



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



Form **990-PF****Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

OMB No 1545-0052

2008Department of the Treasury
Internal Revenue Service

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 **11/01/08**, and ending **10/31/09**G Check all that apply: ☐ Initial return ☐ Final return ☐ Amended return ☐ Address change ☐ Name changeUse the IRS
label.
Otherwise,
print
or type.
See Specific
Instructions.

Name of foundation

**ARNOLD AND RACHEL SMITH FAMILY
FOUNDATION**

Number and street (or P O box number if mail is not delivered to street address)

735 N. 19TH AVE

Room/suite

City or town, state, and ZIP code

PHOENIX**AZ 85009**

A Employer identification number

75-6359024

B Telephone number (see page 10 of the instructions)

602-452-2203C 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: ☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end
of year (from Part II, col. (c),
line 16) **\$ 1,000,678**J Accounting method ☒ Cash ☐ Accrual
☐ 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 pg 11 of the instructions))(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 (attach schedule)
- 2 Check ☒ if the foundation is not required to attach Sch B
- 3 Interest on savings and temporary cash investments **14,865**
- 4 Dividends and interest from securities **40,779**
- 5a Gross rents
- b Net rental income or (loss)
- 6a Net gain or (loss) from sale of assets not on line 10 **STMT 1**
- b Gross sales price for all assets on line 6a **780,766**
- 7 Capital gain net income (from Part IV, line 2)
- 8 Net short-term capital gain
- 9 Income modifications
- 10a Gross sales less returns & allowances
- b Less: Cost of goods sold
- c Gross profit or (loss) (attach schedule)
- 11 Other income (attach schedule) **STMT 2**
- 12 Total. Add lines 1 through 11 **14,865**

Operating and Administrative Expenses

- 13 Compensation of officers, directors, trustees, etc.
- 14 Other employee salaries and wages
- 15 Pension plans; employee benefits
- 16a Legal fees (attach schedule)
- b Accounting fees (attach schedule) **STMT 3**
- c Other professional fees (attach schedule)
- 17 Interest
- 18 Taxes (attach schedule) (see page 14 of the instructions) **STMT 4**
- 19 Depreciation (attach schedule) and depletion
- 20 Occupancy
- 21 Travel, conferences, and meetings
- 22 Printing and publications
- 23 Other expenses (att sch) **STMT 5**
- 24 Total operating and administrative expenses.
Add lines 13 through 23 **3,946**
- 25 Contributions, gifts, grants paid **47,636**
- 26 Total expenses and disbursements. Add lines 24 and 25 **51,582**
- 27 Subtract line 26 from line 12:
- a Excess of revenue over expenses & disbursements **-370,171**
- b Net investment income (if negative, enter -0-)
- c Adjusted net income (if negative, enter -0-)

For Privacy Act and Paperwork Reduction Act Notice, see page 30 of the instructions.

Form **990-PF** (2008)

DAA

4

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	104,643	89,427	89,427
	2 Savings and temporary cash investments	10,872	190,430	190,430
	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 page 15 of the instructions)			
	7 Other notes and loans receivable (att. schedule) ▶ 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) SEE STMT 6	1,177,621	643,108	720,821
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach sch.) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)			
	14 Land, buildings, and equipment basis ▶ Less: accumulated depreciation (attach sch.) ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)	1,293,136	922,965	1,000,678
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and 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 ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	1,293,136	922,965	
	30 Total net assets or fund balances (see page 17 of the instructions)	1,293,136	922,965	
	31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,293,136	922,965	

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	1,293,136
2 Enter amount from Part I, line 27a	2	-370,171
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	922,965
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	922,965

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 shs. MLC Co.)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
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) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss) <div style="border-left: 1px solid black; padding-left: 5px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div> 	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 pages 13 and 17 of 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 page 18 of 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 (col. (b) divided by col. (c))
2007	9,780	83,757	0.116766
2006	14,069	115,217	0.122109
2005	16,646	142,489	0.116823
2004	19,404	236,594	0.082014
2003	550	331,014	0.001662

2 Total of line 1, column (d)	2	0.439374
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	0.087875
4 Enter the net value of noncharitable-use assets for 2008 from Part X, line 5	4	145,215
5 Multiply line 4 by line 3	5	12,761
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	517
7 Add lines 5 and 6	7	13,278
8 Enter qualifying distributions from Part XII, line 4 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 on page 18	8	47,636

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	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	517
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (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	517
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	517
6	Credits/Payments:		
a	2008 estimated tax payments and 2007 overpayment credited to 2008	6a	220
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	220
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	297
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	
11	Enter the amount of line 10 to be Credited to 2009 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a 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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? 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.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input type="checkbox"/> \$ _____ (2) On foundation managers. <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input type="checkbox"/> \$ _____		
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.		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> AZ		
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	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 on page 27)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		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 page 20 of the 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 ► ARNOLD SMITH 735 N. 19TH AVE Located at ► PHOENIX, AZ	Telephone no ► 602-452-2203 ZIP+4 ► 85009		
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		

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 page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	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?	N/A	
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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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 page 20 of the instructions)	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	N/A	
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.)	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 page 22 of the 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 page 22 of the instructions)? **N/A** ☐ **5b**

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** ☒

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? **N/A** **7b**

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 page 22 of the 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
ARNOLD SMITH 735 N 19TH AVE PHOENIX AZ 85009	PRESIDENT 5	0	0	0
RACHEL SMITH 735 N 19TH AVE PHOENIX AZ 85009	SECRETARY 0	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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

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 page 23 of the 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 ▶

