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

OMB No 1545-0052

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 , 2010, and ending

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

Louise M. Davies Foundation
c/o Philip Hudner
180 Montgomery Street, Suite 1616
San Francisco, CA 94104

A Employer identification number

23-7359841

B Telephone number (see the instructions)

(415) 364-9700

C If exemption application is pending, check here ☐D 1 Foreign organizations, check here ☐2 Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

H Check type of organization: ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year
(from Part II, column (c), line 16)

▶ \$ 31,474,791.

J Accounting method ☒ Cash ☐ Accrual
☐ Other (specify) _____

(Part I, column (d) must be on cash basis)

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see the instructions).)

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

(d) Disbursements for charitable purposes (cash basis only)

1 Contributions, gifts, grants, etc., received (att sch)

2 Ck ☒ if the foundn is not req to att Sch B

3 Interest on savings and temporary cash investments

4 Dividends and interest from securities

5a Gross rents

b Net rental income or (loss)

6a Net gain/(loss) from sale of assets not on line 10

b Gross sales price for all assets on line 6a 1,966,594.

7 Capital gain net income (from Part IV, line 2)

8 Net short-term capital gain

9 Income modifications

10a Gross sales less returns and allowances

b Less Cost of goods sold

c Gross profit/(loss) (att sch)

11 Other income (attach schedule)

12 Total. Add lines 1 through 11

13 Compensation of officers, directors, trustees, etc

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees (attach schedule) See St 1

b Accounting fees (attach sch) See St 2

c Other prof fees (attach sch) See St 3

17 Interest

18 Taxes (attach schedule) (see instr) See Stm 4

19 Depreciation (attach sch) and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses (attach schedule)

See Statement 5

24 Total operating and administrative expenses. Add lines 13 through 23

25 Contributions, gifts, grants paid Part XV

26 Total expenses and disbursements. Add lines 24 and 25

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

b Net investment income (if negative, enter -0-)

c Adjusted net income (if negative enter 0-)

SCANNED JUL 06 2011

REVENUE

ADMINISTRATIVE AND EXPENSES

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions.)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash — non-interest-bearing			
	2 Savings and temporary cash investments	460,273.	574,507.	574,507.
	3 Accounts receivable			
	Less allowance for doubtful accounts			
	4 Pledges receivable			
	Less allowance for doubtful accounts			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see the instructions)			
	7 Other notes and loans receivable (attach sch)			
	Less allowance for doubtful accounts			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments — U S and state government obligations (attach schedule)	299,063.		
	b Investments — corporate stock (attach schedule)	12,533,735.	11,280,379.	15,126,163.
	c Investments — corporate bonds (attach schedule)	5,243,737.	6,096,912.	6,326,821.
	11 Investments — land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule)				
14 Land, buildings, and equipment basis				
Less accumulated depreciation (attach schedule)				
15 Other assets (describe See Statement 6)	983,300.	983,300.	9,447,300.	
16 Total assets (to be completed by all filers — see instructions. Also, see page 1, item I)	19,520,108.	18,935,098.	31,474,791.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, & other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.	<input type="checkbox"/>		
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.	<input checked="" type="checkbox"/>		
	27 Capital stock, trust principal, or current funds	19,520,108.	18,935,098.	
	28 Paid-in or capital surplus, or land, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 Total net assets or fund balances (see the instructions)	19,520,108.	18,935,098.	
	31 Total liabilities and net assets/fund balances (see the instructions)	19,520,108.	18,935,098.	

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	19,520,108.
2 Enter amount from Part I, line 27a	2	-580,709.
3 Other increases not included in line 2 (itemize) See Statement 7	3	840.
4 Add lines 1, 2, and 3	4	18,940,239.
5 Decreases not included in line 2 (itemize) See Statement 8	5	5,141.
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	18,935,098.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)		(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a See Statement		P	Various	Various
b See Statement		P	Various	Various
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 100,000.		100,000.	0.
b 1,866,594.		1,923,988.	-57,394.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(j) Fair Market Value as of 12/31/69	(i) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			0.
b			-57,394.
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	-57,394.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	[- If gain, also enter in Part I, line 8, column (c) (see the instructions) If (loss), enter -0- in Part I, line 8]	3	0.

