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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

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.	CLOVERLANE FOUNDATION P.O. BOX 849 SANTA YNEZ, CA 93460	A Employer identification number 77-0324667 B Telephone number (see the instructions) (949) 240-3160 C If exemption application is pending, check here <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> 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"/>
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, column (c), line 16) ▶ \$ 555,644.	J Accounting method. <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)	

	Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)	(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)	32,500.			
	2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	12,531.	12,531.	12,531.	
	4 Dividends and interest from securities	4,683.	4,683.	4,683.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	56,734.			
	b Gross sales price for all assets on line 6a	330,714.			
	7 Capital gain net income (from Part IV, line 2)		56,734.		
	8 Net short-term/long-term capital gain			56,746.	
	9 Income modifications				
10a Gross sales less returns and allowances					
b Less cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule)					
	12 Total. Add lines 1 through 11	106,448.	73,948.	73,960.	
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 1	2,250.	2,250.		2,250.
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instr) SEE STM 2	653.	417.		638.
	19 Depreciation (attach sch) and depletion	173.			
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 3	69,398.	214.		68,625.
	24 Total operating and administrative expenses. Add lines 13 through 23	72,474.	2,881.		71,513.
	25 Contributions, gifts, grants paid PART XV	5,637.			5,637.
26 Total expenses and disbursements. Add lines 24 and 25	78,111.	2,881.		77,150.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	28,337.				
b Net investment income (if negative, enter 0)		71,067.			
c Adjusted net income (if negative, enter 0)			73,960.		

SCANNED MAY 13 2009 OPERATING AND ADMINISTRATIVE EXPENSES

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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		14,958.	14,521.	14,522.
	2	Savings and temporary cash investments		269,565.	23,634.	23,634.
	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) STATEMENT 4		24,948.	39,878.	40,816.
	b	Investments – corporate stock (attach schedule) STATEMENT 5		75,594.	387,637.	323,610.
	c	Investments – corporate bonds (attach schedule) STATEMENT 6		187,219.	155,124.	152,562.
	11	Investments – land, buildings, and equipment, basis				
	Less: accumulated depreciation (attach schedule)					
12	Investments – mortgage loans					
13	Investments – other (attach schedule)		20,000.			
14	Land, buildings, and equipment, basis	13,740.				
	Less: accumulated depreciation (attach schedule) SEE STMT 7	13,517.	396.	223.	500.	
15	Other assets (describe)					
16	Total assets (to be completed by all filers – see instructions. Also, see page 1, item l)		592,680.	621,017.	555,644.	
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe)				
	23	Total liabilities (add lines 17 through 22)		0.	0.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input 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				
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		592,680.	621,017.	
30	Total net assets or fund balances (see the instructions)		592,680.	621,017.		
31	Total liabilities and net assets/fund balances (see the instructions)		592,680.	621,017.		

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	592,680.
2	Enter amount from Part I, line 27a	2	28,337.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	621,017.
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	621,017.

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 SEE STATEMENT 8			
b			
c			
d			
e			

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

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss). [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2	56,734.
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	56,746.

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

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

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

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

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

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2008	87,815.	559,575.	0.156932
2007	67,894.	580,520.	0.116954
2006	64,331.	584,419.	0.110077
2005	49,326.	577,798.	0.085369
2004	52,948.	593,554.	0.089205
2 Total of line 1, column (d)			0.558537
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			0.111707
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5			505,587.
5 Multiply line 4 by line 3			56,478.
6 Enter 1% of net investment income (1% of Part I, line 27b)			711.
7 Add lines 5 and 6			57,189.
8 Enter qualifying distributions from Part XII, line 4			77,150.

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

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

1 a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	711.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	711.
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	711.
6	Credits/Payments		
a	2009 estimated tax pmts 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	711.
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 2010 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

Part VII-A Statements Regarding Activities

	Yes	No
1 a		X
b		X
If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		
c		X
d		
e		
2		X
3		X
4 a		X
4 b		N/A
5		X
6	X	
7	X	
8 a		
8 b	X	
9		X
10		X

Part VII-A Statements Regarding Activities Continued

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	13	X	
14	The books are in care of ▶ <u>ELAINE PRICE, CPA</u> Telephone no ▶ <u>949-240-3160</u> Located at ▶ <u>P.O. BOX 3930, DANA POINT, CA</u> ZIP + 4 ▶ <u>92629</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ 15		N/A	▶ <input type="checkbox"/> N/A

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	N/A
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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)?

