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Form **990**Department of the Treasury  
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

**2009**Open to Public  
Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2009 calendar year, or tax year beginning **DEC 1, 2009** and ending **NOV 30, 2010****B** Check if applicable

- ☐ Address change  
☐ Name change  
☐ Initial return  
☐ Terminated  
☐ Amended return  
☐ Application pending

Please use IRS label or print or type  
See Specific Instructions**C** Name of organization**THE SURPLUS LINE ASSOCIATION OF CALIFORNIA**

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite

**50 CALIFORNIA STREET, 18TH FLOOR**

City or town, state or country, and ZIP + 4

**SAN FRANCISCO, CA 94111****F** Name and address of principal officer: **JOY ERVEN****SAME AS (C) ABOVE****D** Employer identification number**94-0912095****E** Telephone number**(415) 434-4900****G** Gross receipts \$**9,850,665.****H(a)** Is this a group returnfor affiliates? ☐ Yes ☒ No**H(b)** Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

**H(c)** Group exemption number ▶**I** Tax-exempt status: ☒ 501(c) (6) (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ **HTTP://WWW.SLA-CAL.ORG/****K** Form of organization: ☐ Corporation ☐ Trust ☒ Association ☐ Other ▶**L** Year of formation **1994** **M** State of legal domicile **CA****Part I** Summary

|                         |  |  |                                |                                  |
|-------------------------|--|--|--------------------------------|----------------------------------|
| Activities & Governance | <b>1</b>   | Briefly describe the organization's mission or most significant activities: <b>TO HELP MAINTAIN A HEALTHY, FAIR, AND COMPETITIVE SURPLUS LINE MARKETPLACE IN CALIFORNIA.</b> |                                |                                  |
|                         | <b>2</b>   | Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.                                      |                                |                                  |
|                         | <b>3</b>   | Number of voting members of the governing body (Part VI, line 1a)  | <b>3</b>                       | <b>13</b>                        |
|                         | <b>4</b>   | Number of independent voting members of the governing body (Part VI, line 1b)  | <b>4</b>                       | <b>13</b>                        |
|                         | <b>5</b>   | Total number of employees (Part V, line 2a)  | <b>5</b>                       | <b>66</b>                        |
|                         | <b>6</b>   | Total number of volunteers (estimate if necessary)   | <b>6</b>                       | <b>37</b>                        |
|                         | <b>7a</b>  | Total gross unrelated business revenue from Part VIII, column (C), line 12   | <b>7a</b>                      | <b>0.</b>                        |
| <b>b</b>                | Net unrelated business taxable income from Form 990-T, line 34 | <b>7b</b>  | <b>0.</b>                      |                                  |
| Revenue                 | <b>8</b>   | Contributions and grants (Part VIII, line 1h)  | <b>Prior Year</b>              | <b>Current Year</b>              |
|                         | <b>9</b>   | Program service revenue (Part VIII, line 2g)   | <b>8,993,180.</b>              | <b>9,812,961.</b>                |
|                         | <b>10</b>  | Investment income (Part VIII, column (A), lines 3, 4, and 7d)  | <b>128,555.</b>                | <b>37,704.</b>                   |
|                         | <b>11</b>  | Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)   |                                |                                  |
|                         | <b>12</b>  | Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)   | <b>9,121,735.</b>              | <b>9,850,665.</b>                |
|                         | <b>13</b>  | Grants and similar amounts paid (Part IX, column (A), lines 1-3)   |                                |                                  |
|                         | <b>14</b>  | Benefits paid to or for members (Part IX, column (A), line 4)  |                                |                                  |
| Expenses                | <b>15</b>  | Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)  | <b>7,658,673.</b>              | <b>4,498,719.</b>                |
|                         | <b>16a</b>   | Professional fundraising fees (Part IX, column (A), line 11e)  |                                |                                  |
|                         | <b>b</b>   | Total fundraising expenses (Part IX, column (D), line 25) ▶  |                                |                                  |
|                         | <b>17</b>  | Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)   | <b>4,006,308.</b>              | <b>4,139,306.</b>                |
|                         | <b>18</b>  | Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)  | <b>11,664,981.</b>             | <b>8,638,025.</b>                |
|                         | <b>19</b>  | Revenue less expenses. Subtract line 18 from line 12   | <b>&lt;2,543,246.&gt;</b>      | <b>1,212,640.</b>                |
|                         | Net Assets or Fund Balances                                    | <b>20</b>  | Total assets (Part X, line 16) | <b>Beginning of Current Year</b> |
| <b>21</b>               |  | Total liabilities (Part X, line 26)  | <b>13,766,326.</b>             | <b>13,762,416.</b>               |
| <b>22</b>               |  | Net assets or fund balances. Subtract line 21 from line 20   | <b>4,007,478.</b>              | <b>2,790,928.</b>                |
|                         |  |  | <b>9,758,848.</b>              | <b>10,971,488.</b>               |

**Part II** Signature Block

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 officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer: **JOY ERVEN**Date: **10-14-2011**Type or print name and title: **JOY ERVEN, DIRECTOR, STAMPING OFFICE**

Paid Preparer's Use Only

Preparer's signature: **HOOD & STRONG LLP CPAS**  
 Firm's name (or yours if self-employed), address, and ZIP + 4: **100 FIRST STREET, 14TH FLOOR  
 SAN FRANCISCO, CA 94105**

Date: **OCT 14 2011**Check if self-employed ☐

Preparer's identifying number (see instructions)