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 page 23 of the 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 page 24 of the instructions	
3	
Total. Add lines 1 through 3 ▶	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the 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	0
b	Average of monthly cash balances	1b	147,426
c	Fair market value of all other assets (see page 24 of the instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	147,426
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	147,426
4	Cash deemed held for charitable activities. Enter 1½ % of line 3 (for greater amount, see page 25 of the instructions)	4	2,211
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	145,215
6	Minimum Investment return. Enter 5% of line 5	6	7,261

Part XI Distributable Amount (see page 25 of the 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	7,261
2a	Tax on investment income for 2008 from Part VI, line 5	2a	517
b	Income tax for 2008. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	517
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	6,744
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	6,744
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	6,744

Part XII Qualifying Distributions (see page 25 of the 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	47,636
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	47,636
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 page 26 of the instructions)	5	517
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	47,119

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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2007	(c) 2007	(d) 2008
1 Distributable amount for 2008 from Part XI, line 7				6,744
2 Undistributed income, if any, as of the end of 2007.				
a Enter amount for 2007 only				
b Total for prior years. 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2008:				
a From 2003				
b From 2004	7,966			
c From 2005				
d From 2006	10,370			
e From 2007	6,032			
f Total of lines 3a through e	24,368			
4 Qualifying distributions for 2008 from Part XII, line 4: ▶ \$ 47,636				
a Applied to 2007, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required—see page 26 of the instructions)				
d Applied to 2008 distributable amount				6,744
e Remaining amount distributed out of corpus	40,892			
5 Excess distributions carryover applied to 2008 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	65,260			
b Prior years' undistributed income. Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b. Taxable amount—see page 27 of the instructions				
e Undistributed income for 2007. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
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 page 27 of the instructions)				
8 Excess distributions carryover from 2003 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2009. Subtract lines 7 and 8 from line 6a	65,260			
10 Analysis of line 9:				
a Excess from 2004	7,966			
b Excess from 2005				
c Excess from 2006	10,370			
d Excess from 2007	6,032			
e Excess from 2008	40,892			

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 BETH EL CONGREGATION 1118 W. GLENDALE AVE PHOENIX AZ 85021	NONE	501 (C) (3) GENERAL BUDGET USE		47,636
Total			► 3a	47,636
b Approved for future payment N/A				
Total			► 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 28 of the instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1	Program service revenue:					
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			1	14,865	
4	Dividends and interest from securities			1	40,779	
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	-376,193	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue. a					
b	REFUND OF BANK FEES			1	1,368	
c	FEDERAL TAX REFUND			1	592	
d						
e						
12	Subtotal. Add columns (b), (d), and (e)		0		-318,589	0
13	Total. Add line 12, columns (b), (d), and (e)				13 -318,589	

(See worksheet in line 13 instructions on page 28 to verify calculations)

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

[illegible]

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

- 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
- (2) Other assets
- b** Other transactions
- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations
- c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees
- 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 organization. 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.

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[illegible]

- 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.

Signature of officer or trustee

Date _____

Title

Sign Here

**Paid
Preparer's
Use Only**

Preparer's
signature

Firm's name (or yours if self-employed), address, and ZIP code

EVANS & BALDWIN, PC
1355 E NORTHERN AVE STE 1
PHOENIX, AZ 85020

Date _____

3-8-10

Check if
self-emp

Preparer's identifying
number (see **Signature** on
page 30 of the instructions)
P00291488

EIN ►

Phone no **602-234-1893**

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Whom Sold	Description		Date Sold	Date Acquired	How Received		Cost	Expense	Depreciation	Net Gain / Loss
					Sale Price	PURCHASE				
2400 SH SANTANDER FINANCIAL			9/29/09	11/05/08	\$ 50,640	PURCHASE	42,840	\$	\$	7,800
400 SH SANTANDER FINANCIAL			9/29/09	11/05/08	8,360	PURCHASE	7,060			1,300
2035 SH SANTANDER FINANCIAL			9/29/09	11/12/08	41,616	PURCHASE	35,002			6,614
10 SH CIBA SPECIALTY			4/16/09	7/21/06	215	PURCHASE	272			-57
45 SH CIBA SPECIALTY			4/16/09	8/30/07	969	PURCHASE	1,212			-243
3250 SH QUALCOMM			7/21/09	8/16/06	152,892	PURCHASE	121,933			30,959
384 SH AEGON NV			11/03/08	1/01/04	1,387	PURCHASE	5,251			-3,864
55 SH AKZO NOBEL			11/03/08	8/01/04	985	PURCHASE	817			168
855 SH ALCATEL LUCENT			11/03/08	3/01/07	1,778	PURCHASE	8,343			-6,565
105 SH ASTRAZENICA			11/03/08	1/01/05	4,472	PURCHASE	5,604			-1,132
55 SH BRITISH SKY BROADCAST			11/03/08	11/01/06	1,355	PURCHASE	2,254			-899
765 SH DEBENHAMS			11/03/08	7/01/07	1,698	PURCHASE	8,159			-6,461
425 SH DEUTSCHE TELE			11/03/08	3/01/06	6,260	PURCHASE	6,992			-732
380 SH ERICSSON TEL			11/03/08	10/01/07	1,862	PURCHASE	3,828			-1,966
135 SH EUROP AERONATIC			11/03/08	11/20/06	2,315	PURCHASE	3,871			-1,556
150 SH FRANCE TELE			11/03/08	1/01/05	3,716	PURCHASE	3,472			244
110 SH GLAXOSMITHKLINE			11/03/08	1/01/07	4,286	PURCHASE	5,805			-1,519
230 SH H. LUNDBECK			11/03/08	5/01/06	4,255	PURCHASE	5,270			-1,015

