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

Department of the Treasury
Internal Revenue Service

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

2009

For calendar year **2009**, or tax year beginning , 2009, and ending , 20

G Check all that apply: Initial return Initial return of a former public charity Final return
 Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of foundation Dharma Cloud Charitable Foundation Trust		A Employer identification number 03 - 0348679
	Number and street (or P O box number if mail is not delivered to street address)	Room/suite	B Telephone number (see page 10 of the instructions) 707 - 937-3001
	City or town, state, and ZIP code Mendocino, CA 95460		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶ \$ 82,593		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ <i>(Part I, column (d) must be on cash basis.)</i>	
		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	

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 page 11 of 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)
Schedule 1					
Revenue	1 Contributions, gifts, grants, etc., received (attach schedule)	1,904			
	2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	291	291	291	
	4 Dividends and interest from securities	2,271	2,271	2,271	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	4,724			
	b Gross sales price for all assets on line 6a 149,958				
	7 Capital gain net income (from Part IV, line 2)		4,724		
	8 Net short-term capital gain			4,724	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule) Schedule 2	8				
12 Total. Add lines 1 through 11	9,198	7,286	7,286		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0	0	0	0
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule) Schedule 3				
	b Accounting fees (attach schedule) Schedule 3	400			
	c Other professional fees (attach schedule) Schedule 3				
	17 Interest Schedule 4				
	18 Taxes (attach schedule) (see page 14 of the instructions)	98			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) Schedule 5	409			
	24 Total operating and administrative expenses. Add lines 13 through 23	907	0	0	0
	25 Contributions, gifts, grants paid Schedule	5,619			5,619
26 Total expenses and disbursements. Add lines 24 and 25	6,526	0	0	5,619	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	2,671				
b Net investment income (if negative, enter -0-)		7,286			
c Adjusted net income (if negative, enter -0-)			7,286		

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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		19		
	2	Savings and temporary cash investments		895	4,942	4,942
	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 16 of the instructions) . Schedule				
	7	Other notes and loans receivable (attach schedule) ▶ Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges Schedule				
	10a	Investments—U.S. and state government obligations (attach schedule) Schedule				
	b	Investments—corporate stock (attach schedule) Schedule			61,253	77,651
	c	Investments—corporate bonds (attach schedule) Schedule			62,611	
	11	Investments—land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶				
	12	Investments—mortgage loans Schedule				
	13	Investments—other (attach schedule) Schedule				
	14	Land, buildings, and equipment: basis ▶ Less: accumulated depreciation (attach schedule) ▶				
15	Other assets (describe ▶ Schedule Rounding)					
16	Total assets (to be completed by all filers—see the instructions. Also, see page 1, item I)			63,524	66,195	82,593
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue Schedule				
	20	Loans from officers, directors, trustees, and other disqualified persons Schedule				
	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		63,524	66,195	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here ▶ <input 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					
30	Total net assets or fund balances (see page 17 of the instructions)			63,524	66,195	
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)			63,524	66,195	

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	63,524
2	Enter amount from Part I, line 27a	2	2,671
3	Other increases not included in line 2 (itemize) ▶ Schedule	3	
4	Add lines 1, 2, and 3	4	66,195
5	Decreases not included in line 2 (itemize) ▶ Schedule	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	66,195

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 See Attachment				
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) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(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		
a				
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8			3	4,724

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))
2008	16,656	106,836	15.59%
2007	7,843	105,579	7.43%
2006	21,918	94,907	23.09%
2005	11,558	101,425	11.40%
2004	37,203	40,819	91.14%

2 Total of line 1, column (d)	148.65%
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	29.73%
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	66,424
5 Multiply line 4 by line 3	19,748
6 Enter 1% of net investment income (1% of Part I, line 27b)	73
7 Add lines 5 and 6	19,821
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.	5,619

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 or determination letter: _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	146
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	
3	Add lines 1 and 2	3	146
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	5	146
6	Credits/Payments:		
a	2009 estimated tax payments and 2008 overpayment credited to 2009	6a	
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	0
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	146
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0
11	Enter the amount of line 10 to be: Credited to 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a		✓
1b		✓
1c		✓
2		✓
3		✓
4a		✓
4b		N/A
5		✓
6	✓	
7	✓	
8a		
8b	✓	
9	✓	
10		✓