EIN ▶

Phone no ▶ **(415) 781-0793**

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

P42

**THE SURPLUS LINE ASSOCIATION  
OF CALIFORNIA**

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**Part IV Checklist of Required Schedules**

|   | Yes      | No       |
|---|----------|----------|
| <b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)?<br><i>If "Yes," complete Schedule A</i>  |          | <b>X</b> |
| <b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors?   |          | <b>X</b> |
| <b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>  |          | <b>X</b> |
| <b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? <i>If "Yes," complete Schedule C, Part II</i>  |          |          |
| <b>5</b> <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If "Yes," complete Schedule C, Part III</i>  |          | <b>X</b> |
| <b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>  |          | <b>X</b> |
| <b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>                                      |          | <b>X</b> |
| <b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>   |          | <b>X</b> |
| <b>9</b> Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> |          | <b>X</b> |
| <b>10</b> Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>   |          | <b>X</b> |
| <b>11</b> Is the organization's answer to any of the following questions "Yes"? <i>If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>  | <b>X</b> |          |
| • Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI.</i>   |          |          |
| • Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII.</i>   |          |          |
| • Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII.</i>   |          |          |
| • Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX.</i>  |          |          |
| • Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X.</i>   |          |          |
| • Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? <i>If "Yes," complete Schedule D, Part X.</i>                      |          |          |
| <b>12</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI, XII, and XIII.</i>   | <b>X</b> |          |
| <b>12A</b> Was the organization included in consolidated, independent audited financial statements for the tax year?<br><i>If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional</i>   | <b>X</b> |          |
| <b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>  |          | <b>X</b> |
| <b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?  |          | <b>X</b> |
| <b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? <i>If "Yes," complete Schedule F, Part I</i>                             |          | <b>X</b> |
| <b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Part II</i>                                      |          | <b>X</b> |
| <b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Part III</i>  |          | <b>X</b> |
| <b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>   |          | <b>X</b> |
| <b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>   |          | <b>X</b> |
| <b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>   |          | <b>X</b> |
| <b>20</b> Did the organization operate one or more hospitals? <i>If "Yes," complete Schedule H</i>  |          | <b>X</b> |

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**Part IV Checklist of Required Schedules** (continued)

|   | Yes      | No       |
|---|----------|----------|
| <b>21</b> Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>   |          | <b>X</b> |
| <b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>  |          | <b>X</b> |
| <b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>                           | <b>X</b> |          |
| <b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> |          | <b>X</b> |
| <b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?  |          |          |
| <b>24c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?   |          |          |
| <b>24d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?  |          |          |
| <b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>  |          |          |
| <b>25b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>           |          |          |
| <b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>   |          | <b>X</b> |
| <b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>                 |          | <b>X</b> |
| <b>28</b> Was the organization a party to a business transaction with one of the following parties, (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):  |          |          |
| <b>28a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>   |          | <b>X</b> |
| <b>28b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>  |          | <b>X</b> |
| <b>28c</b> An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>  |          | <b>X</b> |
| <b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>   |          | <b>X</b> |
| <b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>   |          | <b>X</b> |
| <b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations?<br><i>If "Yes," complete Schedule N, Part I</i>  |          | <b>X</b> |
| <b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>   |          | <b>X</b> |
| <b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>   |          | <b>X</b> |
| <b>34</b> Was the organization related to any tax-exempt or taxable entity?<br><i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>   |          | <b>X</b> |
| <b>35</b> Is any related organization a controlled entity within the meaning of section 512(b)(13)?<br><i>If "Yes," complete Schedule R, Part V, line 2</i>   |          | <b>X</b> |
| <b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization?<br><i>If "Yes," complete Schedule R, Part V, line 2</i>   |          |          |
| <b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>  |          | <b>X</b> |
| <b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19?   | <b>X</b> |          |

**Note.** All Form 990 filers are required to complete Schedule O.

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**Part III** Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:

THE ASSOCIATION SERVES AS THE SURPLUS LINE ADVISORY ORGANIZATION TO  
THE CALIFORNIA DEPARTMENT OF INSURANCE (CDI) AND FACILITATES THE  
STATE'S CAPACITY TO MONITOR AND DIRECT SURPLUS LINE BROKERS'  
PLACEMENTS OF INSURANCE WITH ELIGIBLE NONADMITTED INSURERS.

2 Did the organization undertake any significant program services during the year which were not listed on  
the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses.

Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and  
allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

THE ASSOCIATION IS DESIGNATED TO ACT AS THE SURPLUS LINE ADVISORY  
ORGANIZATION TO THE CALIFORNIA DEPARTMENT OF INSURANCE. THE ASSOCIATION  
ASSESSES A STAMPING FEE ON THESE BROKERS BASED ON A PERCENTAGE OF  
PREMIUM WRITTEN AS FILED. CERTAIN SURPLUS LINE BROKERS ARE MEMBERS OF  
COMMITTEES WHICH OPERATE THE ASSOCIATION.

4b (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses **\$**

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**Part V Statements Regarding Other IRS Filings and Tax Compliance**

|            |  | Yes | No |
|------------|--|-----|----|
| <b>1a</b>  | Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable   | 17  |    |
| <b>1b</b>  | Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable  | 0   |    |
| <b>1c</b>  | Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?   |     |    |
| <b>2a</b>  | Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return  | 66  |    |
| <b>2b</b>  | If at least one is reported on line 2a, did the organization file all required federal employment tax returns?<br><b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)                              |     | X  |
| <b>3a</b>  | Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?   |     | X  |
| <b>3b</b>  | If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O   |     |    |
| <b>4a</b>  | At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?                                   |     | X  |
| <b>4b</b>  | If "Yes," enter the name of the foreign country: <u>See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.</u>  |     |    |
| <b>5a</b>  | Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?  |     | X  |
| <b>5b</b>  | Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?   |     | X  |
| <b>5c</b>  | If "Yes," to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?   |     |    |
| <b>6a</b>  | Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?  |     | X  |
| <b>6b</b>  | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?  |     |    |
| <b>7</b>   | <b>Organizations that may receive deductible contributions under section 170(c).</b>   |     |    |
| <b>7a</b>  | Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?  |     |    |
| <b>7b</b>  | If "Yes," did the organization notify the donor of the value of the goods or services provided?  |     |    |
| <b>7c</b>  | Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?   |     |    |
| <b>7d</b>  | If "Yes," indicate the number of Forms 8282 filed during the year  |     |    |
| <b>7e</b>  | Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  |     |    |
| <b>7f</b>  | Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?   |     |    |
| <b>7g</b>  | For all contributions of qualified intellectual property, did the organization file Form 8899 as required?   |     |    |
| <b>7h</b>  | For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?  |     |    |
| <b>8</b>   | <b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year? |     |    |
| <b>9a</b>  | <b>Sponsoring organizations maintaining donor advised funds.</b> Did the organization make any taxable distributions under section 4966?   |     |    |
| <b>9b</b>  | Did the organization make a distribution to a donor, donor advisor, or related person?   |     |    |
| <b>10</b>  | <b>Section 501(c)(7) organizations.</b> Enter:   |     |    |
| <b>10a</b> | Initiation fees and capital contributions included on Part VIII, line 12   |     |    |
| <b>10b</b> | Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities  |     |    |
| <b>11</b>  | <b>Section 501(c)(12) organizations.</b> Enter:  |     |    |
| <b>11a</b> | Gross income from members or shareholders  |     |    |
| <b>11b</b> | Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)   |     |    |
| <b>12a</b> | <b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?  |     |    |
| <b>12b</b> | If "Yes," enter the amount of tax-exempt interest received or accrued during the year  |     |    |

