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Form 990-PF

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

OMB No 1545-0052

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 01-01-2009 , and ending 12-31-2009

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
ARATANI FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)
23505 Crenshaw Blvd 230

Room/suite

City or town, state, and ZIP code
Torrance, CA 90505

A Employer identification number
95-4377347

B Telephone number (see page 10 of the instructions)
(310) 530-9900

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 foundation

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 24,308,304

J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _
(Part I, column (d) must be on cash basis.)

| Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))</small> | | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income | (d) Disbursements for charitable purposes (cash basis only) |
|---|--|------------------------------------|---------------------------|-------------------------|---|
| Revenue | 1 Contributions, gifts, grants, etc , received (attach schedule) | | | | |
| | 2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B | | | | |
| | 3 Interest on savings and temporary cash investments | | | | |
| | 4 Dividends and interest from securities. | 1,094,337 | 1,094,337 | | |
| | 5a Gross rents | | | | |
| | b Net rental income or (loss) _____ | | | | |
| | 6a Net gain or (loss) from sale of assets not on line 10 | 372,042 | | | |
| | b Gross sales price for all assets on line 6a _____ | | | | |
| | 7 Capital gain net income (from Part IV , line 2) | | 372,042 | | |
| | 8 Net short-term capital gain | | | | |
| | 9 Income modifications | | | | |
| | 10a Gross sales less returns and allowances | | | | |
| Operating and Administrative Expenses | b Less Cost of goods sold | | | | |
| | c Gross profit or (loss) (attach schedule) | | | | |
| | 11 Other income (attach schedule) | 4,053 | 4,053 | | |
| | 12 Total. Add lines 1 through 11 | 1,470,432 | 1,470,432 | | |
| | 13 Compensation of officers, directors, trustees, etc | 38,333 | 38,333 | | |
| | 14 Other employee salaries and wages | 30,000 | 30,000 | | |
| | 15 Pension plans, employee benefits | | | | |
| | 16a Legal fees (attach schedule) | | | | |
| | b Accounting fees (attach schedule) | 21,945 | 21,945 | | |
| | c Other professional fees (attach schedule) | 153,515 | 153,515 | | |
| | 17 Interest | 74,975 | 74,975 | | |
| | 18 Taxes (attach schedule) (see page 14 of the instructions) | 6,697 | 6,697 | | |
| | 19 Depreciation (attach schedule) and depletion . . . | 247 | 247 | | |
| | 20 Occupancy | 5,881 | 5,881 | | |
| | 21 Travel, conferences, and meetings | | | | |
| | 22 Printing and publications | | | | |
| | 23 Other expenses (attach schedule) | 204,167 | 204,167 | | |
| | 24 Total operating and administrative expenses. Add lines 13 through 23 | 535,760 | 535,760 | | 0 |
| | 25 Contributions, gifts, grants paid | 1,889,819 | | | 1,889,819 |
| | 26 Total expenses and disbursements. Add lines 24 and 25 | 2,425,579 | 535,760 | | 1,889,819 |
| | 27 Subtract line 26 from line 12 | | | | |
| | a Excess of revenue over expenses and disbursements | -955,147 | | | |
| | b Net investment income (if negative, enter -0-) | | 934,672 | | |
| | c Adjusted net income (if negative, enter -0-) | | | | |

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
















Cat No 11289X

Form 990-PF (2009)

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 | 1Cash—non-interest-bearing | 75,203 | 54,626 | 54,326 |
| | 2Savings and temporary cash investments | 3,801,792 | 6,446,408 | 6,446,408 |
| | 3Accounts receivable  _____ Less allowance for doubtful accounts  _____ | | | |
| | 4Pledges receivable  _____ Less allowance for doubtful accounts  _____ | | | |
| | 5Grants receivable | | | |
| | 6Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions) | | | |
| | 7Other notes and loans receivable (attach schedule)  _____ Less allowance for doubtful accounts  _____ | | | |
| | 8Inventories for sale or use | | | |
| | 9Prepaid expenses and deferred charges | 17,078 | 11,169 | 11,169 |
| | 10aInvestments—U S and state government obligations (attach schedule) | 9,579,425 | 8,087,902 | 8,350,513 |
| | bInvestments—corporate stock (attach schedule) | | 16,738 | 19,706 |
| | cInvestments—corporate bonds (attach schedule). | 8,911,682 | 8,880,652 | 9,329,766 |
| | 11Investments—land, buildings, and equipment basis  _____ Less accumulated depreciation (attach schedule)  _____ | | | |
| | 12Investments—mortgage loans | | | |
| | 13Investments—other (attach schedule) | 2,185,000 | 95,000 | 96,416 |
| | 14Land, buildings, and equipment basis  1,600 Less accumulated depreciation (attach schedule)  370 | 1,477  | 1,230 | |
| Liabilities | 15Other assets (describe  _____) | | | |
| | 16Total assets (to be completed by all filers—see the instructions Also, see page 1, item I) | 24,571,657 | 23,593,725 | 24,308,304 |
| | 17Accounts payable and accrued expenses | | | |
| | 18Grants payable | | | |
| | 19Deferred revenue | | | |
| | 20Loans from officers, directors, trustees, and other disqualified persons | | | |
| | 21Mortgages and other notes payable (attach schedule) | | | |
| Net Assets or Fund Balances | 22Other liabilities (describe  _____) | | | |
| | 23Total liabilities (add lines 17 through 22) | | 0 | |
| | Foundations that follow SFAS 117, check here  <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31. | | | |
| | 24Unrestricted | | | |
| | 25Temporarily restricted | | | |
| | 26Permanently restricted | | | |
| | Foundations that do not follow SFAS 117, check here  <input checked="" type="checkbox"/> and complete lines 27 through 31. | | | |
| | 27Capital stock, trust principal, or current funds | | | |
| | 28Paid-in or capital surplus, or land, bldg , and equipment fund | | | |
| | 29Retained earnings, accumulated income, endowment, or other funds | 24,571,657 | 23,593,725 | |
| | 30Total net assets or fund balances (see page 17 of the instructions) | 24,571,657 | 23,593,725 | |
| | 31Total liabilities and net assets/fund balances (see page 17 of the instructions) | 24,571,657 | 23,593,725 | |

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 | 24,571,657 |
| 2 | Enter amount from Part I, line 27a | 2 | -955,147 |
| 3 | Other increases not included in line 2 (itemize)  _____ | 3 | |
| 4 | Add lines 1, 2, and 3 | 4 | 23,616,510 |
| 5 | Decreases not included in line 2 (itemize)  _____  | 5 | 22,785 |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 | 6 | 23,593,725 |

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 | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| (e) Gross sales price | (f) Depreciation allowed (or allowable) | (g) Cost or other basis plus expense of sale | (h) Gain or (loss) (e) plus (f) minus (g) | |
| a | | | | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |
| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69 | | | (i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h)) | |
| (i) F M V as of 12/31/69 | (j) Adjusted basis as of 12/31/69 | (k) Excess of col (i) over col (j), if any | | |
| a | | | | |
| b | | | | |
| c | | | | |
| d | | | | |
| e | | | | |
| 2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 } | | | 2 | 372,042 |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8 } | | | 3 | |

Part V

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No
If “Yes,” the foundation does not qualify under section 4940(e) Do not complete this part

| | | | |
|--|--|--|---|
| 1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries | | | |
| (a) Base period years Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio (col (b) divided by col (c)) |
| 2008 | 2,852,096 | 26,308,433 | 0 10841 |
| 2007 | 2,340,423 | 28,403,376 | 0 08240 |
| 2006 | 2,167,665 | 29,759,532 | 0 07284 |
| 2005 | 1,864,476 | 29,560,045 | 0 06307 |
| 2004 | 1,369,982 | 30,836,653 | 0 04443 |
| 2 Total of line 1, column (d). | | | 2 0 37115 |
| 3 Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years | | | 3 0 07423 |
| 4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5. | | | 4 24,290,367 |
| 5 Multiply line 4 by line 3. | | | 5 1,803,074 |
| 6 Enter 1% of net investment income (1% of Part I, line 27b). | | | 6 9,347 |
| 7 Add lines 5 and 6. | | | 7 1,812,421 |
| 8 Enter qualifying distributions from Part XII, line 4. | | | 8 1,889,819 |
| If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18 | | | |

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

| | | | | | |
|----|--|--|-------|----------|--------|
| 1a | | Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 | | | |
| | | Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions) | | | |
| b | | Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b | | 1 | 9,347 |
| c | | All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b) | | | |
| 2 | | Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | | 2 | |
| 3 | | Add lines 1 and 2. | | 3 | 9,347 |
| 4 | | Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | | 4 | |
| 5 | | Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0- | | 5 | 9,347 |
| 6 | | Credits/Payments | | | |
| a | | 2009 estimated tax payments and 2008 overpayment credited to 2009 | 6a | 11,169 | |
| b | | Exempt foreign organizations—tax withheld at source | 6b | | |
| c | | Tax paid with application for extension of time to file (Form 8868) | 6c | 1,331 | |
| d | | Backup withholding erroneously withheld | 6d | | |
| 7 | | Total credits and payments Add lines 6a through 6d. | | 7 | 12,500 |
| 8 | | Enter any penalty for underpayment of estimated tax Check here <input checked="" 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 | |
| 10 | | Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid. | | 10 | 3,153 |
| 11 | | Enter the amount of line 10 to be Credited to 2010 estimated tax | 3,153 | Refunded | 11 |

Part VII-AStatements Regarding Activities

| | | | | |
|----|---|----|-----|----|
| 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? | | Yes | No |
| | | 1a | | No |
| b | Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? | | | No |
| | 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 | Did the foundation file Form 1120-POL for this year?. | 1c | | No |
| d | Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation \$ _____ (2) On foundation managers \$ _____ | | | |
| e | Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$ _____ | | | |
| 2 | Has the foundation engaged in any activities that have not previously been reported to the IRS? | 2 | | No |
| | 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 | | No |
| 4a | Did the foundation have unrelated business gross income of \$1,000 or more during the year?. | 4a | | No |
| b | If "Yes," has it filed a tax return on Form 990-T for this year?. | 4b | | No |
| 5 | Was there a liquidation, termination, dissolution, or substantial contraction during the year? | 5 | | No |
| | 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 | | | |
| | • 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 | Yes | |
| 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 | Yes | |
| 8a | Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) CA _____ | | | |
| 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 | Yes | |
| 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 on page 27)? If "Yes," complete Part XIV | 9 | | No |
| 10 | Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses | 10 | | No |

Part VII-A

Statements Regarding Activities (continued)

| | | | | |
|----|---|----|-----|----|
| 11 | At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions). | 11 | | No |
| 12 | Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008? | 12 | | No |
| 13 | Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A | 13 | Yes | |
| 14 | The books are in care of GEORGE T ARATANI Telephone no (310) 530-9900 Located at 23505 Crenshaw Blvd 230 TORRANCE CA ZIP+4 90505 | | | |
| 15 | Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here and enter the amount of tax-exempt interest received or accrued during the year. | | | |
| | | 15 | | |

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

| | | | | |
|---|---|----|-----|----|
| File Form 4720 if any item is checked in the "Yes" column, unless an exception applies. | | | Yes | No |
| 1a | During the year did the foundation (either directly or indirectly) (1) Engage in the sale or exchange, or leasing of property with a disqualified person? 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. | 1b | | No |
| 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 | | No |
| 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?. 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 page 20 of the instructions). | 2b | | No |
| 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?. 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.). | 3b | | No |
| 4a | Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | 4a | | No |
| 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 | | No |

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))? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| | (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| | (3) Provide a grant to an individual for travel, study, or other similar purposes? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| | (4) Provide a grant to an organization other than a charitable, etc , organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions). | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> 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? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| b | If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. | 5b | | No |
| 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? <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i> | | | |
| | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| 6a | Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? | | | |
| | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| b | Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <i>If "Yes" to 6b, file Form 8870.</i> | 6b | | No |
| 7a | At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? | | | |
| | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | | |
| b | If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? | 7b | | No |

Part VIII

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

| | | | | |
|---|---|---|---|---------------------------------------|
| 1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions). | | | | |
| (a) Name and address | (b) Title, and average hours per week devoted to position | (c) Compensation (If not paid, enter -0-) | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
| See Additional Data Table | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| 2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE." | | | | |
| (a) Name and address of each employee paid more than \$50,000 | (b) Title, and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
| NONE | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total number of other employees paid over \$50,000. | | | | |

