



See a Social Security Number? Say Something!
Report Privacy Problems to <https://public.resource.org/privacy>
Or call the IRS Identity Theft Hotline at 1-800-908-4490



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

2009

Department of the Treasury
Internal Revenue Service

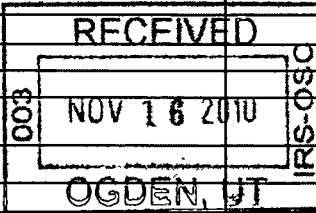
Note: The foundation may be able to use a copy of this return to satisfy state reporting requirements

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

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	KELTON FUND, INC 2716 OCEAN PARK BLVD #3006 SANTA MONICA, CA 90405-5299	A Employer identification number 95-6092356
		B Telephone number (see the instructions) 310-396-4514
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		C If exemption application is pending, check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ 1,945,301.		D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis.)		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc, received (att sch)				
	2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	136.	136.	136.	
	4 Dividends and interest from securities	64,368.	64,368.	64,368.	
	5a Gross rents	271,389.	271,389.	271,389.	
	b Net rental income or (loss) 7,851.				
	6a Net gain/(loss) from sale of assets not on line 10	-2,876.			
	b Gross sales price for all assets on line 6a 1,463,131.				
	7 Capital gain net income (from Part IV, line 2)		0.		
	8 Net short-term capital gain			0.	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less Cost of goods sold					
c Gross profit/(loss) (att sch)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	333,017.	335,893.	335,893.		
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 1	2,750.	1,375.	1,375.	1,375.
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instr) SEE STM 2	2,010.			2,010.
	19 Depreciation (attach sch) and depletion	41,236.	41,236.	41,236.	
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 3	222,847.	222,847.	222,302.	
	24 Total operating and administrative expenses. Add lines 13 through 23	268,843.	265,458.	264,913.	3,385.
	25 Contributions, gifts, grants paid PART XV	122,608.			122,608.
26 Total expenses and disbursements. Add lines 24 and 25	391,451.	265,458.	264,913.	125,993.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-58,434.				
b Net investment income (if negative, enter -0-)		70,435.			
c Adjusted net income (if negative, enter -0-)			70,980.		



SCANNED NOV 19 2010

5

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash — non-interest-bearing		4,908.	3,464.	3,464.
	2	Savings and temporary cash investments		85,516.	42,712.	42,712.
	3	Accounts receivable				
		Less: allowance for doubtful accounts ▶				
	4	Pledges receivable				
		Less: allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)				
	7	Other notes and loans receivable (attach sch) ▶				
		Less: allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments — U.S. and state government obligations (attach schedule)		1,231,903.	1,239,339.	1,239,339.
		b Investments — corporate stock (attach schedule)				
		c Investments — corporate bonds (attach schedule)				
	11	Investments — land, buildings, and equipment: basis ▶ 1,153,366.				
	Less: accumulated depreciation (attach schedule) SEE STMT. 4 ▶ 493,818.		680,559.	659,548.	659,548.	
12	Investments — mortgage loans					
13	Investments — other (attach schedule)					
14	Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation (attach schedule)					
15	Other assets (describe ▶ SEE STATEMENT 5)		237.	238.	238.	
16	Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)		2,003,123.	1,945,301.	1,945,301.	
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶ SEE STATEMENT 6)		10,775.	11,387.	
	23	Total liabilities (add lines 17 through 22)		10,775.	11,387.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>					
	24	Unrestricted		1,992,348.	1,933,914.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input type="checkbox"/>					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see the instructions)		1,992,348.	1,933,914.		
31	Total liabilities and net assets/fund balances (see the instructions)		2,003,123.	1,945,301.		

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	1,992,348.
2	Enter amount from Part I, line 27a	2	-58,434.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,933,914.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	1,933,914.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a SEE STATEMENT 7			
b			
c			
d			
e			

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

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

2 Capital gain net income or (net capital loss). - [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2	-2,876.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see the instructions). If (loss), enter -0- in Part I, line 8 - []	3	-3,851.