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description			How Received		Cost	Expense	Depreciation	Net Gain / Loss
Whom Sold	Date Acquired	Date Sold	Sale Price					
46 SH HSBC HOLD	3/21/07	11/03/08	\$	PURCHASE 2,673	3,910	\$	\$	-1,237
425 SH INFINEON TECH	2/01/06	11/03/08		PURCHASE 600	1,681			-1,081
130 SH INTESA SANPAOLO	7/07/08	11/03/08		PURCHASE 2,808	5,869			-3,061
845 SH KINGFSHR PLC	6/01/07	11/03/08		PURCHASE 3,219	7,258			-4,039
262 SH KONINKLIJKE	1/01/04	11/03/08		PURCHASE 2,803	2,384			419
210 SH MAGYAR TELE	1/01/04	11/03/08		PURCHASE 3,368	4,757			-1,389
460 SH MARKS & SPENC	1/01/05	11/03/08		PURCHASE 1,834	1,699			135
855 SH NATUZZI SPA	1/01/03	11/03/08		PURCHASE 2,578	6,822			-4,244
330 SH PORTUGAL TELE	1/01/03	11/03/08		PURCHASE 2,244	3,249			-1,005
815 SH QIMONDA	10/01/07	11/03/08		PURCHASE 95	4,832			-4,737
646 SH RYL BNK SCTLND	10/01/07	11/03/08		PURCHASE 141	1,109			-968
460 SH STMRO ELEC	1/01/05	11/03/08		PURCHASE 2,662	4,907			-2,245
173 SH SANOFI AVENT	1/01/05	11/03/08		PURCHASE 5,416	7,468			-2,052
60 SH SWISS REINS	6/01/06	11/03/08		PURCHASE 1,306	2,027			-721
160 SH SWISSCOM SPON	1/01/03	11/03/08		PURCHASE 4,914	5,074			-160
340 SH TELECOMITALIA	3/01/07	11/03/08		PURCHASE 3,246	8,459			-5,213
32 SH TELEFONICA SA	1/01/03	11/03/08		PURCHASE 1,783	1,330			453
355 SH THOMSON	4/01/06	11/03/08		PURCHASE 511	6,349			-5,838

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description		How Received		Cost	Expense	Depreciation	Net Gain / Loss
		Date Acquired	Date Sold				
Whom Sold							
45 SH TNT NV		10/27/08	11/03/08	\$			
				PURCHASE			
				933	\$		
250 SH TOMKINS PLC		10/18/06	11/03/08				
				PURCHASE			
				1,302			
315 SH TRINITY MIRROR		11/01/06	11/03/08				
				PURCHASE			
				334			
100 SH UNILEVER		11/01/04	11/03/08				
				PURCHASE			
				2,406			
250 SH VALEO SPONS		1/01/04	11/03/08				
				PURCHASE			
				2,090			
100 SH WOLTERS KLUWER		1/01/03	11/03/08				
				PURCHASE			
				1,700			
1420 SH ALCATEL		9/07/06	11/03/08				
				PURCHASE			
				3,607			
325 SH ASTRAZENICA		1/01/05	11/03/08				
				PURCHASE			
				13,861			
330 SH BANK OF AM		5/01/08	11/03/08				
				PURCHASE			
				3,334			
1015 SH BOSTON SCIENT		9/01/06	11/03/08				
				PURCHASE			
				9,046			
415 SH BRISTOL MYERS		9/07/06	11/03/08				
				PURCHASE			
				8,590			
720 SH CITIGROUP		11/20/07	11/03/08				
				PURCHASE			
				2,014			
320 SH CONSECO NEW		7/13/07	11/03/08				
				PURCHASE			
				595			
465 SH DELL INC		9/01/06	11/03/08				
				PURCHASE			
				5,840			
1185 SH DEUTSCHE TELE		9/07/06	11/03/08				
				PURCHASE			
				17,550			
250 SH DOW CHEM		12/01/06	11/03/08				
				PURCHASE			
				6,558			
480 SH EASTMAN KODAK		9/07/06	11/03/08				
				PURCHASE			
				4,550			
970 SH ERRICSON LM TEL		11/01/07	11/03/08				
				PURCHASE			
				3,016			

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description		How Received		Expense	Depreciation	Net Gain / Loss
Whom Sold	Date Acquired	Date Sold	Sale Price			
385 SH FIFTH THIRD	9/01/06	11/03/08	\$ 4,416	\$ 15,196	\$	-10,780
1956 SH FORD MOTOR	9/01/06	11/03/08	PURCHASE 4,325	15,832		-11,507
375 SH FRANCE TELE	9/11/06	11/03/08	PURCHASE 9,316	8,174		1,142
180 SH FUJIFILM	10/13/06	11/03/08	PURCHASE 3,998	6,732		-2,734
420 SH GANNETT	9/01/06	11/03/08	PURCHASE 4,797	22,557		-17,760
655 SH GEN MOTORS	9/07/06	11/03/08	PURCHASE 3,859	20,796		-16,937
405 SH GLAXOSMITHKLINE	1/01/06	11/03/08	PURCHASE 15,868	21,307		-5,439
80 SH HITACHI LTD	9/07/06	11/03/08	PURCHASE 3,776	4,971		-1,195
545 SH HOME DEPOT	10/01/06	11/03/08	PURCHASE 3,905	5,603		-1,698
76 SH HSBC HOLD	3/01/07	11/03/08	PURCHASE 4,293	6,403		-2,110
300 SH INTEL	9/07/06	11/03/08	PURCHASE 4,774	5,790		-1,016
582 SH KONINKLIJKE	9/07/06	11/03/08	PURCHASE 6,204	4,285		1,919
140 SH MCCLATCHY CO	5/14/07	11/03/08	PURCHASE 426	4,166		-3,740
1280 SH MICRON TECH	2/01/07	11/03/08	PURCHASE 6,259	17,957		-11,698
1725 SH MITSUBISHI	1/01/07	11/03/08	PURCHASE 10,816	19,213		-8,397
750 SH MITSUI SUMITOMO	11/08/06	11/03/08	PURCHASE 9,975	15,102		-5,127
1045 SH MIZUHO FINL	5/01/07	11/03/08	PURCHASE 5,111	12,022		-6,911
1085 SH MOTOROLA	1/01/07	11/03/08	PURCHASE 3,611	10,082		-6,471