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 the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2009	814,796.	18,028,475.	0.045195
2008	1,043,517.	21,782,056.	0.047907
2007	1,215,201.	25,098,170.	0.048418
2006	1,214,458.	23,785,751.	0.051058
2005	1,230,795.	22,724,974.	0.054160

2 Total of line 1, column (d)	2	0.246738
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	0.049348
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	20,360,706.
5 Multiply line 4 by line 3	5	1,004,760.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	4,032.
7 Add lines 5 and 6	7	1,008,792.
8 Enter qualifying distributions from Part XII, line 4	8	925,322.

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

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

1 a 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 instr.)		1	8,064.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (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	8,064.
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	8,064.
6 Credits/Payments			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	4,375.	
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	6,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	10,375.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	36.	
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,275.	
11 Enter the amount of line 10 to be Credited to 2011 estimated tax	11	0.	

Part VII-A Statements Regarding Activities

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

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Part VII-A Statements Regarding Activities (Continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>N/A</u>	13	X	
14	The books are in care of <u>Philip Hudner</u> Telephone no <u>(415) 364-9737</u> Located at <u>180 Montgomery St., Ste. 1616 San Francisco</u> ZIP + 4 <u>94104</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <u>N/A</u> and enter the amount of tax-exempt interest received or accrued during the year <u>N/A</u>	15		N/A
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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If 'Yes,' enter the name of the foreign country <u></u>	16	Yes	No
				X

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
1 a 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input 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 the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	X
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?	1 c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a At the end of tax year 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 <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
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 the instructions)	2 b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
3 a 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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)	3 b	N/A
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4 b	X

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)

☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?

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

Organizations relying on a current notice regarding disaster assistance check here

☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?N/A ☐ Yes ☐ No

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

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

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?☐ Yes ☒ No**b** If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Ann C. Matthews 180 Montgomery St. 16th Floor San Francisco, CA 94104	Sec/Treas 0	0.	0.	0.
Philip Hudner 180 Montgomery St., 16th Floor San Francisco, CA 94104	President 0	0.	0.	0.
Philip Hudner 180 Montgomery St., 16th Floor San Francisco, CA 94104	Director 12.00	55,000.	0.	0.

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

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

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

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE'.

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

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

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3	0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a Average monthly fair market value of securities	1a	20,084,821.
b Average of monthly cash balances	1b	585,947.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	20,670,768.
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	20,670,768.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	310,062.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	20,360,706.
6 Minimum investment return. Enter 5% of line 5	6	1,018,035.

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

1 Minimum investment return from Part X, line 6		1	1,018,035.
2a Tax on investment income for 2010 from Part VI, line 5	2a	8,064.	
b Income tax for 2010 (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b		2c	8,064.
3 Distributable amount before adjustments Subtract line 2c from line 1		3	1,009,971.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	1,009,971.
6 Deduction from distributable amount (see instructions)		6	
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	1,009,971.

Part XII. Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1a	925,322.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	925,322.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	925,322.

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

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Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				1,009,971.
2 Undistributed income, if any, as of the end of 2010:				
a Enter amount for 2009 only			194,708.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 925,322.				
a Applied to 2009, but not more than line 2a			194,708.	
b Applied to undistributed income of prior years (Election required — see instructions)		0.		
c Treated as distributions out of corpus (Election required — see instructions)	0.			
d Applied to 2010 distributable amount				730,614.
e Remaining amount distributed out of corpus	0.			
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	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount — see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount — see instructions			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				279,357.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 2006				
b Excess from 2007				
c Excess from 2008				
d Excess from 2009				
e Excess from 2010				

BAA

Form 990-PF (2010)

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
<i>a Paid during the year</i> See schedule attached		Pub Ch	Various	847,000.
Total			3a	847,000.
<i>b Approved for future payment</i>				
Total			3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (see the instructions)
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1	Program service revenue					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	1,157.	
4	Dividends and interest from securities			14	517,794.	
5	Net rental income or (loss) from real estate					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory			18	-57,394.	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue					
a						
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)				461,557.	
13	Total. Add line 12, columns (b), (d), and (e)					461,557.