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

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

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

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

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

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

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

2 Total of line 1, column (d)	2	
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	
4 Enter the net value of noncharitable-use assets for 2009 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

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

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

Table with 11 rows for excise tax calculations. Includes sub-rows 6a-6d for credits. Total tax due is 0, overpayment is 377.

Part VII A Statements Regarding Activities

Table with 10 rows for activity statements. Columns for Yes/No. Includes questions about political activities, unrelated business income, and state reporting.

BAA

Form 990-PF (2009)

Part VII(A) Statements Regarding Activities Continued

11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
14 The books are in care of DAVID KELTON Telephone no 310-396-4514
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here N/A 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.

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?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(6) Agree to pay money or property to a government official?
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see the instructions)?
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?
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?
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?
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
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?
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
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?

BAA

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

5a During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No
- (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No
- (4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) Yes No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? Yes No

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

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

Organizations relying on a current notice regarding disaster assistance check here

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If 'Yes' to 6b, file Form 8870

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

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes 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 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
DAVID KELTON 2716 OCEAN PARK BLVD #3006 SANTA MONICA, CA 90405-5299	PRESIDENT/DI 0	0.	0.	0.
RICHARD KELTON 2716 OCEAN PARK BLVD #3006 SANTA MONICA, CA 90405-5299	V PRE/SEC/DI 0	0.	0.	0.

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

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

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

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

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

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

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

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A NOT AN OPERATING FOUNDATION	

2	

3	

4	

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

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

	Amount	
1 N/A		

2		

All other program-related investments See instructions.		
3		

Total. Add lines 1 through 3		0.

BAA

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes:		
a	Average monthly fair market value of securities	1a	1,237,113.
b	Average of monthly cash balances	1b	75,514.
c	Fair market value of all other assets (see instructions)	1c	659,786.
d	Total (add lines 1a, b, and c)	1d	1,972,413.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	1,972,413.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	29,586.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	1,942,827.
6	Minimum investment return. Enter 5% of line 5	6	97,141.

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

1	Minimum investment return from Part X, line 6	1	97,141.
2a	Tax on investment income for 2009 from Part VI, line 5	2a	1,409.
b	Income tax for 2009. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	1,409.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	95,732.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	95,732.
6	Deduction from distributable amount (see instructions)	6	
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	95,732.

Part XII **Qualifying Distributions** (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc, purposes:		
a	Expenses, contributions, gifts, etc – total from Part I, column (d), line 26	1a	125,993.
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	125,993.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	125,993.

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

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2008	(c) 2008	(d) 2009
1 Distributable amount for 2009 from Part XI, line 7				95,732.
2 Undistributed income, if any, as of the end of 2009:				
a Enter amount for 2008 only			0.	
b Total for prior years: 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2009:				
a From 2004	93,810.			
b From 2005	68,618.			
c From 2006	68,342.			
d From 2007	81,126.			
e From 2008	49,366.			
f Total of lines 3a through e	361,262.			
4 Qualifying distributions for 2009 from Part XII, line 4: ▶ \$ 125,993.				
a Applied to 2008, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2009 distributable amount				95,732.
e Remaining amount distributed out of corpus	30,261.			
5 Excess distributions carryover applied to 2009 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	391,523.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount — see instructions		0.		
e Undistributed income for 2008. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2009. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2010				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2004 not applied on line 5 or line 7 (see instructions)	93,810.			
9 Excess distributions carryover to 2010. Subtract lines 7 and 8 from line 6a	297,713.			
10 Analysis of line 9:				
a Excess from 2005	68,618.			
b Excess from 2006	68,342.			
c Excess from 2007	81,126.			
d Excess from 2008	49,366.			
e Excess from 2009	30,261.			