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Whom Sold	Description	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price	PURCHASE				
1195 SH NATL CITY CORP		10/01/07	11/03/08	\$	1,674 \$	13,489 \$	\$	\$	-11,815
740 SH NIPPON T & T		9/01/06	11/03/08		PURCHASE 15,125	17,930			-2,805
321 SH NORTEL NETWORKS		9/07/06	11/03/08		PURCHASE 411	6,752			-6,341
680 SH PFIZER		9/01/06	11/03/08		PURCHASE 12,049	18,245			-6,196
590 SH PORTEGAL TELE		4/13/07	11/03/08		PURCHASE 4,024	8,124			-4,100
1667 SH ROYL BNK SCTLND		10/01/07	11/03/08		PURCHASE 1,635	11,003			-9,368
250 SH SAFEWAY		10/13/06	11/03/08		PURCHASE 5,276	7,045			-1,769
545 SH SANOFI AVENT		1/01/06	11/03/08		PURCHASE 17,086	23,417			-6,331
970 SH SARA LEE		1/01/06	11/03/08		PURCHASE 10,903	15,166			-4,263
640 SH STMICROELECT		9/07/06	11/03/08		PURCHASE 5,414	10,176			-4,762
2320 SH SUMITOMO MITSUI		9/20/07	11/03/08		PURCHASE 9,303	16,346			-7,043
235 SH SUPERVALU		9/07/06	11/03/08		PURCHASE 3,495	6,817			-3,322
790 SH TELECOM ITALIA		9/01/06	11/03/08		PURCHASE 8,860	22,850			-13,990
35 SH TELEFONICA SA		9/07/06	11/03/08		PURCHASE 1,955	1,751			204
120 SH TELEFONOS DEMX		9/07/06	11/03/08		PURCHASE 2,110	1,586			524
120 SH TELMEX INTL		9/07/06	11/03/08		PURCHASE 1,232	1,314			-82
680 SH TENET HLTHCARE		9/07/06	11/03/08		PURCHASE 2,985	5,175			-2,190
250 SH TOKIO MARINE		3/07/07	11/03/08		PURCHASE 3,496	4,140			-644

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description		How Received		Cost	Expense	Depreciation	Net Gain / Loss
		Date Acquired	Date Sold Sale Price				
96 SH TYCO ELECT		9/07/06	11/03/08 \$	2,966 \$	\$		-1,065
335 SH UNILEVER		9/07/06	11/03/08 PURCHASE	7,956			148
220 SH VERIZON COMM		9/07/06	11/03/08 PURCHASE	7,467			-737
245 SH WYETH		3/01/07	11/03/08 PURCHASE	11,599			-3,634
425 SH XEROX		9/07/06	11/03/08 PURCHASE	6,277			-2,863
384 SH AEGON NV		1/01/04	11/03/08 PURCHASE				93
55 SH AKZO NOBEL		8/01/04	11/03/08 PURCHASE	1,779			-597
855 SH ALCATEL LUCENT		1/01/03	11/03/08 PURCHASE	1,395			-1,001
130 SH BARCLAYS PLC		1/01/08	11/03/08 PURCHASE	4,803			-3,387
380 SH ERRICSON TEL		10/01/07	11/03/08 PURCHASE	1,735			-876
46 SH HSBC HOLD		3/01/07	11/03/08 PURCHASE				59
425 SH INFINEON TECH		2/01/06	11/03/08 PURCHASE	2,069			-1,253
290 SH ITALCMNTIFABRICH		6/01/08	11/03/08 PURCHASE	4,574			-1,341
115 SH J SAINSBURY		2/01/08	11/03/08 PURCHASE	3,279			-1,295
460 SH MARKS & SPENCER		1/01/03	11/03/08 PURCHASE	3,859			-2,510
135 SH NOKIA CORP		9/01/08	11/03/08 PURCHASE	2,680			-566
45 SH PEUGEOT CITRN		10/22/08	11/03/08 PURCHASE	1,132			52
815 SH QIMONDA		1/01/07	11/03/08 PURCHASE	1,758			-1,660

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description			How Received		Cost	Expense	Depreciation	Net Gain / Loss
Whom Sold	Date Acquired	Date Sold	Sale Price	PURCHASE				
646 SH ROYL BNK SCTLAND	10/01/07	11/03/08	\$	PURCHASE 512	3,980	\$	\$	-3,468
460 SH STMROELECT	1/01/05	11/03/08		PURCHASE 1,225	1,860			-635
155 SH SVENSKA CELL	10/27/08	11/03/08		PURCHASE 1,186	1,035			151
60 SH SWISS REINS	6/01/06	11/03/08		PURCHASE 1,306	2,258			-952
340 SH TELECOM ITALIA	3/01/07	11/03/08		PURCHASE 560	798			-238
250 SH TOMKINS PLC	11/01/07	11/03/08		PURCHASE 558	1,234			-676
150 SH UPM KYMMEMS	4/01/08	11/03/08		PURCHASE 2,130	2,652			-522
340 SH WOLSELEY PLC	4/02/08	11/03/08		PURCHASE 1,904	3,814			-1,910
1033 SH AEGON NV	2/01/08	11/03/08		PURCHASE 4,020	13,333			-9,313
150 SH AKZO NOBEL	8/21/08	11/03/08		PURCHASE 5,910	8,893			-2,983
330 SH BANK OF AMERICA	8/01/07	11/03/08		PURCHASE 4,524	6,880			-2,356
110 SH BB&T CORP	8/27/08	11/03/08		PURCHASE 3,928	3,075			853
205 SH CANON INC	10/01/08	11/03/08		PURCHASE 7,048	7,172			-124
180 SH CIT GROUP	11/05/07	11/03/08		PURCHASE 756	5,650			-4,894
720 SH CITIGROUP	11/20/07	11/03/08		PURCHASE 7,987	15,201			-7,214
970 SH ERRICSON LM TEL	11/01/07	11/03/08		PURCHASE 3,949	6,454			-2,505
6 SH FAIRPNT (SPNOFF VERZN)	4/01/08	11/03/08		PURCHASE 25				25
220 SH GE CO	10/16/08	11/03/08		PURCHASE 4,299	4,055			244