Part VIII

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

| | | |
|---|---------------------|------------------|
| 3 Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE". | | |
| (a) Name and address of each person paid more than \$50,000 | (b) Type of service | (c) Compensation |
| NONE | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total number of others receiving over \$50,000 for professional services. | | |

Part IX-A

Summary of Direct Charitable Activities

| | |
|--|----------|
| List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc. | Expenses |
| 1 | |
| | |
| | |
| 2 | |
| | |
| | |
| 3 | |
| | |
| | |
| 4 | |
| | |
| | |

Part IX-B

Summary of Program-Related Investments (see page 23 of the instructions)

| | |
|--|--------|
| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2 | Amount |
| 1 | |
| | |
| | |
| 2 | |
| | |
| | |
| All other program-related investments. See page 24 of the instructions. | |
| 3 | |
| | |
| | |
| Total. Add lines 1 through 3. | |

Part X

Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

| | | | |
|---|--|----|------------|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes | | |
| a | Average monthly fair market value of securities. | 1a | 20,175,103 |
| b | Average of monthly cash balances. | 1b | 4,472,584 |
| c | Fair market value of all other assets (see page 24 of the instructions). | 1c | 12,584 |
| d | Total (add lines 1a, b, and c). | 1d | 24,660,271 |
| 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 | |
| 3 | Subtract line 2 from line 1d. | 3 | 24,660,271 |
| 4 | Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions). | 4 | 369,904 |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4 | 5 | 24,290,367 |
| 6 | Minimum investment return. Enter 5% of line 5. | 6 | 1,214,518 |

Part XI

Distributable Amount (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☒ and do not complete this part.)

| | | | |
|----|---|----|-----------|
| 1 | Minimum investment return from Part X, line 6. | 1 | 1,214,518 |
| 2a | Tax on investment income for 2009 from Part VI, line 5. | 2a | 9,347 |
| b | Income tax for 2009 (This does not include the tax from Part VI). | 2b | |
| c | Add lines 2a and 2b. | 2c | 9,347 |
| 3 | Distributable amount before adjustments Subtract line 2c from line 1. | 3 | 1,205,171 |
| 4 | Recoveries of amounts treated as qualifying distributions. | 4 | |
| 5 | Add lines 3 and 4. | 5 | 1,205,171 |
| 6 | Deduction from distributable amount (see page 25 of the instructions). | 6 | |
| 7 | Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1. | 7 | 1,205,171 |

Part XII

Qualifying Distributions (see page 25 of the instructions)

| | | | |
|--|---|----|-----------|
| 1 | Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes | | |
| a | Expenses, contributions, gifts, etc —total from Part I, column (d), line 26. | 1a | 1,889,819 |
| 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 | 1,889,819 |
| 5 | Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions). | 5 | 9,347 |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4. | 6 | 1,880,472 |
| Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years | | | |

Part XIII

Undistributed Income (see page 26 of the instructions)

| | | | | |
|----|---|----------------------------|-------------|-------------|
| | (a) Corpus | (b) Years prior to 2008 | (c) 2008 | (d) 2009 |
| 1 | Distributable amount for 2009 from Part XI, line 7 | | | |
| 2 | Undistributed income, if any, as of the end of 2008 | | | |
| a | Enter amount for 2008 only. | | | |
| b | Total for prior years 20____, 20____, 20____ | | | |
| 3 | Excess distributions carryover, if any, to 2009 | | | |
| a | From 2004. | | | |
| b | From 2005. | | | |
| c | From 2006. | | | |
| d | From 2007.572,323 | | | |
| e | From 2008.1,548,492 | | | |
| f | Total of lines 3a through e.2,120,815 | | | |
| 4 | Qualifying distributions for 2009 from Part XII, line 4 ▶ \$ 1,889,819 | | | |
| a | Applied to 2008, but not more than line 2a | | | |
| b | Applied to undistributed income of prior years (Election required—see page 26 of the instructions) | | | |
| c | Treated as distributions out of corpus (Election required—see page 26 of the instructions).0 | | | |
| d | Applied to 2009 distributable amount.1,205,171 | | | |
| e | Remaining amount distributed out of corpus 684,648 | | | |
| 5 | Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a).) | | | |
| 6 | Enter the net total of each column as indicated below: | | | |
| a | Corpus Add lines 3f, 4c, and 4e Subtract line 5 2,805,463 | | | |
| b | Prior years' undistributed income Subtract line 4b from line 2b. | | | |
| c | Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed. | | | |
| d | Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions | | | |
| e | Undistributed income for 2008 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions | | | |
| f | Undistributed income for 2009 Subtract lines 4d and 5 from line 1 This amount must be distributed in 20100 | | | |
| 7 | Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions). | | | |
| 8 | Excess distributions carryover from 2004 not applied on line 5 or line 7 (see page 27 of the instructions). | | | |
| 9 | Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a2,805,463 | | | |
| 10 | Analysis of line 9 | | | |
| a | Excess from 2005. | | | |
| b | Excess from 2006. | | | |
| c | Excess from 2007.572,323 | | | |
| d | Excess from 2008.1,548,492 | | | |
| e | Excess from 2009.684,648 | | | |

Part XIV

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

1a

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

b

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

☐ 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 | (d) 2006 | |
| | | | | | | |
| 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 page 27 of the instructions.)

1

Information Regarding Foundation Managers:

a

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

See Additional Data Table

b

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

2

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

Check here ☐ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see page 28 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a

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

ARATANI FOUNDATION
23505 Crenshaw Blvd 230
Torrance, CA 90505
(310) 530-9900

b

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

APPLICATION OUTLINE IS AVAILABLE

c

Any submission deadlines

N/A

d



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

N/A

Form 990-PF (2009)

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 <i>Paid during the year</i> SEE DONATIONS LIST ATTACHED SEE DONATIONS LIST ATTACHED SEE DONATIONS LIST, CA 90505 | NONE | | SEE FEDERAL SUPPLEMENTAL INFORMATION | 1,889,819 |
| Total | | |  3a | 1,889,819 |
| b <i>Approved for future payment</i> | | | | |
| Total | | |  3b | |

| Enter gross amounts unless otherwise indicated | | Unrelated business income | | Excluded by section 512, 513, or 514 | | (e) Related or exempt function income (See page 28 of the instructions) |
|--|--|---------------------------|---------------|--------------------------------------|---------------|--|
| | | (a) Business code | (b) Amount | (c) Exclusion code | (d) Amount | |
| 1 Program service revenue | | | | | | |
| a _____ | | | | | | |
| b _____ | | | | | | |
| c _____ | | | | | | |
| d _____ | | | | | | |
| e _____ | | | | | | |
| f _____ | | | | | | |
| g Fees and contracts from government agencies | | | | | | |
| 2 Membership dues and assessments. | | | | | | |
| 3 Interest on savings and temporary cash investments | | | | | | |
| 4 Dividends and interest from securities. | | | | | | 1,094,337 |
| 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. | | | | | | 4,053 |
| 8 Gain or (loss) from sales of assets other than inventory | | | | | | 372,042 |
| 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). . . | | | | | | 1,470,432 |
| 13 Total. Add line 12, columns (b), (d), and (e). 13 | | | | | | 1,470,432 |

[illegible]

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

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

[illegible]

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

| b If "Yes," complete the following schedule | | |
|---|--------------------------|---------------------------------|
| (a) Name of organization | (b) Type of organization | (c) Description of relationship |
| | | |
| | | |
| | | |
| | | |

| | | | | | |
|---|---|--|------------|--|---|
| <div style="writing-mode: vertical-rl; transform: rotate(180deg);"> Sign Here Paid Preparer's Use Only </div> | 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 | | | | |
| | ***** | | 2010-11-08 | ***** | |
| | Signature of officer or trustee | | Date | Title | |
| | Preparer's Signature | Royce T Breazeale | Date | Check if self-employed <input checked="" type="checkbox"/> | Preparer's identifying number (see Signature on page 30 of the instructions) |
| | Firm's name (or yours if self-employed), address, and ZIP code | Royce T Breazeale CPA 2426 Bulrush Circle Corona, CA 928827988 | EIN | Phone no (951) 256-1017 | |

Additional Data

Software ID: 09000047
Software Version:
EIN: 95-4377347
Name: ARATANI FOUNDATION

Form 990PF Part VIII Line 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 |
|---|---|---|---|---------------------------------------|
| TETSUO MURATA | Vice President 0 00 | 15,000 | | |
| 17515 ROSLIN TORRANCE, CA 90504 | | | | |
| LINDA Y ARATANI | Treasurer 0 00 | 3,333 | | |
| 2946 LAKERIDGE DRIVE HOLLYWOOD, CA 90068 | | | | |
| DONNA N KWEE | ASST SECY 0 00 | 0 | | |
| 2946 LAKERIDGE DRIVE HOLLYWOOD, CA 90068 | | | | |
| SAKAYE I ARATANI | SECRETARY 0 00 | 10,000 | | |
| 2946 LAKERIDGE DRIVE HOLLYWOOD, CA 90068 | | | | |
| GEORGE T ARATANI | PRESIDENT 0 00 | 10,000 | | |
| 2946 LAKERIDGE DRIVE HOLLYWOOD, CA 90068 | | | | |

Form 990PF Part XV Line 1a - 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).

| |
|------------------|
| SAKAYE I ARATANI |
| GEORGE T ARATANI |

TY 2009 Accounting Fees Schedule

Name: ARATANI FOUNDATION

EIN: 95-4377347

Software ID: 09000047

Software Version: 2009v1.3

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|----------|--------|--------------------------|------------------------|---|
| | 21,945 | 21,945 | 0 | 0 |

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2009 Depreciation Schedule

Name: ARATANI FOUNDATION

EIN: 95-4377347

Software ID: 09000047

Software Version: 2009v1.3

| Description of Property | Date Acquired | Cost or Other Basis | Prior Years' Depreciation | Computation Method | Rate / Life (# of years) | Current Year's Depreciation Expense | Net Investment Income | Adjusted Net Income | Cost of Goods Sold Not Included |
|-------------------------|---------------|---------------------|---------------------------|--------------------|--------------------------|-------------------------------------|-----------------------|---------------------|---------------------------------|
| SHREDDER | 2008-04-01 | 319 | 32 | 54 | 20 00 % | 64 | | | |
| 2 FILING CABINETS | 2008-04-01 | 1,281 | 91 | 58 | 14 29 % | 183 | | | |

TY 2009 General Explanation Attachment

Name: ARATANI FOUNDATION

EIN: 95-4377347

Software ID: 09000047

Software Version: 2009v1.3

| Identifier | Return Reference | Explanation |
|------------|------------------|---|
| | | FORM 990-PF, PART XV, LINE 3A PURPOSE OF CONTRIBUTION APPLICABLE TO ALL ORGSTHE FOUNDATION CONTRIBUTION TO PUBLIC CHARITIES, YOUTH, RELIGIOUS,MEDICAL,CULTURAL AND COMMUNITY ORGANIZATIONS HAS BEENMADE TO ASSIST THE ORGANIZATION IN CARRYING OUT ITS INTENDED PURPOSE |

TY 2009 Land, Etc. Schedule

Name: ARATANI FOUNDATION

EIN: 95-4377347

Software ID: 09000047

Software Version: 2009v1.3

| Category / Item | Cost / Other Basis | Accumulated Depreciation | Book Value | End of Year Fair Market Value |
|------------------------|--------------------|--------------------------|------------|-------------------------------|
| Furniture and Fixtures | 1,600 | 370 | 1,230 | |

TY 2009 Other Decreases Schedule

Name: ARATANI FOUNDATION

EIN: 95-4377347

Software ID: 09000047

Software Version: 2009v1.3

| Description | Amount |
|-------------------------|--------|
| NON DEDUCTIBLE EXPENSES | 16,876 |
| 2008 FEDERAL TAXES | 5,909 |

TY 2009 Other Expenses Schedule**Name:** ARATANI FOUNDATION**EIN:** 95-4377347**Software ID:** 09000047**Software Version:** 2009v1.3

| Description | Revenue and Expenses per Books | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|--------------------------------------|-----------------------------------|--------------------------|---------------------|--|
| WORKERS COMPENSATION INSURANCE | 1,638 | 1,638 | | |
| TELEPHONE EXPENSE | 1,706 | 1,706 | | |
| SECURITY COST AMORTZ & ADJUSTMENT | 147,978 | 147,978 | | |
| POSTAGE & SUPPLIES | 158 | 158 | | |
| OFFICE EXPENSE | 1,481 | 1,481 | | |
| LICENSES & PERMITS | 75 | 75 | | |
| HEALTH INSURANCE | 49,461 | 49,461 | | |
| FIRE INSPECTION FEE | 80 | 80 | | |
| DUES & SUBCRIPTIONS | 1,420 | 1,420 | | |
| BANK CHARGES | 170 | 170 | | |

