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

2009

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 , 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.	Name of foundation THE ZAFFARONI FOUNDATION		A Employer identification number 94-6100109
	C/O GREENSTEIN, ROGOFF, OLSEN & CO, LLP		B Telephone number 510-797-8661
	Number and street (or P O box number if mail is not delivered to street address) 39159 PASEO PADRE PARKWAY	Room/suite 315	C If exemption application is pending, check here ☐
	City or town, state, and ZIP code FREMONT, CA 94538		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 4,389,300. (Part I, column (d) must be on cash basis.)			F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐
J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____			

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).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received				N/A	
2 Check ☒ if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		74,624.	62,296.		STATEMENT 1
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		-30,607.			
b Gross sales price for all assets on line 6a		532,772.			
7 Capital gain net income (from Part IV, line 2)			0.		
8 Net short-term capital gain					
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		2,389.	0.		STATEMENT 2
12 Total. Add lines 1 through 11		46,406.	62,296.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees STMT 3		310.	0.		0.
c Other professional fees STMT 4		65.	65.		0.
17 Interest					
18 Taxes STMT 5		19,256.	0.		0.
19 Depreciation and depletion		87.	0.		
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 6		162.	0.		0.
24 Total operating and administrative expenses. Add lines 13 through 23		19,880.	65.		0.
25 Contributions, gifts, grants paid		126,750.			126,750.
26 Total expenses and disbursements. Add lines 24 and 25		146,630.	65.		126,750.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		-100,224.			
b Net investment income (if negative, enter -0-)			62,231.		
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	13,796.	1,632,721.	1,632,721.
	2 Savings and temporary cash investments	1,747,176.	507,576.	507,576.
	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			
	7 Other notes and loans receivable ▶			
	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			
	b Investments - corporate stock STMT 7	2,666,512.	2,666,512.	2,091,764.
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment: basis ▶			
	Less: accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 8	636,242.	156,063.	156,522.
	14 Land, buildings, and equipment: basis ▶ 3,029.			
	Less: accumulated depreciation STMT 9 ▶ 3,029.	87.		
	15 Other assets (describe ▶ STATEMENT 10)	0.	717.	717.
	16 Total assets (to be completed by all filers)	5,063,813.	4,963,589.	4,389,300.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
Net Assets or Fund Balances	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	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 ▶ ☐			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	27 Capital stock, trust principal, or current funds	624,310.	624,310.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	4,439,503.	4,339,279.	
30 Total net assets or fund balances	5,063,813.	4,963,589.		
31 Total liabilities and net assets/fund balances	5,063,813.	4,963,589.		

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	5,063,813.
2 Enter amount from Part I, line 27a	2	-100,224.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	4,963,589.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	4,963,589.

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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			
b SEE ATTACHED STATEMENT			
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 532,772.		563,379.	-30,607.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			
b			
c			
d			
e			-30,607.

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	-30,607.
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). If (loss), enter -0- in Part I, line 8		3	N/A

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 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	1,219,180.	5,280,451.	.230886
2007	740,658.	5,538,569.	.133727
2006	231,500.	3,083,245.	.075083
2005	1,357,246.	2,137,201.	.635058
2004	2,054,651.	4,663,635.	.440569

2 Total of line 1, column (d)	2	1.515323
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	.303065
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	4,402,230.
5 Multiply line 4 by line 3	5	1,334,162.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	622.
7 Add lines 5 and 6	7	1,334,784.
8 Enter qualifying distributions from Part XII, line 4	8	126,750.

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.