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description			How Received		Cost	Expense	Depreciation	Net Gain / Loss
Whom Sold	Date Acquired	Date Sold	Sale Price					
545 SH HOME DEPOT	1/01/06	11/03/08	\$	PURCHASE	10,960	\$	\$	-2,346
76 SH HSBC HOLD	1/05/08	11/03/08		PURCHASE	84			154
185 SH J SAINSBURY	9/10/08	11/03/08		PURCHASE	4,739			-1,548
630 SH MARKS & SPENC	2/13/08	11/03/08		PURCHASE	10,244			-5,884
320 SH MASCO CORP	2/27/08	11/03/08		PURCHASE	6,240			-2,986
180 SH MICROSOFT	9/18/08	11/03/08		PURCHASE	4,446			-410
1085 SH MOTOROLA	1/01/07	11/03/08		PURCHASE	5,440			-3,494
1195 SH NATCTYCOR	10/01/07	11/03/08		PURCHASE	3,858			-2,557
1667 SH ROYL BNK SCTLND	10/01/07	11/03/08		PURCHASE	49			49
445 SH SCHERING PLOUGH	5/16/08	11/03/08		PURCHASE	8,604			-2,227
355 SH SLM CORP	8/08/08	11/03/08		PURCHASE	5,926			-2,284
240 SH TEXAS INSTR	9/18/08	11/03/08		PURCHASE	5,269			-708
250 SH TOKIO MARINE	3/01/07	11/03/08		PURCHASE	4,809			-705
940 SH WACHOVIA	4/01/08	11/03/08		PURCHASE	17,013			-10,884
SANTANDER FINANCIAL CASH IN LEIU	9/29/09			PURCHASE	24			24
CASH IN LEIU		11/03/08		PURCHASE				2,868
				PURCHASE				

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Whom Sold	Description	Date Acquired	Date Sold	How Received		Cost	Expense	Depreciation	Net Gain / Loss
				Sale Price					
				PURCHASE	\$		\$		\$
				PURCHASE					
				PURCHASE					
TOTAL				\$ 780,766	\$ 1,156,959	\$ 0	\$ 0	\$ 0	\$ -376,193

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Revenue per Books	Net Investment Income	Adjusted Net Income
REFUND OF BANK FEES	\$ 1,368	\$	\$
FEDERAL TAX REFUND	592		
TOTAL	\$ 1,960	\$ 0	\$ 0

Statement 3 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
ACCOUNTING AND TAX PREPARATION	\$ 2,148	\$ 2,148	\$	\$
TOTAL	\$ 2,148	\$ 2,148	\$ 0	\$ 0

Federal Statements

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FOREIGN TAXES ON INVESTMENTS	\$ 65	\$ 65	\$	\$
TOTAL	\$ 65	\$ 65	\$ 0	\$ 0

Statement 5 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES	\$	\$	\$	\$
ADVERTISING	40	40		
CORPORATE FILING FEE	10	10		
LEGAL FEES	1,675	1,675		
OFFICE SUPPLIES	8	8		
TOTAL	\$ 1,733	\$ 1,733	\$ 0	\$ 0

Statement 6 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

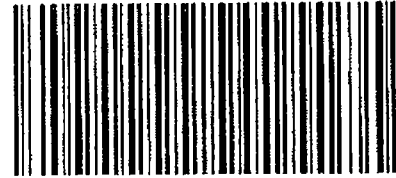
<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
CORPORATE STOCKS	\$ <u>1,177,621</u>	\$ <u>643,108</u>	COST	\$ <u>720,821</u>
TOTAL	\$ <u><u>1,177,621</u></u>	\$ <u><u>643,108</u></u>		\$ <u><u>720,821</u></u>

Federal Statements**Taxable Interest on Investments**

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
WELLS FARGO	\$ 14,865		1	
TOTAL	<u>\$ 14,865</u>			

Taxable Dividends from Securities

<u>Description</u>	<u>Amount</u>	<u>Unrelated Business Code</u>	<u>Exclusion Code</u>	<u>Postal Code</u>
WELLS FARGO	\$ 38,840		1	
WELLS FARGO	287		1	
WELLS FARGO	1,652		1	
TOTAL	<u>\$ 40,779</u>			



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2010-0043141 01/19/10 02:24 PM
2 OF 2

FONTESS

WHEN RECORDED RETURN TO:

William Scott Jenkins, Esq.
One East Camelback Road, Suite 500
Phoenix, Arizona 85012

DURABLE GENERAL POWER OF ATTORNEY

Effective Date:	Expiration Date:	Effective Place of Execution:
January 1, 2005	Until Revoked	Maricopa County, Arizona

PRINCIPAL:

Arnold Smith, a/k/a
Arnold A. Smith
735 North 19th Avenue
Phoenix, Arizona 85009

ATTORNEY-IN-FACT:

William Scott Jenkins, Esq.
One E. Camelback Rd., Suite 500
Phoenix, Arizona 85012

PRINCIPAL constitutes and appoints the ATTORNEY-IN-FACT as the true and lawful agent and attorney for PRINCIPAL and in the name, place and stead of PRINCIPAL upon the following terms:

1. **DURABLE POWER.** PRINCIPAL intends to create a power of attorney pursuant to Arizona law. This instrument is to be construed and interpreted as a durable power of attorney in accordance with A.R.S. § 14-5501 and related provisions, or any similar provisions of subsequent law. THIS POWER OF ATTORNEY SHALL NOT BE AFFECTED BY THE SUBSEQUENT DISABILITY OR INCAPACITY OF THE PRINCIPAL OR LAPSE OF TIME.