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

N/A

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

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

	Tax year	Prior 3 years			(e) Total
	(a) 2009	(b) 2008	(c) 2007	(d) 2006	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a 'Assets' alternative test – enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test – enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2))
NONE

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

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<p>a Paid during the year SEE STATEMENT 8</p>				
<p>Total</p>				<p>▶ 3a 122,608.</p>
<p>b Approved for future payment</p>				
<p>Total</p>				<p>▶ 3b</p>

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ▶
 - If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only. ▶

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*

Type or print	Name of Exempt Organization KELTON FUND, INC	Employer identification number 95-6092356
File by the due date for filing your return. See instructions	Number, street, and room or suite number. If a P O box, see instructions 2716 OCEAN PARK BLVD #3006	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions SANTA MONICA, CA 90405-5299	

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

<input type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input checked="" type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

• The books are in the care of. ▶ DAVID KELTON -----

Telephone No ▶ 310-396-4514 ----- FAX No. ▶ -----

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

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15, 20 10, to file the exempt organization return for the organization named above.
The extension is for the organization's return for:
▶ calendar year 20 09 or
▶ tax year beginning _____, 20 _____, and ending _____, 20 _____.

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$	1,409.
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	1,786.
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

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

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**
- Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print <small>File by the extended due date for filing the return. See instructions</small>	Name of Exempt Organization KELTON FUND, INC		Employer identification number 95-6092356
	Number, street, and room or suite number. If a P.O. box, see instructions G. SCOTT LITTELL, CPA 1508 17TH STREET		For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SANTA MONICA, CA 90404-3402		

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

<input type="checkbox"/> Form 990	<input checked="" type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (section 401(a) or 408(a) trust)	<input type="checkbox"/> Form 4720	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 5227	

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

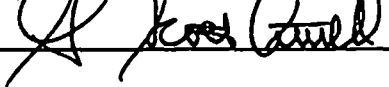
- The books are in care of **DAVID KELTON**
Telephone No. **310-396-4514** FAX No. _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until 11/15, 2010.
- For calendar year 2009, or other tax year beginning _____, 20____, and ending _____, 20____.
- If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period
- State in detail why you need the extension. . . . **ADDITIONAL TIME IS NEEDED TO COMPILE THE INFORMATION NECESSARY TO FILE AN ACCURATE TAX RETURN.**

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a \$ 1,409.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b \$ 1,786.
c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instrs	8c \$ 0.

Signature and Verification

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

Signature  Title **CPA** Date **8/9/2010**

KELTON FUND, INC

95-6092356

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
G SCOTT LITTELL	\$ 2,750.	\$ 1,375.	\$ 1,375.	\$ 1,375.
TOTAL	<u>\$ 2,750.</u>	<u>\$ 1,375.</u>	<u>\$ 1,375.</u>	<u>\$ 1,375.</u>

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FRANCHISE TAX BOARD	\$ 10.			\$ 10.
UNITED STATES TREASURY	2,000.			2,000.
TOTAL	<u>\$ 2,010.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 2,010.</u>

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

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEEES	\$ 545.	\$ 545.		
RENTAL EXPENSES			\$ 222,302.	
RENTAL EXPENSES	222,302.	222,302.		
TOTAL	<u>\$ 222,847.</u>	<u>\$ 222,847.</u>	<u>\$ 222,302.</u>	<u>\$ 0.</u>

STATEMENT 4
FORM 990-PF, PART II, LINE 11
INVESTMENTS - LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	\$ 11,444.	\$ 9,366.	\$ 2,078.	\$ 2,078.
MACHINERY AND EQUIPMENT	118,172.	85,844.	32,328.	32,328.
BUILDINGS	845,500.	398,388.	447,112.	447,112.
IMPROVEMENTS	1,250.	220.	1,030.	1,030.
LAND	177,000.		177,000.	177,000.
TOTAL	<u>\$ 1,153,366.</u>	<u>\$ 493,818.</u>	<u>\$ 659,548.</u>	<u>\$ 659,548.</u>

