c		X
d		
(1) On the foundation \$ 0. (2) On foundation managers \$ 0.		
e		
foundation managers \$ 0.		
2		X
<i>If 'Yes,' attach a detailed description of the activities</i>		
3		X
4 a		X
4 b		N/A
5		X
<i>If 'Yes,' attach the statement required by General Instruction T</i>		
6	X	
7	X	
8 a		
CA		
8 b	X	
9		X
10		X

Part VII-A Statements Regarding Activities Continued

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? Website address ▶ N/A	13	X	
14	The books are in care of ▶ <u>DAMITZ, BROOKS & NIGHTINGALE</u> Telephone no ▶ <u>(805) 963-1837</u> Located at ▶ <u>200 E. CARRILLO ST., STE. 202 SANTA BARBARA</u> ZIP + 4 ▶ <u>93101</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ 15		N/A	▶ <input type="checkbox"/> 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
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1b	N/A
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?	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 2008, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2008? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__		
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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

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)?

Organizations relying on a current notice regarding disaster assistance check here

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If 'Yes,' attach the statement required by Regulations section 53.4945-5(d). N/A

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If you answered 'Yes' to 6b, also file Form 8870.

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

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

5b	N/A
6b	X
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
JACK SHEEN 549 HODGES LANE SANTA BARBARA, CA 93108	PRESIDENT 2.00	0.	0.	325.
ANITRA SHEEN 549 HODGES LANE SANTA BARBARA, CA 93108	SECRETARY 1.00	0.	0.	0.

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
NONE				

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

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
NONE		

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.

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	1 a	616,614.
b	Average of monthly cash balances	1 b	49,167.
c	Fair market value of all other assets (see instructions)	1 c	
d	Total (add lines 1a, b, and c)	1 d	665,781.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	665,781.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	9,987.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	655,794.
6	Minimum investment return. Enter 5% of line 5	6	32,790.

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	32,790.
2a	Tax on investment income for 2008 from Part VI, line 5	2 a	388.
b	Income tax for 2008 (This does not include the tax from Part VI)	2 b	
c	Add lines 2a and 2b	2 c	388.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	32,402.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	32,402.
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	32,402.

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	1 a	56,132.
b	Program-related investments — total from Part IX-B	1 b	
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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	56,132.
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	388.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	55,744.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				32,402.
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				
b From 2004	16,436.			
c From 2005	17,795.			
d From 2006	4,295.			
e From 2007	54,615.			
f Total of lines 3a through e	93,141.			
4 Qualifying distributions for 2008 from Part XII, line 4 ▶ \$ 56,132.				
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)	56,132.			
d Applied to 2008 distributable amount				0.
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))	32,402.			32,402.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e Subtract line 5	116,871.			
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	116,871.			
10 Analysis of line 9				
a Excess from 2004				
b Excess from 2005	1,829.			
c Excess from 2006	4,295.			
d Excess from 2007	54,615.			
e Excess from 2008	56,132.			

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

	Tax year				(e) Total
	(a) 2008	(b) 2007	(c) 2006	(d) 2005	
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

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

c Any submission deadlines

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

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 STATEMENT 10				
Total				▶ 3a 48,675.
b Approved for future payment				
Total				▶ 3b

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PEEBLES SHEEN CHARITABLE FOUNDATION

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STATEMENT 1
FORM 990-PF, PART I, LINE 11
OTHER INCOME

	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME			
TOTAL	\$ 4,155.	\$ 4,155.	\$ 0.

STATEMENT 2
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES				
TOTAL	\$ 14,570.	\$ 7,285.		\$ 7,285.

STATEMENT 3
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	\$ 100.	\$ 50.		\$ 50.
MANAGEMENT FEES	950.	950.		
TOTAL	\$ 1,050.	\$ 1,000.		\$ 50.

STATEMENT 4
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL TAXES	\$ 6,107.			
FILING FEE	70.			\$ 70.
STATE TAXES	41.			
TOTAL	\$ 6,218.	\$ 0.		\$ 70.

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**STATEMENT 5
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES**

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OFFICE EXPENSE	\$ 104.	\$ 52.		\$ 52.
TOTAL	<u>\$ 104.</u>	<u>\$ 52.</u>		<u>\$ 52.</u>

**STATEMENT 6
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS**

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
WACHOVIA #7801 (SEE ATTACHED SCHEDULE)	COST	\$ 167,957.	\$ 99,101.
WACHOVIA #7803 (SEE ATTACHED SCHEDULE)	COST	341,192.	251,608.
TOTAL		<u>\$ 509,149.</u>	<u>\$ 350,709.</u>

**STATEMENT 7
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS**

CORPORATE BONDS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
WACHOVIA #7803 (SEE ATTACHED SCHEDULE)	COST	\$ 367,929.	\$ 286,592.
WACHOVIA #7801 (SEE ATTACHED SCHEDULE)	COST	6,250.	5,990.
TOTAL		<u>\$ 374,179.</u>	<u>\$ 292,582.</u>