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**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

**Section A. Governing Body and Management**

|  | Yes | No |
|--|-----|----|
| <b>1a</b> Enter the number of voting members of the governing body   | 13  |    |
| <b>b</b> Enter the number of voting members that are independent   | 13  |    |
| <b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?   | 2   | X  |
| <b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? | 3   | X  |
| <b>4</b> Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?   | 4   | X  |
| <b>5</b> Did the organization become aware during the year of a material diversion of the organization's assets?   | 5   | X  |
| <b>6</b> Does the organization have members or stockholders?   | 6   | X  |
| <b>7a</b> Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?  | 7a  | X  |
| <b>b</b> Are any decisions of the governing body subject to approval by members, stockholders, or other persons?   | 7b  | X  |
| <b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:   |     |    |
| <b>a</b> The governing body?   | 8a  | X  |
| <b>b</b> Each committee with authority to act on behalf of the governing body?   | 8b  | X  |
| <b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O        | 9   | X  |

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

|   | Yes | No |
|---|-----|----|
| <b>10a</b> Does the organization have local chapters, branches, or affiliates?  | 10a | X  |
| <b>b</b> If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?   | 10b |    |
| <b>11</b> Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?  | 11  | X  |
| <b>11A</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990.  |     |    |
| <b>12a</b> Does the organization have a written conflict of interest policy? If "No," go to line 13   | 12a | X  |
| <b>b</b> Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?  | 12b | X  |
| <b>c</b> Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done   | 12c | X  |
| <b>13</b> Does the organization have a written whistleblower policy?  | 13  | X  |
| <b>14</b> Does the organization have a written document retention and destruction policy?   | 14  | X  |
| <b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?  |     |    |
| <b>a</b> The organization's CEO, Executive Director, or top management official   | 15a | X  |
| <b>b</b> Other officers or key employees of the organization  | 15b | X  |
| If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)  |     |    |
| <b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?  | 16a | X  |
| <b>b</b> If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements? | 16b |    |

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed **CA**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.  
☐ Own website    ☐ Another's website    ☒ Upon request

**19** Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **▶**  
**JOY ERVEN - (415) 434-4900**  
**50 CALIFORNIA STREET, 18TH FLOOR, SAN FRANCISCO, CA 94111**

Form 990 (2009)

**THE SURPLUS LINE ASSOCIATION  
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**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

| (A)<br>Name and Title                          | (B)<br>Average hours per week | (C)<br>Position<br>(check all that apply) |                       |         |              |                              |        | (D)<br>Reportable compensation from the organization (W-2/1099-MISC) | (E)<br>Reportable compensation from related organizations (W-2/1099-MISC) | (F)<br>Estimated amount of other compensation from the organization and related organizations |
|--|-------------------------------|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
|  |                               | Individual trustee or director            | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |  |   |   |
| PATRICK HANLEY<br>CHAIRMAN                     | 2.00                          | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| DAVIS MOORE<br>VICE CHAIRMAN                   | 2.00                          | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| PAM QUILICI<br>SECRETARY/TREASURER             | 2.00                          | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| LES ROSS<br>PAST CHAIRMAN/CHAIRMAN             | 2.00                          | X   |                       | X       |              |                              |        | 0.   | 0.  | 0.  |
| DEAN ANDRIGHETTO<br>COMMITTEE MEMBER           | 2.00                          | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| DENIS BRADY<br>COMMITTEE MEMBER                | 2.00                          | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| CHRIS BROWN<br>COMMITTEE MEMBER                | 2.00                          | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| JOHN EDACK<br>COMMITTEE MEMBER                 | 2.00                          | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| IAN FITT<br>COMMITTEE MEMBER                   | 2.00                          | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| RUPERT HALL<br>COMMITTEE MEMBER                | 2.00                          | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| PHIL MAZUR<br>COMMITTEE MEMBER                 | 2.00                          | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| ANNE MCNALLY<br>COMMITTEE MEMBER               | 2.00                          | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| GERALD J. SULLIVAN<br>COMMITTEE MEMBER         | 2.00                          | X   |                       |         |              |                              |        | 0.   | 0.  | 0.  |
| THEODORE PIERCE<br>EXECUTIVE DIRECTOR          | 35.00                         |   |                       | X       |              |                              |        | 253,591.   | 0.  | 68,277.   |
| JOY ERVEN<br>DIRECTOR/OFFICER                  | 35.00                         |   |                       | X       |              |                              |        | 169,038.   | 0.  | 30,137.   |
| THOMAS LEIBOLD<br>TEAM LEADER/APPS DEVELOPER   | 35.00                         |   |                       |         | X            |                              |        | 170,015.   | 0.  | 30,647.   |
| PATRICIA MCAULEY<br>MANAGER, DATA PROCESSING D | 35.00                         |   |                       |         |              | X                            |        | 115,352.   | 0.  | 57,513.   |



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**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

| (A)<br>Name and title                  | (B)<br>Average<br>hours<br>per<br>week | (C)<br>Position<br>(check all that apply) |                       |         |              |                              |        | (D)<br>Reportable<br>compensation<br>from<br>the<br>organization<br>(W-2/1099-MISC) | (E)<br>Reportable<br>compensation<br>from related<br>organizations<br>(W-2/1099-MISC) | (F)<br>Estimated<br>amount of<br>other<br>compensation<br>from the<br>organization<br>and related<br>organizations |
|--|--|---|-----------------------|---------|--------------|------------------------------|--------|---|---|--|
|  |  | Individual trustee or director            | Institutional trustee | Officer | Key employee | Highest compensated employee | Former |   |   |  |
| LINDA CHENG<br>MANAGER, FINANCIAL DEPT | 35.00                                  |   |                       |         |              | X                            |        | 110,905.  | 0.  | 86,442.  |
|  |  |   |                       |         |              |                              |        |   |   |  |
|  |  |   |                       |         |              |                              |        |   |   |  |
|  |  |   |                       |         |              |                              |        |   |   |  |
|  |  |   |                       |         |              |                              |        |   |   |  |
|  |  |   |                       |         |              |                              |        |   |   |  |
|  |  |   |                       |         |              |                              |        |   |   |  |
|  |  |   |                       |         |              |                              |        |   |   |  |
|  |  |   |                       |         |              |                              |        |   |   |  |
|  |  |   |                       |         |              |                              |        |   |   |  |
|  |  |   |                       |         |              |                              |        |   |   |  |
|  |  |   |                       |         |              |                              |        |   |   |  |
|  |  |   |                       |         |              |                              |        |   |   |  |
| <b>1b Total</b>                        |  |   |                       |         |              |                              |        | <b>818,901.</b>   | <b>0.</b>   | <b>273,016.</b>  |