KELTON FUND, INC

95-6092356

STATEMENT 5
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
ORGANIZATION EXPENSE	\$ 237.	
ORGANIZATION EXPENSE		\$ 238.
ROUNDING	1.	
TOTAL	\$ <u>238.</u>	\$ <u>238.</u>

STATEMENT 6
FORM 990-PF, PART II, LINE 22
OTHER LIABILITIES

SECURITY DEPOSITS KELTON PLAZA	\$ 11,354.
DUE TO KELTON TRUST	33.
TOTAL	\$ <u>11,387.</u>

STATEMENT 7
FORM 990-PF, PART IV, LINE 1
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

<u>ITEM</u>	<u>(A) DESCRIPTION</u>	<u>(B) HOW ACQUIRED</u>	<u>(C) DATE ACQUIRED</u>	<u>(D) DATE SOLD</u>	<u>(E) GROSS SALES</u>	<u>(F) DEPREC. ALLOWED</u>	<u>(G) COST BASIS</u>	<u>(H) GAIN (LOSS)</u>	<u>(I) FMV 12/31/69</u>	<u>(J) ADJ. BAS. 12/31/69</u>	<u>(K) EXCESS (I) - (J)</u>	<u>(L) GAIN (LOSS)</u>
1	FEDERAL HOME LOAN MORTGAGE MED	PURCHASED	2/27/2003	5/05/2009	100,000.		99,000.	1,000.				\$ 1,000.
2	CAJON VALLEY CA UN ELEM	DONATED	4/08/2009	5/20/2009	329,863.		334,092.	-4,229.				-4,229.
3	FED HM LN BK	DONATED	8/06/2003	1/27/2009	100,000.		100,000.	0.				0.
4	FED HM LN BK	PURCHASED	8/06/2003	1/30/2009	200,000.		200,000.	0.				0.
5	FED NATIONAL MORTGAGE	DONATED	3/29/2004	4/13/2009	400,000.		400,000.	0.				0.
6	FED NATIONAL MORTGAGE	DONATED	3/28/2008	4/27/2009	50,000.		50,025.	-25.				-25.
7	FED NATIONAL MORTGAGE	DONATED	3/14/2008	6/09/2009	137,000.		137,000.	0.				0.
8	SAN DIEGO CNTY CA WTR AUTH	DONATED	12/30/2008	5/20/2009	146,268.		145,890.	378.				378.
												TOTAL
												\$ <u>-2,876.</u>

KELTON FUND, INC

95-6092356

**STATEMENT 8
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR**

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
ALSC/OPERATION SCHOOL BELL 1370 N ST. ANDREWS PL HOLLYWOOD, CA 90028	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	\$ 1,000.
AMERICAN CANCER SOCIETY PO BOX 79099 LOS ANGELES, CA 90079-0099	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	100.
AMERICAN HEART ASSOCIATION PO BOX 78851 PHOENIX, AZ 85062-8851	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	100.
AMERICAN RED CROSS - SANTA MONICA AMERICAN RED CROSS OF SAN... SANTA MONICA, CA 90401-2902	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	100.
ARTS HIGH FOUNDATION 5151 STATE UNIVERSITY DR LOS ANGELES, CA 90032	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	225.
ASSOCIATES - IMC 7150 TAMPA AVE RESEDA, CA 91335	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	100.
AVON BREAST CANCER 3-DAY CHICAGO, IL 60674-1129	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	500.
CENTER THEATRE GROUP 601 W TEMPLE ST LOS ANGELES, CA 90012	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	15,000.
CHILDREN'S WISH FOUNDATION INTERNATIONAL 8615 ROSWELL ROAD ATLANTA, GA 30350-1822	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	100.
DESIGN FOR SHARING B100 ROYCE HALL BOX 951529 LOS ANGELES, CA 90095-1529	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	100.
DREAM STREET FOUNDATION 6399 WILSHIRE BOULEVARD ST... LOS ANGELES, CA 90048	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	200.
GEFFEN PLAYHOUSE CHICAGO, IL 60674-1129	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	1,000.

