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

2009

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

For calendar year 2009, or tax year beginning

, 2009, and ending

 Final return

G Check all that apply

 Initial return Initial Return of a former public charity Amended return Address change Name changeUse the
IRS label
Otherwise,
print
or type.KATHERINE BAXTER MEMORIAL FOUNDATION
970 CANTERBURY PLACE
ESCONDIDO, CA 92025

A Employer identification number

33-0522589

B Telephone number (see the instructions)

760-747-3200

C If exemption application is pending, check here ► D 1 Foreign organizations, check here ► 2 Foreign organizations meeting the 85% test, check
here and attach computation ► E If private foundation status was terminated
under section 507(b)(1)(A), check here ► F If the foundation is in a 60-month termination
under section 507(b)(1)(B), check here ► H Check type of organization: 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, column (c), line 16) J Accounting method. Cash Accrual
 Other (specify) _____

► \$ 367,121. (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 neces-
sarily equal the amounts in column (a)
(see 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 (att sch)			
	2 Ck ► <input checked="" type="checkbox"/> if the foundn is not req to att Sch B			
	3 Interest on savings and temporary cash investments	6,012.	6,012.	6,012.
	4 Dividends and interest from securities	7,018.	7,018.	7,018.
	5a Gross rents			
	b Net rental income or (loss)			
	6a Net gain/(loss) from sale of assets not on line 10.			
	b Gross sales price for all assets on line 6a..			
	7 Capital gain net income (from Part IV, line 2)			
	8 Net short-term capital gain			
	9 Income modifications			
ADMIN.	10a Gross sales less returns and allowances			
	b Less Cost of goods sold			
	c Gross profit/(loss) (att sch)			
	11 Other income (attach schedule)			
	See Statement 1	2,469.	2,469.	2,469.
	12 Total. Add lines 1 through 11	15,499.	15,499.	15,499.
	13 Compensation of officers, directors, trustees, etc	3,000.		
	14 Other employee salaries and wages			
	15 Pension plans, employee benefits			
	16a Legal fees (attach schedule)			
	b Accounting fees (attach sch) See St 2	1,125.		
OPERATING EXPENSES	c Other prof fees (attach sch)			
	17 Interest			
	18 Taxes (attach schedule) See Stm 3	387.		
	19 Depreciation (attach sch) and depletion.			
	20 Occupancy			
	21 Travel, conferences, and meetings			
	22 Printing and publications			
	23 Other expenses (attach schedule) See Statement 4	313.		
	24 Total operating and administrative expenses. Add lines 13 through 23	4,825.		
	25 Contributions, gifts, grants paid Part XV	42,040.		42,040.
	26 Total expenses and disbursements. Add lines 24 and 25	46,865.	0.	0. 42,040.
	27 Subtract line 26 from line 12: a Excess of revenue over expenses and disbursements	-31,366.		
	b Net investment income (if negative, enter -0)		15,499.	
	c Adjusted net income (if negative, enter -0)			15,499.

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
ASSETS	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments		98,647.	47,276.
	3 Accounts receivable			
	Less: allowance for doubtful accounts			
	4 Pledges receivable			
	Less: allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less: allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U S and state government obligations (attach schedule)			
	b Investments – corporate stock (attach schedule) Statement 5	210,069.	230,074.	185,580.
	c Investments – corporate bonds (attach schedule) Statement 6	90,005.	90,005.	89,702.
	11 Investments – land, buildings, and equipment: basis			
Less: accumulated depreciation (attach schedule)				
12 Investments – mortgage loans				
13 Investments – other (attach schedule) Statement 7	41,967.	41,967.	42,563.	
14 Land, buildings, and equipment basis				
Less: accumulated depreciation (attach schedule)				
15 Other assets (describe ►)				
16 Total assets (to be completed by all filers – see instructions. Also, see page 1, item I)	440,688.	409,322.	367,121.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ►)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
NET ASSETS	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.		<input type="checkbox"/>	
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.		<input checked="" type="checkbox"/>	
	27 Capital stock, trust principal, or current funds		440,688.	409,322.
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	440,688.	409,322.	
	31 Total liabilities and net assets/fund balances (see the instructions)	440,688.	409,322.	

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	440,688.
2 Enter amount from Part I, line 27a	2	-31,366.
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	409,322.
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	409,322.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)			(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a. N/A					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))		
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss). If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7			2		
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see the instructions). If (loss), enter -0- in Part I, line 8			3		

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

N/A

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008			
2007			
2006			
2005			
2004			

2 Total of line 1, column (d)

2

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

4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5

4

5 Multiply line 4 by line 3

5

6 Enter 1% of net investment income (1% of Part I, line 27b)

6

7 Add lines 5 and 6

7

8 Enter qualifying distributions from Part XII, line 4

8

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

Part VI | Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see the instructions)1 a Exempt operating foundations described in section 4940(d)(2), check here ► and enter 'N/A' on line 1.