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

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

[illegible]

2010

Federal Statements

Page 1

Client 10280

Louise M. Davies Foundation
c/o Philip Hudner

23-7359841

Statement 1
Form 990-PF, Part I, Line 16a
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Botto Law Group	\$ 26,686.	\$ 5,337.		\$ 21,349.
Howard, Rice	495.	248.		247.
Total	<u>\$ 27,181.</u>	<u>\$ 5,585.</u>	<u>\$ 0.</u>	<u>\$ 21,596.</u>

Statement 2
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Accounting fees	\$ 15,198.	\$ 7,599.		\$ 7,599.
Total	<u>\$ 15,198.</u>	<u>\$ 7,599.</u>	<u>\$ 0.</u>	<u>\$ 7,599.</u>

Statement 3
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Investment Advisory Fees	\$ 82,544.	\$ 82,544.		
Total	<u>\$ 82,544.</u>	<u>\$ 82,544.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 4
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Excise tax	\$ 1,200.			
Foreign tax	3,711.	\$ 3,711.		
Total	<u>\$ 4,911.</u>	<u>\$ 3,711.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 5
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Foreign conversion expense	\$ 178.	\$ 178.		
Insurance	2,003.	1,001.		\$ 1,002.
Office space, supplies, sect.svcs	8,251.	4,126.		4,125.
Total	<u>\$ 10,432.</u>	<u>\$ 5,305.</u>	<u>\$ 0.</u>	<u>\$ 5,127.</u>

Statement 6
Form 990-PF, Part II, Line 15
Other Assets

	Book Value	Fair Market Value
Western Art Collection	\$ 983,300.	\$ 9,447,300.
Total	<u>\$ 983,300.</u>	<u>\$ 9,447,300.</u>

Statement 7
Form 990-PF, Part III, Line 3
Other Increases

Accretion of discount (book)	\$ 386.
PY adjustment	454.
Total	<u>\$ 840.</u>

Statement 8
Form 990-PF, Part III, Line 5
Other Decreases

Amortization of premium (book)	\$ 5,141.
Total	<u>\$ 5,141.</u>

Louise M. Davies Foundation

c/o Philip Hudner

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Form 990-PF, Part II, Line 10b

