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Form 990-PF

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

2010

Department of the Treasury Internal Revenue Service

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

For calendar year 2010, or tax year beginning 01-01-2010, and ending 12-31-2010

Check all that apply: Initial return, Amended return, Initial return of a former public charity, Address change, Final return, Name change

Name of foundation: PEPPERCORN FOUNDATION; A Employer identification number: 04-3487843; B Telephone number: (206) 525-7941; H Check type of organization: Section 4947(a)(1) nonexempt charitable trust; I Fair market value of all assets at end of year: \$ 2,760,773; J Accounting method: Cash

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12), Operating and Administrative Expenses (13-26), and Summary (27-29).

Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)

Part II Balance Sheets		Beginning of year			End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing						
	2 Savings and temporary cash investments	49,817	179,632	179,632			
	3 Accounts receivable <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____						
	4 Pledges receivable <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____						
	5 Grants receivable						
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)						
	7 Other notes and loans receivable (attach schedule) <input type="checkbox"/> _____ Less allowance for doubtful accounts <input type="checkbox"/> _____						
	8 Inventories for sale or use						
	9 Prepaid expenses and deferred charges						
	10a Investments—U S and state government obligations (attach schedule)	0 <input type="checkbox"/>	130,438	137,880			
	b Investments—corporate stock (attach schedule)	1,509,064 <input type="checkbox"/>	1,332,040	1,937,891			
	c Investments—corporate bonds (attach schedule)	742,620 <input type="checkbox"/>	488,017	505,370			
	11 Investments—land, buildings, and equipment basis <input type="checkbox"/> _____ Less accumulated depreciation (attach schedule) <input type="checkbox"/> _____						
	12 Investments—mortgage loans						
	13 Investments—other (attach schedule)						
	14 Land, buildings, and equipment basis <input type="checkbox"/> _____ Less accumulated depreciation (attach schedule) <input type="checkbox"/> _____						
15 Other assets (describe <input type="checkbox"/> _____)							
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	2,301,501	2,130,127	2,760,773				
Liabilities	17 Accounts payable and accrued expenses						
	18 Grants payable						
	19 Deferred revenue						
	20 Loans from officers, directors, trustees, and other disqualified persons						
	21 Mortgages and other notes payable (attach schedule)						
	22 Other liabilities (describe <input type="checkbox"/> _____)						
	23 Total liabilities (add lines 17 through 22)	0	0				
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.						
	24 Unrestricted						
	25 Temporarily restricted						
	26 Permanently restricted						
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.						
	27 Capital stock, trust principal, or current funds	0	0				
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0	0				
	29 Retained earnings, accumulated income, endowment, or other funds	2,301,501	2,130,127				
30 Total net assets or fund balances (see page 17 of the instructions)	2,301,501	2,130,127					
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	2,301,501	2,130,127					

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,301,501
2	Enter amount from Part I, line 27a	2	-171,369
3	Other increases not included in line 2 (itemize) <input type="checkbox"/> _____	3	0
4	Add lines 1, 2, and 3	4	2,130,132
5	Decreases not included in line 2 (itemize) <input type="checkbox"/> _____	5	5
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,130,127

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a	See Additional Data Table			
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a	See Additional Data Table			
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a	See Additional Data Table			
b				
c				
d				
e				
2	Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	201,244
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		3	

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

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

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

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

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2009	329,326	2,850,522	0.115532
2008	490,986	3,872,294	0.126795
2007	439,539	4,846,561	0.090691
2006	448,870	4,771,617	0.094071
2005	434,559	4,904,673	0.088601
2	Total of line 1, column (d).		2 0.515690
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years.		3 0.103138
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5.		4 2,736,601
5	Multiply line 4 by line 3.		5 282,248
6	Enter 1% of net investment income (1% of Part I, line 27b).		6 2,623
7	Add lines 5 and 6.		7 284,871
8	Enter qualifying distributions from Part XII, line 4.		8 305,000

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	2,623
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0
3	Add lines 1 and 2.	3	2,623
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	2,623
6	Credits/Payments		
a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	7,726
b	Exempt foreign organizations—tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d.	7	7,726
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	5,103
11	Enter the amount of line 10 to be Credited to 2011 estimated tax 5,103 Refunded	11	0

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		No
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		No
c Did the foundation file Form 1120-POL for this year?		No
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ <u>0</u> (2) On foundation managers <input type="checkbox"/> \$ <u>0</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ <u>0</u>		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>		No
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>		No
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		No
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>		No
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	Yes	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>	Yes	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) <input type="checkbox"/> MA _____		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If "No," attach explanation .</i>	Yes	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV on page 27)? <i>If "Yes," complete Part XIV</i>		No
10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		No

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see page 20 of the instructions).	11		No
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address N/A	13	Yes	
14	The books are in care of SILVER BRIDGE ADVISORS LLC Telephone no (617) 526-5800 Located at 60 STATE ST BOSTON MA ZIP+4 02109			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year. 15			
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No

See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country.