Date of ruling or determination letter: _____ (attach copy of letter if necessary - see instr.)

b Domestic foundations that meet the section 4940(e) requirements in Part V,

check here ► and enter 1% of Part I, line 27b

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1)-trusts-and-taxable-foundations-only. Others enter -0-)

5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-

6 Credits/Payments

a 2009 estimated tax pmts and 2008 overpayment credited to 2009

b Exempt foreign organizations – tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

6a

6b

6c

6d

7 Total credits and payments Add lines 6a through 6d

8 Enter any **penalty** for underpayment of estimated tax. Check here if Form 2220 is attached

9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be Credited to 2010 estimated tax ►

Refunded

1 310.

2 0.

3 310.

4 0.

5 310.

7 0.

8

9 310.

10

11

Part VII-A | Statements Regarding Activities

1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

1a X

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)?

1b X

If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities

1c X

c Did the foundation file **Form 1120-POL** for this year?

d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year:

(1) On the foundation ► \$ 0. (2) On foundation managers ► \$ 0.

e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ 0.

2 Has the foundation engaged in any activities that have not previously been reported to the IRS?

2 X

If 'Yes,' attach a detailed description of the activities.

3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If 'Yes,' attach a conformed copy of the changes

3 X

4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

4a X

b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?

4b N/A

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

5 X

If 'Yes,' attach the statement required by General Instruction T.

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

6 X

• 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?

7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

7 X

8 a Enter the states to which the foundation reports or with which it is registered (see the instructions)

8b X

► N/A

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

9 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 2009 or the taxable year beginning in 2009 (see instructions for Part XIV)? If 'Yes,' complete Part XIV

10 X

10 Did any persons become substantial contributors during the tax year? If 'Yes,' attach a schedule listing their names and addresses

Part VII-A | Statements Regarding Activities *Continued*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11	X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12	X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X
	Website address ► N/A		
14	The books are in care of ► RANDOLPH ORTLIEB	Telephone no. ► 760-747-3200	
	Located at ► 970 CANTERBURY AVE, ESCONDIDO, CALIF	ZIP + 4 ► 92025	
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	N/A ► 15	N/A

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)?	1b	N/A
	Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>		
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	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 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__		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement — see the instructions.)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 20__, 20__, 20__, 20__		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If 'Yes,' did it have excess business holdings in 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	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 2009?	4b	X

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Part VII-B | Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

 Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

 Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

 Yes No

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

 Yes No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

 Yes No**b** If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

5b N/A

Organizations relying on a current notice regarding disaster assistance check here ► **c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?N/A Yes No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)

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

6b X

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 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
RANDOLPH ORTLIEB 355 W. GRAND AVENUE, #2 ESCONDIDO, CA 92025	TRUSTEE 1.00	1,000.	0.	0.
PATRICIA P. ORTLIEB 1150 ANCHORAGE LANE, # 404 SAN DIEGO, CA 92106	TRUSTEE 1.00	1,000.	0.	0.
FREDERICK M. ORTLIEB 5649 LA JOLLA HERMOSA DRIVE LA JOLLA, CA 92037	TRUSTEE 1.00	1,000.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1— see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None				

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

0

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

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services

0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

Expenses

1	N/A	
2		
3		
4		

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Amount

1	N/A	
2		
All other program-related investments See instructions.		
3		
Total. Add lines 1 through 3		► 0

All other program-related investments See instructions.

3

Total. Add lines 1 through 3

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:

a Average monthly fair market value of securities

b Average of monthly cash balances

c Fair market value of all other assets (see instructions)

d **Total** (add lines 1a, b, and c)

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

3 Subtract line 2 from line 1d

4 Cash deemed held for charitable activities Enter 1-1/2% of line 3
(for greater amount, see instructions)

5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4

6 Minimum investment return. Enter 5% of line 5

1a	273, 670.
1b	62, 741.
1c	
1d	336, 411.
2	0.
3	336, 411.
4	5, 046.
5	331, 365.
6	16, 568.

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

1 Minimum investment return from Part X, line 6

1 16, 568.

2a Tax on investment income for 2009 from Part VI, line 5

2a 310.

2b

2c 310.

3 16, 258.

4

5 16, 258.

6

7 16, 258.

7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes
a Expenses, contributions, gifts, etc – total from Part I, column (d), line 26

1a 42, 040.

1b

2

3a

3b

4 42, 040.