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **5**

- 3** Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

|          | Yes | No |
|----------|-----|----|
| <b>3</b> |     | X  |
| <b>4</b> | X   |    |
| <b>5</b> |     | X  |

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

| (A)<br>Name and business address  | (B)<br>Description of services | (C)<br>Compensation |
|---|--------------------------------|---------------------|
| SAPIENS, 4000 CENTREGREEN WAY, SUITE 150,<br>CARY, NC 27513                     | COMPUTER MAINTENANCE           | 378,480.            |
| DEWEY & LEOEUF, ONE EMBARCADERO CENTER,<br>SUITE 400, SAN FRANCISCO, CA 94111   | LEGAL SERVICES                 | 298,934.            |
| COMSYS<br>PO BOX 60260, CHARLOTTE, NC 28260                                     | PROGRAMMING                    | 228,953.            |
| INFINITY SOFTWARE DEVELOPMENT, 1901<br>COMMONWEALTH LANE, TALLAHASSEE, FL 32303 | SOFTWARE DEVELOPMENT           | 177,671.            |
| SATYAM, 2901 TASMAN DRIVE, SUITE 106,<br>SANTA CLARA, CA 95054                  | PROGRAMMING                    | 171,145.            |

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **5**

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**Part VIII Statement of Revenue**

|   |  |                                |          | (A)<br>Total revenue | (B)<br>Related or<br>exempt function<br>revenue | (C)<br>Unrelated<br>business<br>revenue | (D)<br>Revenue<br>excluded from<br>tax under<br>sections 512,<br>513, or 514 |
|---|--|--------------------------------|----------|----------------------|---|---|--|
| <b>Contributions, gifts, grants<br/>and other similar amounts</b> | <b>1 a</b> Federated campaigns   | <b>1a</b>                      |          |                      |   |   |  |
|   | <b>b</b> Membership dues   | <b>1b</b>                      |          |                      |   |   |  |
|   | <b>c</b> Fundraising events  | <b>1c</b>                      |          |                      |   |   |  |
|   | <b>d</b> Related organizations   | <b>1d</b>                      |          |                      |   |   |  |
|   | <b>e</b> Government grants (contributions)   | <b>1e</b>                      |          |                      |   |   |  |
|   | <b>f</b> All other contributions, gifts, grants, and<br>similar amounts not included above   | <b>1f</b>                      |          |                      |   |   |  |
|   | <b>g</b> Noncash contributions included in lines 1a-1f \$  |                                |          |                      |   |   |  |
|   | <b>h Total.</b> Add lines 1a-1f  |                                |          |                      |   |   |  |
| <b>Program Service<br/>Revenue</b>                                | <b>2 a</b> <b>STAMPING FEES</b>  | <b>Business Code</b><br>900099 | 9812961. | 9812961.             |   |   |  |
|   | <b>b</b>   |                                |          |                      |   |   |  |
|   | <b>c</b>   |                                |          |                      |   |   |  |
|   | <b>d</b>   |                                |          |                      |   |   |  |
|   | <b>e</b>   |                                |          |                      |   |   |  |
|   | <b>f</b> All other program service revenue   |                                |          |                      |   |   |  |
|   | <b>g Total.</b> Add lines 2a-2f  |                                | 9812961. |                      |   |   |  |
| <b>Other Revenue</b>  | <b>3</b> Investment income (including dividends, interest, and<br>other similar amounts)   |                                | 37,704.  |                      |   | 37,704.                                 |  |
|   | <b>4</b> Income from investment of tax-exempt bond proceeds  |                                |          |                      |   |   |  |
|   | <b>5</b> Royalties   |                                |          |                      |   |   |  |
|   | <b>6 a</b> Gross Rents   | (i) Real (ii) Personal         |          |                      |   |   |  |
|   | <b>b</b> Less: rental expenses   |                                |          |                      |   |   |  |
|   | <b>c</b> Rental income or (loss)   |                                |          |                      |   |   |  |
|   | <b>d</b> Net rental income or (loss)   |                                |          |                      |   |   |  |
|   | <b>7 a</b> Gross amount from sales of<br>assets other than inventory   | (i) Securities (ii) Other      |          |                      |   |   |  |
|   | <b>b</b> Less: cost or other basis<br>and sales expenses   |                                |          |                      |   |   |  |
|   | <b>c</b> Gain or (loss)  |                                |          |                      |   |   |  |
|   | <b>d</b> Net gain or (loss)  |                                |          |                      |   |   |  |
|   | <b>8 a</b> Gross income from fundraising events (not<br>including \$ _____ of<br>contributions reported on line 1c). See<br>Part IV, line 18 | <b>a</b>                       |          |                      |   |   |  |
|   | <b>b</b> Less: direct expenses   | <b>b</b>                       |          |                      |   |   |  |
|   | <b>c</b> Net income or (loss) from fundraising events  |                                |          |                      |   |   |  |
|   | <b>9 a</b> Gross income from gaming activities. See<br>Part IV, line 19  | <b>a</b>                       |          |                      |   |   |  |
|   | <b>b</b> Less: direct expenses   | <b>b</b>                       |          |                      |   |   |  |
|   | <b>c</b> Net income or (loss) from gaming activities   |                                |          |                      |   |   |  |
|   | <b>10 a</b> Gross sales of inventory, less returns<br>and allowances   | <b>a</b>                       |          |                      |   |   |  |
|   | <b>b</b> Less: cost of goods sold  | <b>b</b>                       |          |                      |   |   |  |
|   | <b>c</b> Net income or (loss) from sales of inventory  |                                |          |                      |   |   |  |
| <b>Miscellaneous Revenue</b>                                      |  | <b>Business Code</b>           |          |                      |   |   |  |
| <b>11 a</b>   |  |                                |          |                      |   |   |  |
| <b>b</b>  |  |                                |          |                      |   |   |  |
| <b>c</b>  |  |                                |          |                      |   |   |  |
| <b>d</b> All other revenue  |  |                                |          |                      |   |   |  |
| <b>e Total.</b> Add lines 11a-11d                                 |  |                                |          |                      |   |   |  |
| <b>12 Total revenue.</b> See instructions.                        |  | 9850665.                       | 9812961. | 0.                   | 37,704.   |   |  |