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

1a 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 instructions)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☐ and enter 1% of Part I, line 27b		1	1,245.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	1,245.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	1,245.
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 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	2,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	2,000.	
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached	8	37.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	718.	
11 Enter the amount of line 10 to be: Credited to 2010 estimated tax ☐ 718. Refunded ☐	11	0.	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ☐ \$ 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? If "Yes," attach a detailed description of the activities.	2	X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3	X
4a 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	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.	5	X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X
7 Did the foundation have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	7	X
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ <u>CA</u>		
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	8b	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	9	X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X

N/A

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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 ► GREENSTEIN, ROGOFF, OLSEN & CO. Telephone no. ► 510-797-8661 Located at ► 39159 PASEO PADRE PARKWAY, SUITE 315, FREMONT, CA ZIP+4 ► 94538			
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

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? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ 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)? ☐ Yes ☒ 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.) ☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here N/A ☐	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	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? ☐ Yes ☒ No If "Yes," list the years ► _____ , _____ , _____		
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 instructions.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► _____ , _____ , _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ 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.) N/A	3b	
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)?

☐ 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)?

N/A

5b

Organizations relying on a current notice regarding disaster assistance check here

☒

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A

☐ Yes ☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

If "Yes" to 6b, file Form 8870.

6b

X

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

☐ Yes ☒ No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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
DR. ALEJANDRO C ZAFFARONI	DIRECTOR			
2600 EL CAMINO REAL, SUITE 401				
PALO ALTO, CA 94306	0.00	0.	0.	0.
LIDA ZAFFARONI	DIRECTOR			
2600 EL CAMINO REAL, SUITE 401				
PALO ALTO, CA 94306	0.00	0.	0.	0.
DR. ALEJANDRO A ZAFFARONI	DIRECTOR			
175 GEORGIA LANE				
PORTOLA VALLEY, CA 94028	0.00	0.	0.	0.
LEAH ZAFFARONI	DIRECTOR			
175 GEORGIA LANE				
PORTOLA VALLEY, CA 94028	0.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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

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

3 Five highest-paid independent contractors for professional services. 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 SPONSORING SCIENTIFIC RESEARCH	
	0.
2 SPONSORING EDUCATION	
	87,750.
3 SPONSORING THE ARTS	
	31,000.
4 SPONSORING ENVIRONMENTAL	
	8,000.

Part IX-B Summary of Program-Related Investments

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.

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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	1a	2,660,749.
b	Average of monthly cash balances	1b	1,808,520.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	4,469,269.
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	4,469,269.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	67,039.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	4,402,230.
6	Minimum investment return. Enter 5% of line 5	6	220,112.

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	220,112.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	1,245.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,245.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	218,867.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	218,867.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	218,867.

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	126,750.
b	Program-related investments - total from Part IX-B	1b	0.
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	126,750.
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	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	126,750.

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.

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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				218,867.
2 Undistributed income, if any, as of the end of 2009				
a Enter amount for 2008 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004	2,055,400.			
b From 2005	1,357,972.			
c From 2006	231,500.			
d From 2007	740,658.			
e From 2008	1,219,180.			
f Total of lines 3a through e	5,604,710.			
4 Qualifying distributions for 2009 from Part XII, line 4: ► \$	126,750.			
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) **	126,750.			
d Applied to 2009 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	218,867.			218,867.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	5,512,593.			
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 instr.			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)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7	1,836,533.			
9 Excess distributions carryover to 2010 Subtract lines 7 and 8 from line 6a	3,676,060.			
10 Analysis of line 9:				
a Excess from 2005	1,357,972.			
b Excess from 2006	231,500.			
c Excess from 2007	740,658.			
d Excess from 2008	1,219,180.			
e Excess from 2009	126,750.			

** SEE STATEMENT 11

Form **990-PF** (2009)

N/A

- ☐ 4942(j)(3) or ☐ 4942(j)(5)

- 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

2009.04020 THE ZAFFARONI FOUNDATION C/ 60510 1

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)				
a Paid during the year				
SEE STATEMENT 13				
Total			▶ 3a	126,750.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(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					
4 Dividends and interest from securities			14	74,624.	
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			14	2,389.	
8 Gain or (loss) from sales of assets other than inventory			18	-30,607.	
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)		0.		46,406.	0.
13 Total. Add line 12, columns (b), (d), and (e)				46,406.	46,406.