Balance Sheet - Investments - Corporate stock

	TOTAL		
	SHARES/ UNITS	BOOK VALUE	FAIR MARKET VALUE
INVESTMENT - CORPORATE STOCK			
3M CO	4,000	275,458	345,200
ABBOTT LABORATORIES	4,000	163,153	191,640
ALTRIA GROUP INC	2,700	45,452	66,474
AMGEN INC	3,800	157,521	208,620
APPLE INC	1,900	186,485	612,864
CATERPILLAR	5,200	169,714	487,032
CISCO SYS	6,900	129,839	139,587
CONOCOPHILLIPS	8,600	317,441	585,660
DREYFUS EMERGING MARKETS CL A	52,392	796,944	705,722
DU PONT EI DE NEMOURS	5,200	232,990	259,376
EMERSON ELECTRIC COMPANY	4,400	132,946	251,548
EXELON CORP	3,900	111,968	162,396
EXXON MOBIL CORP.	5,700	258,027	416,784
FREEPORT-McMORAN	4,800	409,660	576,432
GENERAL ELEC	5,200	91,257	95,108
GOLDMAN SACHS GROUP INC	2,200	301,787	369,952
HEWLETT PACKARD CO	8,200	192,883	345,220
INTEL CORP	12,900	250,925	271,287
INTERNATIONAL BUSINESS MACHINES	3,136	310,729	460,239
JOHNSON & JOHNSON	3,800	208,252	235,030
KRAFT FOODS	3,400	93,960	107,134
LILLY ELI & CO	3,200	177,278	112,128
LOCKHEED MARTIN CORP	4,200	163,352	293,622
McDONALDS	4,800	276,093	368,448
MICROSOFT CORP	6,500	157,676	181,415
PHILIP MORRIS INT'L	2,700	103,572	158,031
PEPSICO INC	5,000	212,190	326,650
PROCTER & GAMBLE CO	4,300	184,549	276,619
TEVA PHARMACY INDS	4,200	134,210	218,946
TOYOTA MTR LTD	3,400	256,545	267,342
T. ROWE PRICE INTERNATIONAL STOCK FD	80,285	966,153	1,142,452
T. ROWE PRICE MIDCAP GROWTH FD	64,045	1,463,969	1,782,378
UNITED TECHNOLOGIES CORP	3,800	167,312	299,136
VALE S A ADR	4,400	107,497	152,108
VANGUARD SMALL-CAP INDEX FD	47,265	1,013,263	1,480,822

Louise M. Davies Foundation
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Form 990-PF, Part II, Line 10b

Balance Sheet - Investments - Corporate stock

		<u>TOTAL</u>	
	<u>SHARES/ UNITS</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
WAL-MART	2,200.00	117,532	118,646
WALGREEN CO	6,700.00	194,633	261,032
WELLPOINT INC	5,600.00	352,660	318,416
WELLS FARGO & CO	12,800.00	313,280	396,672
WESTERN UNION CO	4,200.00	81,226	77,994
TOTAL- CORPORATE STOCK		<u><u>11,280,379</u></u>	<u><u>15,126,163</u></u>

Louise M. Davies Foundation
c/o Philip Hudner

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Form 990-PF, Part II, Line 10c

Balance Sheet - Investments - Corporate bonds

		TOTAL	
	SHARES/ UNITS	BOOK VALUE	FAIR MARKET VALUE
INVESTMENTS - CORPORATE BONDS			
BERKSHIRE HATHAWAY 4.75% DUE 5/15/12	400,000.00	405,800	421,200
CONOCOPHILLIPS 5 75% due 2/1/19	200,000.00	199,230	227,922
GENERAL ELECTRIC CO. 2 80% DUE 01/8/13	325,000.00	330,727	332,248
GENERAL ELECTRIC CO 5 25% DUE 12/6/17	400,000.00	398,996	432,036
GOLDMAN SACHS 5.95% DUE 1/18/18	200,000.00	196,884	216,976
GOLDMAN SACHS 3.625% DUE 8/1/12	150,000.00	153,860	154,802
HERSHEY COMPANY 5.45% DUE 9/1/16	100,000.00	102,000	113,810
HEWLETT PACKARD CO, 2.95% DUE 8/15/12	225,000.00	232,173	231,984
JPMORGAN CHASE & CO 2.2% DUE 6/15/12	100,000.00	101,374	102,305
MCDONALD'S CORP 5.8% DUE 10/15/17	200,000.00	201,600	231,088
MERRILL LYNCH & CO 5.7% DUE 5/2/17	300,000.00	292,485	301,008
MICROSOFT CORP 2.95% DUE 6/1/14	200,000.00	201,852	208,196
MORGAN STANLEY 5.55% DUE 4/27/17	200,000.00	200,182	208,360
MORGAN STANLEY 6.00% DUE 5/13/14	200,000.00	202,574	216,096
PHILIP MORRIS INT'L INC 4.875% DUE 5/16/13	200,000.00	200,650	216,510
VERIZON COMMUNICATIONS 5.5% DUE 2/15/18	200,000.00	199,266	219,788
WAL MART STORES INC 3.20% DUE 5/15/14	200,000.00	201,166	209,186
WALT DISNEY CO 6% DUE 7/17/17	100,000.00	100,000	114,960
WELLS FARGO CO 3.625% DUE 4/15/15	325,000.00	328,214	337,006
ABERDEEN ASIA PACIFIC INCOME	36,000.00	232,074	243,000
BLACKROCK INT'L BOND INST'L	11,453.00	123,692	120,721
VANGUARD HIGH YIELD CORP BD	61,867.09	391,000	352,642
VANGUARD INFLATION PROTECTED SECS FD	18,823.13	462,433	480,743
VANGUARD SHORT TERM FED FD ADM #549	58,943.80	638,680	634,235
TOTAL - CORPORATE BONDS		6,096,912	6,326,821