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**Part IX Statement of Functional Expenses**

**Section 501(c)(3) and 501(c)(4) organizations must complete all columns.**

**All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.   | (A)<br>Total expenses | (B)<br>Program service expenses | (C)<br>Management and general expenses | (D)<br>Fundraising expenses |
|--|-----------------------|---------------------------------|--|-----------------------------|
| <b>1</b> Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21   |                       |                                 |  |                             |
| <b>2</b> Grants and other assistance to individuals in the U.S. See Part IV, line 22   |                       |                                 |  |                             |
| <b>3</b> Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16  |                       |                                 |  |                             |
| <b>4</b> Benefits paid to or for members   |                       |                                 |  |                             |
| <b>5</b> Compensation of current officers, directors, trustees, and key employees  | 721,703.              |                                 |  |                             |
| <b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)   |                       |                                 |  |                             |
| <b>7</b> Other salaries and wages  | 3,473,124.            |                                 |  |                             |
| <b>8</b> Pension plan contributions (include section 401(k) and section 403(b) employer contributions)   | <641,678.>            |                                 |  |                             |
| <b>9</b> Other employee benefits   | 633,896.              |                                 |  |                             |
| <b>10</b> Payroll taxes  | 311,674.              |                                 |  |                             |
| <b>11</b> Fees for services (non-employees):   |                       |                                 |  |                             |
| <b>a</b> Management  |                       |                                 |  |                             |
| <b>b</b> Legal   | 309,148.              |                                 |  |                             |
| <b>c</b> Accounting  | 88,000.               |                                 |  |                             |
| <b>d</b> Lobbying  |                       |                                 |  |                             |
| <b>e</b> Professional fundraising services See Part IV, line 17  |                       |                                 |  |                             |
| <b>f</b> Investment management fees  |                       |                                 |  |                             |
| <b>g</b> Other   | 150,806.              |                                 |  |                             |
| <b>12</b> Advertising and promotion  |                       |                                 |  |                             |
| <b>13</b> Office expenses  | 202,506.              |                                 |  |                             |
| <b>14</b> Information technology   | 783,432.              |                                 |  |                             |
| <b>15</b> Royalties  |                       |                                 |  |                             |
| <b>16</b> Occupancy  | 928,868.              |                                 |  |                             |
| <b>17</b> Travel   | 239,151.              |                                 |  |                             |
| <b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials   |                       |                                 |  |                             |
| <b>19</b> Conferences, conventions, and meetings   |                       |                                 |  |                             |
| <b>20</b> Interest   |                       |                                 |  |                             |
| <b>21</b> Payments to affiliates   |                       |                                 |  |                             |
| <b>22</b> Depreciation, depletion, and amortization  | 862,089.              |                                 |  |                             |
| <b>23</b> Insurance  | 153,006.              |                                 |  |                             |
| <b>24</b> Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)  |                       |                                 |  |                             |
| <b>a</b> TEMPORARY HELP  | 164,491.              |                                 |  |                             |
| <b>b</b> EQUIPMENT RENTAL  | 69,334.               |                                 |  |                             |
| <b>c</b> CE SEMINAR EXPENSE  | 54,655.               |                                 |  |                             |
| <b>d</b> PROFESSIONAL DEVELOPMENT  | 49,776.               |                                 |  |                             |
| <b>e</b> EMPLOYEE RELATIONS  | 44,277.               |                                 |  |                             |
| <b>f</b> All other expenses  | 39,767.               |                                 |  |                             |
| <b>25</b> Total functional expenses. Add lines 1 through 24f   | 8,638,025.            |                                 |  |                             |
| <b>26</b> Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation |                       |                                 |  |                             |