TY 2009 Other Income Schedule

Name: ARATANI FOUNDATION

EIN: 95-4377347

Software ID: 09000047

Software Version: 2009v1.3

| Description | Revenue And Expenses Per Books | Net Invest ment Income | Adjusted Net Income |
|-------------------------|-----------------------------------|---------------------------|---------------------|
| Other Investment Income | 4,053 | 4,053 | |

TY 2009 Other Professional Fees Schedule

Name: ARATANI FOUNDATION

EIN: 95-4377347

Software ID: 09000047

Software Version: 2009v1.3

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|----------------|---------|--------------------------|------------------------|---|
| UBS | 2,413 | 2,413 | 0 | 0 |
| MORGAN STANLEY | 143,544 | 143,544 | 0 | 0 |
| MERRILL LYNCH | 7,558 | 7,558 | 0 | 0 |

TY 2009 Taxes Schedule**Name:** ARATANI FOUNDATION**EIN:** 95-4377347**Software ID:** 09000047**Software Version:** 2009v1.3

| Category | Amount | Net Investment Income | Adjusted Net Income | Disbursements for Charitable Purposes |
|-----------------------------|--------|--------------------------|------------------------|---|
| PAYROLL TAXES | 6,494 | 6,494 | | |
| FOUNDATION TAXES-STATE | 10 | 10 | | |
| FOREIGN TAXES WITHHELD/FEES | 193 | 193 | | |



Fiscal Statement

ROYCE BREAZEALE

FISCAL YEAR ACTIVITY

| Date | Transaction | Quantity | Description | Price | Debit | Credit |
|----------------|---------------|----------|---------------------|-------|----------|-----------|
| 10/28/09 | Cash Dividend | | CMA TREASURY FUND | | | 264.84 |
| | | | Sub Total | | | 1,112.35 |
| | | | Net Total | | | 62,837.72 |
| Other Activity | | | | | | |
| 01/09/09 | Journal Entry | | TFR FM 230-04175 | | | 144.34CR |
| 01/13/09 | Journal Entry | | ORLY FEE \$1,835.73 | | 1,835.73 | |
| 04/01/09 | Journal Entry | | TFR FM 230-04175 | | | 169.60 |
| 04/07/09 | Journal Entry | | ORLY FEE \$1,893.47 | | 1,893.47 | |
| 07/07/09 | Journal Entry | | ORLY FEE \$1,927.08 | | 1,927.08 | |
| 08/03/09 | Journal Entry | | TFR FM 230-04175 | | | 22.03 |
| 09/17/09 | Journal Entry | | TFR FM 230-04175 | | | 26.68 |
| 09/22/09 | Journal Entry | | TFR FM 230-04175 | | | 39.59 |
| 10/06/09 | Journal Entry | | ORLY FEE \$1,901.55 | | 1,901.55 | |
| | | | Net Total | | 7,557.83 | 402.24 |

REALIZED CAPITAL GAIN AND LOSS SUMMARY

| Quantity | Security Description | Date of Acquisition | Date of Liquidation | Sale Price | Cost Basis | Gain or (Loss) |
|--------------|----------------------------|---------------------|---------------------|------------|------------|----------------|
| 100,000 0000 | WAL-MART STORES 6.87% 2009 | 09/26/02 | 08/10/09 | 100,000.00 | 100,000.00 | 0.00 |
| 100,000 0000 | GOLDMAN SACHS GRO 7.35% 09 | 09/26/02 | 10/01/09 | 100,000.00 | 100,000.00 | 0.00 |

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Page
9 of 10Statement Period
Year Ending 12/31/09Account No
230-04G18

223053890015020005





ROYCE BREAZEALE



Fiscal Statement

CURRENT PORTFOLIO SUMMARY

| Quantity | Security Description | Date Acquired | Total/Adj Cost Basis | Fiscal Year Value 12/31/09 | Unrealized Gain or (Loss) | Est Accrued Interest | Est Annual Income |
|-----------------------------|---|------------------|----------------------------|-------------------------------|---------------------------------|----------------------------|-------------------------|
| Cash and Money Funds | | | | | | | |
| 3,418,956 | CASH ML BANK DEPOSIT PROGRAM | 11/25/08 | 1 85 3,418,956 00 | 1 85 3,418,956 00 | | | 17,094 79 |
| | Total Cash and Money Funds | | 3,418,957.85 | 3,418,957.85 | | | 17,094.79 |
| Corporate Bonds | | | | | | | |
| 100,000 | GENERAL ELEC CAP CORP SER MTNA GLB 07 375% JAN 19 2010 | 09/26/02 | 100,067 04 | 100,243 00 | 175 96 | 3,318 75 | 7,375.00 |
| 200 000 | GOLDMAN SACHS GROUP INC GLB 05 700% SEP 01 2012 | 04/17/07 | 202,002 32 | 215,132 00 | 13,129.68 | 3,800.00 | 11,400 00 |
| 100,000 | WELLS FARGO BANK NA SUBORDINATED SER AI GLB 07 550% JUN 21 2010 | 09/26/02 | 100,891 99 | 103,251.00 | 2,359 01 | 209 72 | 7,550 00 |
| 100,000 | NM AMER GENL FIN CORP BE SER MTNH 05 375% OCT 01 2012 | 04/17/07 | 100,209 79 | 80,411 00 | (19 798 79) | 1,343 75 | 5,375 00 |
| 200,000 | HSBC FINANCE CORP GLB 06 375% NOV 27 2012 | 04/17/07 | 205,470.52 | 217,806 00 | 12,335 48 | 1,204 17 | 12,750 00 |
| | Total Corporate Bonds | | 708,641.66 | 716,843.00 | 8,201.34 | 9,876.39 | 44,450.00 |

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Page
5 of 10Statement Period
Year Ending 12/31/09Account No
230-04G18

223055890015020003



Morgan Stanley
Smith Barney

CLIENT STATEMENT | For the Period December 1-31, 2009

Activity

THE ARATANI FOUNDATION
ATTENTION: GEORGE T ARATANI

MMF AND BANK DEPOSITS ACTIVITY

| Date | Activity Type | Description | Bank Deposit Program/ Money Market Funds |
|-------------------------|----------------------|----------------------|---|
| 12/2 | Automatic Investment | BANK DEPOSIT PROGRAM | \$19,663 36 |
| 12/14 | Automatic Investment | BANK DEPOSIT PROGRAM | 40,850 90 |
| 12/15 | Automatic Investment | BANK DEPOSIT PROGRAM | 64,804 92 |
| 12/16 | Automatic Investment | BANK DEPOSIT PROGRAM | 13,640 63 |
| 12/22 | Automatic Redemption | BANK DEPOSIT PROGRAM | (146,546 05) |
| 12/28 | Automatic Investment | BANK DEPOSIT PROGRAM | 82,469 83 |
| 12/30 | Automatic Investment | BANK DEPOSIT PROGRAM | 30 00 |
| 12/30 | Automatic Investment | BANK DEPOSIT PROGRAM | 0 22 |
| NET ACTIVITY FOR PERIOD | | | \$74,913.81 |

REALIZED GAIN/(LOSS) DETAIL

| Security Description | Date Acquired | Date Sold | Quantity | Sales Proceeds | Orig / Adj Total Cost | Realized Gain/(Loss) | Comments |
|----------------------------------|------------------|--------------|-------------|-------------------|--------------------------|-------------------------|----------|
| AMERICAN EXPRESS 7 1/4 5-20-14 | 05/28/09 | 12/21/09 | 41,000 000 | \$46,667 02 | \$42,008 72 | \$4,658 30 | |
| AOL TIME WARNER 6 7/8 5-01-12 | 04/17/07 | 05/06/09 | 58,000 000 | 60,558 38 | 60,293 45 | 264 93 | |
| | 06/01/07 | 05/06/09 | 69,000 000 | 72,043 59 | 71,151.83 | 891 76 | |
| | 01/08/08 | 05/06/09 | 156,000 000 | 162,881 16 | 162,935 19 | (54 03) | |
| | 01/17/08 | 05/06/09 | 79,000 000 | 82,484 69 | 82,632 91 | (148 22) | |
| | 08/13/08 | 05/06/09 | 82,000 000 | 85,617 02 | 83,995 53 | 1,621 49 | |
| | 10/21/08 | 05/06/09 | 3,000 000 | 3,132 33 | 2,775 00 | 357 33 | |
| BANK AMERICA TLGP 3 1/8 6-15-12 | 12/05/08 | 12/21/09 | 18,000 000 | 18,761 94 | 18,104 84 | 657 10 | |
| BP CAP MARKETS 5 1/4 11-07-13 | 11/19/08 | 12/21/09 | 38,000 000 | 41,804 56 | 38,338 94 | 3,465 62 | |
| CISCO SYSTEMS INC 4 9/50 2-15-19 | 06/09/09 | 12/21/09 | 15,000 000 | 15,614 10 | 15,036 28 | 577 82 | |
| COMCAST CORP 5 9/50 3-15-16 | 06/01/07 | 12/21/09 | 78,000 000 | 84,542 64 | 77,765 22 | 6,777 42 | |
| CONOCO FUNDING CO 6.350 10-15-11 | 04/05/07 | 12/21/09 | 35,000 000 | 38,266 20 | 35,750 09 | 2,516.11 | |
| CREDIT SUISSE FB 5 1/2 8-15-13 | 08/14/08 | 12/21/09 | 71,000 000 | 77,880 75 | 71,034.33 | 6,846 42 | |
| FHLMC 5 5/8 3-15-11 | 06/14/07 | 03/25/09 | 388,000 000 | 418,217 44 | 389,344 98 | 28,872 46 | |
| | 01/08/08 | 03/25/09 | 19,000 000 | 20,479 72 | 19,788 25 | 691 47 | |
| | 01/08/08 | 06/05/09 | 15,000 000 | 16,124 63 | 15,560 74 | 563 89 | |
| | 01/08/08 | 09/17/09 | 482,000 000 | 516,130 42 | 497,268 96 | 18,861 46 | |
| | 06/09/09 | 09/17/09 | 286,000 000 | 306,251 66 | 304,020 90 | 2,230 76 | |
| FHLMC 5 000 1-30-14 | 10/22/07 | 06/05/09 | 15,000 000 | 16,012 50 | 15,176 08 | 836 42 | |
| | 10/22/07 | 10/15/09 | 20,000 000 | 21,949.02 | 20,218 57 | 1,730 45 | |
| | 10/22/07 | 12/21/09 | 19,000 000 | 20,875.22 | 19,199 60 | 1,675 62 | |
| FNMA 4 3/4 3-12-10 | 02/17/09 | 06/09/09 | 876,000 000 | 903,830 52 | 900,436 79 | 3,393 73 | |