Louise M. Davies Foundation
c/o Philip Hudner

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Form 990-PF, Part IV

Capital Gains and Losses for Tax on Investment Income

(a) Description of property	(b) How Acquired	(c) Date acquired	(d) Date sold	(e) Gross sales price	(g) Cost or other basis plus expense of sale	(h) Gain or loss
Recap (transaction details follow)						
Short term gains (losses)						
Account No. 61				0	0	0
Account No. 62				100,000	100,000	0
Subtotal				100,000	100,000	0
Long term gains (losses)						
Account No. 61				840,215	876,922	(36,707)
Account No. 62				1,020,694	1,047,066	(26,372)
Subtotal				1,860,909	1,923,988	(63,079)
Capital gain dividends						
Account No. 61				2,500	0	2,500
Account No. 62				3,184	0	3,184
Subtotal				5,684	0	5,684
Totals				<u>1,966,594</u>	<u>2,023,988</u>	<u>(57,394)</u>

Louise M. Davies Foundation
c/o Philip Hudner

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Form 990-PF, Part IV

Capital Gains and Losses for Tax on Investment Income

(a) Description of property	(b) How Acquired	(c) Date acquired	(d) Date sold	(e) Gross sales price	(g) Cost or other basis plus expense of sale	(h) Gain or loss
Short term gain (loss) detail - Account No. 61						
Subtotal Short Term Gains/(Losses) Acct #61				0	0	0
Long term gain (loss) detail - Account No. 61						
100 Shs Apple Inc	Purchase	2/12/09	12/27/10	32,490	9,815	22,675
2,600 Shs BP PLC Spon ADR	Purchase	Var	6/3/10	98,725	140,872	(42,147)
100,000 Federal Home Loan Bks Cons Bds						
4 25% DTD 2/12/2008 due 2/12/15	Purchase	2/7/08	2/12/10	100,000	100,031	(31)
50,000 Federal Home Loan Bks Cons Bds						
4 60% DTD 1/14/2008 due 1/14/2015	Purchase	9/25/08	1/14/10	50,000	49,500	500
8,166 5990 Shs T Rowe Price Inst Mid-Cap						
Equity Growth Fd	Purchase	8/1/08	4/27/10	200,000	189,873	10,127
						(71,535)
2,000 Shs Transocean Ltd Zug Namen Akt	Purchase	Var	6/3/10	99,000	170,534	
100,000 United Technologies Corp 4 375%						
DTD 4/29/05 due 5/1/10	Purchase	10/23/07	5/1/10	100,000	99,940	60
5,545 927 Shs Vanguard Small-Cap Index						
Fund - Sig #1345	Purchase	10/29/07	4/27/10	160,000	116,356	43,644
Subtotal Long Term Gains/(Losses) Acct #61				840,215	876,922	(36,707)

