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Form **990-PF**Department of the Treasury
Internal Revenue Service**Return of Private Foundation**
or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0052

2010

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 , 20

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

Name of foundation

MELALUCCA FOUNDATION

A Employer identification number

26-1699444

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

Room/suite

B Telephone number (see page 10 of the instructions)

2100 GARDEN RD, STE F

(831) 649-8006

City or town, state, and ZIP code

MONTEREY, CA 93940

H Check type of organization. ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundationI Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 25,150,826.
J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)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 ☐**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 page 11 of the instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue				
1 Contributions, gifts, grants, etc. received (attach schedule)	0.			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	251,063.	251,063.		ATCH 1
5 a Gross rents				
b Net rental income or (loss)				
6 a Net gain or (loss) from sale of assets not on line 10	383,641.			
b Gross sales price for all assets on line 6a	21,122,684.			
7 Capital gain net income (from Part IV, line 2)		383,641.		
8 Net short-term capital gain				
9 Income modifications				
10 a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)				
12 Total. Add lines 1 through 11	634,704.	634,704.		
Operating and Administrative Expenses				
13 Compensation of officers, directors, trustees, etc.	0.			
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule) ATCH 2	144.	0.	0.	144.
b Accounting fees (attach schedule) ATCH 3	44,200.	0.	0.	44,200.
c Other professional fees (attach schedule) *	140,087.	92,868.		47,219.
17 Interest				
18 Taxes (attach schedule) (see page 14 of the instructions)				
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule) ATCH 5		184.		17,998.
24 Total operating and administrative expenses				
Add lines 13 through 23	202,943.	93,052.	0.	109,561.
25 Contributions, gifts, grants paid	1,150,000.			1,150,000.
26 Total expenses and disbursements Add lines 24 and 25	1,352,943.	93,052.	0.	1,259,561.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-718,239.			
b Net investment income (if negative, enter -0-)		541,652.		
c Adjusted net income (if negative, enter -0-)				

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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		15,670,215.	2,631,672.	2,631,672.
	2	Savings and temporary cash investments				
	3	Accounts receivable ▶ 21,235.				
		Less allowance for doubtful accounts ▶		1,142.	21,235.	21,235.
	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 page 15 of the instructions)				
	7	Other notes and loans receivable (attach schedule) ▶				
		Less allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments - U S and state government obligations (attach schedule), **	4,978,739.	0.	0.	
	b	Investments - corporate stock (attach schedule) ATCH 7	2,069,545.	11,194,999.	11,714,784.	
	c	Investments - corporate bonds (attach schedule) ATCH 8	1,654,790.	0.	0.	
	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 ▶ ATCH 9)	352,762.	10,161,048.	10,783,135.		
16	Total assets (to be completed by all filers - see the instructions Also, see page 1, item I)	24,727,193.	24,008,954.	25,150,826.		
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 ▶)				
23	Total liabilities (add lines 17 through 22)		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 and complete lines 27 through 31. ▶ <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds	24,727,193.	24,008,954.		
	30	Total net assets or fund balances (see page 17 of the instructions)	24,727,193.	24,008,954.		
	31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	24,727,193.	24,008,954.		

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	24,727,193.
2	Enter amount from Part I, line 27a	2	-718,239.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	24,008,954.
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	24,008,954.

**ATCH 6

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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 PART IV SCHEDULE					
b					
c					
d					
e					
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)		
a					
b					
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
(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	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))		
a					
b					
c					
d					
e					
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }			2	383,641.	
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	660,647.	24,397,746.	0.027078
2008	15,616.	13,459,652.	0.001160
2007			
2006			
2005			
2 Total of line 1, column (d)			0.028238
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			0.014119
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			28,172,118.
5 Multiply line 4 by line 3			397,762.
6 Enter 1% of net investment income (1% of Part I, line 27b)			5,417.
7 Add lines 5 and 6			403,179.
8 Enter qualifying distributions from Part XII, line 4. 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.			1,259,561.

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 ruling 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	5,417.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	
3 Add lines 1 and 2		3	5,417.
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	5,417.
6 Credits/Payments			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a 47,710.		
b Exempt foreign organizations-tax withheld at source	6b 0.		
c Tax paid with application for extension of time to file (Form 8868)	6c 0.		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d		7	47,710.
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	42,293.
11 Enter the amount of line 10 to be Credited to 2011 estimated tax	42,293. Refunded	11	

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?		X
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)? 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		X
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 \$ (2) On foundation managers \$		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers \$		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? 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
4a 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, col (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) CA,		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	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 on page 27)? 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 page 20 of the 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 N/A	13	X	
14	The books are in care of HARRIS MYCFO INC Telephone no 650-210-5000 Located at 2200 GENG ROAD, STE 100 PALO ALTO, CA ZIP + 4 94303			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year 15			
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 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 N/A	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
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 22 of the instructions)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1b	N/A
Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>		
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	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 N/A		
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 22 of the instructions)	2b	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 N/A		
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? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010)	3b	N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	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?	4b	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 page 22 of the 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 page 22 of the instructions)? ☐ Yes ☒ No **5b** N/A

Organizations relying on a current notice regarding disaster assistance check here ☐

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

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

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

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

If "Yes" to 6b, file Form 8870

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

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No **7b** N/A

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
ATTACHMENT 10		0.	0.	0.