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**Part X Balance Sheet**

|   |  | (A)<br>Beginning of year   |             | (B)<br>End of year |
|---|--|--|-------------|--------------------|
| <b>Assets</b>   | <b>1</b> Cash - non-interest-bearing   | 1,092,443.   | <b>1</b>    | 1,973,024.         |
|   | <b>2</b> Savings and temporary cash investments  | 2,990,211.   | <b>2</b>    | 3,783,206.         |
|   | <b>3</b> Pledges and grants receivable, net  |  | <b>3</b>    |                    |
|   | <b>4</b> Accounts receivable, net  | 1,142,903.   | <b>4</b>    | 947,124.           |
|   | <b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L                   |  | <b>5</b>    |                    |
|   | <b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L      |  | <b>6</b>    |                    |
|   | <b>7</b> Notes and loans receivable, net   |  | <b>7</b>    |                    |
|   | <b>8</b> Inventories for sale or use   |  | <b>8</b>    |                    |
|   | <b>9</b> Prepaid expenses and deferred charges   | 215,667.   | <b>9</b>    | 205,958.           |
|   | <b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D   | 7,296,132.   |             |                    |
|   | <b>b</b> Less: accumulated depreciation  | 2,809,036.   |             |                    |
|   |  | 4,965,412.   | <b>10c</b>  | 4,487,096.         |
|   | <b>11</b> Investments - publicly traded securities   |  | <b>11</b>   |                    |
|   | <b>12</b> Investments - other securities. See Part IV, line 11   | 3,199,607.   | <b>12</b>   | 2,259,286.         |
|   | <b>13</b> Investments - program-related. See Part IV, line 11  |  | <b>13</b>   |                    |
|   | <b>14</b> Intangible assets  |  | <b>14</b>   |                    |
| <b>15</b> Other assets. See Part IV, line 11  | 160,083.   | <b>15</b>  | 106,722.    |                    |
| <b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)  | 13,766,326.  | <b>16</b>  | 13,762,416. |                    |
| <b>Liabilities</b>  | <b>17</b> Accounts payable and accrued expenses  | 242,170.   | <b>17</b>   | 210,094.           |
|   | <b>18</b> Grants payable   |  | <b>18</b>   |                    |
|   | <b>19</b> Deferred revenue   | 394,733.   | <b>19</b>   | 339,125.           |
|   | <b>20</b> Tax-exempt bond liabilities  |  | <b>20</b>   |                    |
|   | <b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D  |  | <b>21</b>   |                    |
|   | <b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L |  | <b>22</b>   |                    |
|   | <b>23</b> Secured mortgages and notes payable to unrelated third parties   |  | <b>23</b>   |                    |
|   | <b>24</b> Unsecured notes and loans payable to unrelated third parties   |  | <b>24</b>   |                    |
|   | <b>25</b> Other liabilities. Complete Part X of Schedule D   | 3,370,575.   | <b>25</b>   | 2,241,709.         |
|   | <b>26</b> <b>Total liabilities.</b> Add lines 17 through 25  | 4,007,478.   | <b>26</b>   | 2,790,928.         |
|   | <b>Net Assets or Fund Balances</b>   | <b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b> |             |                    |
| <b>27</b> Unrestricted net assets   |  | 9,758,848.   | <b>27</b>   | 10,971,488.        |
| <b>28</b> Temporarily restricted net assets   |  |  | <b>28</b>   |                    |
| <b>29</b> Permanently restricted net assets   |  |  | <b>29</b>   |                    |
| <b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b> |  |  |             |                    |
| <b>30</b> Capital stock or trust principal, or current funds  |  |  | <b>30</b>   |                    |
| <b>31</b> Paid-in or capital surplus, or land, building, or equipment fund  |  |  | <b>31</b>   |                    |
| <b>32</b> Retained earnings, endowment, accumulated income, or other funds  |  |  | <b>32</b>   |                    |
| <b>33</b> <b>Total net assets or fund balances</b>  |  | 9,758,848.   | <b>33</b>   | 10,971,488.        |
| <b>34</b> <b>Total liabilities and net assets/fund balances</b>   |  | 13,766,326.  | <b>34</b>   | 13,762,416.        |

Form 990 (2009)

THE SURPLUS LINE ASSOCIATION  
OF CALIFORNIA

Form 990 (2009)

94-0912095 Page 12

**Part XI** Financial Statements and Reporting

- 1 Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?  
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:  
☒ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

|    | Yes | No |
|----|-----|----|
| 2a |     | X  |
| 2b | X   |    |
| 2c | X   |    |
| 3a |     | X  |
| 3b |     |    |

Form 990 (2009)

**Schedule D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ Complete if the organization answered "Yes," to Form 990,

Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization **THE SURPLUS LINE ASSOCIATION  
OF CALIFORNIA**

Employer identification number  
**94-0912095**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

|   | (a) Donor advised funds | (b) Funds and other accounts                             |
|---|-------------------------|--|
| 1 Total number at end of year   |                         |  |
| 2 Aggregate contributions to (during year)  |                         |  |
| 3 Aggregate grants from (during year)   |                         |  |
| 4 Aggregate value at end of year  |                         |  |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?  |                         | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? |                         | <input type="checkbox"/> Yes <input type="checkbox"/> No |

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

|   |  |
|---|--|
| <input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure) | <input type="checkbox"/> Preservation of an historically important land area |
| <input type="checkbox"/> Protection of natural habitat                                      | <input type="checkbox"/> Preservation of a certified historic structure      |
| <input type="checkbox"/> Preservation of open space   |  |

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

|  | Held at the End of the Tax Year |
|--|---------------------------------|
| a Total number of conservation easements   | 2a                              |
| b Total acreage restricted by conservation easements                                 | 2b                              |
| c Number of conservation easements on a certified historic structure included in (a) | 2c                              |
| d Number of conservation easements included in (c) acquired after 8/17/06            | 2d                              |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items
- b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- |  |            |
|--|------------|
| (i) Revenues included in Form 990, Part VIII, line 1 | ▶ \$ _____ |
| (ii) Assets included in Form 990, Part X             | ▶ \$ _____ |
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:
- |  |            |
|--|------------|
| a Revenues included in Form 990, Part VIII, line 1 | ▶ \$ _____ |
| b Assets included in Form 990, Part X              | ▶ \$ _____ |

### Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items

(check all that apply):

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other \_\_\_\_\_

- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.**

- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets**

to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes      ☐ No

**Part IV** **Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes      ☐ No

- b. If "Yes," explain the arrangement in Part XIV and complete the following table:**

|    | Amount |
|----|--------|
| 1c |        |
| 1d |        |
| 1e |        |
| 1f |        |

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

- 2a** Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes ☐ No

- b** If "Yes," explain the arrangement in Part XIV.

|               |  |
|---------------|--|
| <b>Part V</b> | <b>Endowment Funds.</b> Complete if the organization answered "Yes" to Form 990, Part IV, line 10. |
|---------------|--|

|   | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| <b>1a</b> Beginning of year balance                     |                  |                |                    |                      |                     |
| <b>b</b> Contributions                                  |                  |                |                    |                      |                     |
| <b>c</b> Net investment earnings, gains, and losses     |                  |                |                    |                      |                     |
| <b>d</b> Grants or scholarships                         |                  |                |                    |                      |                     |
| <b>e</b> Other expenditures for facilities and programs |                  |                |                    |                      |                     |
| <b>f</b> Administrative expenses                        |                  |                |                    |                      |                     |
| <b>g</b> End of year balance                            |                  |                |                    |                      |                     |

- 2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment  $\blacktriangleright$  \_\_\_\_\_ %  
b Permanent endowment  $\blacktriangleright$  \_\_\_\_\_ %  
c Term endowment  $\blacktriangleright$  \_\_\_\_\_ %

- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations
- (ii) related organizations

|        | Yes | No |
|--------|-----|----|
| 3a(i)  |     |    |
| 3a(ii) | —   | —  |
| 3b     |     |    |