Organizations relying on a current notice regarding disaster assistance check here

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If '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?

5b	N/A
6b	X
7b	N/A

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
DIANA MARSHALL CHASE P.O. BOX 849 SANTA YNEZ, CA 93460	PRESIDENT 0	0.	0.	0.
GERALD CHASE P.O. BOX 849 SANTA YNEZ, CA 93460	VICE PRESIDE 0	0.	0.	0.
ELAINE PRICE P.O. BOX 3930 DANA POINT, CA 92629	SECRETARY 0	0.	0.	0.

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

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

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

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

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

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

Total number of others receiving over \$50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 HOUSED AND CARED FOR UNWANTED ANIMALS	
2 SEE STATEMENT 9	
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.

BAA

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a Average monthly fair market value of securities	1a	499,675.
b Average of monthly cash balances	1b	13,611.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	513,286.
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	513,286.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	7,699.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	505,587.
6 Minimum investment return. Enter 5% of line 5	6	25,279.

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	25,279.
2a Tax on investment income for 2009 from Part VI, line 5	2a	711.
b Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	711.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	24,568.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	24,568.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	24,568.

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	77,150.
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	77,150.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	711.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	76,439.

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				24,568.
2 Undistributed income, if any, as of the end of 2009				
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	23,860.			
b From 2005	20,998.			
c From 2006	35,668.			
d From 2007	39,436.			
e From 2008	60,630.			
f Total of lines 3a through e	180,592.			
4 Qualifying distributions for 2009 from Part XII, line 4. ▶ \$ 77,150.				
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				24,568.
e Remaining amount distributed out of corpus	52,582.			
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	233,174.			
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)	23,860.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	209,314.			
10 Analysis of line 9.				
a Excess from 2005	20,998.			
b Excess from 2006	35,668.			
c Excess from 2007	39,436.			
d Excess from 2008	60,630.			
e Excess from 2009	52,582.			

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

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2009, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

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

Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	
b 85% of line 2a				
c Qualifying distributions from Part XII, line 4 for each year listed				
d Amounts included in line 2c not used directly for active conduct of exempt activities				
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c				
3 Complete 3a, b, or c for the alternative test relied upon.				
a 'Assets' alternative test — enter.				
(1) Value of all assets				
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed				
c 'Support' alternative test — enter.				
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)				
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)				
(3) Largest amount of support from an exempt organization				
(4) Gross investment income				

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

1 Information Regarding Foundation Managers:

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

GERALD CHASE

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE STATEMENT 10				
Total			▶ 3a	5,637.
b Approved for future payment				
Total			▶ 3b	

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, 990-EZ, or 990-PF**

OMB No 1545 0047

2009

Name of the organization

CLOVERLANE FOUNDATION

Employer identification number

77-0324667

Organization type (check one).

Filers of:

Form 990 or 990-EZ

Section:

- 501(c)(____) (enter number) organization
 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
 4947(a)(1) nonexempt charitable trust treated as a private foundation
 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**

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

General Rule –

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

Special Rules –

- For a section 501(c)(3) organization filing Form 990 or 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ, that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc, contributions of \$5,000 or more during the year. ▶ \$ _____

Caution: An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2 of their Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990, 990EZ, or 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2009)

Name of organization

Employer identification number

CLOVERLANE FOUNDATION

77-0324667

Part I Contributors (see instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	GERALD CHASE P.O. BOX 849 SANTA YNEZ, CA 93460	\$ 15,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	CLOVERLANE ASSOCIATES, INC. P.O. BOX 849 SANTA YNEZ, CA 93460	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	QUINCY ASSOCIATES INC 6170 W LAKE MEAD BLVD #509 LAS VEGAS, NV 89108	\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

CLOVERLANE FOUNDATION

77-0324667

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

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

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

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

CLOVERLANE FOUNDATION

77-0324667

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	\$ 2,250.	\$ 2,250.		\$ 2,250.
TOTAL	\$ 2,250.	\$ 2,250.	\$ 0.	\$ 2,250.

STATEMENT 2
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DMV FEES	\$ 221.			\$ 221.
FEDERAL TAXES	397.	\$ 397.		397.
FILING FEES	25.	10.		10.
STATE FEES	10.	10.		10.
TOTAL	\$ 653.	\$ 417.	\$ 0.	\$ 638.