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/>	1b	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2010?	1c	No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2010, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2010? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years 20 ____, 20 ____, 20 ____, 20 ____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see page 20 of the instructions).	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here 20 ____, 20 ____, 20 ____, 20 ____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (<i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.</i>)	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	No

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

<p>5a During the year did the foundation pay or incur any amount to</p> <p>(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(3) Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see page 22 of the instructions). . . . <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/></p> <p>c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes," attach the statement required by Regulations section 53.4945–5(d).</p> <p>6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes" to 6b, file Form 8870.</p> <p>7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	5b	
	6b	No
	7b	

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 22 of the instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Additional Data Table				

2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the instructions). If none, enter "NONE."

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

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a	Average monthly fair market value of securities.	1a	2,689,375
b	Average of monthly cash balances.	1b	88,900
c	Fair market value of all other assets (see page 24 of the instructions).	1c	0
d	Total (add lines 1a, b, and c).	1d	2,778,275
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	1e	0
2	Acquisition indebtedness applicable to line 1 assets.	2	0
3	Subtract line 2 from line 1d.	3	2,778,275
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions).	4	41,674
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	2,736,601
6	Minimum investment return. Enter 5% of line 5.	6	136,830

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

1	Minimum investment return from Part X, line 6.	1	136,830
2a	Tax on investment income for 2010 from Part VI, line 5.	2a	2,623
b	Income tax for 2010 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	2,623
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	134,207
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	134,207
6	Deduction from distributable amount (see page 25 of the instructions).	6	0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	134,207

Part XII Qualifying Distributions (see page 25 of the instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26.	1a	305,000
b	Program-related investments—total from Part IX-B.	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes.	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required).	3a	
b	Cash distribution test (attach the required schedule).	3b	
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	305,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions).	5	2,623
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	302,377

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

Part XIII Undistributed Income (see page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				134,207
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only.			0	
b Total for prior years 20___, 20___, 20___		0		
3 Excess distributions carryover, if any, to 2010				
a From 2005.	198,747			
b From 2006.	217,419			
c From 2007.	210,199			
d From 2008.	313,541			
e From 2009.	188,148			
f Total of lines 3a through e.	1,128,054			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ <u>305,000</u>				
a Applied to 2009, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see page 26 of the instructions)		0		
c Treated as distributions out of corpus (Election required—see page 26 of the instructions).	0			
d Applied to 2010 distributable amount.				134,207
e Remaining amount distributed out of corpus	170,793			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a).)	0			0
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,298,847			
b Prior years' undistributed income Subtract line 4b from line 2b.		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed.		0		
d Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions.		0		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions.			0	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011.				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions).	0			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions).	198,747			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a.	1,100,100			
10 Analysis of line 9				
a Excess from 2006.	217,419			
b Excess from 2007.	210,199			
c Excess from 2008.	313,541			
d Excess from 2009.	188,148			
e Excess from 2010.	170,793			

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2010, enter the date of the ruling. _____

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

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.					
c "Support" alternative test—enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 of the instructions.)

1 Information Regarding Foundation Managers:

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

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

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

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

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

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

c Any submission deadlines

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

Part XV **Supplementary Information** (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> See Additional Data Table				
Total				3a 305,000
b <i>Approved for future payment</i>				
Total				3b 0

TY 2010 Accounting Fees Schedule

Name: PEPPERCORN FOUNDATION

EIN: 04-3487843

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	2,405	2,405		0

**TY 2010 Investments Corporate
Bonds Schedule**

Name: PEPPERCORN FOUNDATION

EIN: 04-3487843

Name of Bond	End of Year Book Value	End of Year Fair Market Value
SBC COMMUNICATIONS	99,347	101,117
KRAFT FOODS	20,908	20,778
GE	100,901	107,540
FEDERAL HOME LOAN MORTGAGE CORP	54,370	54,474
FEDERAL HOME LOAN BANK	51,155	55,764
FEDERAL NATIONAL MORTGAGE ASSN	54,138	55,037
DISCOVER CARD MASTER TRUST	55,246	55,148
COMCAST	51,952	55,512