- b. If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?**

- 4** Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

| Description of investment  | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| <b>1a</b> Land   |                                      |                                 |                              |                |
| <b>b</b> Buildings   |                                      |                                 |                              |                |
| <b>c</b> Leasehold improvements  |                                      |                                 |                              |                |
| <b>d</b> Equipment   |                                      | 2,723,553.                      | 2,718,471.                   | 5,082.         |
| <b>e</b> Other   |                                      | 4,572,579.                      | 90,565.                      | 4,482,014.     |
| <b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c) ) |                                      |                                 |                              | 4,487,096.     |

Schedule D (Form 990) 2009

**THE SURPLUS LINE ASSOCIATION  
OF CALIFORNIA**

Schedule D (Form 990) 2009

94-0912095 Page 3

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

| (a) Description of security or category<br>(including name of security) | (b) Book value | (c) Method of valuation:<br>Cost or end-of-year market value |
|---|----------------|--|
| Financial derivatives   |                |  |
| Closely-held equity interests   |                |  |
| Other   |                |  |
| CERTIFICATES OF DEPOSIT   | 2,259,286.     | END-OF-YEAR MARKET VALUE                                     |
|   |                |  |
|   |                |  |
|   |                |  |
|   |                |  |
|   |                |  |
|   |                |  |
|   |                |  |
|   |                |  |
| <b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 12) ►  | 2,259,286.     |  |

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

| (a) Description of investment type                                     | (b) Book value | (c) Method of valuation:<br>Cost or end-of-year market value |
|--|----------------|--|
|  |                |  |
|  |                |  |
|  |                |  |
|  |                |  |
|  |                |  |
|  |                |  |
|  |                |  |
|  |                |  |
|  |                |  |
|  |                |  |
| <b>Total.</b> (Col (b) must equal Form 990, Part X, col (B) line 13) ► |                |  |

**Part IX Other Assets.** See Form 990, Part X, line 15.

| (a) Description   | (b) Book value |
|---|----------------|
|   |                |
|   |                |
|   |                |
|   |                |
|   |                |
|   |                |
|   |                |
|   |                |
|   |                |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 15) ► |                |

**Part X Other Liabilities.** See Form 990, Part X, line 25.

| 1. (a) Description of liability   | (b) Amount |
|---|------------|
| Federal income taxes  |            |
| OTHER ACCRUED LIABILITIES   | 429,063.   |
| ACCRUED PENSION LIABILITY   | 782,495.   |
| ACCRUED POST RETIREMENT BENEFIT LIABILITY                                 | 1,030,151. |
|   |            |
|   |            |
|   |            |
|   |            |
| <b>Total.</b> (Column (b) must equal Form 990, Part X, col (B) line 25) ► | 2,241,709. |

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.



**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

|    |  |    |            |
|----|--|----|------------|
| 1  | Total revenue (Form 990, Part VIII, column (A), line 12)                                 | 1  | 9,850,665. |
| 2  | Total expenses (Form 990, Part IX, column (A), line 25)                                  | 2  | 8,638,025. |
| 3  | Excess or (deficit) for the year. Subtract line 2 from line 1                            | 3  | 1,212,640. |
| 4  | Net unrealized gains (losses) on investments   | 4  |            |
| 5  | Donated services and use of facilities   | 5  |            |
| 6  | Investment expenses  | 6  |            |
| 7  | Prior period adjustments   | 7  |            |
| 8  | Other (Describe in Part XIV.)  | 8  |            |
| 9  | Total adjustments (net). Add lines 4 through 8   | 9  | 0.         |
| 10 | Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9 | 10 | 1,212,640. |

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

|   |   |    |            |
|---|---|----|------------|
| 1 | Total revenue, gains, and other support per audited financial statements        | 1  | 9,850,665. |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12:             |    |            |
| a | Net unrealized gains on investments   | 2a |            |
| b | Donated services and use of facilities  | 2b |            |
| c | Recoveries of prior year grants   | 2c |            |
| d | Other (Describe in Part XIV.)   | 2d |            |
| e | Add lines 2a through 2d   | 2e | 0.         |
| 3 | Subtract line 2e from line 1  | 3  | 9,850,665. |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1:            |    |            |
| a | Investment expenses not included on Form 990, Part VIII, line 7b                | 4a |            |
| b | Other (Describe in Part XIV.)   | 4b |            |
| c | Add lines 4a and 4b   | 4c | 0.         |
| 5 | Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.) | 5  | 9,850,665. |

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

|   |  |    |            |
|---|--|----|------------|
| 1 | Total expenses and losses per audited financial statements                       | 1  | 8,638,025. |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25:                |    |            |
| a | Donated services and use of facilities   | 2a |            |
| b | Prior year adjustments   | 2b |            |
| c | Other losses   | 2c |            |
| d | Other (Describe in Part XIV.)  | 2d |            |
| e | Add lines 2a through 2d  | 2e | 0.         |
| 3 | Subtract line 2e from line 1   | 3  | 8,638,025. |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1:               |    |            |
| a | Investment expenses not included on Form 990, Part VIII, line 7b                 | 4a |            |
| b | Other (Describe in Part XIV.)  | 4b |            |
| c | Add lines 4a and 4b  | 4c | 0.         |
| 5 | Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.) | 5  | 8,638,025. |

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART X: THE ASSOCIATION HAS BEEN ADVISED BY THE REGULATORY**

AGENCIES THAT IT IS A TAX-EXEMPT ORGANIZATION UNDER SECTION 501(C)(6) OF THE INTERNAL REVENUE CODE AND SECTION 23701(E) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA. ACCORDINGLY, THE ASSOCIATION DOES NOT PAY FEDERAL OR STATE TAXES ON INCOME DUE TO ITS TAX EXEMPT STATUS. ALL TRANSACTIONS ARE DEEMED RELATED TO THE MISSION OF THE ASSOCIATION, SO NO PROVISION FOR INCOME TAXES IS INCLUDED IN THESE FINANCIAL STATEMENTS.

**SCHEDULE J  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990,  
Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization **THE SURPLUS LINE ASSOCIATION  
OF CALIFORNIA**

Employer identification number  
**94-0912095**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990,  
Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or  
reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors,  
trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the organization uses to establish the compensation of the organization's  
CEO/Executive Director. Check all that apply.