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Morgan Stanley
Smith Barney

CLIENT STATEMENT | For the Period December 1-31, 2009

Activity

THE ARATANI FOUNDATION
ATTENTION: GEORGE T ARATANI

REALIZED GAIN/(LOSS) DETAIL (CONTINUED)

| Security Description | Date Acquired | Date Sold | Quantity | Sales Proceeds | Orig / Adj Total Cost | Realized Gain/(Loss) | Comments |
|---------------------------------|------------------|--------------|-------------|-------------------|--------------------------|-------------------------|----------|
| FNMA 5 1/4 9-15-16 | 04/05/07 | 06/05/09 | 12,000 000 | 12,880 99 | 12,173 12 | 707 87 | |
| | 04/05/07 | 10/15/09 | 20,000 000 | 22,335 30 | 20,276 73 | 2,058 57 | |
| | 04/05/07 | 12/21/09 | 23,000 000 | 25,613 93 | 23,311 11 | 2,302 82 | |
| FNMA 6 5/8 9-15-09 | 04/05/07 | 02/17/09 | 359,000 000 | 371,062 40 | 362,605 79 | 8,456 61 | |
| | 11/07/07 | 02/17/09 | 17,000 000 | 17,571 20 | 17,235 68 | 335 52 | |
| | 01/08/08 | 02/17/09 | 534,000 000 | 551,942 40 | 543,824 11 | 8,118 29 | |
| FNMA 6 000 5-15-11 | 04/05/07 | 06/05/09 | 24,000 000 | 26,091 55 | 24,501 56 | 1,589.99 | |
| | 04/05/07 | 10/15/09 | 20,000 000 | 21,624 98 | 20,344 04 | 1,280 94 | |
| GLAXOSMITHKLINE 4 850 5-15-13 | 06/20/08 | 12/21/09 | 55,000 000 | 59,339.12 | 54,469 25 | 4,869 87 | |
| GOLDMAN SACHS 4 1/2 6-15-10 | 04/05/07 | 12/09/09 | 160,000 000 | 163,276 80 | 157,296 00 | 5,980 80 | |
| | 11/08/07 | 12/09/09 | 6,000 000 | 6,122 88 | 5,994 24 | 128 64 | |
| | 01/08/08 | 12/09/09 | 222,000 000 | 226,546 56 | 222,417 49 | 4,129 07 | |
| GOLDMAN SCHS TLGP 3 1/4 6-15-12 | 03/25/09 | 12/21/09 | 13,000 000 | 13,576 71 | 13,374 18 | 202 53 | |
| HEWLETT-PACKARD 4 1/4 2-24-12 | 03/12/09 | 12/21/09 | 20,000.000 | 21,202 80 | 20,295 36 | 907 44 | |
| IBM CORP 4 3/4 11-29-12 | 01/29/08 | 07/08/09 | 325,000.000 | 350,486 50 | 333,130 92 | 17,355 58 | |
| | 01/27/09 | 07/08/09 | 7,000 000 | 7,548 94 | 7,408 76 | 140 18 | |
| J P MORGAN CHASE 5 3/4 1-02-13 | 04/05/07 | 05/18/09 | 154,000 000 | 156,049 74 | 156,351 73 | (301 99) | |
| | 11/08/07 | 05/18/09 | 6,000 000 | 6,079 86 | 6,092 54 | (12 68) | |
| | 01/08/08 | 05/18/09 | 219,000 000 | 221,914 89 | 225,401 08 | (3,486 19) | |
| JP MORGAN CHASE 4 650 6-01-14 | 05/18/09 | 12/21/09 | 26,000 000 | 27,560 88 | 25,920 96 | 1,639 92 | |
| MERRILL LYNCH 5 450 2-05-13 | 01/29/09 | 12/21/09 | 16,000 000 | 16,820 18 | 15,561 76 | 1,258 42 | |
| MERRILL LYNCH CO 4 1/8 1-15-09 | 04/05/07 | 01/15/09 | 168,000 000 | 168,000 00 | 165,429 60 | 2,570.40 | |
| | 11/08/07 | 01/15/09 | 8,000 000 | 8,000 00 | 7,876 40 | 123 60 | |
| | 01/08/08 | 01/15/09 | 229,000 000 | 229,000 00 | 228,496 20 | 503 80 | |
| MORGAN STANLEY 4.000 1-15-10 | 04/05/07 | 05/28/09 | 170,000 000 | 171,020 00 | 165,250 20 | 5,769 80 | |
| | 11/08/07 | 05/28/09 | 9,000 000 | 9,054 00 | 8,842 50 | 211 50 | |
| | 01/08/08 | 05/28/09 | 226,000 000 | 227,356 00 | 223,719 66 | 3,636 34 | |
| PEPSICO INC 5 000 6-01-18 | 06/20/08 | 08/20/09 | 383,000 000 | 400,135 42 | 371,349 14 | 28,786 28 | |
| RIO TINTO FINANCE 8 950 5-01-14 | 05/07/09 | 12/21/09 | 47,000 000 | 56,818 30 | 50,624 13 | 6,194 17 | |
| UNITED MEXICAN ST 6 5/8 3-03-15 | 05/24/07 | 05/07/09 | 128,000 000 | 139,200 00 | 135,486 66 | 3,713 34 | |
| | 11/08/07 | 05/07/09 | 32,000 000 | 34,800 00 | 34,265 28 | 534 72 | |
| | 01/08/08 | 05/07/09 | 204,000 000 | 221,850 00 | 220,506 44 | 1,343 56 | |
| | 01/17/08 | 05/07/09 | 68,000 000 | 73,950 00 | 74,118 84 | (168 84) | |
| US TSY NOTE 3 3/8 9-15-09 | 01/08/08 | 02/25/09 | 439,000.000 | 445,720 65 | 440,381 33 | 5,339 32 | |
| US TSY NOTE 4 1/4 8-15-13 | 04/05/07 | 06/05/09 | 4,000 000 | 4,293 89 | 3,929 84 | 364 05 | |
| | 04/05/07 | 12/21/09 | 15,000 000 | 16,352 28 | 14,736 91 | 1,615 37 | |
| US TSY NOTE 4 7/8 8-15-16 | 01/17/08 | 06/05/09 | 11,000 000 | 11,932 37 | 11,887 78 | 44 59 | |
| | 01/17/08 | 10/15/09 | 100,000 000 | 111,980 00 | 107,717 58 | 4,262 42 | |

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Morgan Stanley
Smith Barney

CLIENT STATEMENT | For the Period December 1-31, 2009

Activity

THE ARATANI FOUNDATION
ATTENTION: GEORGE T ARATANI

REALIZED GAIN/(LOSS) DETAIL (CONTINUED)

| Security Description | Date Acquired | Date Sold | Quantity | Sales Proceeds | Orig / Adj Total Cost | Realized Gain/(Loss) | Comments |
|--|------------------|--------------|-------------|-----------------------|--------------------------|-------------------------|----------|
| | 01/17/08 | 11/23/09 | 10,000 000 | 11,280 03 | 10,761 15 | 518 88 | |
| | 01/17/08 | 12/10/09 | 686,000.000 | 773,676 29 | 737,897 89 | 35,778 40 | |
| | 06/05/08 | 12/10/09 | 113,000 000 | 127,442 30 | 119,554 57 | 7,887 73 | |
| US TSY NOTE 4 000 11-15-12 | 12/06/07 | 06/05/09 | 10,000 000 | 10,681 22 | 10,223 93 | 457 29 | |
| | 12/06/07 | 12/21/09 | 29,000 000 | 31,266 64 | 29,552 64 | 1,714 00 | |
| VERIZON GLOBAL 4 3/8 6-01-13 | 04/05/07 | 12/21/09 | 84,000.000 | 89,134 08 | 79,665 60 | 9,468 48 | |
| WACHOVIA CORP 5 1/4 8-01-14 | 04/05/07 | 12/21/09 | 80,000 000 | 83,590 40 | 79,352 00 | 4,238 40 | |
| WAL-MART STORES 6 7/8 8-10-09 | 04/05/07 | 03/12/09 | 159,000 000 | 162,373 98 | 160,165 90 | 2,208 08 | |
| | 11/08/07 | 03/12/09 | 8,000 000 | 8,169 76 | 8,079 30 | 90 46 | |
| | 01/08/08 | 03/12/09 | 217,000.000 | 221,604 74 | 219,559 53 | 2,045 21 | |
| WALT DISNEY CO 6 3/8 3-01-12 | 05/01/07 | 12/21/09 | 25,000 000 | 27,505 50 | 25,655 49 | 1,850 01 | |
| | 06/01/07 | 12/21/09 | 50,000 000 | 55,011 00 | 50,958 32 | 4,052 68 | |
| WELLS FARGO CO 4 950 10-16-13 | 04/16/08 | 01/28/09 | 64,000 000 | 61,850 88 | 65,050 99 | (3,200 11) | |
| | 08/21/08 | 01/28/09 | 50,000.000 | 48,321 00 | 49,324 00 | (1,003 00) | |
| XTO ENERGY INC 6 1/4 8-01-17 | 07/08/08 | 12/21/09 | 56,000.000 | 62,991 66 | 57,027 02 | 5,964 64 | |
| Net Realized Gain/(Loss) This Period | | | | \$2,228,260.74 | \$2,100,902.94 | \$127,357 80 | |
| Net Realized Gain/(Loss) Year to Date | | | | \$9,460,136.51 | \$9,178,270.43 | \$281,866.08 | |

Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

Morgan Stanley
Smith Barney

CLIENT STATEMENT | For the Period December 1-31, 2009

Holdings

THE ARATANI FOUNDATION
ATTENTION: GEORGE T. ARATANI

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement.

Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate.

If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.

Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

CASH, DEPOSITS AND MONEY MARKET FUNDS

| Description | Value | Estimated Annual Income | 7-Day Current Yield % | Annual Percentage Yield % |
|---|------------------------|-------------------------|-------------------------|---------------------------|
| MORGAN STANLEY BANK N.A. # | \$82,500.05 | \$26.00 | — | 0.032 |
| | Percentage of Assets % | Market Value | Estimated Annual Income | Accrued Income |
| TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS | 0.5% | \$82,500.05 | \$26.00 | \$0.00 |

Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney.

Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.

CORPORATE FIXED INCOME

CORPORATE BONDS

| Security Description | Face Value | Orig. Total Cost Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income Accrued Income | Yield % |
|---|------------|-------------------------------------|------------|--------------|---------------------------|--|---------|
| CONOCO FUNDING CO CUSIP 20825UAB0 | 394,000.00 | \$419,768.15 \$406,559.69 | \$108.80 | \$428,656.24 | \$22,096.55 | \$25,019.00 \$5,281.78 | 5.83 |
| Coupon Rate 6.350%, Matures 10/15/11, Int. Semi-Annually Apr/Oct 15, Yield to Maturity 1.355%, Moody A1 S&P A, Issued 10/11/01 | | | | | | | |
| HEWLETT-PACKARD CO CUSIP 428236AU7 | 327,000.00 | 333,461.52 331,787.53 | 104.89 | 343,003.38 | 11,215.85 | 13,897.50 4,902.72 | 4.05 |
| Coupon Rate 4.250%, Matures 02/24/12, Int. Semi-Annually Feb/Aug 24, Yield to Maturity 1.912%, Moody A2 S&P A, Issued 02/26/09 | | | | | | | |
| WALT DISNEY COMPANY CUSIP 25468PBX3 | 392,000.00 | 417,458.98 405,634.55 | 109.23 | 428,185.52 | 22,550.97 | 24,990.00 8,329.99 | 5.83 |
| Coupon Rate 6.375%, Matures 03/01/12, Int. Semi-Annually Mar/Sep 01, Yield to Maturity 1.999%, Moody A2 S&P A, Issued 02/28/02 | | | | | | | |
| BANK OF AMERICA CORP TLGP CUSIP 06050BAA9 | 413,000.00 | 417,246.39 416,040.36 | 103.62 | 427,950.60 | 11,910.24 | 12,906.25 573.61 | 3.01 |
| Coupon Rate 3.125%, Matures 06/15/12, Int. Semi-Annually Jun/Dec 15, Yield to Maturity 1.615%, Moody AAA S&P AAA, Issued 12/04/08 | | | | | | | |

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CLIENT STATEMENT | For the Period December 1-31, 2009