**TY 2010 Investments Corporate
Stock Schedule****Name:** PEPPERCORN FOUNDATION**EIN:** 04-3487843

Name of Stock	End of Year Book Value	End of Year Fair Market Value
COLGATE PALMOLIVE	29,700	32,148
CVS	44,785	45,201
MCDONALDS	35,657	51,429
NIKE	25,045	52,960
PROCTER & GAMBLE	2,859	43,101
TARGET	37,500	42,091
WAL MART	35,682	39,369
CHESAPEAKE ENERGY	20,414	35,627
CHEVRON	33,835	51,648
EXXON MOBIL	1,695	39,850
AFLAC	22,350	31,601
GE	2,366	35,739
JP MORGAN CHASE	18,556	20,574
US BANCORP	23,141	24,273
WELLS FARGO	12,877	15,495
AMGEN	38,574	32,940
CELGENE	29,330	40,511
HOLOGIC	25,508	44,698
JOHNSON AND JOHNSON	1,517	38,347
EMERSON ELEC	23,426	50,310
UNITED TECHNOLOGIES	1,834	51,955
3M	2,784	31,500
APPLE	17,092	59,674
CISCO	49,054	45,518
INTEL	23,984	29,652
IBM	28,703	49,165
L3 COMUNICATIONS HLDGS	26,531	29,606
MICROSOFT	13,179	48,843
VERIZON	29,226	31,486
CHAMPLAIN SMALL CO FD	41,000	55,170

Name of Stock	End of Year Book Value	End of Year Fair Market Value
ISHARES RUSSELL MIDCAP INDEX FD	60,501	71,225
POWERSHARES DB AGRICULTURE FUND	25,213	32,835
VERACITY SMALL CAP VALUE	50,000	67,769
ENSCO PLC SPONS ADR	46,890	45,907
SCHLUMBERGER LTD	55,407	46,342
ACE LIMITED	19,573	24,277
TEVA PHARMACEUTICALS LTD ADR	21,487	38,576
ARTISAN INTL VALUE FD	133,487	177,545
FORWARD INTL SMALL COMPANY	37,000	42,149
HARDING LOEVNER EMERG MKTS	52,000	60,351
MAINSTAY INTERNATIONAL EQ	132,278	130,434

**TY 2010 Investments Government
Obligations Schedule**

Name: PEPPERCORN FOUNDATION

EIN: 04-3487843

US Government Securities - End of Year Book Value:	0
US Government Securities - End of Year Fair Market Value:	0
State & Local Government Securities - End of Year Book Value:	130,438
State & Local Government Securities - End of Year Fair Market Value:	137,880

TY 2010 Other Decreases Schedule

Name: PEPPERCORN FOUNDATION

EIN: 04-3487843

Description	Amount
NON TAXABLE DISTRIBUTIONS	5

TY 2010 Other Professional Fees Schedule

Name: PEPPERCORN FOUNDATION

EIN: 04-3487843

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
INVESTMENT MANAGEMENT FEES	16,091	16,091		0
SANVIL CONSULTING	128,000	0		0