- |   |   |
|---|---|
| <input type="checkbox"/> Compensation committee                         | <input type="checkbox"/> Written employment contract                                |
| <input checked="" type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations                | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing  
organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation  
contingent on the revenues of:

- a** The organization?
- b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation  
contingent on the net earnings of:

- a** The organization?
- b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments  
not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the  
initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in  
Regulations section 53.4958-6(c)?

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

9

X

X

X

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2009

## Part II

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.**

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

[illegible]

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.  
▶ Attach to Form 990.

OMB No 1545-0047

**2009**

Open to Public  
Inspection

Name of the organization **THE SURPLUS LINE ASSOCIATION  
OF CALIFORNIA**

Employer identification number  
**94-0912095**

FORM 990, PART VI, SECTION B, LINE 11: THE ORGANIZATION'S ACCOUNTING FIRM  
PREPARED THE FORM 990 BASED ON THE INFORMATION PROVIDED BY THE  
ORGANIZATION'S DIRECTOR AND STAMPING OFFICER. THE CHAIRMAN OF EXECUTIVE  
COMMITTEE REVIEWED THE FORM 990 BEFORE IT WAS FILED.

FORM 990, PART VI, SECTION B, LINE 12C: AT EACH BOARD MEETING, BOARD  
MEMBERS ARE REQUIRED TO DISCLOSE ANY CONFLICTS OR POTENTIAL CONFLICTS OF  
INTEREST TO THE BOARD.

FORM 990, PART VI, SECTION C, LINE 19: GOVERNING DOCUMENTS ARE ON THE  
ORGANIZATION'S WEBSITE; FINANCIAL STATEMENTS ARE AVAILABLE BY REQUEST;  
CONFLICT OF INTEREST POLICY IS DISCLOSED AT EVERY BOARD MEETING.

PART XI, LINE 2C

AUDIT COMMITTEE PROCESS

THE ROLE AND PROCESS OF THE AUDIT COMMITTEE HAVE NOT CHANGED FROM THE  
PRIOR YEAR.

# Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

► **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 ☒ **X**
- 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.

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

**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.

|               |  |   |
|---------------|--|---|
| Type or print | Name of exempt organization<br><b>THE SURPLUS LINE ASSOCIATION<br/>OF CALIFORNIA</b>                                       | Employer identification number<br><b>94-0912095</b> |
|               | Number, street, and room or suite no. If a P.O. box, see instructions.<br><b>50 CALIFORNIA STREET, 18TH FLOOR</b>          |   |
|               | City, town or post office, state, and ZIP code. For a foreign address, see instructions.<br><b>SAN FRANCISCO, CA 94111</b> |   |

Enter the Return code for the return that this application is for (file a separate application for each return)

**01**

| Application Is For                       | Return Code | Application Is For       | Return Code |
|--|-------------|--------------------------|-------------|
| Form 990                                 | 01          | Form 990-T (corporation) | 07          |
| Form 990-BL                              | 02          | Form 1041-A              | 08          |
| Form 990-EZ                              | 03          | Form 4720                | 09          |
| Form 990-PF                              | 04          | Form 5227                | 10          |
| Form 990-T (sec. 401(a) or 408(a) trust) | 05          | Form 6069                | 11          |
| Form 990-T (trust other than above)      | 06          | Form 8870                | 12          |

**JOY ERVEN - 50 CALIFORNIA STREET, 18TH FLOOR - SAN FRANCISCO, CA 94111**

- The books are in the care of ► **FRANCISCO, CA 94111**  
Telephone No. ► **(415) 434-4900** FAX No. ► **(415) 434-3716**
- 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.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until **JULY 15, 2011**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
► ☐ calendar year \_\_\_\_\_ or  
► ☒ tax year beginning **DEC 1, 2009**, and ending **NOV 30, 2010**

2 If the tax year entered in line 1 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 | \$ | 0. |
| 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. | 3b | \$ | 0. |
| c <b>Balance due.</b> Subtract line 3b from line 3a. Include your payment with this form, 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.

LHA For Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 1-2011)

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<br><br>File by the extended due date for filing your return. See instructions. | Name of exempt organization<br><b>THE SURPLUS LINE ASSOCIATION OF CALIFORNIA</b>   | Employer identification number<br><b>94-0912095</b> |
|  | Number, street, and room or suite no. If a P.O. box, see instructions.<br><b>50 CALIFORNIA STREET, 18TH FLOOR</b>          |   |
|  | City, town or post office, state, and ZIP code. For a foreign address, see instructions.<br><b>SAN FRANCISCO, CA 94111</b> |   |

Enter the Return code for the return that this application is for (file a separate application for each return)

**01**

| Application Is For                       | Return Code | Application Is For | Return Code |
|--|-------------|--------------------|-------------|
| Form 990                                 | 01          |                    |             |
| Form 990-BL                              | 02          | Form 1041-A        | 08          |
| Form 990-EZ                              | 03          | Form 4720          | 09          |
| Form 990-PF                              | 04          | Form 5227          | 10          |
| Form 990-T (sec. 401(a) or 408(a) trust) | 05          | Form 6069          | 11          |
| Form 990-T (trust other than above)      | 06          | Form 8870          | 12          |

**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 the care of **JOY ERVEN - 50 CALIFORNIA STREET, 18TH FLOOR - SAN FRANCISCO, CA 94111**

Telephone No. **(415) 434-4900**

FAX No. **(415) 434-3716**

If the organization does not have an office or place of business in the United States, check this box ☐

If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ☐. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

**4** I request an additional 3-month extension of time until **OCTOBER 15, 2011.**

**5** For calendar year **2009**, or other tax year beginning **DEC 1, 2009**, and ending **NOV 30, 2010**.

**6** If the tax year entered in line 5 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

**7** State in detail why you need the extension

**THE TAXPAYER'S AFFAIRS ARE QUITE COMPLEX. ADDITIONAL TIME IS NEEDED TO FILE A COMPLETE AND ACCURATE RETURN.**

|  |           |    |           |
|--|-----------|----|-----------|
| <b>8a</b> 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.   | <b>8a</b> | \$ | <b>0.</b> |
| <b>b</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. | <b>8b</b> | \$ | <b>0.</b> |
| <b>c Balance due.</b> Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.   | <b>8c</b> | \$ | <b>0.</b> |

**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 FOR CLIENT**

Date **7/15/11**

Form 8868 (Rev. 1-2011)