Holdings

THE ARATANI FOUNDATION
ATTENTION: GEORGE T ARATANI

CORPORATE FIXED INCOME

CORPORATE BONDS (CONTINUED)

| Security Description | Face Value | Orig. Total Cost Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income Accrued Income | Yield % |
|---|-------------|-------------------------------------|------------|-------------------|---------------------------|--|---------|
| GOLDMAN SACHS GROUP INC TLGP | 412,000 000 | 427,314 04 | | | | 13,390 00 | 3 12 |
| CUSIP 38146FAA9 | | 423,767 82 | 103 89 | 428,039.16 | 4,271 34 | 595 11 | |
| <i>Coupon Rate 3 250%, Matures 06/15/12, Int Semi-Annually Jun/Dec 15, Yield to Maturity 1 626%, Moody AAA S&P AAA, Issued 12/01/08</i> | | | | | | | |
| MERRILL LYNCH & CO | 410,000 000 | 402,841 82 | | | | 22,345 00 | 5 17 |
| CUSIP 59018YM40 | | 402,841 82 | 105 23 | 431,430.70 | 28,588 88 | 9,062 13 | |
| <i>Coupon Rate 5 450%, Matures 02/05/13, Int Semi-Annually Feb/Aug 05, Yield to Maturity 3 647%, Moody A2 S&P A, Issued 02/05/08</i> | | | | | | | |
| GLAXOSMITHKLINE CAPITAL | 318,000 000 | 314,931 30 | | | | 15,423 00 | 4 51 |
| CUSIP 377372AC1 | | 314,931 30 | 107 34 | 341,357.10 | 26,425 80 | 1,970 71 | |
| <i>Coupon Rate 4 850%, Matures 05/15/13, Int Semi-Annually May/Nov 15, Yield to Maturity 2 562%, Moody A1 S&P A+, Issued 05/13/08</i> | | | | | | | |
| VERIZON GLOBAL FDG CORP | 326,000 000 | 316,250 34 | | | | 14,262 50 | 4 16 |
| CUSIP 92344GAV8 | | 316,250 34 | 104 93 | 342,081 58 | 25,831 24 | 1,188 54 | |
| <i>Coupon Rate 4 375%, Matures 06/01/13, Int Semi-Annually Jun/Dec 01, Yield to Maturity 2 849%, Moody A3 S&P A, Issued 06/05/03</i> | | | | | | | |
| CREDIT SUISSE FB USA INC | 393,000 000 | 393,251.52 | | | | 21,615 00 | 5 06 |
| CUSIP 22541LAH6 | | 393,189 16 | 108 63 | 426,935.55 | 33,746.39 | 8,165 66 | |
| <i>Coupon Rate 5 500%, Matures 08/15/13, Int Semi-Annually Feb/Aug 15, Yield to Maturity 2 967%, Moody AA1 S&P A+, Issued 08/15/03</i> | | | | | | | |
| BP CAPITAL MARKETS PLC | 391,000 000 | 395,351 83 | | | | 20,527 50 | 4 81 |
| CUSIP 05565QBF4 | | 394,471 33 | 108 92 | 425,888.93 | 31,417 60 | 3,079 12 | |
| <i>Coupon Rate 5 250%, Matures 11/07/13, Int Semi-Annually May/Nov 07, Yield to Maturity 2 789%, Moody AA1 S&P AA, Issued 11/07/08</i> | | | | | | | |
| WYETH | 389,000 000 | 403,771 30 | | | | 21,395 00 | 5 04 |
| CUSIP 983024AE0 | | 403,492 45 | 108 95 | 423,803.83 | 20,311 38 | 8,914 58 | |
| <i>Coupon Rate 5 500%, Matures 02/01/14, Int Semi-Annually Feb/Aug 01, Yield to Maturity 3 147%, Moody A1 S&P AA, Issued 12/16/03</i> | | | | | | | |
| AMERICAN EXPRESS CO | 302,000 000 | 310,235 54 | | | | 21,895 00 | 6 42 |
| CUSIP 025816BA6 | | 309,401 45 | 112 84 | 340,767.74 | 31,366 29 | 2,493 59 | |
| <i>Coupon Rate 7 250%, Matures 05/20/14, Int Semi-Annually May/Nov 20, Yield to Maturity 4 026%, Moody A3 S&P BBB+, Issued 05/18/09</i> | | | | | | | |
| RIO TINTO FINANCE USA LIMITED | 356,000 000 | 386,740 60 | | | | 31,862.00 | 7 46 |
| CUSIP 767201AF3 | | 383,344 56 | 119 83 | 426,594.80 | 43,250 24 | 5,310 33 | |
| <i>Coupon Rate 8 950%, Matures 05/01/14, Int Semi-Annually May/Nov 01, Yield to Maturity 3 926%, Moody BAA1 S&P BBB+, Issued 04/17/09</i> | | | | | | | |
| JP MORGAN CHASE & CO | 403,000 000 | 403,350 95 | | | | 18,739 50 | 4 41 |
| CUSIP 46625HHN3 | | 403,232 77 | 105 34 | 424,536.32 | 21,303 55 | 1,561 62 | |
| <i>Coupon Rate 4 650%, Matures 06/01/14, Int Semi-Annually Jun/Dec 01, Yield to Maturity 3 338%, Moody AA3 S&P A+, Issued 05/18/09</i> | | | | | | | |

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CLIENT STATEMENT | For the Period December 1-31, 2009

Holdings

THE ARATANI FOUNDATION
ATTENTION: GEORGE T ARATANI

CORPORATE FIXED INCOME

CORPORATE BONDS (CONTINUED)

| Security Description | Face Value | Orig. Total Cost Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income Accrued Income | Yield % |
|--|---------------------------|-------------------------------------|------------|-------------------|---------------------------|--|---------|
| WACHOVIA CORP | 331,000 000 | 327,205 90 | | | | 17,377 50 | 5 07 |
| CUSIP 929903AJ1 | | 327,205 90 | 103 53 | 342,671.06 | 15,465 16 | 7,240 62 | |
| <i>Coupon Rate 5 250%, Matures 08/01/14, Int Semi-Annually Feb/Aug 01, Yield to Maturity 4 391%, Moody A2 S&P A+, Issued 07/22/04</i> | | | | | | | |
| GENERAL ELEC CAP CORP | 413,000 000 | 420,018 94 | | | | 20,133 75 | 4 69 |
| CUSIP 36962GP65 | | 419,810 27 | 103 88 | 429,024.40 | 9,214 13 | 6,543 46 | |
| <i>Coupon Rate 4 875%, Matures 03/04/15, Int Semi-Annually Mar/Sep 04, Yield to Maturity 4 035%, Moody AA2 S&P AA+, Issued 03/04/05</i> | | | | | | | |
| COMCAST CORP | 318,000 000 | 321,294 34 | | | | 18,762 00 | 5 47 |
| CUSIP 20030NAL5 | | 320,573 46 | 107 69 | 342,460.56 | 21,887 10 | 5,524.36 | |
| <i>Coupon Rate 5 900%, Matures 03/15/16, Int Semi-Annually Mar/Sep 15, Yield to Maturity 4 466%, Moody BAA1 S&P BBB+, Issued 03/02/06</i> | | | | | | | |
| TIME WARNER CABLE INC | 400,000 000 | 397,056 00 | | | | 23,400 00 | 5 56 |
| CUSIP 88732JAH1 | | 397,056 00 | 105 07 | 420,268.00 | 23,212 00 | 3,900 00 | |
| <i>Coupon Rate 5 850%, Matures 05/01/17, Int Semi-Annually May/Nov 01, Yield to Maturity 5 014%, Moody BAA2 S&P BBB, Issued 04/09/07</i> | | | | | | | |
| XTO ENERGY INC | 301,000 000 | 307,324 01 | | | | 18,812 50 | 5 51 |
| CUSIP 98385XALO | | 306,509 12 | 113 23 | 340,834.34 | 34,325 22 | 7,838 54 | |
| <i>Coupon Rate 6 250%, Matures 08/01/17, Int Semi-Annually Feb/Aug 01, Yield to Maturity 4 194%, Moody BAA2 (+) S&P BBB (+), Issued 07/19/07</i> | | | | | | | |
| AT&T INC | 332,000 000 | 347,330 90 | | | | 18,260 00 | 5 27 |
| CUSIP 00206RAJ1 | | 347,065 65 | 104 34 | 346,415.44 | (650 21) | 7,608 33 | |
| <i>Coupon Rate 5 500%, Matures 02/01/18, Int Semi-Annually Feb/Aug 01, Yield to Maturity 4 844%, Moody A2 S&P A, Issued 02/01/08</i> | | | | | | | |
| GOLDMAN SACHS GROUP INC | 308,000 000 | 335,981 80 | | | | 18,942 00 | 5 74 |
| CUSIP 38141GFM1 | | 335,850 36 | 107 05 | 329,714.00 | (6,136 36) | 4,735 50 | |
| <i>Coupon Rate 6 150%, Matures 04/01/18, Int Semi-Annually Apr/Oct 01, Yield to Maturity 5 091%, Moody A1 S&P A, Issued 04/01/08</i> | | | | | | | |
| CISCO SYSTEMS INC | 412,000 000 | 413,042 36 | | | | 20,394 00 | 4 82 |
| CUSIP 17275RAE2 | | 412,994 83 | 102 50 | 422,304.12 | 9,309 29 | 7,704 40 | |
| <i>Coupon Rate 4 950%, Matures 02/15/19, Int Semi-Annually Feb/Aug 15, Yield to Maturity 4 610%, Moody A1 S&P A+, Issued 02/17/09</i> | | | | | | | |
| TOTAL CORPORATE FIXED INCOME | | | | | | | |
| | Percentage of Assets % | Orig. Total Cost Adj. Total Cost | | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income Accrued Income | Yield % |
| | 50.5% | \$8,211,228.53 | | \$8,612,923.37 | \$440,912.65 | \$434,349.00 | 5.04% |
| | | \$8,172,010.72 | | | | \$112,524.70 | |

Watchlist and CreditWatch Indicators (*) = developing/uncertain (+) = On Watchlist/CreditWatch Upgrade (-) = On Watchlist/CreditWatch Downgrade For more information on Watchlist and CreditWatch Indicators, please go to our website at www.morganstanley.com/bondratings or contact your financial advisor

CLIENT STATEMENT | For the Period December 1-31, 2009

Holdings

THE ARATANI FOUNDATION
ATTENTION: GEORGE T ARATANI

GOVERNMENT SECURITIES

TREASURY SECURITIES

| Security Description | Face Value | Orig. Total Cost Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income Accrued Income | Yield % |
|---|---------------|-------------------------------------|------------|-----------------------|---------------------------|--|--------------|
| UNITED STATES TREASURY NOTE | 1,278,000 000 | \$1,333,324 83 | | | | \$51,120 00 | 3 74 |
| CUSIP 912828AP5 | | \$1,316,304 43 | \$106 82 | \$1,365,159.60 | \$48,855 17 | \$6,495 91 | |
| <i>Coupon Rate 4 000%, Matures 11/15/12, Int Semi-Annually May/Nov 15, Yield to Maturity 1 563%, Moody AAA S&P AAA, Issued 11/15/02</i> | | | | | | | |
| UNITED STATES TREASURY NOTE | 1,026,000 000 | 1,082,805 63 | | | | 43,605 00 | 3 93 |
| CUSIP 912828BH2 | | 1,068,385 94 | 107 91 | 1,107,115.56 | 38,729 62 | 16,351 87 | |
| <i>Coupon Rate 4 250%, Matures 08/15/13, Int Semi-Annually Feb/Aug 15, Yield to Maturity 1 977%, Moody AAA S&P AAA, Issued 08/15/03</i> | | | | | | | |
| UNITED STATES TREASURY NOTE | 773,000 000 | 820,306 87 | | | | 37,683 75 | 4 43 |
| CUSIP 912828FQ8 | | 812,475 70 | 109 97 | 850,060 37 | 37,584.67 | 14,131 40 | |
| <i>Coupon Rate 4 875%, Matures 08/15/16, Int Semi-Annually Feb/Aug 15, Yield to Maturity 3 193%, Moody AAA S&P AAA, Issued 08/15/06</i> | | | | | | | |
| UNITED STATES TREASURY NOTE | 878,000 000 | 870,629 19 | | | | 29,632 50 | 3 50 |
| CUSIP 912828LY4 | | 870,629 19 | 96 19 | 844,530.64 | (26,098.55) | 3,765 45 | |
| <i>Coupon Rate 3 375%, Matures 11/15/19, Int Semi-Annually May/Nov 15, Yield to Maturity 3 842%, Moody AAA S&P AAA, Issued 11/15/09</i> | | | | | | | |
| TOTAL TREASURY SECURITIES | | \$4,107,066.52 | | | | \$162,041.25 | 3.89% |
| | | \$4,067,795.26 | | \$4,166,866.17 | \$99,070.91 | \$40,744.63 | |