TY 2010 Taxes Schedule

Name: PEPPERCORN FOUNDATION

EIN: 04-3487843

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
FOREIGN TAX	699	0		0

Additional Data

Software ID:
Software Version:
EIN: 04-3487843
Name: PEPPERCORN FOUNDATION

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
A	RESEARCH IN MOTION LIMITED		2009-03-04	2010-01-20
B	BECTON DICKINSON & COMPANY		2008-08-28	2010-02-01
C	CHESAPEAKE ENERGY CORP		2008-08-28	2010-02-01
D	EXXON MOBIL CORP COM		1978-12-26	2010-02-01
E	GENERAL ELECTRIC CO COM		1974-02-21	2010-02-01
F	INTERNATIONAL BUSINESS MACHS COM		2003-05-23	2010-02-01
G	JOHNSON & JOHNSON COM		1985-03-11	2010-02-01
H	MICROSOFT CORP		1996-06-26	2010-02-01
I	PROCTER & GAMBLE CO COM		1986-03-10	2010-02-01
J	TEVA PHARMACEUTICAL-SPONS ADR		2005-01-12	2010-02-01
K	UNITED TECHNOLOGIES CORP		1981-09-11	2010-02-01
L	ASTON RIVER ROAD SELECT VALUE		2009-09-09	2010-02-05
M	ASTON RIVER ROAD SELECT VALUE		2009-09-03	2010-02-05
N	APPLE INC COM		2009-03-04	2010-04-28
O	BMC SOFTWARE INC COM		2009-03-04	2010-04-28
P	BECTON DICKINSON & COMPANY		2008-08-28	2010-04-28
Q	BECTON DICKINSON & COMPANY		2009-03-04	2010-04-28
R	BRISTOL MYERS SQUIBB		2009-03-04	2010-04-28
S	TRANSOCEAN INC		2009-03-04	2010-04-30
T	US TREASURY N/B		2007-07-24	2010-05-15
U	COHEN & STEER INSTL RLTY SHS COM		2010-04-30	2010-05-26
V	THIRD AVE TR REALES VL INST		2010-02-01	2010-05-26
W	SBC COMMUNICATIONS INC		2002-04-01	2010-06-29
X	MONSANTO COMPANY		2009-03-04	2010-07-20
Y	BMC SOFTWARE INC COM		2009-03-04	2010-07-21
Z	BRISTOL MYERS SQUIBB		2009-03-04	2010-07-21
AA	FRONTIER COMMUNICATIONS CORP		2008-08-28	2010-07-21
AB	MCDONALDS CORP		2009-03-04	2010-07-21
AC	PHILIP MORRIS INTERNATIONAL		2009-03-04	2010-07-21
AD	FRONTIER COMMUNICATIONS CORP		2008-08-28	2010-07-27

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d

(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)		(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
AE	APPLE INC COM		2009-03-04	2010-07-28
AF	BRISTOL MYERS SQUIBB		2009-03-04	2010-07-28
AG	CHEVRON CORP NEW COM		2009-03-04	2010-07-28
AH	EMERSON ELECTRIC COMPANY		2009-03-04	2010-07-28
AI	EXXON MOBIL CORP COM		1978-12-26	2010-07-28
AJ	BANK OF NEW YORK MELLON CORP COM		2009-03-04	2010-10-29
AK	CELGENE CORP		2009-03-04	2010-10-29
AL	CHESAPEAKE ENERGY CORP		2009-03-04	2010-10-29
AM	JOHNSON & JOHNSON COM		1985-03-11	2010-10-29
AN	PROCTER & GAMBLE CO COM		1986-03-10	2010-10-29
AO	APPLE INC COM		2009-03-04	2010-11-23
AP	CHESAPEAKE ENERGY CORP		2009-03-04	2010-11-23
AQ	ENSCO PLC SPONS ADR		2008-08-28	2010-11-23
AR	GENERAL ELECTRIC CO COM		1974-02-21	2010-11-23
AS	MCDONALDS CORP		2009-03-04	2010-11-23
AT	STATE STREET CORP		2009-03-04	2010-11-23
AU	KRAFT FOODS		2002-08-29	2010-12-09

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(e) Gross sales price		(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
A	44,758		28,632	16,126
B	11,310		13,176	-1,866
C	9,260		17,777	-8,517
D	19,818		930	18,888
E	16,300		1,211	15,089
F	12,376		8,568	3,808
G	18,843		734	18,109
H	8,478		2,259	6,219
I	6,190		427	5,763
J	5,650		2,904	2,746
K	13,498		556	12,942
L	16,349		16,000	349
M	26,252		25,000	1,252
N	12,973		4,620	8,353
O	15,939		11,484	4,455
P	5,745		6,588	-843
Q	28,727		24,604	4,123
R	14,608		11,178	3,430
S	26,460		20,429	6,031
T	100,000		99,273	727
U	27,146		30,000	-2,854
V	30,245		30,000	245
W	51,522		49,674	1,848
X	24,060		32,046	-7,986
Y	27,286		21,245	6,041
Z	4,964		3,726	1,238
AA	1,557		1,967	-410
AB	7,089		5,322	1,767
AC	41,141		27,627	13,514
AD	2		2	0