KELTON FUND, INC

95-6092356

STATEMENT 8 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
HEAL THE BAY 2550 NINTH ST STE 1059 BERKELEY, CA 94710-2551	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	\$ 100.
JUVENILE DIABETES RESEARCH FOUNDATION 17872 MITCHELL NORTH STE 100 IRVINE, CA 92614	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	500.
KEHILLAT ISRAEL 16019 SUNSET BLVD PACIFIC PALISADES, CA 90272	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	1,000.
KUSC PO BOX 80354 LOS ANGELES, CA 90080-0354	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	200.
LACMA 5905 WILSHIRE BLVD LOS ANGELES, CA 90036	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,000.
LEO BAECK TEMPLE 1300 N SEPULVEDA BLVD LOS ANGELES, CA 90049	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	5,000.
LEUKEMIA AND LYMPHOMA SOCIETY 6033 WEST CENTURY BOULEVARD LOS ANGELES, CA 90045	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	333.
LOS ANGELES OPERA 135 NORTH GRAND AVE LOS ANGELES, CA 90012	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	20,000.
LOS ANGELES PHILHARMONIC ASSOCIATION 151 SOUTH GRAND AVE LOS ANGELES, CA 90012	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,750.
LOS ANGELES TIMES SUMMER CAMP CAMPAIGN PO BOX 100324 PASADENA, CA 91189-1100	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	125.
PALISADES CHARTER HIGH SCHOOL - POOL ACCOUNT 15777 BOWDOIN STREET PACIFIC PALISADES, CA 90272	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	25,000.

KELTON FUND, INC

95-6092356

STATEMENT 8 (CONTINUED)
 FORM 990-PF, PART XV, LINE 3A
 RECIPIENT PAID DURING THE YEAR

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
PASADENA PLAYHOUSE 39 S EL MOLINA AVE PASADENA, CA 91101	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	\$ 1,000.
PLANNED PARENTHOOD LOS ANGELES FOOD FARE 2009//FILE 50068 LOS ANGELES, CA 90074-0068	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	325.
REPRISE 1575 WESTWOOD BLVD STE 204 LOS ANGELES, CA 90024-5627	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,500.
SAINT JOHN'S HEALTH CENTER FOUNDATION 15777 BOWDOIN ST PACIFIC PALISADES, CA 90272	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	5,000.
SCPR PO BOX 51920 LOS ANGELES, CA 90051-6220	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	200.
SKIRBALL CULTURAL CENTER 2701 N SEPULVEDA BLVD LOS ANGELES, CA 90049-6833	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,000.
SPECIAL OLYMPICS SOUTHERN CALIFORNIA INC PO BOX 1986 SANTA MONICA, CA 90406-1986	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	200.
THE GUARDIANS EDWARD K MILKIS BUSINESS C... LOS ANGELES, CA 90025	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	250.
THE JEWISH FEDERATION 6505 WILSHIRE BLVD LOS ANGELES, CA 90048	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,500.
UCLA FOUNDATION PO BOX 24209 LOS ANGELES, CA 90099-4214	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	5,000.
UCLA FOUNDATION LAW FUND PO BOX 24209 LOS ANGELES, CA 90024	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,500.
US FUND FOR UNICEF PO BOX 27708 NEWARK, NJ 07101-7708	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	250.

KELTON FUND, INC

95-6092356

STATEMENT 8 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
USA FOR UNHCR PO BOX 97114 WASHINGTON, DC 20077-7282	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	\$ 100.
WINDWARD SCHOOL 11350 PALMS BLVD LOS ANGELES, CA 90066	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	25,250.
			TOTAL \$	<u>122,608.</u>