FEDERAL AGENCIES

| Security Description | Face Value | Orig. Total Cost Adj. Total Cost | Unit Price | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income Accrued Income | Yield % |
|---|---------------|-------------------------------------|------------|-----------------------|---------------------------|--|--------------|
| FED NATL MTG ASSN | 882,000.000 | \$940,701 53 | | | | \$52,920 00 | 5 60 |
| CUSIP 31359MJH7 | | \$906,238 72 | \$107 06 | \$944,295.66 | \$38,056 94 | \$6,762 00 | |
| <i>Coupon Rate 6 000%, Matures 05/15/11, Int Semi-Annually May/Nov 15, Yield to Maturity 813%, Moody AAA S&P AAA, Issued 05/25/01</i> | | | | | | | |
| FED NATL MTG ASSN | 993,000 000 | 1,040,758 32 | | | | 35,996 25 | 3 47 |
| CUSIP 31398ATL6 | | 1,035,324 21 | 104 19 | 1,034,586.84 | (737 37) | 13,598 58 | |
| <i>Coupon Rate 3 625%, Matures 08/15/11, Int Semi-Annually Feb/Aug 15, Yield to Maturity 1 015%, Moody AAA S&P AAA, Issued 08/15/08</i> | | | | | | | |
| FED HOME LN MTG CORP | 1,166,000 000 | 1,215,415 00 | | | | 58,300 00 | 4 58 |
| CUSIP 3128X2TM7 | | 1,200,509 55 | 109 03 | 1,271,301 46 | 70,791 91 | 24,291 66 | |
| <i>Coupon Rate 5 000%, Matures 01/30/14, Int Semi-Annually Jan/Jul 30, Yield to Maturity 2 650%, Moody AAA S&P AAA, Issued 01/30/04</i> | | | | | | | |
| FED NATL MTG ASSN | 845,000 000 | 886,454 20 | | | | 44,362 50 | 4 75 |
| CUSIP 31359MW41 | | 878,034 29 | 110 47 | 933,463.05 | 55,428 76 | 13,062 28 | |
| <i>Coupon Rate 5 250%, Matures 09/15/16, Int Semi-Annually Mar/Sep 15, Yield to Maturity 3 485%, Moody AAA S&P AAA, Issued 08/17/06</i> | | | | | | | |
| TOTAL FEDERAL AGENCIES | | \$4,083,329.05 | | | | \$191,578.75 | 4.58% |
| | | \$4,020,106.77 | | \$4,183,647.01 | \$163,540.24 | \$57,714 52 | |

Morgan Stanley
Smith Barney

CLIENT STATEMENT | For the Period December 1-31, 2009

Holdings

THE ARATANI FOUNDATION
ATTENTION: GEORGE T ARATANI

| | Percentage of Assets % | Orig. Total Cost Adj. Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income Accrued Income | Yield % |
|-----------------------------|---------------------------|-------------------------------------|-----------------|---------------------------|--|---------|
| TOTAL GOVERNMENT SECURITIES | 49.0% | \$8,190,395.57 \$8,087,902.03 | \$8,350,513.18 | \$262,611.15 | \$353,620.00 \$98,459.15 | 4.23% |
| | | | | | | |
| | Percentage of Assets % | Total Cost | Market Value | Unrealized Gain/(Loss) | Estimated Annual Income Accrued Income | Yield % |
| TOTAL ENDING MARKET VALUE | 100.0% | \$16,259,912.75 | \$17,045,936.60 | \$703,523.80 | \$787,995.00 \$210,983.85 | 4.62% |

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 Your Financial Advisor or Contact
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UBS Financial Services Inc.

2009 Informational Tax Statement

C32L033947-X

2009 Realized Gain/Loss Summary *(Includes sale proceeds not reported on Form 1099-B)*

This Realized Gain/Loss Summary is not a tax reporting document and has not been submitted to the IRS. If your sale amount matches the amount on Form 1099-B, which is reported to the IRS, it is marked as such. Please rely on the confirmations previously provided to you as your official activity record.

Estimated 2009 Gain/Loss for transactions with trade dates through 12/31/09 has been incorporated into this statement. Realized gain/loss is based on the sales amount less the cost basis. Please note that gain or loss recognized on the sale or redemption of certain Structured Products may be ordinary, and not capital, gain or loss. Please check with your tax advisor and/or read the tax-related disclosure materials associated with those products. Note that the Original Cost Basis column is only populated for transactions of securities that have had their basis reduced due to premium amortization or increased due to OID accretion.

The cost basis of the oldest security lot (first-in, first-out or FIFO method of accounting) is assigned to a sale to calculate Gain/Loss unless you identified a specific lot (a "versus purchase" or "VSP" order) when you placed your sell order. An asterisk (*) indicates a UBS Financial Services adjustment to cost basis. The number "1" indicates cost basis information has been provided by a source other than UBS Financial Services. Gain/Loss may not have been adjusted for all capital changes. Gain/Loss values that may be subject to Wash Sale provisions are not indicated here. "Earnings" in the Purchase Date column indicates the position sold was acquired on various dates through dividend reinvestment and that the Gain/Loss has been aggregated.

Cost basis for coupon tax-exempt municipal securities (including securities subject to AMT) has been adjusted for mandatory amortization of bond premium. The OID amount reported on your Form 1099-OID is not adjusted for Market Discount, Acquisition Premium, or Bond Premium. Therefore, the amortization and accretion adjustments used here may not be consistent with the Form 1099-OID amount because the reporting requirements are different.

Gain/Loss from short sale closings are reported as short-term regardless of the holding period of property used to close the short position. Clients should consult their tax advisors as to whether exceptions may apply in their particular case to change this classification. The potential application of the "Constructive Sale" provisions (Sec 1259) for short-against-the box transactions is not considered. Clients should discuss the possible application of these provisions with their tax advisor.

| | Purchase | Sale | Gains | Losses | Net Gain/Loss |
|-----------------------|------------------------|------------------------|----------------------|----------------------|---------------------|
| Short-term Gain/Loss. | \$ 2,028,030.37 | \$ 2,134,915.86 | \$ 153,213.94 | \$ -46,328.45 | \$ 106,885.49 |
| Long-term Gain/Loss | 306,709.25 | 290,000.00 | | -16,709.25 | -16,709.25 |
| Sub Total: | \$ 2,334,739.62 | \$ 2,424,915.86 | \$ 153,213.94 | \$ -63,037.70 | \$ 90,176.24 |
| Total: | \$ 2,334,739.62 | \$ 2,424,915.86 | \$ 153,213.94 | \$ -63,037.70 | \$ 90,176.24 |

Short-Term Gain/Loss

This section includes securities held for less than one year, and option contracts that are not reported on Form 1099-B.

| Security Description | Activity Type | Quantity/ Face value | Original Cost Basis | Purchase date Date Acquired | Date Sold | Sale Amount | Cost or Other Basis | Gain/Loss | Remarks | Matches 1099-B |
|--------------------------------------|---------------|-------------------------|------------------------|--------------------------------|--------------|-------------|------------------------|-----------|---------|-------------------|
| AAR CORP | Trade | 1,250,000 | | 03/27/09 | 11/02/09 | 24,372.57 | 16,667.68 | 7,704.89 | | Y |
| ABBOTT LABS | Trade | 350,000 | | 03/27/09 | 11/02/09 | 17,674.46 | 16,584.12 | 1,090.34 | | Y |
| ACCENTURE PLC IRELAND CL A | Trade | 585,000 | | 03/27/09 | 11/02/09 | 21,777.85 | 16,485.50 | 5,292.35 | | Y |
| ACI WORLDWIDE INC | Trade | 875,000 | | 03/27/09 | 11/02/09 | 13,922.06 | 16,633.39 | -2,711.33 | | Y |
| AFFILIATED COMPUTER SVCS INC CL A | Trade | 350,000 | | 03/27/09 | 11/02/09 | 18,127.87 | 16,607.34 | 1,520.53 | | Y |

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UBS Financial Services Inc.

2009 Informational Tax Statement

C32L033948-X

Short-Term Gain/Loss - continued

This section includes securities held for less than one year, and option contracts that are not reported on Form 1099-B

| Security Description | Activity Type | Quantity/ Face value | Original Cost Basis | Purchase date Date Acquired | Date Sold | Sale Amount | Cost or Other Basis | Gain/Loss | Remarks | Matches 1099-B |
|------------------------------|---------------|-------------------------|------------------------|--------------------------------|--------------|-------------|------------------------|-----------|---------|-------------------|
| AGL RESOURCES INC | Trade | 600 000 | | 03/27/09 | 11/02/09 | 20,757 55 | 16,388 49 | 4,369 06 | | Y |
| ALLERGAN INC | Trade | 350 000 | | 03/27/09 | 11/02/09 | 19,878 50 | 16,682 63 | 3,195 87 | | Y |
| ALLIANT ENERGY CORP | Trade | 3,700 000 | | 08/25/09 | 11/02/09 | 96,848 41 | 100,412 06 | -3,563 65 | | Y |
| AMER STATES WATER CO | Trade | 475 000 | | 03/27/09 | 11/02/09 | 15,421 46 | 16,838.82 | -1,417 36 | | Y |
| AMER VANGUARD CORP | Trade | 1,250 000 | | 03/27/09 | 11/02/09 | 10,143 37 | 16,691 91 | -6,548 54 | | Y |
| AMGEN INC | Trade | 300.000 | | 03/27/09 | 11/02/09 | 15,636.71 | 15,840 38 | -203 67 | | Y |
| AQUA AMER INC | Trade | 850 000 | | 03/27/09 | 11/02/09 | 13,132 67 | 16,688.32 | -3,555 65 | | Y |
| ARCHER DANIELS MIDLAND CO | Trade | 575 000 | | 03/27/09 | 11/02/09 | 17,383 42 | 16,534 02 | 849 40 | | Y |
| AT&T INC | Trade | 3,775 000 | | 08/25/09 | 11/02/09 | 95,883 92 | 100,178 56 | -4,294 64 | | Y |
| ATMOS ENERGY CORP | Trade | 700 000 | | 03/27/09 | 11/02/09 | 19,205 77 | 16,751 41 | 2,454 36 | | Y |
| BAXTER INTL INC | Trade | 325.000 | | 03/27/09 | 11/02/09 | 17,547 71 | 16,591 71 | 956 00 | | Y |
| BIOGEN IDEC INC | Trade | 300.000 | | 03/27/09 | 11/02/09 | 12,689 46 | 15,988 14 | -3,298 68 | | Y |
| BP PLC SPON ADR | Trade | 1,900 000 | | 08/25/09 | 11/02/09 | 107,856 23 | 99,389 64 | 8,466 59 | | Y |
| BRIGGS & STRATTON CORP | Trade | 1,000 000 | | 03/27/09 | 11/02/09 | 18,259 55 | 16,751 09 | 1,508 46 | | Y |
| BRISTOL MYERS SQUIBB CO | Trade | 800 000 | | 03/27/09 | 11/02/09 | 17,217 13 | 16,731 64 | 485 49 | | Y |
| BRISTOW GROUP INC | Trade | 680 000 | | 03/27/09 | 11/02/09 | 19,425 80 | 16,420 02 | 3,005 78 | | Y |
| CACI INTL INC CL A | Trade | 450 000 | | 03/27/09 | 11/02/09 | 21,187 73 | 16,463 34 | 4,724 39 | | Y |
| CARTER'S INC | Trade | 880 000 | | 03/27/09 | 11/02/09 | 20,249 02 | 16,425 90 | 3,823 12 | | Y |
| CHEMED CORP NEW | Trade | 425 000 | | 03/27/09 | 11/02/09 | 18,669 34 | 16,474 09 | 2,195 25 | | Y |

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UBS Financial Services Inc.

2009 Informational Tax Statement

C32L033949-X

Short-Term Gain/Loss - continued

This section includes securities held for less than one year, and option contracts that are not reported on Form 1099-B

| Security Description | Activity Type | Quantity/ Face value | Original Cost Basis | Purchase date Date Acquired | Date Sold | Sale Amount | Cost or Other Basis | Gain/Loss | Remarks | Matches 1099-B |
|-----------------------------------|---------------|-------------------------|------------------------|--------------------------------|--------------|-------------|------------------------|-----------|---------|-------------------|
| CONOCOPHILLIPS | Trade | 2,175 000 | | 08/25/09 | 11/02/09 | 108,114 66 | 99,207 40 | 8,907 26 | | Y |
| CONS EDISON CO (HOLDING CO) | Trade | 2,450 000 | | 08/25/09 | 11/02/09 | 100,302 27 | 99,845 76 | 456 51 | | Y |
| COOPER COMPANIES INC NEW | Trade | 625 000 | | 03/27/09 | 11/02/09 | 17,546 61 | 16,756 19 | 790 42 | | Y |
| DIAMOND FOODS INC | Trade | 625 000 | | 03/27/09 | 11/02/09 | 18,673 07 | 16,822 87 | 1,850 20 | | Y |
| ENDO PHARMACEUTICALS HLDGS INC | Trade | 935 000 | | 03/27/09 | 11/02/09 | 20,807 57 | 16,466.92 | 4,340 65 | | Y |
| GENUINE PARTS CO | Trade | 2,575 000 | | 08/25/09 | 11/02/09 | 91,106 76 | 99,950 07 | -8,843 31 | | Y |
| INTERACTIVE DATA CORP | Trade | 675 000 | | 03/27/09 | 11/02/09 | 17,658 43 | 16,554 55 | 1,103 88 | | Y |
| INTUIT | Trade | 600 000 | | 03/27/09 | 11/02/09 | 17,326 10 | 16,271 49 | 1,054 61 | | Y |
| JAPAN EQUITY FUND INC | Trade | 3,850 000 | | 03/27/09 | 11/02/09 | 19,278 73 | 16,414 52 | 2,864 21 | | Y |
| JOHNSON & JOHNSON COM | Trade | 300 000 | | 03/27/09 | 11/02/09 | 17,792 39 | 16,012 27 | 1,780 12 | | Y |
| | Trade | 1,625 000 | | 08/25/09 | 11/02/09 | 96,375 45 | 100,175 35 | -3,799 90 | | Y |
| JOS A BANK CLOTHIERS INC | Trade | 600 000 | | 03/27/09 | 11/02/09 | 24,533 50 | 16,963 87 | 7,569 63 | | Y |
| KIMBERLY CLARK CORP | Trade | 1,675 000 | | 08/25/09 | 11/02/09 | 104,575 02 | 100,281 31 | 4,293 71 | | Y |
| KNIGHT CAPITAL GROUP INC CL A | Trade | 1,125 000 | | 03/27/09 | 11/02/09 | 18,081 10 | 16,593 29 | 1,487 81 | | Y |
| LILLY ELI & CO | Trade | 500 000 | | 03/27/09 | 11/02/09 | 16,836 37 | 16,992 54 | -156 17 | | Y |
| LINCARE HLDGS INC | Trade | 750 000 | | 03/27/09 | 11/02/09 | 23,548 04 | 16,537 00 | 7,011 04 | | Y |
| MANTECH INTL CORP CL A | Trade | 375 000 | | 03/27/09 | 11/02/09 | 16,335 52 | 16,260 15 | 75 37 | | Y |
| MEDTRONIC INC | Trade | 575 000 | | 03/27/09 | 11/02/09 | 20,565 01 | 16,747 88 | 3,817 13 | | Y |

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UBS Financial Services Inc.