2. **COMMENCEMENT OF AUTHORITY IMMEDIATELY.** The rights, powers, and authorities of the ATTORNEY-IN-FACT herein granted shall commence and be in full force and effect until revoked in writing or by the PRINCIPAL'S death.

3. **ENUMERATION OF SPECIFIC POWERS.** PRINCIPAL authorizes ATTORNEY-IN-FACT to do all of the following:

3.01 **General Matters.** To exercise or perform any act, power, duty, right, or obligation whatsoever that PRINCIPAL now has, or may hereafter acquire, whether in PRINCIPAL'S individual capacity or in his capacity as the Trustee of a Trust, including, without limitation, the Arnold and Rachel Smith Family Trust U/T/A dated May 4, 1970, as amended, a Partner in a Partnership, a Manager or Member of a limited liability company, or as an Officer of a Corporation, the legal right, power or capacity to exercise or perform, in connection with, arising from or relating to any person, item, transaction, business, property (real or personal, tangible or intangible), or any matter whatsoever;

3.02 **Deal With Money and Accounts and Similar Financial Interests.** To request, ask, demand, sue for, recover, collect, receive, and hold and possess all such sums of money, debts, dues, commercial paper, checks, drafts, accounts, deposits, legacies, bequests, devises, notes, interests, stock certificates, bonds, dividends, certificates of deposit, annuities, pension and retirement benefits, insurance benefits and proceeds, any and all document of title, choses in action, personal and real property, intangible and tangible property and property rights, and demands whatsoever, liquidated or unliquidated, as now are, or shall hereafter become owned by, or due, owing, payable, or belonging to PRINCIPAL, or in which PRINCIPAL has or may hereafter acquire any interest, directly or indirectly, to have, use, and pursue all lawful means and equitable and legal remedies, procedures, and writs in the name of PRINCIPAL or in the name of any entity subject to the control of the PRINCIPAL by virtue of his status as a Trustee, Partner, Manager, Member or Officer, for the collection and recovery thereof, and to adjust, sell, compromise, and agree for the same, and to make, execute, and deliver for PRINCIPAL, on PRINCIPAL'S behalf, and in PRINCIPAL'S name, and/or in the name of any entity in which PRINCIPAL is a Trustee, Partner, Manager, Member or Officer, all endorsements, acquittances, releases, receipts, or other sufficient discharges for the same, whether under seal or otherwise;

3.03 **Deal With Legal Matters.** To appear, answer, and defend in all actions and suits whatsoever which shall be commenced against PRINCIPAL, in any capacity, and/or against any entity subject to the control of the PRINCIPAL by virtue of his status as a Trustee, Partner, Manager, Member or Officer, and also, for PRINCIPAL and in PRINCIPAL'S name, in any capacity, to compromise, settle and adjust with each and every person or persons, all actions, accounts due, and demands, subsisting or to subsist between PRINCIPAL or any entity subject to the control of the PRINCIPAL by virtue of his status as a Trustee, Partner, Manager, Member or Officer, and them or any of them, and in such manner as the said ATTORNEY-IN-FACT shall deem proper;

3.04 **Deal with Real and Personal Property.** To sell, purchase, exchange, lease, and acquire, and agree, bargain, and contract for the sale, purchase, exchange, lease and acquisition of, and to accept, take, receive and possess any real or

personal property whatsoever, tangible or intangible, or interest therein, direct or indirect, on such terms and conditions, and under such covenants, as ATTORNEY-IN-FACT shall deem proper.

3.05 Improve and Encumber Real and Personal Property. To maintain, repair, improve, manage, insure, rent, lease, sell, convey, subject to liens, mortgages or deeds of trust, and hypothecate, and in any way or manner deal with all or any part of any real or personal property whatsoever, tangible or intangible, or any interest therein, direct or indirect, PRINCIPAL now owns or controls or may hereafter control or acquire, or manages for any person or entity, for PRINCIPAL, on PRINCIPAL'S behalf, in any capacity, and in PRINCIPAL'S name and/or in the name of any entity subject to the control of the PRINCIPAL by virtue of his status as a Trustee, Partner, Manager, Member or Officer, and under such terms and conditions, and under such covenants, as said ATTORNEY-IN-FACT shall deem proper;

3.06 Transact General Business Matters. To conduct, engage in, and transact any and all lawful business of whatever nature or kind for PRINCIPAL, on PRINCIPAL'S behalf, in any capacity, or for any entity subject to the PRINCIPAL'S control by virtue of his status as a Trustee, Partner, Manager, Member or Officer, and in PRINCIPAL'S name and/or in the name of any entity subject to the control of the PRINCIPAL by virtue of his status as a Trustee, Partner, Manager, Member or Officer;