5

6 42, 040.

b Program-related investments – total from Part IX-B

2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes

3 Amounts set aside for specific charitable projects that satisfy the

a Suitability test (prior IRS approval required)

b Cash distribution test (attach the required schedule)

4 Qualifying distributions Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4

5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income.
Enter 1% of Part I, line 27b (see instructions)

6 Adjusted qualifying distributions. Subtract line 5 from line 4

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				16,258.
2 Undistributed income, if any, as of the end of 2009:				0.
a Enter amount for 2008 only				0.
b Total for prior years: 20____, 20____, 20____				0.
3 Excess distributions carryover, if any, to 2009:				
a From 2004	7,295.			
b From 2005	17,544.			
c From 2006	53,344.			
d From 2007	35,726.			
e From 2008	32,899.			
f Total of lines 3a through e	146,808.			
4 Qualifying distributions for 2009 from Part XII, line 4. ► \$ 42,040.				0.
a Applied to 2008, but not more than line 2a				0.
b Applied to undistributed income of prior years (Election required – see instructions)				0.
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2009 distributable amount				16,258.
e Remaining amount distributed out of corpus	25,782.			0.
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	172,590.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	7,295.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	165,295.			
10 Analysis of line 9:				
a Excess from 2005	17,544.			
b Excess from 2006	53,344.			
c Excess from 2007	35,726.			
d Excess from 2008	32,899.			
e Excess from 2009	25,782.			

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

N/A

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

1 Information Regarding Foundation Managers:

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

None

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

None

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	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)				
<i>a Paid during the year</i>				
See Statement 8				
Total				► 3a 42,040.
<i>b Approved for future payment</i>				
Total				► 3b

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion 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	6,012.	
4	Dividends and interest from securities			1	7,018.	
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			1	2,469.	
8	Gain or (loss) from sales of assets other than inventory					
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue					
a						
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)				15,499.	

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

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

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

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

	Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a Transfers from the reporting foundation to a noncharitable exempt organization of:		
(1) Cash	1 a (1)	X
(2) Other assets	1 a (2)	X
b Other transactions.		
(1) Sales of assets to a noncharitable exempt organization	1 b (1)	X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)	X
(3) Rental of facilities, equipment, or other assets	1 b (3)	X
(4) Reimbursement arrangements	1 b (4)	X
(5) Loans or loan guarantees	1 b (5)	X
(6) Performance of services or membership or fundraising solicitations	1 b (6)	X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c	X

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

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If 'Yes,' complete the following schedule

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

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

Signature of officer or trustee		Date	Trustee	
			Title	
Paid Pre- parer's Use Only	Preparer's signature	JAMES R. LAMB, JR.	Date	Preparer's Identifying number (See Signature in the instrs)
	Lamb & Meyer APC 1761 Hotel Circle S., Suite 100 San Diego, CA 92108-3318		4-26-10	Check if self- employed <input type="checkbox"/> N/A
		EIN	N/A	
		Phone no	(619) 295-0255	

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Statement 1
Form 990-PF, Part I, Line 11
Other Income

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
Other Investment Income	\$ 2,469.	\$ 2,469.	\$ 2,469.
Total	\$ 2,469.	\$ 2,469.	\$ 2,469.

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
TAX RETURN PREPARATION	\$ 1,125.	\$ 0.	\$ 0.	\$ 0.
Total	\$ 1,125.	\$ 0.	\$ 0.	\$ 0.

Statement 3
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
FTB	\$ 10.	\$ 0.	\$ 0.	\$ 0.
US TREASURY	\$ 377.	\$ 0.	\$ 0.	\$ 0.
Total	\$ 387.	\$ 0.	\$ 0.	\$ 0.

Statement 4
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ADMINISTRATIVE	\$ 313.	\$ 0.	\$ 0.	\$ 0.
Total	\$ 313.	\$ 0.	\$ 0.	\$ 0.

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Statement 5
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

<u>Corporate Stocks</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
EMC STOCK - 910 SHS	Cost	\$ 1,188.	\$ 15,989.
BANKAMERICA STOCK-NEW 340 SHS	Cost	5,012.	5,120.
CISCO SYS STOCK - 700 SHS	Cost	3,012.	16,758.
HEALTHSOUTH CORP STOCK- 120 SHS	Cost	9,324.	2,252.
XL CAPITAL LTD CLASS A - 266 SHS	Cost	9,939.	4,876.
PFIZER INC - 690 SHS	Cost	29,965.	12,551.
EXXON MOBILE - 175 SHS	Cost	7,861.	11,933.
BOSTON PROPERTIES, INC - 140 SHS	Cost	5,711.	9,390.
WEINGARTEN RLTY - 250 SHS	Cost	6,861.	4,948.
REALTY INCOME CORP - 560 SHS	Cost	9,524.	14,510.
AMEREN CORP - 720 SHS	Cost	32,183.	20,124.
CITIGROUP INC - 373 SHS	Cost	20,571.	1,235.
CONSOLIDATED EDISON - 600 SHS	Cost	28,288.	27,258.
SUNSTONE HOTEL INV INC - 710 SHS	Cost	19,779.	6,900.
WALGREEN CO NEW - 449 SHS	Cost	20,428.	16,487.
WELLS FARGO & CO NEW - 565 SHS	Cost	20,428.	15,249.
	Total	\$ 230,074.	\$ 185,580.