2009 Informational Tax Statement

C32L033950-X

Short-Term Gain/Loss - continued

This section includes securities held for less than one year, and option contracts that are not reported on Form 1099-B

| Security Description | Activity Type | Quantity/ Face value | Original Cost Basis | Purchase date Date Acquired | Date Sold | Sale Amount | Cost or Other Basis | Gain/Loss | Remarks | Matches 1099-B |
|--|---------------|-------------------------|------------------------|--------------------------------|--------------|---------------------|------------------------|-------------------|---------|-------------------|
| MERCK & CO **NAME CHANGE 11/ 2009** | Trade | 3,025 000 | | 08/25/09 | 11/02/09 | 94,113 60 | 100,056 48 | -5,942 88 | | Y |
| NOKIA CORP SPONS ADR FINLAND ADR | Trade | 7,850 000 | | 08/25/09 | 11/02/09 | 99,431 56 | 99,954 93 | -523 37 | | Y |
| NOVO NORDISK ADR DENMARK ADR | Trade | 350 000 | | 03/27/09 | 11/02/09 | 21,711 12 | 17,310 27 | 4,400 85 | | Y |
| ODYSSEY HEALTHCARE INC | Trade | 1,700 000 | | 03/27/09 | 11/02/09 | 23,549 86 | 16,345 59 | 7,204 27 | | Y |
| PEETS COFFEE & TEA INC | Trade | 775 000 | | 03/27/09 | 11/02/09 | 26,431 79 | 16,548 71 | 9,883 08 | | Y |
| RESMED INC | Trade | 475 000 | | 03/27/09 | 11/02/09 | 23,291 65 | 16,889 28 | 6,402 37 | | Y |
| ROVI CORP COM | Trade | 900 000 | | 03/27/09 | 11/02/09 | 24,749 18 | 16,241 18 | 8,508 00 | | Y |
| ROYAL DUTCH SHELL PLC CL A SPON ADR | Trade | 1,800 000 | | 08/25/09 | 11/02/09 | 106,173 55 | 100,280 23 | 5,893 32 | | Y |
| SAIC INC | Trade | 900 000 | | 03/27/09 | 11/02/09 | 15,760 64 | 16,603 94 | -843 30 | | Y |
| SANOFI-AVENTIS SA SPON ADR | Trade | 600 000 | | 03/27/09 | 11/02/09 | 21,743 86 | 16,627 33 | 5,116 53 | | Y |
| SCANA CORP NEW | Trade | 525 000 | | 03/27/09 | 11/02/09 | 17,644 20 | 16,361 98 | 1,282 22 | | Y |
| TOTAL S A FRANCE SPON ADR | Trade | 1,725 000 | | 08/25/09 | 11/02/09 | 103,640 64 | 99,915 82 | 3,724 82 | | Y |
| UGI CORP NEW | Trade | 700 000 | | 03/27/09 | 11/02/09 | 16,516 07 | 16,514 99 | 1 08 | | Y |
| VODAFONE GROUP PLC NEW SPON ADR | Trade | 4,500 000 | | 08/25/09 | 11/02/09 | 99,189 57 | 99,815 57 | -626 00 | | Y |
| WEIS MARKETS INC | Trade | 525 000 | | 03/27/09 | 11/02/09 | 18,243 41 | 16,490 44 | 1,752 97 | | Y |
| Total Short-Term Gain/Loss | | | | | | 2,134,915.86 | 2,028,030.37 | 106,885.49 | | |

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UBS Financial Services Inc.

2009 Informational Tax Statement

C32L033951-X

Long-Term Gain/Loss

This section includes securities held for more than one year, and option contracts that are not reported on Form 1099-B

| Security Description | Activity Type | Quantity/ Face value | Original Cost Basis | Purchase date Date Acquired | Date Sold | Sale Amount | Cost or Other Basis | Gain/Loss | Remarks | Matches 1099-B |
|---|---------------|-------------------------|------------------------|--------------------------------|--------------|-------------------|------------------------|-------------------|---------|-------------------|
| ORION BANK FL US RT 04 5000% MAT 01/14/09 FIXED RATE CD | Redemption | 95,000 000 | | 01/03/08 | 01/14/09 | 95,000 00 | 95,000 00 | | | Y |
| WAL MART STORES INC B/E 06 875% 081009 DTD081099 FC021000 GLOBAL BNDS | Redemption | 100,000 000 | | 09/09/02 | 08/10/09 | 100,000 00 | 116,709 25 | -16,709 25 | | Y |
| WASHINGTON MUT BK NV US RT 04 6500% MAT 01/16/09 FIXED RATE CD | Redemption | 95,000 000 | | 01/03/08 | 01/16/09 | 95,000 00 | 95,000 00 | | | Y |
| Total Long-Term Gain/Loss | | | | | | 290,000.00 | 306,709.25 | -16,709.25 | | |



Portfolio Management Program
December 2009

Account name: THE ARATANI FOUNDATION
Friendly account name: Foundation
Account number: RR 24739 88

Your Financial Advisor:
LOVITT WEALTH MANAGEMENT
626-449-1501/800-451-3954

Your assets

Some prices, income and current values shown may be approximate. As a result, gains and losses may not be accurately reflected. See *Important information about your statement* at the end of this document for more information.

Cash

Cash and money balances

| Holding | Opening balance on Dec 1 (\$) | Closing balance on Dec 31 (\$) | Price per share on Dec 31 (\$) | Average rate | Dividend/Interest period | Days in period |
|-------------------------|----------------------------------|-----------------------------------|-----------------------------------|-----------------|-----------------------------|-------------------|
| RMA MONEY MKT PORTFOLIO | 2,913,817.04 | 2,917,063.92 | 1.00 | 0.01% | Nov 23 to Dec 23 | 31 |

Equities

Common stock

| Holding | Trade date | Number of shares | Purchase price per share (\$) | Cost basis (\$) | Price per share on Dec 31 (\$) | Value on Dec 31 (\$) | Unrealized gain or loss (\$) | Holding period |
|---------------------------------|---------------|---------------------|----------------------------------|-----------------|-----------------------------------|-------------------------|---------------------------------|-------------------|
| KRAFT FOODS INC CL A | | | | | | | | |
| Symbol: KFT Exchange: NYSE | | | | | | | | |
| EAI: \$841 Current yield: 4.27% | Mar 27, 09 | 725,000 | 22.888 | 16,738.34 | 27.180 | 19,705.50 | 2,967.16 | ST |

Fixed income

Certificates of deposit

Cost basis has been adjusted for accreted original issue discount (OID) on long-term (more than 1 year) CDs.

| Holding | Trade date | Total face value at maturity (\$) | Purchase price (\$) | Cost basis (\$) | Price on Dec 31 (\$) | Value on Dec 31 (\$) | Unrealized gain or loss (\$) | Holding period |
|-----------------------------------|---------------|--------------------------------------|------------------------|--------------------|-------------------------|-------------------------|---------------------------------|-------------------|
| BRANCH B&T NC US | | | | | | | | |
| RATE 04 0500% MAT 06/25/2010 | | | | | | | | |
| FIXED RATE CD | | | | | | | | |
| ACCRUED INTEREST \$63.25 | | | | | | | | |
| CUSIP 105133BS0 | | | | | | | | |
| EAI: \$1,924 Current yield: 3.99% | Jun 18, 08 | 95,000,000 | 100,000 | 95,000.00 | 101.490 | 96,415.50 | 1,415.50 | LT |



Friendly account name: Foundation
Account number: RR 24739 88

Your assets (continued)

Your total assets

| | | Value on Dec 31 / (\$) | Percentage of your account | Cost basis (\$) | Estimated annual income (\$) | Unrealized gain or loss (\$) |
|---------------------|--------------------------------|------------------------|-------------------------------|-----------------------|---------------------------------|---------------------------------|
| Cash | Cash and money balances | 2,917,063.92 | 96.17% | 2,917,063.92 | | |
| Equities | Common stock | 19,705.50 | 0.65% | 16,738.34 | 841.00 | 2,967.16 |
| Fixed income | Certificates of deposits | 96,415.50 | | 95,000.00 | 1,924.00 | 1,415.50 |
| | Total accrued interest | 63.25 | | | | |
| | Total fixed income | 96,478.75 | 3.18% | 95,000.00 | 1,924.00 | 1,415.50 |
| Total | | \$3,033,248.17 | 100.00% | \$3,028,802.26 | \$2,765.00 | \$4,382.66 |

Account activity this month

For more information about the price/value shown for restricted securities, see *Important information about your statement* at the end of this document.

| Date | Activity | Description | Your expense code | Quantity/ Face value | Price/Value (\$) | Cash amount (\$) | Cash and money balance (\$) |
|---------------|-------------|---|----------------------|-------------------------|------------------|---------------------|--------------------------------|
| Nov 30 | | Cash and money balance | | | | | \$2,913,817.04 |
| Dec 1 | Dividend | CONOCOPHILLIPS PAID ON 2175 | | | | 1,087.50 | 2,914,904.54 |
| Dec 17 | St Cap Gain | RMA MONEY MKT PORTFOLIO AS OF 12/16/09 | | | | 205.76 | 2,915,110.30 |
| Dec 24 | Dividend | RMA MONEY MKT PORTFOLIO AS OF 12/23/09 | | | | 24.60 | 2,915,134.90 |
| Dec 28 | Interest | BRANCH B&T NC US RT 04 0500% MAT 06/25/10 FIXED RATE CD PAID ON 95000 AS OF 12/25/09 | | | | 1,929.02 | 2,917,063.92 |
| Dec 31 | | Closing cash and money balance | | | | | \$2,917,063.92 |

| | Date | Activity | Description | Amount (\$) |
|---------------------------------|---------------|---|--|-----------------------|
| Money balance activities | Nov 30 | Balance forward | | \$2,913,817.04 |
| | Dec 2 | Bought | RMA MONEY MKT PORTFOLIO | 1,087.50 |
| | Dec 17 | Bought | RMA MONEY MKT PORTFOLIO AS OF 12/16/09 | 205.76 |
| | Dec 24 | Bought | RMA MONEY MKT PORTFOLIO AS OF 12/23/09 | 24.60 |
| | Dec 29 | Bought | RMA MONEY MKT PORTFOLIO | 1,929.02 |
| | Dec 31 | Closing RMA Money Mkt. Portfolio | | \$2,917,063.92 |

The RMA Money Market Portfolio is your primary sweep option.