Louise M. Davies Foundation
c/o Philip Hudner

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Form 990-PF, Part IV

Capital Gains and Losses for Tax on Investment Income

(a) Description of property	(b) How Acquired	(c) Date acquired	(d) Date sold	(e) Gross sales price	(g) Cost or other basis plus expense of sale	(h) Gain or loss
Short term gain (loss) detail - Account No. 62						
100,000 Branch Bkg & Tr Co Winston CTF Dep 0 50% DTD 7/8/2009 due 1/8/2010	Purchase	7/1/09	1/8/10	100,000	100,000	0
Subtotal Short Term Gains/(Losses) Acct #62				<u>100,000</u>	<u>100,000</u>	<u>0</u>
Long term gain (loss) detail - Account No. 62						
200 Shs Apple Inc	Purchase	2/12/09	12/27/10	64,981	19,630	45,351
3,000 Shs BP PLC Spon ADR	Purchase	Var	6/3/10	113,914	164,566	(50,652)
100,000 Federal Home Loan Bks Cons Bds 4 25% DTD 2/12/08 due 2/12/15	Purchase	2/7/08	2/12/10	100,000	100,031	(31)
50,000 Federal Home Loan Bks Cons Bds 4 6% DTD 1/14/08 due 1/14/15	Purchase	9/25/08	1/14/10	50,000	49,500	500
10,657 4110 Shs T Rowe Price Inst Mid-Cap Equity Growth Fd	Purchase	8/1/08	4/27/10	261,000	247,785	13,215
2,400 Shs Transocean Ltd Zug Namen Akt	Purchase	Var	6/3/10	118,799	204,641	(85,842)
125,000 United Technologies Corp 4 375% DTD 4/29/05 due 5/1/10	Purchase	10/23/07	5/1/10	125,000	124,925	75
6,481 8020 Shs Vanguard Small-Cap Index Fund - Sig #1345	Purchase	10/29/07	4/27/10	187,000	135,988	51,012
Subtotal Long Term Gains/(Losses) Acct #62				<u>1,020,694</u>	<u>1,047,066</u>	<u>(26,372)</u>

Louise M. Davies Foundation
c/o Philip Hudner

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Form 990-PF, Part XV, Line 3a

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

TOTAL

Recipient	Foundation Status	Purpose of Grant	Amount of Grant
<u>Grants from the Catholic School Fund</u>			
Marin Catholic High School	Public charity	Education	15,000
Cathedral of St Mary of the Assumption	Public charity	Education	7,500
Dominican Sisters of Mission San Jose	Public charity	Education	12,500
Immaculate Conception Academy	Public charity	Education	50,000
The Megan Furth Academy at Sacred Heart	Public charity	Education	2,500
School of the Epiphany	Public charity	Education	2,500
St Anthony Immaculate Conception School	Public charity	Education	45,000
Saint Elizabeth High School	Public charity	Education	5,000
Saint James School	Public charity	Education	45,000
St Martin de Porres Catholic School	Public charity	Education	25,000
St Paul's School	Public charity	Education	2,500
St Peter's School	Public charity	Education	45,000
St Vincent's School for Boys	Public charity	Education	2,500
Kolbe Academy and Trinity Prep	Public charity	Education	5,000
Wood Rose Academy	Public charity	Education	20,000
Woodside Priory School	Public charity	Education	2,500
The BASIC Fund	Public charity	Education	60,000
Sacred Heart Schools Atherton	Public charity	Education	12,500
Subtotal - Catholic School Fund			<u>360,000</u>

Louise M. Davies Foundation
c/o Philip Hudner

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Form 990-PF, Part XV, Line 3a