**STATEMENT 8
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER**

OTHER PUBLICLY TRADED SECURITIES	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
CONSTELLATION ENERGY, LLC	COST	\$ 7,177.	\$ 1,724.
QUEST ENERGY PARTNERS, LP	COST	25,083.	4,600.
VANGUARD NATURAL RESOURCES, LLC	COST	27,977.	32,880.
TOTAL		<u>\$ 60,237.</u>	<u>\$ 39,204.</u>

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**STATEMENT 9
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
1	1200 INERGY, LP	PURCHASED	6/22/2006	12/30/2008
2	100 LEGACY RESERVES, LP	PURCHASED	1/11/2007	12/30/2008
3	1000 PERMIAN BASIS ROYALTY TR	PURCHASED	11/22/2006	12/30/2008
4	1503.76 ALLIANCE BERNSTEIN HIGH INCOME FD	PURCHASED	11/22/2006	5/18/2009
5	500 CITIGROUP 8.5% SER F PFD	PURCHASED	5/06/2008	7/02/2009
6	500 DIANA SHIPPING INC.	PURCHASED	12/06/2005	4/24/2009
7	500 AMERICAN ELEC PWR 8.75%	PURCHASED	3/13/2008	12/10/2008
8	333 PERMIAN BASIS ROYALTY TR	PURCHASED	12/15/2005	12/30/2008
9	67 PERMIAN BASIS ROYALTY TR	PURCHASED	12/15/2005	12/30/2008
10	CAPITAL GAIN DIVIDENDS			

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I) - (J)	(L) GAIN (LOSS)
1	18,715.		24,983.	-6,268.				\$ -6,268.
2	753.		1,618.	-865.				-865.
3	13,789.		16,687.	-2,898.				-2,898.
4	10,000.		13,549.	-3,549.				-3,549.
5	9,022.		10,483.	-1,461.				-1,461.
6	7,462.		6,750.	712.				712.
7	12,404.		12,500.	-96.				-96.
8	4,334.		5,245.	-911.				-911.
9	870.		1,055.	-185.				-185.
10								2,012.
							TOTAL	\$ -13,509.

**STATEMENT 10
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR**

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
CAMERATA PACIFICA P.O. BOX 30116 SANTA BARBARA, CA 93130	NONE	501C3	GENERAL	\$ 5,500.
COMMUNITY ARTS MUSIC ASSOCIATION 111 EAST YANANALI STREET SANTA BARBARA, CA 93101	NONE	501C3	GENERAL	1,500.
GANNA WALSKA LOTUSLAND FOUNDATION 695 ASHLEY ROAD SANTA BARBARA, CA 93108	NONE	501C3	GENERAL	1,000.
MERITUS COLLEGE FUND P.O. BOX 29024 SAN FRANCISCO, CA 94129	NONE	501C3	GENERAL	500.

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**STATEMENT 10 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR**

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
MUSIC ACADEMY OF THE WEST 1070 FAIRWAY ROAD SANTA BARBARA, CA 93108	NONE	501C3	GENERAL	\$ 2,500.
SCHOLARSHIP FOUNDATION OF SANTA BARBARA P.O. BOX 3620 SANTA BARBARA, CA 93130	NONE	501C3	GENERAL	5,000.
THE STANFORD FUND 326 GALVEZ STREET SANTA BARBARA, CA 94305	NONE	501C3	GENERAL	7,500.
ARMENIAN MISSIONARY ASSOCIATION 31 W. CENTURY ROAD PARAMUS, NJ 07652	NONE	501C3	GENERAL	5,000.
SANTA BARBARA MUSEUM OF ART 1130 STATE STREET SANTA BARBARA, CA 93101	NONE	501C3	GENERAL	725.
ENSEMBLE THEATER 914 SANTA BARBARA STREET SANTA BARBARA, CA 93101	NONE	501C3	GENERAL	5,000.
S.B. CITY COLLEGE 721 CLIFF DRIVE SANTA BARBARA, CA 93109	NONE	501C3	GENERAL	1,000.
SANTA BARBARA CENTER FOR PERFORMING ARTS 1214 STATE STREET SANTA BARBARA, CA 93101	NONE	501C3	GENERAL	12,375.
OPERA SANTA BARBARA 1330 STATE STREET SANTA BARBARA, CA 93101	NONE	501C3	GENERAL	1,000.
THE LEUKEMIA & LYMPHOMA SOCIETY P.O. BOX 9031 PITTSFIELD, MA 01202	NONE	501C3	GENERAL	25.
NORTHEASTERN SOCIETY OF PLASTIC SURGEONS 900 CUMMINGS CENTER, STE 221-U BEVERLY, MA 01915	NONE	501C3	GENERAL	50.

TOTAL \$ 48,675.