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)	Schedule	11		✓
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?		12	N/A	
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ <u>www.dharmacloud.com</u>		13	✓	
14	The books are in care of ▶ <u>Vincent Taylor</u> Telephone no. ▶ <u>707 937-300</u> Located at ▶ <u>43151 Little Lake Road, Mendocino, CA</u> ZIP+4 ▶ <u>95,460</u>				
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041—Check here. ▶ <input type="checkbox"/> 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 checked="" type="checkbox"/> Yes <input 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 ▶ <input type="checkbox"/>	1b	✓
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 2009?	1c	✓
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 2009, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2009? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ 20____, 20____, 20____, 20____ N/A		
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.)	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 2009 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 2009.)	3b	N/A
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	✓
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 2009?	4b	✓

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)? **5b** N/A
 Organizations relying on a current notice regarding disaster assistance check here

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No N/A
 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 "Yes" to 6b, file Form 8870.

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? **7b** N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see 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
Vincent D. Taylor 43151 Little Lake Road, Mendocino, CA	Trustee, 1hr/wk	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		0	0	0

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		0
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 See Attached: "Notes, Explanations, and Schedules"	2,583
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 24 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 None	0
2	
All other program-related investments See page 24 of the instructions.	
3 None	0
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	65,918
b	Average of monthly cash balances	1b	1,518
c	Fair market value of all other assets (see page 24 of the instructions)	1c	
d	Total (add lines 1a, b, and c)	1d	67,436
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	67,436
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	1,012
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	66,424
6	Minimum investment return. Enter 5% of line 5	6	3,321

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	N/A
2a	Tax on investment income for 2009 from Part VI, line 5	2a	N/A
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	N/A
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	N/A
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	N/A
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	N/A

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	5,619
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	5,619
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	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	5,619

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 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only				
b Total for prior years: 20 <u>20</u> , 20 <u>20</u> , 20 <u> </u>				
3 Excess distributions carryover, if any, to 2009:				
a From 2004				
b From 2005				
c From 2006				
d From 2007				
e From 2008				
f Total of lines 3a through e				
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ <u> </u>				
a Applied to 2008, 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 2009 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2009 (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				
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 2008. Subtract line 4a from line 2a. Taxable amount—see page 27 of the instructions				
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				
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 2004 not applied on line 5 or line 7 (see page 27 of the instructions)				
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a				
10 Analysis of line 9:				
a Excess from 2005				
b Excess from 2006				
c Excess from 2007				
d Excess from 2008				
e Excess from 2009				

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9)

- 1a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling **March 18, 1997**
- b** Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	3,321	4,347	5,279	2,102	15,049
b 85% of line 2a	2,823	3,695	4,487	1,787	12,792
c Qualifying distributions from Part XII, line 4 for each year listed	5,619	16,656	7,843	21,918	52,035
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	5,619	16,656	7,843	21,918	52,035
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	2,214	3,562	3,520	3,163	12,459
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 foundation had \$5,000 or more in assets at any time during the year—see page 28 of the 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).)

Vincent D. Taylor, Trustee

- 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.

- 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 page 28 of the 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:

NA - See Attached "Notes"N

- 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	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
Name and address (home or business)				
<p>a <i>Paid during the year</i> NA - See Attached "Notes"</p>				0
Total ▶				3a
<p>b <i>Approved for future payment</i> NA</p>				0
Total ▶				3b

Dharma Cloud Charitable Foundation Trust
Notes, Explanations, and Schedules for 990-PF: for 2009

Part I

Line 1

Donations: \$1904

Line 6

See attached schedule: Dharma Cloud Capital Gains

Line 11

See Schedule 2 Portion of Dividends that was Return of Capital -- \$8.40

Line 16

See Schedule 3

Line 18

See Schedule 4

Line 23

See Schedule 5

Line 25

All distributions of Dharma Cloud Foundation were "qualifying distributions made directly for active conduct of exempt activities for which the foundation is organized and operated."

Part II

Line 10b

See the attached listing of securities: "Dharma Cloud Foundation Portfolio"

Part III

Part 4 – Capital Gains and Losses

See Attachment: "Dharma Cloud Foundation Capital Gains"

VII-B

1a(4): Reimbursed Vincent Taylor for travel and phone expenses incurred in carrying out the direct activities of the foundation and for purchases from personal funds of supplies and services for the foundation.