STATEMENT 3
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ANIMAL CARE PROGRAM	\$ 65,778.			\$ 65,778.
BANK CHARGES	50.	\$ 50.		50.
INSURANCE	940.			940.
OFFICE	164.	164.		164.
SCHOLARSHIPS	1,560.			1,560.
TELEPHONE	133.			133.
TRUCK	773.			
TOTAL	\$ 69,398.	\$ 214.	\$ 0.	\$ 68,625.

STATEMENT 4
FORM 990-PF, PART II, LINE 10A
INVESTMENTS - U.S. AND STATE GOVERNMENT OBLIGATIONS

STATE/MUNICIPAL OBLIGATIONS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
BIRMINGHAM ALA WTR&SWR	MKT VAL	\$ 24,948.	\$ 25,067.
SAN DIEGO CO TXBL PENSION BDS	MKT VAL	\$ 14,930.	\$ 15,749.
		\$ 39,878.	\$ 40,816.
TOTAL		\$ 39,878.	\$ 40,816.

CLOVERLANE FOUNDATION

77-0324667

STATEMENT 5
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
FREDDIE MAC 8.375%	MKT VAL	\$ 50,766.	\$ 2,140.
FANNIE MAE 8.25% PFD	MKT VAL	24,828.	1,100.
KELLOGG CO	MKT VAL	51,911.	53,200.
INTEL CORP	MKT VAL	39,426.	40,800.
REPUBLIC SVCS INC	MKT VAL	56,698.	56,620.
WASTE MANAGEMENT INC	MKT VAL	67,466.	67,620.
DU PONT DE NEMOURS & CO	MKT VAL	62,699.	67,340.
AMERICAN ELECTRIC POWER CO	MKT VAL	33,843.	34,790.
	TOTAL	\$ 387,637.	\$ 323,610.

STATEMENT 6
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

CORPORATE BONDS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
BANK OF NEW YORK	MKT VAL	\$ 20,000.	\$ 19,387.
HOUSEHOLD FIN CORP INTERNOTES	MKT VAL	25,220.	25,914.
CREDIT SUISSE FB USA NOTES	MKT VAL	39,754.	43,135.
COUNTRYWIDE ALT LOAN TRUST	MKT VAL	20,150.	17,585.
GENERAL ELECTRIC CAPITAL CORP	MKT VAL	25,000.	23,542.
BANK AMER CORP SUB INTER NOTES	MKT VAL	25,000.	22,999.
	TOTAL	\$ 155,124.	\$ 152,562.

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

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
MACHINERY AND EQUIPMENT	\$ 13,740.	\$ 13,517.	\$ 223.	\$ 500.
TOTAL	\$ 13,740.	\$ 13,517.	\$ 223.	\$ 500.

STATEMENT 8
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
1	1000 CHEVRON INC	PURCHASED	5/28/2009	10/26/2009
2	1000 GENERAL MILLS	PURCHASED	5/28/2009	12/08/2009
3	1000 NORFOLK SOUTHERN CORP	PURCHASED	6/04/2009	11/20/2009
4	1000 NOVARTIS AG ADR	PURCHASED	11/20/2009	5/28/1926
5	1000 PROCTOR & GAMBLE CO	PURCHASED	6/16/2009	11/20/2009
6	25000 CREDIT SUISSE SERIES 2003-11	PURCHASED	5/15/2003	12/28/2009

CLOVERLANE FOUNDATION

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STATEMENT 8 (CONTINUED)
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I) - (J)	(L) GAIN (LOSS)
7	20000 GINNIE MAE SERIES 2003-18	PURCHASED	2/25/2003	5/20/2009	76,745.		65,601.	11,144.				\$ 11,144.
8	25000 GINNIE MAE SERIES 2003-2	PURCHASED	1/16/2003	6/22/2009	68,078.		51,192.	16,886.				16,886.
9	20000 M & I MARSHALL & ILSLEY BK	PURCHASED	5/20/2008	12/11/2009	50,174.		40,697.	9,477.				9,477.
4					52,826.		44,666.	8,160.				8,160.
5					61,835.		50,756.	11,079.				11,079.
6					314.		314.	0.				0.
7					394.		469.	-75.				-75.
8					348.		285.	63.				63.
9					20,000.		20,000.	0.				0.
											TOTAL	\$ 56,734.