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

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

[illegible]

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 COUNTY OF LOS ANGELES CA PUB WKS FING - 85,000 UN		P	06/30/07	09/01/09
b CA INFRASTRUCTURE & ECON DEV BK REV - 200,000 UNI		P	06/18/07	12/22/09
c STERLING STAMOS SECURITY OFFSHORE FUND SPV - 271.		P	01/01/09	VARIOUS
d STERLING STAMOS SECURITY OFFSHORE FUND LTD - 242.		P	04/01/05	01/01/09
e CAPITAL GAINS DIVIDENDS				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

(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 85,000.		86,243.	-1,243.
b 200,000.		200,000.	0.
c 26,762.		27,136.	-374.
d 221,009.		250,000.	-28,991.
e 1.			1.
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(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			-1,243.
b			0.
c			-374.
d			-28,991.
e			1.
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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	-30,607.
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). If (loss), enter "-0-" in Part I, line 8 }	3	N/A

990-PF

916261
04-24-09 # - Current year section 179 (D) - Asset disposed

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
JP MORGAN	2,212.	0.	2,212.
JP MORGAN	12,328.	0.	12,328.
JP MORGAN	58,865.	0.	58,865.
JP MORGAN	825.	0.	825.
MERRILL LYNCH	271.	1.	270.
STERLING STAMOS	124.	0.	124.
TOTAL TO FM 990-PF, PART I, LN 4	74,625.	1.	74,624.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INCOME	2,389.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	2,389.	0.	

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	310.	0.		0.
TO FORM 990-PF, PG 1, LN 16B	310.	0.		0.

FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BROKER MANAGEMENT FEES	65.	65.		0.
TO FORM 990-PF, PG 1, LN 16C	65.	65.		0.

FORM 990-PF	TAXES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	18,972.	0.		0.
OTHER TAXES & FEES	284.	0.		0.
TO FORM 990-PF, PG 1, LN 18	19,256.	0.		0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS EXPENSE	162.	0.		0.
TO FORM 990-PF, PG 1, LN 23	162.	0.		0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
JOHNSON & JOHNSON STOCK	2,091,995.	1,964,505.
SYMYX TECHNOLOGIES	574,517.	127,259.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2,666,512.	2,091,764.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	8
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
STERLING STAMOS SECURITY OFFSHORE FUND	COST	56,063.	56,522.
JP MORGAN BONDS	COST	0.	0.
WILDCAT TECHNOLOGIES	COST	100,000.	100,000.
TOTAL TO FORM 990-PF, PART II, LINE 13		156,063.	156,522.

FORM 990-PF	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	9
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER	3,029.	3,029.	0.
TOTAL TO FM 990-PF, PART II, LN 14	3,029.	3,029.	0.

FORM 990-PF	OTHER ASSETS	STATEMENT	10
DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
PREPAID FEDERAL INCOME TAX	0.	717.	717.
TO FORM 990-PF, PART II, LINE 15	0.	717.	717.

FORM 990-PF

ELECTION UNDER REGULATIONS SECTION
53.4942(A)-3(D)(2) TO TREAT
EXCESS QUALIFYING DISTRIBUTIONS
AS DISTRIBUTIONS OUT OF CORPUS

STATEMENT 11

LINES 4C STATEMENT.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 12

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

DR. ALEJANDRO ZAFFARONI
2600 EL CAMINO REAL, SUITE 401
PALO ALTO, CA 94306

TELEPHONE NUMBER

FORM AND CONTENT OF APPLICATIONS

APPLICATIONS MAY BE WRITTEN OR EVEN ORAL . THE APPLICANT IS REQUIRED TO
PROVIDE DETAILED INFORMATION ABOUT THE PROJECT CONCERNED.