Vincent Taylor was paid \$400 in 2009 for keeping the books and preparing Foundation Tax returns for 2008. This is less than would be paid for similar services from a tax accountant.

Part IX-A

Dharma Cloud carried on the following charitable program in 2007

Description	Expense
<p>1. Jackson State Forest Project: Continuation of a project on Jackson State Demonstration Forest, a California State Forest located in Mendocino County. A part of the project was education of the general public, state officials, and state legislators on the potential benefits of restoring this public forest to old growth for recreation, habitat, education and research</p> <p>Primary activities and expenses were associated with membership of Vince Taylor, Trustee and Program Director, on the Jackson Advisory Group (JAG). The JAG was appointed to make recommendations for a long-term management plan for Jackson State Forest.</p> <p>This project supports the purpose of assisting in protecting natural environments and facilitating public access to nature. The studies potentially benefit the population of California and all others who might make use of Jackson Forest in the future.</p>	\$ 4,195
<p>2. Badminton Club – Support the community badminton club through soliciting donations from players and paying facility rents badminton supplies</p> <p>This project supports the purpose of assisting improving the quality of life on the Mendocino Coast. Fifty regular and potential badminton players are benefitted..</p>	\$ 1424
<p>Total Program Expenditures (total does not equal sum of parts because of rounding)</p>	\$5,619

Part XV

Line 2 – Supplementary information

The Foundation does not make charitable contributions to pre-selected organizations or solicit or accept applications for funds. All distributions of the foundation in 2003 were "qualifying distributions made directly for active conduct of exempt activities for which the organization is organized and operated."

Line 3 – Grants and Contributions

All expenditures of the Foundation were made directly for active conduct of exempt activities. No grants to individuals or other organizations were made. See Part IX-A above for details of program expenditures.

Dharma Capital Gains Report - EIN 03-0348679 - Last year
1/1/2009 through 12/31/2009

11/12/2010

Page

Account	Security	Shares	Bought	Sold	Gross Proceeds	Cost Basis	Realized Gain/Loss
SHORT TERM							
Dharma B . .	Vanguard Long-Term Investm	244 798	12/8/2008	1/29/2009	1,980 01	1,937 24	42 77
Dharma B .	Vanguard Long-Term Investm..	7,628 571	12/8/2008	3/10/2009	58,949 18	60,381 93	-1,432 75
Dharma B .	Vanguard Long-Term Investm...	2 994	12/9/2008	3/10/2009	23 14	23 70	-0 56
Dharma B .	Vanguard Long-Term Investm.	35 444	12/31/2008	3/10/2009	273 89	280 55	-6 66
Dharma B...	Vanguard Long-Term Investm	42 744	2/2/2009	3/10/2009	330 30	338 33	-8 03
Dharma B	Vanguard Long-Term Investm.	39 121	3/2/2009	3/10/2009	302 30	309 65	-7 35
Dharma B	WOODWARD GOVERNOR C...	425 000	4/24/2009	6/16/2009	8,485 67	7,999 99	485 68
Dharma B	COMPANHIA VALE DO RIO ...	350 000	6/12/2009	6/16/2009	6,580 45	7,013 49	-433 04
Dharma B .	ISHARES TR FTSE XINHU	291 000	5/5/2009	6/26/2009	11,137 93	9,982 56	1,155 37
Dharma B...	MICROSOFT CORP COM	150 000	6/19/2009	8/4/2009	3,526 97	3,639 50	-112 53
Dharma B	MICROSOFT CORP COM	150 000	6/19/2009	8/10/2009	3,498 67	3,639 50	-140 83
Dharma B	Mattson Technology	1,650 000	7/2/2009	10/6/2009	4,213 90	1,933 80	2,280 10
Dharma B	CREDIT SUISSE HIGH YLD B...	3,000 000	8/4/2009	10/6/2009	8,094 80	7,479 99	614 81
Dharma B .	CREDIT SUISSE HIGH YLD B	3,000 000	8/10/2009	10/6/2009	8,094 80	8,199 99	-105 19
Dharma B	BLACKROCK HIGH INCO	600 000	8/4/2009	10/6/2009	5,959 85	5,539 43	420 42
Dharma B .	PACHOLDER HIGH YIELD FD	1,000 000	8/13/2009	11/2/2009	6,919 83	6,179 99	739 84
Dharma B	WESTERN ASSET EMRG MK	475 000	6/12/2009	11/2/2009	7,779 85	7,049 49	730 36
Dharma B .	AMTECH SYS INC COM PAR	700 000	8/5/2009	11/9/2009	3,776 91	3,953 00	-176 09
Dharma B...	BLACKROCK HIGH INCO	200 000	8/4/2009	11/16/2009	2,006 62	1,846 48	160 14
Dharma B	BLACKROCK HIGH INCO	400 000	8/10/2009	11/16/2009	4,013 23	3,752 96	260 27
Dharma B...	BLACKROCK HIGH INCO	400 000	8/10/2009	11/17/2009	4,009 90	3,752 96	256 94
TOTAL SHORT TERM						145,234.53	4,723.67
OVERALL TOTAL						145,234.53	4,723.67