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h

(e) Gross sales price		(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
AE	6,535		2,310	4,225
AF	27,635		20,493	7,142
AG	7,541		5,978	1,563
AH	5,034		2,662	2,372
AI	12,219		620	11,599
AJ	12,142		10,772	1,370
AK	6,192		4,282	1,910
AL	6,428		4,454	1,974
AM	6,350		245	6,105
AN	6,337		427	5,910
AO	6,182		1,848	4,334
AP	6,606		4,454	2,152
AQ	4,880		6,872	-1,992
AR	14,220		1,090	13,130
AS	7,881		5,322	2,559
AT	14,283		7,697	6,586
AU	135,620		135,902	-282

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - I

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69		(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) F M V as of 12/31/69		(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any
A			16,126
B			-1,866
C			-8,517
D			18,888
E			15,089
F			3,808
G			18,109
H			6,219
I			5,763
J			2,746
K			12,942
L			349
M			1,252
N			8,353
O			4,455
P			-843
Q			4,123
R			3,430
S			6,031
T			727
U			-2,854
V			245
W			1,848
X			-7,986
Y			6,041
Z			1,238
AA			-410
AB			1,767
AC			13,514
AD			0

Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69		(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) FM V as of 12/31/69		(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any
AE			4,225
AF			7,142
AG			1,563
AH			2,372
AI			11,599
AJ			1,370
AK			1,910
AL			1,974
AM			6,105
AN			5,910
AO			4,334
AP			2,152
AQ			-1,992
AR			13,130
AS			2,559
AT			6,586
AU			-282

Form 990PF Part VIII Line 1 - List all officers, directors, trustees, foundation managers and their compensation

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ALAN RABINOWITZ 3400 E LAURELHURST DR NE SEATTLE, WA 98105	TRUSTEE 0 50	0	0	0
ANDREA W RABINOWITZ 3400 E LAURELHURST DR NE SEATTLE, WA 98105	TRUSTEE 0 50	0	0	0
HUBERT SAPP 2437 ELIZABETH ANN LANE ATLANTA, GA 30324	TRUSTEE 0 50	0	0	0
MARGOT GIBNEY 2844 SCHOOL STREET OAKLAND, CA 94602	TRUSTEE 0 50	0	0	0
MARLI RABINOWITZ 1428 STAGE ROAD GUILFORD, VT 05301	TRUSTEE 0 50	0	0	0
RONALD WHITE 825 CALLE MEJIA SANTA FE, NM 87501	TRUSTEE 0 50	0	0	0

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a <i>Paid during the year</i>				
GRANTMAKERS FOR CHILDREN YOUTH AND FAMILIES 8757 GEORGIA AVENUE SUITE 540 SILVER SPRING, MD 20910	NONE	PUBLIC CHARITY	2010 ANNUAL CONFERENCE	5,000
CA CHILDCARE RESOURCE AND REFERRAL NETWORK 111 NEW MONTGOMERY STREET 7TH FLOOR SAN FRANCISCO, CA 94105	NONE	PUBLIC CHARITY	PARENT VOICES	40,000
CORNELL UNIVERSITY 410 THURSTON AVENUE ITHACA, NY 14850	NONE	PUBLIC CHARITY	LINKING ECONOMIC DEVELOPMENT AND CHILD CARE	40,000
FEDERATION OF CHILD CARE CENTERS OF ALABAMA PO BOX 214 MONTGOMERY, AL 36101	NONE	PUBLIC CHARITY	GENERAL SUPPORT	50,000
FEDERATION OF CHILD CARE CENTERS OF ALABAMA PO BOX 214 MONTGOMERY, AL 36101	NONE	PUBLIC CHARITY	ALABAMA CHILD CARE ALLIANCE	40,000
SOUTHWESTERN INDIAN POLYTECH INST 9169 COORS BLVD NW ALBUQUERQUE, NM 87120	NONE	PUBLIC CHARITY	EARLY CHILDHOOD EDUCATION TUTOR/MENTOR PROGRAM	40,000
WASHINGTON STATE ASSOCIATION OF HEAD START AND ECEAP 841 CENTRAL AVENUE KENT, WA 98032	NONE	PUBLIC CHARITY	PARENT AMBASSADORS PROGRAM	50,000
OLE EDUCATION FUND 411 BELLAMAH AVENUE NW ALBUQUERQUE, NM 87102	NONE	PUBLIC CHARITY	WORKING PARENTS ASSOCIATION	40,000
Total				305,000