ANY SUBMISSION DEADLINES

NO

RESTRICTIONS AND LIMITATIONS ON AWARDS

NO

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 13

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
BOYS & GIRLS CLUB OF THE PENINSULA 401 PIERCE LOAD MENLO PARK, CA 94025	N/A EDUCATION	TAX-EXEMPT	50,000.
BREAST CANCER CONNECTIONS 390 CAMBRIDGE AVENUE PALO ALTO, CA 94306	N/A EDUCATION	TAX-EXEMPT	22,500.
PENINSULA OPEN SPACE 222 HIGH STREET PALO ALTO, CA 94301	N/A CONSERVATION	TAX-EXEMPT	5,000.
SAN FRANCISCO OPERA 301 VAN NESS AVENUE SAN FRANCISCO, CA 94102-4509	N/A THE ARTS	TAX-EXEMPT	15,000.
SAN FRANCISCO SYMPHONY 201 VAN NESS AVENUE SAN FRANCISCO, CA 94102	N/A THE ARTS	TAX-EXEMPT	15,000.
THAT MAN MAY SEE - FREDERICK C CORDES SOCIETY UCSF SCHOOL OF MEDICINE 10 KORET WAY K-301 SAN FRANCISCO, CA 94143-0730	N/A EDUCATION	TAX-EXEMPT	2,500.
INTERNATIONAL HOUSE AT UC BERKELEY - OFFICE OF DEVELOPMENT & ALUMNI RELATIONS 2299 PIEDMONT AVENUE BERKELEY, CA 94720-2320	N/A EDUCATION	TAX-EXEMPT	3,750.
AVENIDAS 450 BRYANT ST. PALO ALTO, CA 94301	N/A EDUCATION	TAX-EXEMPT	2,000.

STERN GROVE FESTIVAL N/A
44 PAGE STREET, SUITE 600 SAN THE ARTS
FRANCISCO, CA 94102

TAX-EXEMPT 1,000.

WOMEN'S CANCER PROGRAM-STANFORD N/A
UNIVERSITY - FRANCES C. EDUCATION
ARRILLAGA ALUMNI CENTER, 326
GALVEZ STREET STANFORD, CA
94305-6105

TAX-EXEMPT 2,000.

ACTERRA N/A
3921 EAST BAYSHORE ROAD PALO CONSERVATION
ALTO, CA 94303-4303

TAX-EXEMPT 3,000.

UC BERKELEY CHALLENGE FUND N/A
2080 ADDISON STREET, NO. 4200 EDUCATION
BERKELEY, CA 94720-4200

TAX-EXEMPT 5,000.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

126,750.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **X**

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed)		
Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization THE ZAFFARONI FOUNDATION C/O GREENSTEIN, ROGOFF, OLSEN & CO, LLP	Employer identification number 94-6100109
	Number, street, and room or suite no. If a P.O. box, see instructions. 39159 PASEO PADRE PARKWAY, NO. 315	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. FREMONT, CA 94538	

Check type of return to be filed (File a separate application for each return)

- ☐ Form 990 ☐ Form 990-EZ ☐ Form 990-T (sec. 401(a) or 408(a) trust) ☐ Form 1041-A ☐ Form 5227 ☐ Form 8870
☐ Form 990-BL ☒ Form 990-PF ☐ Form 990-T (trust other than above) ☐ Form 4720 ☐ Form 6069

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

GREENSTEIN, ROGOFF, OLSEN & CO.

- The books are in the care of **39159 PASEO PADRE PARKWAY, SUITE 315 - FREMONT, CA 94538**
 Telephone No. **510-797-8661** FAX No. _____

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2010.**

5 For calendar year **2009**, or other tax year beginning _____, and ending _____

6 If this tax year is for less than 12 months, check reason ☐ Initial return ☐ Final return ☐ Change in accounting period

7 State in detail why you need the extension

ADDITIONAL TIME IS NEEDED TO PREPARE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$	2,000.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b	\$	2,000.
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	8c	\$	0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature _____ Title _____ Date _____

Form **8868** (Rev. 4-2009)