EIN 03 0348679

Dharma Portfolio Value Report 2009 - As of 12/31/2009
As of 12/31/2009

11/11/2010

Page

Security	Shares	Quote/Price	est	Cost Basis	Gain/Loss	Balance
AMTECH SYS INC COM PAR	700 000	11.070		3,952 99	3,796 01	7,749 00
CANADIAN SOLAR INC COM	340 000	28.820		7,466 19	2,332 61	9,798 80
CURRENCYSHARES AUSTR .	170 000	90 070		15,814 89	-502 99	15,311 90
INTEST CORP COM	4,000 000	1.730		3,779 98	3,140 02	6,920.00
Mattson Technology	3,450 000	3 570		4,148 17	8,168 33	12,316 50
SPDR GOLD TRUST GOLD S ..	100 000	107 310		10,920 99	-189 99	10,731.00
Vanguard GNMA Fund Investo ..	1,396 519	10 640		15,169 82	-310 86	14,858.96
-Cash-				4,347 17	0 00	4,347.17
TOTAL Investments				65,600.20	16,433.13	82,033.33

Attachments to IRS Form 990-PF
Dharma Cloud Charitable Foundation Trust
03-0348679
Tax Year 2009

Schedule 1: Part I, Line 1 - Contributions, Gifts, Grants, etc. Received

Description	Amount
1 Donations	1,903.50
Total	1,904

Schedule 2: Part I, Line 11 - Other Income

Description	From Part XVI-A			Total to Part I, Line 11
	Unrelated Business Income (Column (b))	Excluded by Section 512, 513, or 514 (Column (d))	Related or exempt function Income (Column (e))	
1 Program Service Revenue (total of lines 1a through 1g)	0	0	0	0
2 Membership dues and assessments	0	0	0	0
7 Other investment income	0	0	0	0
9 Gross revenue from special events	0	0	0	0
11 Total Other Revenue (listed separately on line 11):				
a Return of Capital	8	0	0	8
b	0	0	0	0
c	0	0	0	0
d	0	0	0	0
e	0	0	0	0
Total line 11	8	0	0	8
Total	8	0	0	8

Schedule 3: Part I, Line 16a - Legal Fees

Type of service	Amount
Total	0

Schedule 3: Part I, Line 16b - Accounting Fees

Type of service	Amount
1 Tax Accounting - Vincent Taylor	400
Total	400

Schedule 3: Part I, Line 16c - Other Professional Fees

Type of service	Amount
Total	0

Attachments to IRS Form 990-PF
Dharma Cloud Charitable Foundation Trust
03-0348679
Tax Year 2009

Schedule 4: Part I, Line 18 - Taxes

Type of tax	Amount
1 State Tax & Registration Fee	85
2 Foreign Tax	13
Total	98

Schedule 0: Part I, Line 19 - Depreciation and Depletion

Description	Date Acquired	Cost or Other Basis	Depreciation Allowable in Prior Years	Depreciation Method	Rate (%)	Depreciation This Year
Total		0	0			0
Less: Depreciation included in cost of goods sold and not on line 19						
Total						0

Schedule 5: Part I, Line 23 - Other Expenses

Description	Amount
1 Communication Expenses (phone, internet, etc)	273
2 Internet Domains	47
3 Postage	12
4 Publications	47
6 Bank Charge	24
7 Investment Expense	6
10 Amortization from schedule below	