2008

GENERAL ELECTIONS

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PEEBLES SHEEN CHARITABLE FOUNDATION

95-4035765

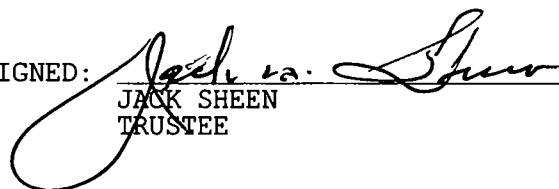
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SECTION 49(H)(2) ELECTION AS TO THE TREATMENT OF QUALIFYING DISTRIBUTIONS

PURSUANT TO IRC SECTION 4942(H) (2) AND REGULATION 53.4942(A)-3(D) (2), THE FOUNDATION HEREBY ELECTS TO TREAT CURRENT YEAR QUALIFYING DISTRIBUTIONS IN EXCESS OF THE IMMEDIATELY PRECEDING TAX YEAR'S UNDISTRIBUTED INCOME AS BEING MADE OUT OF CORPUS.

SIGNED:



JACK SHEEN
TRUSTEE

**PEEBLES SHEEN CHARITABLE FOUNDATION
INVESTMENTS
September 30, 2009
FEIN: 95-4035765**

Wachovia #7801 - Stock:	Qty	Cost Basis	FMV
AIM INVESTMENT FUNDS	723.59	10,103	12,446
ALLIANCE BERNSTEIN	637.333	5,261	5,201
AMERICAN CAPITAL LTD	318.000	11,518	1,027
ALGER FUNDS	251.165	5,464	3,448
EATON VANCE ASIAN	1208.112	35,845	17,590
EATON VANCE FUNDS	700.000	14,000	8,960
MEDICAL PROPERTIES TRUST	400.000	6,141	3,124
NORTHSTAR REALTY FINANCE	1567.000	22,617	5,500
TEMPLETON GLOBAL	531.515	10,238	6,378
VANGUARD INDEX TRUST	363.544	46,770	35,427
Total #7801 - Stock		167,957	99,101

Wachovia #7803 - Stocks			
ALTRIA GROUP INC	200.000	2,193	3,561
AMERICAN CAPITAL LTD	382.000	11,924	1,234
CAPITALSOURCE INC	527.000	11,767	2,287
JDS UNIPHASE CORP	12.000	13,317	85
KRAFT FOODS INC CL A	138.000	2,251	3,625
NORTHSTAR REALTY FINANCE	2089.00	15,440	7,332
PHILIP MORRIS	200.000	4,997	9,748
SEALIFE CORP	146000.000	22,970	2,190
EATON VANCE	500.000	10,000	6,130
FIRST TRUST/FOUR CORNERS	3500.000	69,274	38,780
RMR ASIA REAL ESTATE	2000.000	40,000	17,750
VAN KAMPEN	1500.000	15,000	5,925
CORPORATE PTY ASSOCIATE	13300.910	122,059	152,961
Total #7803 - Stock		341,192	251,608
Total Stock		341,192	350,709

Wachovia #7801 - Bonds:			
ALLIANZ SE 8.375	250.000	6,250	5,990
Total #7801 - Bonds		6,250	5,990

Wachovia #7803 - Bonds:			
AAG HLDG CO INC 7.25%	1000.000	25,000	22,096
ALLIANZ SE 8.375	500.000	12,500	11,980
AMER FINL GROUP 7.125%	200.000	5,000	4,450
AMERICAN ELEC PWR 8.75%	1000.000	25,000	27,877
ASBC 7.625% TOPRS CAP I	1000.000	25,000	21,050
ASHFORD HOSP TRUST 8.45%	400.000	10,000	5,800
BB&T CAP TRUST V 8.95%	200.000	5,000	5,378
CONSTELLATION ENERGY GRP	300.000	7,500	7,455
DTE ENERGY 7.80% TR I	700.000	17,500	17,710
FIFTH THIRD CAP VI 7.25%	400.000	10,000	8,200
GENERAL MOTORS CORP	1400.000	34,429	4,620
HARRIS PFD CAP 7.375%	2000.000	50,000	46,780
ING GROEP NV 7.375% PFD	300.000	7,500	4,980
ING GROEP NV 8.5% PFD	400.000	10,000	7,580
MARKEL CORP 7.50 SR. NT	400.000	10,000	10,480
MERRILL LYNCH 7.375% PFD	1000.000	25,000	21,090
NORTHSTAR REALTY 8.25%	2200.000	55,000	27,610
PUBLIC STORAGE 7.25%	300.000	7,500	7,473
PUBLIC STORAGE 7.25%	300.000	7,500	7,590
SELECTIVE INS GRP 7.50%	500.000	12,500	10,525
VNB CAPITAL 7.75% TOPRS	240.000	6,000	5,868
Total #7803 - Bonds		367,929	286,592
Total Bonds		374,179	292,582