**ARATANI FOUNDATION DONEES' FILE
DONATIONS - 2009**

| DONEE | Check No. | Amount | (OBRA) | Net Amount |
|---|----------------------|---------------|---------------|-----------------------|
| American Buddhist Study Center 331 Riverside Drive, New York, NY 10025 | 2661 | 5,000 00 | 0 | 5,000 00 |
| American Buddhist Study Center | 2871 | 20,000 00 | 0 | 20,000 00 |
| The American Committee for KEEP, Inc 825 Green Bay Rd, Ste 122, Wilmette, IL 60091 | 2873 | 1,000 00 | 0 | 1,000 00 |
| Asia America Symphony Association 608 Silver Spur Rd , #320, Rolling Hills Estates, CA 90274 | 2702 | 5,000 00 | 400 00 | 4,600.00 |
| Asia America Symphony Association | 2702 | 3,000.00 | 750 00 | 2,250 00 |
| Asia America Symphony Association (JBA) | 2748 | 10,000 00 | 800 00 | 9,200 00 |
| Asia America Symphony Association | 2803 | 2,000 00 | 800 00 | 1,200 00 |
| Asian Pacific American Institute for Congressional Studies 1001 Connecticut Avenue, NW, Ste 835, Washington DC 20036 | 2747 | 10,000.00 | 0 | 10,000 00 |
| Asian Pacific American Legal Center of So CA 1145 Wilshire Blvd, 2nd Floor, Los Angeles, CA 90017 | 2754 | 500 00 | 0 | 500 00 |
| Association of Small Foundations 1720 N St, NW, Washington, DC 20036 | 2851 | 495 00 | 0 | 495.00 |
| Association of Small Foundations | 2858 | 500.00 | 0 | 500 00 |
| Aurora/Japanese Language Scholarship Foundation 3127 Nichols Canyon Road, Los Angeles, CA 90046 | 2686 | 1,000 00 | 550 00 | 450 00 |
| Aurora/Japanese Language Scholarship Foundation | 2686 | 1,000 00 | 0 | 1,000 00 |
| Aurora/Japanese Language Scholarship Foundation | 2733 | 4,000.00 | 2,500 00 | 1,500 00 |
| Aurora/Japanese Language Scholarship Foundation | 2776 | 4,000.00 | 2,900 00 | 1,100 00 |
| B'nai B'rith International 3397 Barham Blvd , Los Angeles, CA 90068 | 2734 | 7,500 00 | 0 | 7,500 00 |
| Bella Vista Optimist Club 630 Marek drive, Montebello, CA 90640-2637 | 2700 | 125 00 | 0 | 125 00 |
| Centenary United Methodist Church 300 S Central Avenue, Los Angeles, CA 90013 | 2696 | 125 00 | 0 | 125 00 |
| Cherry Blossom Festival Southern California 686 S Arroyo Parkway, #221, Pasadena, CA 91105 | 2651 | 20,000 00 | 0 | 20,000 00 |
| CISV International, Inc c/o SHIBOLETH, 1 Penn Plaza, Ste 2527, NY, NY 10119 | 2750 | 15,000 00 | 0 | 15,000 00 |
| The Clark Center for Japanese Art & Culture 15770 Tenth Avenue, Hanford, CA 93230 | 2801 | 2,500 00 | 0 | 2,500 00 |
| The Clark Center for Japanese Art & Culture | 2882 | 10,000 00 | 0 | 10,000 00 |
| East West Players 120 Judge John Aiso Street, Los Angeles, CA 90012 | 2676 | 30,000 00 | 0 | 30,000 00 |
| East West Players | 2849 | 30,000 00 | 0 | 30,000 00 |
| Go For Broke National Education Center 370 Amapola Ave , Suite 110, Torrance, CA 90501 | 2804 | 5,000.00 | 1,000 00 | 4,000.00 |
| Go For Broke National Education Center | 2824 | 1,000.00 | 0 | 1,000 00 |
| Guadalupe Buddhist Church P O Box 57, Guadalupe, CA 93434 | 2650 | 25,000 00 | 0 | 25,000 00 |
| Guadalupe Buddhist Church | 2703 | 25,000 00 | 0 | 25,000 00 |
| Hospice of Volusia/Flagler 3800 Woodbriar Trail, Port Orange, FL 32129-9966 | 2673 | 1,000 00 | 0 | 1,000 00 |

| DONEE | Check No. | Amount | (OBRA) | Net Amount |
|--|----------------------|---------------|---------------|-----------------------|
| Institute of Buddhist Studies 2140 Durant Avenue, Berkeley, CA 94704-1589 | 2821 | 125,000 00 | 0 | 125,000.00 |
| Japan America Society of Southern California 505 S Flower Street, Level C, Los Angeles, CA 90071 | 2652 | 80,000 00 | 0 | 80,000 00 |
| Japan America Society of Southern California | 2800 | 1,500 00 | 0 | 1,500.00 |
| Japan Business Association of Southern California 1411 W 190th Street, Suite 270, Gardena, CA 90248 | 2724 | 1,500 00 | 366 00 | 1,134 00 |
| JACCC 244 S. San Pedro St, Ste 505, Los Angeles, CA 90012-3895 | 2627 | 125,000.00 | 0 | 125,000 00 |
| JACCC | 2720 | 125,000.00 | 0 | 125,000 00 |
| JACCC | 2822 | 125,000 00 | 0 | 125,000 00 |
| JACCC | 2893 | 125,000.00 | 0 | 125,000 00 |
| JACL - Millennium Club 1765 Sutter Street, San Francisco, CA 94115 | 2704 | 1,000.00 | 0 | 1,000.00 |
| JACL 1828 L Street NW, Suite 802, Washington, DC 20036 | 2811 | 5,000 00 | 0 | 5,000 00 |
| JACL - GLAS | 2772 | 250.00 | 0 | 250 00 |
| JACL - PSWD 244 S San Pedro St , Ste 4056, Los Angeles, CA 90012-3832 | 2823 | 2,500 00 | 0 | 2,500 00 |
| JACL - PSWD | 2894 | 500 00 | 0 | 500 00 |
| Japanese American National Museum 369 E 1st Street, Los Angeles, CA 90012 | 2668 | 10,000.00 | 950 00 | 9,050.00 |
| Japanese American National Museum | 2746 | 125,000 00 | 0 | 125,000 00 |
| Japanese American National Museum | 2848 | 125,000 00 | 0 | 125,000 00 |
| Japanese American Optimist Club of Los Angeles 20 Palatine, #113, Irvine, CA 92612 | 2698 | 400 00 | 0 | 400 00 |
| Japanese American Scholarship Fund 244 S San Pedro Street, Suite 504, Los Angeles, CA 90012 | 2722 | 500 00 | 0 | 500 00 |
| Japanese American Scholarship Fund | 2753 | 2,000.00 | 0 | 2,000.00 |
| Japanese Chamber of Commerce 244 S San Pedro Street, Suite 504, Los Angeles, CA 90012 | 2749 | 1,000 00 | 0 | 1,000 00 |
| Japanese Chamber of Commerce | 2769 | 3,000 00 | 280.00 | 2,720.00 |
| Japanese Chamber of Commerce | 2902 | 1,000 00 | 0 | 1,000 00 |
| Japanese Community Health, Inc. 420 E. Third St , Ste 600, Los Angeles, CA 90013 | 2820 | 500 00 | 0 | 500 00 |
| Japanese Community Pioneer Center 244 S. San Pedro Street, Suite 301, Los Angeles, CA 90012 | 2777 | 300 00 | 0 | 300 00 |
| Japanese Language School Unified System 1218 Menlo Avenue, Los Angeles, CA 90006 | 2672 | 125 00 | 0 | 125 00 |
| Keiro Senior Healthcare Services 325 South Boyle Avenue, Los Angeles, CA 90033-3812 | 2743 | 1,200 00 | 0 | 1,200 00 |
| Keiro Senior Healthcare Services | 2744 | 100,000 00 | 2,000 00 | 98,000 00 |
| Keiro Senior Healthcare Services | 2770 | 5,000.00 | 840 00 | 4,160 00 |
| Kenjinkai Kyogikai 11902 Central Ave , C213, Chino, CA 91710 | 2838 | 500 00 | 0 | 500 00 |
| LEAP 327 East 2nd Street, Suite 226, Los Angeles, CA 90012-4210 | 2723 | 3,000.00 | 0 | 3,000.00 |
| Little Tokyo Senior Nutrition Services 244 S. San Pedro Street, Suite 408, Los Angeles, CA 90012 | 2721 | 25,000.00 | 0 | 25,000.00 |
| Little Tokyo Senior Nutrition Services | 2799 | 25,000 00 | 0 | 25,000.00 |

| DONEE | Check No. | Amount | (OBRA) | Net Amount |
|---|----------------------|---------------------|------------------|-----------------------|
| Little Tokyo Service Center 231 E Third Street, Ste G-106, Los Angeles, CA 90013 | 2674 | 2,500 00 | 0 | 2,500.00 |
| Little Tokyo Service Center | 2712 | 5,000 00 | 0 | 5,000 00 |
| Los Angeles Homba Hongwanji Buddhist Temple 815 E First Street, Los Angeles, CA 90012 | 2771 | 250 00 | 0 | 250 00 |
| Military Intelligence Service Club of So. California 707 East Temple Street, Los Angeles, CA 90012 | 2787 | 250.00 | 0 | 250 00 |
| Montebello Plymouth Congregational Church 144 So Greenwood Avenue, Montebello, CA 90640 | 2699 | 125.00 | 0 | 125 00 |
| Nanka Kenjinkai Kyogikai 251 Ardmore Avenue, Los Angeles, CA 90004 | 2701 | 1,000 00 | 0 | 1,000 00 |
| National Council for Eurasian & E European Research Univ. of WA, P O Box 353650, Seattle, WA 98105 | 2710 | 3,000 00 | 0 | 3,000 00 |
| Nikkei Games P.O. Box 28802, Santa Ana, CA 92799 | 2752 | 5,000 00 | 0 | 5,000 00 |
| Nikkei Widowed Group Little Tokyo Service Ctr, Inc 231 E 3rd Street, Suite G104, Los Angeles, CA 90013 | 2725 | 100.00 | 0 | 100 00 |
| Nisei Week Foundation 244 S San Pedro Street, Suite 303, Los Angeles, CA 90012 | 2751 | 3,000 00 | 800 00 | 2,200 00 |
| Omotesenke Domonkai Hawaii 3269 Paumaka Place, Honolulu, HI 96822 | 2826 | 5,000 00 | 0 | 5,000.00 |
| Orange County Japanese American Association 2190 N Canal Street, Orange, CA 92865 | 2660 | 1,125 00 | 0 | 1,125.00 |
| Orange County Japanese American Association | 2726 | 1,200.00 | 0 | 1,200.00 |
| Orange County Japanese American Association | 2790 | 2,500 00 | 0 | 2,500.00 |
| Orange County Japanese American Association | 2825 | 1,125.00 | 0 | 1,125 00 |
| Rancho de Guadalupe Historical Society P.O. Box 233, Guadalupe, CA 93434 | 2737 | 1,000 00 | 0 | 1,000.00 |
| South Bay Classic, Inc 1919 Torrance, Blvd, Torrance, CA 90501 | 2773 | 3,000 00 | 840.00 | 2,160 00 |
| Southern California Nikkei Golf Association c/o Doug Aihara, 250 E 1st St, Ste 900, L A , CA 90012 | 2732 | 3,000 00 | 300.00 | 2,700.00 |
| Tigers Youth Club 1255 North Knollwood Circle, Anaheim CA 92801 | 2697 | 1,000 00 | 0 | 1,000 00 |
| UCLA - Asian American Studies Center 3230 Campbell Hall, Los Angeles, CA 90095 | 2675 | 100,000 00 | 0 | 100,000 00 |
| UCLA - Asian American Studies Center | 2775 | 100,000 00 | 0 | 100,000 00 |
| UCLA - Asian American Studies Center | 2872 | 100,000 00 | 0 | 100,000.00 |
| UCLA - Asian American Studies Center | 2892 | 100,000.00 | 0 | 100,000 00 |
| University of Southern California - APAA 635 Childs Way, MC 0461, Los Angeles, CA 90089-0461 | 2802 | 1,750 00 | 800 00 | 950 00 |
| Visual Communications 120 Judge John Aiso St, Los Angeles, CA 90012 | 2628 | 25,000.00 | 0 | 25,000 00 |
| Visual Communications | 2774 | 25,000 00 | 0 | 25,000.00 |
| Visual Communications | 2850 | 30,000 00 | 0 | 30,000.00 |
| West Los Angeles United Methodist Church 1913 Purdue Avenue, Los Angeles, CA 90025 | 2835 | 250 00 | 0 | 250 00 |
| | | 1,906,695.00 | 16,876.00 | 1,889,819.00 |