3.07 Borrow Funds and Deal with Financial and Legal Instruments. To make, receive, sign, endorse, execute, exercise, acknowledge, deliver, and possess such applications, contracts, agreements, options, covenants, conveyances, deeds, trust deeds, security agreements, bills of sale, leases, mortgages, assignments, insurance policies, bills of lading, warehouse receipts, documents of title, bills, bonds, debentures, checks, drafts, bills of exchange, letters of credit, notes, bonds, stock certificates, proxies, warrants, conversion rights, commercial paper, receipts, withdrawal receipts and deposit instruments relating to accounts or deposits in, or certificates of deposit of, banks, savings and loan or other institutions or associations, proofs of loss, evidences of debt, releases, and satisfactions of mortgages, liens, judgments, security agreements in writing of whatever kind and nature as may be necessary or proper in the exercise of the right and powers herein granted;

3.08 Maintain Charge Accounts. To continue whatever charge accounts have been opened by PRINCIPAL or any entity subject to the control of the PRINCIPAL by virtue of his status as a Trustee, Partner, Manager, Member or Officer prior to the creation of the power of attorney or thereafter, to open such new accounts as said ATTORNEY-IN-FACT shall deem to be desirable for the accomplishment of any of the purposes under this power of attorney, and to pay the items charged on such accounts by

any person authorized or permitted by PRINCIPAL to make such charges prior to the creation of the power of attorney or thereafter;

3.09 **Discharge Services and Commitments.** To continue the discharge of any service or duties assumed by PRINCIPAL, in any capacity, prior to the creation of the power of attorney or thereafter;

3.10 **Power With Respect to Taxes.** To represent PRINCIPAL, or any entity subject to the control of the PRINCIPAL by virtue of his status as a Trustee, Partner, Manager, Member or Officer, in all tax matters; to prepare, sign, and file federal, state, and/or local income, gift and other tax returns of all kinds, including, where appropriate, joint returns, FICA returns, payroll tax returns, claims for refunds, requests for extensions of time to file returns and/or pay taxes, extensions and waivers of applicable periods of limitation, protests and petitions to administrative agencies or courts, including the tax court, regarding tax matters, and any and all other tax related documents, including but not limited to consents and agreements under Section 2032A of the Internal Revenue Code or any successor section therein and consents to split gifts, closing agreements, and any power of attorney form required by the Internal Revenue Service and/or any state and/or local taxing authority with respect to any tax year; to pay taxes due, collect and make such disposition of refunds as said ATTORNEY-IN-FACT shall deem appropriate, post bonds, receive confidential information and contest deficiencies determined by the Internal Revenue Service and/or any state and/or local taxing authority; to exercise any elections PRINCIPAL may have, in any capacity, under federal state or local tax law; to allocate any generation-skipping tax exemption to which PRINCIPAL is entitled, and generally to represent PRINCIPAL, in any capacity, or obtain professional representation for PRINCIPAL, in any capacity, in all tax matters and proceedings of all kinds and for all periods before all officers of the Internal Revenue Service and state and local authorities and in any and all courts; to engage, compensate and discharge attorneys, accountants and other tax and financial advisers and consultants to represent and/or assist PRINCIPAL, in any capacity, in connection with any and all tax matters involving or in any way relating to PRINCIPAL or any entity subject to the control of the PRINCIPAL, or any property in which PRINCIPAL has or may have a direct or indirect interest or responsibility; and on PRINCIPAL'S behalf, in any capacity, to execute Internal Revenue Service Form 2848 and appoint said ATTORNEY-IN-FACT or any suitable person selected by said ATTORNEY-IN-FACT as PRINCIPAL'S representative, in any capacity, before the Internal Revenue Service;

3.11 **Pay Taxes.** To pay any and all taxes, of any nature whatsoever, required by the laws of the United States or of any state or subdivision thereof, or of any foreign government, and to borrow funds from time to time with which to pay any such taxes from any person or corporation for such periods of time and upon such terms and conditions as said ATTORNEY-IN-FACT may deem proper, and to secure such loans by

the pledge, hypothecation or mortgage of any property owned, controlled or contracted by PRINCIPAL, in any capacity;

3.12 **Engage Professional Advisors.** To hire, to discharge, and to compensate any attorney, accountant, expert witness or other assistant or assistants when the ATTORNEY-IN-FACT shall think such action to be desirable for the proper execution by him of any of the powers described in this section, and for the keeping of needed records thereof;

3.13 **Access to Safe Deposit Box.** To have access to any safe deposit box rented by PRINCIPAL, or by PRINCIPAL with others or by any entity controlled by the PRINCIPAL by virtue of his status as a Trustee, Partner, Manager, Member or Officer, (including authority to have it drilled), to remove the contents therefrom, and to terminate the lease of the box;

4. **CONFIRMATION OF AUTHORITY.** PRINCIPAL grants to ATTORNEY-IN-FACT full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as PRINCIPAL might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that said ATTORNEY-IN-FACT shall lawfully do or cause to be done by virtue of this power of attorney and the rights herein granted.

5. **GENERAL POWER OF ATTORNEY.** This instrument is to be construed and interpreted as a general power of attorney. The enumeration of specific powers herein is not intended to, nor does it, limit or restrict, and is not to be construed or interpreted as limiting or restricting, the general powers herein granted to said ATTORNEY-IN-FACT.

6. **PRINCIPAL'S BEST INTEREST.** The ATTORNEY-IN-FACT shall use the PRINCIPAL'S property and assets and the property and assets of any entity subject to the control of the PRINCIPAL only in the PRINCIPAL'S or entity(ies) best interest and shall not use the PRINCIPAL'S or entity(ies) property and assets for the benefit of the ATTORNEY-IN-FACT, except as expressly authorized herein.

7. **RIGHT TO TERMINATE POWERS.** PRINCIPAL reserves the right at any time, except during the incompetency of the PRINCIPAL, to terminate all rights, powers, and authority under this Power of Attorney by giving notice in writing to such ATTORNEY-IN-FACT that the power is terminated. Such rights, powers, and authority shall remain in full force and effect until PRINCIPAL gives such notice that such power is terminated.