Statement 6
Form 990-PF, Part II, Line 10c
Investments - Corporate Bonds

<u>Corporate Bonds</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
ML NOTE PROGRAM	Cost	\$ 50,000.	\$ 50,268.
GENERAL ELEC CAP CORP	Cost	40,005.	39,434.
	Total	\$ 90,005.	\$ 89,702.

Statement 7
Form 990-PF, Part II, Line 13
Investments - Other

<u>Other Publicly Traded Securities</u>	<u>Valuation Method</u>	<u>Book Value</u>	<u>Fair Market Value</u>
PLAINS ALL AMERICAN LP - 300 UTS	Cost	\$ 11,129.	\$ 15,855.
MARTIN MIDSTREAM PARTNERS - 460 UTS	Cost	15,773.	14,481.
J HANDCOCK PREF INC FUND - 715 SHS	Cost	15,065.	12,227.
	Total	\$ 41,967.	\$ 42,563.

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Statement 8
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
ST. GERMAINE AUXILIARY P.O. BOX 2141 LA JOLLA, CA 92038	NONE	EXEMPT	DONATION	\$ 2,500.
POMONA COLLEGE 333 N. COLLEGE WAY CLAREMONT, CA 91711	NONE	EXEMPT	DONATION	15,000.
GREEN OAK RANCH 1237 GREEN OAK ROAD VISTA, CA 92083	NONE	EXEMPT	DONATION	3,500.
SDYC JUNIOR SAILING 1101 ANCHORAGE LANE SAN DIEGO, CA 92106	NONE	EXEMPT	DONATION	1,000.
PALOMAR FAMILY YMCA 1050 N. BROADWAY ESCONDIDO, CA 92026	NONE	EXEMPT	DONATION	9,300.
SAN DIEGO MUSEUM OF ART 1450 EL PRADO SAN DIEGO, CA 92101	NONE	EXEMPT	DONATION	3,000.
ROSWELL HIGH SCHOOL BAND 11695 NORTHGATE TRAIL ROSWELL, GA 30075	NONE	EXEMPT	DONATION	500.
SPHSMBA 243 S. ESCONDIDO BLVD, SUITE 713 ESCONDIDO, CA 92025	NONE	EXEMPT	DONATION	500.
CENTER STAGE PRODUCTIONS PO BOX 1316 ESCONDIDO, CA 92033	NONE	EXEMPT	DONATION	1,550.
YOUNG LIFE 1591 BIRCH BRIAR LANE ESCONDIDO, CA 92027	NONE	EXEMPT	DONATION	300.
AMERICAN STROKE ASSOCIATION 20 SPEEN ST. FRAMINGHAM, MA 01701	NONE	EXEMPT	DONATION	3,500.
BIRD ROCK PARENTS' COMMITTEE 5371 LA JOLLA HERMOSA AVE LA JOLLA, CA 92037	NONE	EXEMPT	DONATION	500.

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Statement 8 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Found- ation Status	Purpose of Grant	Amount
BOY SCOUTS OF AMERICA 1207 UPAS ST SAN DIEGO, CA 92103	NONE	EXEMPT	DONATION	\$ 190.
KPBS SAN DIEGO STATE UNIVERSITY 5200 CAMPANILE DR SAN DIEGO, CA 92182	NONE	EXEMPT	DONATION	500.
SANTA CLARA UNIVERSITY 500 EL CAMINO REAL SAN FRANCISCO, CA 95053	NONE	EXEMPT	DONATION	200.
Total				\$ 42,040.

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Other Income Producing Activities
Interest on savings & cash investments

CASH & BONDS	\$ 6,012.
Total	\$ <u>6,012.</u>

Other Income Producing Activities
Dividends/interest from securities.

DIVIDENDS ON SECURITIES	\$ 6,850.
MONEY FUND EARNINGS	168.
Total	\$ <u>7,018.</u>

Other Income Producing Activities
Other investment income [O]

OTHER INVESTMENT INCOME	\$ 2,469.
Total	\$ <u>2,469.</u>

Undistributed Income (990-PF)
Average monthly fair market value of securities [O]

CORPORATE STOCK	\$ 180,829.
CORPORATE BONDS	85,293.
MUTUAL FUNDS	7,548.
Total	\$ <u>273,670.</u>

Undistributed Income (990-PF)
Average of monthly cash balances [O]

CASH	\$ 35,658.
CERTIFICATES OF DEPOSITS	27,083.
Total	\$ <u>62,741.</u>

Balance Sheet
Savings and temporary cash investments

CASH	\$ 17,276.
CERTIFICATES OF DEPOSIT	30,000.
Total	\$ <u>47,276.</u>