STATEMENT 9
FORM 990-PF, PART IX-A, LINE 2
SUMMARY OF DIRECT CHARITABLE ACTIVITIES

DIRECT CHARITABLE ACTIVITIES

EXPENSES

SCHOLARSHIPS FOR ECONOMICALLY DISADVANTAGE STUDENTS TO ATTEND PRESCHOOL WHEREBY THEY ARE PREPARED TO ATTEND ELEMENTARY SCHOOL THROUGH INTERACTION WITH ADULTS AND OTHER CHILDREN. MOST OF THE RECIPIENTS USE SPANISH AS THEIR PRIMARY LANGUAGE AND EMPHASIS IS PLACED ON ASSIMILATING THEM TO THE ENGLISH LANGUAGE.

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

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND-ATION STATUS	PURPOSE OF GRANT	AMOUNT
VIVA P.O. BOX 896 LOMPOC, CA 93438		PUBLIC	ANIMAL CARE	\$ 650.
PEOPLE HELPING PEOPLE P.O. BOX 1478 SOLVANG, CA 93464		PUBLIC	FOOD BANK, FULFILL-A-WISH PROGRAM	200.
SOUTHERN POVERTY LAW CTR 400 WASHINGTON AVE MONTGOMERY, AL 36101		PUBLIC	GENERAL	100.

CLOVERLANE FOUNDATION

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STATEMENT 10 (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
DEFENDERS OF WILDLIFE 1101 14TH ST., N.W. STE.1400 WASHINGTON, DC 20005		PUBLIC	ANIMAL CARE	\$ 125.
WILD HORSE IN NEED PO BOX 824 SANTA YNEZ, CA 93464		PUBLIC	ANIMAL RESCUE	100.
YMCA 900 N REFUGIO ROAD SOLVANG, CA 93460		PUBLIC	CAMP FUND	1,860.
SY VALLEY HUMANE SOCIETY 111 COMMERCE DR., P.O. BOX 335 BUELLTON, CA 93427		PUBLIC	BUILDING FUND, ANIMAL CARE	475.
AMERICAN INSTITUTE FOR CANCER 1759 R STREET, NW WASHINGTON, DC	20009	PUBLIC	GENERAL	50.
NATL FDN OF CANCER RESEARCH 4600 EAST WEST HWY #525 BETHESDA, MD 20814		PUBLIC	MEDICAL RESEARCH	50.
DEL MONTE FOREST FOUNDATION 3101 FOREST LAKE RD STE 1 PEBBLE BEACH, CA 93953		PUBLIC	PRESERVATION OF WILD LIFE AND LAND	100.
MARCH OF DIMES 3699 WILSHIRE BLVD LOS ANGELES, CA 90010		PUBLIC	GENERAL	100.
BOYS SCOUT TROOP COUNCIL BUELLTON , CA 93427		PUBLIC	MILITARY SUPPORT	20.
KCET 4401 SUNSET BLVD LOS ANGELES, CA 90027		PUBLIC	GENERAL	100.
HACIENDA O'HOLLAND ANIMAL CARE FDN 838 BALLARD CANYON RD SOLVANG, CA 93434		PUBLIC	ANIMAL CARE	100.
CATALYST FOR CATS PO BOX 30331 SANTA BARBARA, CA 93130		PUBLIC	ANIMAL CARE	130.

CLOVERLANE FOUNDATION

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STATEMENT 10 (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
FOODBANK OF SANTA BARBARA 4554 HOLLISTER AVENUE SANTA BARBARA, CA 93110		PUBLIC	CARE FOR NEEDY	\$ 300.
SANTA BARBARA ANIMAL SERVICES PO BOX 6789 SANTA BARBARA, CA 93160		PUBLIC	ANIMAL CARE	200.
SYV THERAPEUTIC RIDING PROGRAM PO BOX 256 SOLVANG, CA 93464		PUBLIC	CARE OF NEEDY	500.
DOG ADOPTION & WELFARE GROUP PO BOX 92210 SANTA BARBARA, CA 93190		<i>Public</i>	<i>animal Care</i>	300.
KIDS FIRST DENTAL CARE 16 WINDBURN DRIVE BARBOURVILLE, KY 40906		<i>Public</i>	<i>child Health Program</i>	100.
NATIONAL WILDLIFE FOUNDATION		<i>Public</i>	<i>animal Care</i>	52.
RESCUE MISSION 535 E YANONALI ST SANTA BARBARA, CA 93103		<i>Public</i>	<i>general</i>	25.

TOTAL \$ 5,637.