8. **RELIANCE BY THIRD PARTIES.** Every bank or other financial institution, insurance company, transfer agent, issuer, obligor, safe deposit box company, title insurance company, or other person, firm, or corporation to which this power of attorney or a photocopy hereof is presented is authorized to receive, honor, and give effect to all inquiring as to the circumstances of their issuance or the disposition of the property delivered pursuant thereto. All acts done hereunder by ATTORNEY-IN-FACT after revocation of this power of attorney or after death of PRINCIPAL shall be valid and enforceable in favor of anyone who relies on this power of attorney and has not received prior actual written notice of the revocation or death. All acts done by ATTORNEY-IN-FACT pursuant to this power shall be binding upon me and my heirs, devisees, and personal representatives.

9. **LIMITATIONS.** Any authority granted to ATTORNEY-IN-FACT shall be limited so as to prevent this power of attorney (1) from causing ATTORNEY-IN-FACT to be taxed on the income of the PRINCIPAL, (2) from causing PRINCIPAL'S estate to be subject to a general power of appointment (as that term is defined in Section 2041 of the Internal Revenue Code of 1986, as amended) by ATTORNEY-IN-FACT, and (3) from causing the ATTORNEY-IN-FACT to have any incidents of ownership (within the meaning of Section 2042 of the Internal Revenue Code of 1986, as amended) with regard to any life insurance policies owned by PRINCIPAL on the life of ATTORNEY-IN-FACT.

10. **GOVERNMENT LAW.** All questions concerning the meaning, intent, validity, and effectiveness of this instrument or any of its terms and all questions concerning any performance hereunder shall be judged and resolved in accordance with the laws of the State of Arizona. However, this Section 10 shall not preclude this instrument from being effective in any other jurisdiction that recognizes durable general powers of attorney.

11. **NOTICE TO ATTORNEY-IN-FACT.** Under A.R.S. §14-5506, an ATTORNEY-IN-FACT cannot receive any benefits from the PRINCIPAL unless those benefits are specifically identified in detail within this Durable General Power of Attorney or within a written contract. Otherwise, the ATTORNEY-IN-FACT could be subject to criminal prosecution or subject to the penalty provisions under A.R.S. §46-456, which authorizes the loss of the ATTORNEY-IN-FACT's right to inherit from the PRINCIPAL, as well as payment of treble damages and attorney's fees. The ATTORNEY-IN-FACT should carefully review these statutes and consult with a knowledgeable attorney concerning the powers granted to the ATTORNEY-IN-FACT under this Durable General Power of Attorney prior to exercising the authority granted by this Durable General Power of Attorney. The ATTORNEY-IN-FACT may utilize the PRINCIPAL's funds to pay the cost of such consultation.


12. **Legal Services.** Nothing set forth herein, at law and/or in equity, shall disqualify, restrict or impair the law firm of Myers & Jenkins, P.C. and the ATTORNEY-IN-FACT from continuing to provide services as legal counsel to PRINCIPAL and any entities subject to the control of PRINCIPAL and from receiving compensation for such services in accordance with any written agreement or the customary fees and costs being charged by Myers & Jenkins, P.C. as of the execution date of this Agreement.

13. WARNING TO PERSONS EXECUTING THIS GENERAL POWER OF ATTORNEY.

This is an important legal document. It creates a durable power of attorney. Before executing this document, you should know these important facts:

1. This document may provide the person you designate as your Attorney-in-Fact with broad powers to dispose, sell, convey, and encumber your real and personal property.
2. These powers will exist for an indefinite period of time unless you limit their duration in this document. These powers will continue to exist notwithstanding your subsequent disability or incapacity.
3. You have the right to revoke or terminate this durable power of attorney at any time by (a) recording a revocation in the public office designated for that purpose on this General Power of Attorney and (b) directly notifying your Attorney-in-Fact and anyone who may be dealing with your Attorney-in-Fact with respect to your property or other matters.

[The following initials of PRINCIPAL and Witness signify the consent and approval of the foregoing Sections 12 & 13]


INITIALS OF
PRINCIPAL


INITIALS OF
WITNESS

EXECUTION AND ATTESTATION BY PRINCIPAL:

I, ARNOLD SMITH, A/K/A ARNOLD A. SMITH, the PRINCIPAL, sign my name to this Power of Attorney this 6th day of January, 2005, and being first duly sworn, do declare to the undersigned authority that I sign and execute this instrument as my Power of Attorney and that I sign it willingly, or willingly direct another to sign for me, that I execute it as my free and voluntary act for the purposes expressed in the Power of Attorney and that I am eighteen years of age or older, of sound mind and under no constraint or undue influence.


ARNOLD SMITH, A/K/A ARNOLD A. SMITH

EXECUTION AND ATTESTATION BY WITNESS:

I, JUDY OGDEN, the witness, sign my name to the foregoing Power of Attorney, being first duly sworn and do declare to the undersigned authority that the PRINCIPAL signs and executes this instrument as his Power of Attorney and that he signs it willingly, or willingly directs another to sign for him, and that I, in the presence and hearing of the PRINCIPAL, sign this Power of Attorney as witness to the PRINCIPAL's signing and that to the best of my knowledge the PRINCIPAL is eighteen years of age or older, of sound mind and under no constraint or undue influence.

Judy Ogden
SIGNATURE OF WITNESS

JUDY OGDEN
TYPED OR PRINTED NAME

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED, before me by ARNOLD SMITH, A/K/A ARNOLD A. SMITH, the PRINCIPAL, and SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by JUDY OGDEN, the Witness, this 6th day of January, 2005.

Peggy J. Ladwig
Notary Public

My Commission Expires:

8-4-2008