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

TOTAL

Recipient	Foundation	TOTAL	
	Status	Purpose of Grant	Amount of Grant
<u>Grants from the General Fund</u>			
St Sebastian School and Preschool	Public charity	Education	5,000
Monterey Museum of Art	Public charity	Charitable	15,000
California Missions Foundation	Public charity	Charitable	50,000
Immaculate Heart Radio	Public charity	Religious	50,000
FOCUS, Vision for Life	Public charity	Charitable	7,500
Keys School	Public charity	Education	15,000
Sovereign Military Hospitaller	Public charity	Charitable	5,000
SF Opera Assn	Public charity	Music	75,000
Acton Institute	Public charity	Charitable	7,500
Old St Mary's Cathedral	Public charity	Religious	5,000
St. Isabella's Church	Public charity	Religious	7,500
Thomas Aquinas College	Public charity	Education	20,000
Asian Art Museum Foundation	Public charity	Charitable	20,000
California Historical Society	Public charity	Charitable	5,000
Catholic League for Religious and Civil Rights	Public charity	Charitable	10,000
Keep the Faith Inc	Public charity	Religious	15,000
42nd Street Moon	Public charity	Charitable	7,500
Catholic Charities CYO	Public charity	Charitable	2,500
Lighthouse for the Blind	Public charity	Charitable	2,500
National Catholic Bioethics Center	Public charity	Charitable	2,500
Wyoming Catholic College	Public charity	Education	10,000

Louise M. Davies Foundation
c/o Philip Hudner

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Form 990-PF, Part XV, Line 3a

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

TOTAL

Recipient	Foundation Status	Purpose of Grant	Amount of Grant
<u>Grants from the General Fund (continued)</u>			
The Lumen Christi Institute	Public charity	Charitable	7,500
St. Patrick's Catholic Church	Public charity	Religious	2,500
The Saint Joseph Foundation	Public charity	Charitable	15,000
SF Symphony "Deck the Halls Event"	Public charity	Music and education	50,000
SF Symphony St. Peter's School Ticket Project	Public charity	Music and education	1,500
SF Symphony Davies Guest Conductor Endowment Fund	Public charity	Music and education	50,000
The Society of California Pioneers	Public charity	Charitable	5,000
Pacific Legal Foundation	Public charity	Charitable	8,000
The Guardsmen	Public charity	Charitable	3,500
St. Anthony Foundation	Public charity	Charitable	2,500
St Vincent de Paul Society of San Francisco	Public charity	Charitable	1,500
St Dominic's Catholic Church	Public charity	Religious	2,500
Subtotal - General Fund			487,000
Total Contributions - Catholic School & General Fund			847,000

Form 990-PF, Part VII-B Statement Regarding Activities, Question 1a(1), 1a(3), 1(4) and 1b

Form RRF-1, Part B, Line 1

In 2010, the Louise M. Davies Foundation (the "foundation") maintained its office at the offices of Botto Law Group LLP. The foundation paid below-market rent to Botto Law Group LLP for office space and use of office equipment including telephone, copier and facsimile machines. The foundation also paid a reasonable rate to Botto Law Group LLP for secretarial services.

During 2010 the foundation engaged Botto Law Group LLP to render legal services to the foundation and paid Botto Law Group LLP reasonable compensation for the services. The compensation paid to Botto Law Group LLP was not excessive and the services rendered by Botto Law Group LLP were reasonable and necessary for carrying out the exempt purpose of the foundation.

During 2010 Philip Hudner, an officer and director of the foundation, was a salaried employee of Botto Law Group LLP. Mr. Hudner was not a partner of Botto Law Group LLP and did not share in the profits of Botto Law Group LLP. Mr. Hudner's daughter, Mollie Hudner Thompson, was a partner of Botto Law Group LLP but did not own more than 35 percent of the profit interests in Botto Law Group LLP.

During 2010 the foundation engaged Howard Rice Nemerovski Canady Falk & Rabkin to render legal services to the foundation and paid Howard Rice Nemerovski Canady Falk & Rabkin reasonable compensation for the services. The compensation paid to Howard Rice Nemerovski Canady Falk & Rabkin was not excessive and the services rendered by Howard Rice Nemerovski Canady Falk & Rabkin were reasonable and necessary for carrying out the exempt purpose of the foundation.

During 2010 Ann Matthews, an officer and director of the foundation, was a salaried employee of Howard Rice Nemerovski Canady Falk & Rabkin. Ms. Matthews was not a partner of Howard Rice Nemerovski Canady Falk & Rabkin and did not share in the profits of Howard Rice Nemerovski Canady Falk & Rabkin.