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 ☐

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Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see page 23 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		NONE

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 page 24 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See page 24 of the instructions	
3 NONE	
Total. Add lines 1 through 3	

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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	10,868,300.
b	Average of monthly cash balances	1b	8,932,778.
c	Fair market value of all other assets (see page 25 of the instructions)	1c	8,800,057.
d	Total (add lines 1a, b, and c)	1d	28,601,135.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	28,601,135.
4	Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 25 of the instructions)	4	429,017.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	28,172,118.
6	Minimum investment return. Enter 5% of line 5	6	1,408,606.

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

1	Minimum investment return from Part X, line 6	1	1,408,606.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	5,417.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	5,417.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,403,189.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	1,403,189.
6	Deduction from distributable amount (see page 25 of the instructions)	6	
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,403,189.

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

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,259,561.
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	0.
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	0.
b	Cash distribution test (attach the required schedule)	3b	0.
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,259,561.
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	5,417.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,254,144.

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				1,403,189.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			1,050,286.	
b Total for prior years 20 08 20 07 20 06				
3 Excess distributions carryover, if any, to 2010				
a From 2005				
b From 2006				
c From 2007				
d From 2008				
e From 2009				0.
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$ 1,259,561.				
a Applied to 2009, but not more than line 2a			1,050,286.	
b Applied to undistributed income of prior years (Election required - see page 26 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 26 of the instructions)				
d Applied to 2010 distributable amount				209,275.
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				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see page 27 of the instructions				
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see page 27 of the instructions				
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				1,193,914.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see page 27 of the instructions)				
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	0.			

Form 990-PF (2010)

Part XIV Private Operating Foundations (see page 27 of the instructions and Part VII-A, question 9) NOT APPLICABLE

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

b Check box to indicate whether the foundation is a private operating foundation described in section

4942(j)(3) or

4942(j)(5)

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

Part XV Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year - see page 28 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))

THE CYPRESS LIVING TRUST UAD 1/31/08

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

N/A

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
<i>a Paid during the year</i>				
ATTACHMENT 11				
Total			► 3a	1,150,000.
<i>b Approved for future payment</i>				
Total			► 3b	

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




		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
	(1) Cash	1a(1)	X
	(2) Other assets	1a(2)	X
b	Other transactions		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)	X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)	X
	(3) Rental of facilities, equipment, or other assets	1b(3)	X
	(4) Reimbursement arrangements	1b(4)	X
	(5) Loans or loan guarantees	1b(5)	X
	(6) Performance of services or membership or fundraising solicitations	1b(6)	X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

[illegible]

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

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

Under penalties of perjury, I declare that I have examined this return including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Sign Here 



Signature of officer or trustee Date Title

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	HARVEY L. ARMSTRONG	<i>Harvey Armstrong</i>	10/24/11		
	Firm's name ▶ HARRIS MYCFO, INC.	Firm's EIN ▶ 81-0573056			
	Firm's address ▶ 2200 GENG ROAD, SUITE 100 PALO ALTO, CA 94303		Phone no 650 210-5000		

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
100,839.		4,790 SHS TECHNOLOGY SELECT INDEX SPDR PROPERTY TYPE: SECURITIES 101,101.				P	VARIOUS -262.	02/10/2010
7,258,847.		STATE STREET 0009 - STMT A PROPERTY TYPE: SECURITIES 7,266,374.				P	VAR -7,527.	VAR
4,155,533.		STATE STREET 0009 - STMT A PROPERTY TYPE: SECURITIES 4,078,699.				P	VAR 76,834.	VAR
		STATE STREET 0010 - STMT B PROPERTY TYPE: SECURITIES				P	278,302.	
		STATE STREET 0010 - STMT B PROPERTY TYPE: SECURITIES				P	36,294.	
TOTAL GAIN(LOSS)							<u>383,641.</u>	

FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>
GS 01387 - INTEREST	45.	45.
GS 03676 - INTEREST	467.	467.
GS 03676 - US TREASURY INTEREST	43,359.	43,359.
GS 03676 - US TREASURY AMORTIZATION	-13,726.	-13,726.
GS 03676 - US TREASURY ACCRETION	5,545.	5,545.
GS 03678 - INTEREST	3.	3.
GS 04196 - INTEREST	4.	4.
GS 03676 - DIVIDENDS	210.	210.
GS 03678 - DIVIDENDS	85,185.	85,185.
GS 92142 - DIVIDENDS	1,977.	1,977.
SS 38262 - DIVIDENDS	105.	105.
SS 0009 - INTEREST	32,418.	32,418.
SS 0009 - ACCRETION	17,649.	17,649.
SS 0009 - US TREASURY AMORTIZATION	-6,139.	-6,139.
SS 0009 - US TREASURY ACCRETION	8,236.	8,236.
SS 0010 - INTEREST	6,268.	6,268.
SS 0010 - DIVIDENDS	69,413.	69,413.
SS 0041 - INTEREST	44.	44.
TOTAL	<u>251,063.</u>	<u>251,063.</u>

ATTACHMENT 2FORM 990PF, PART I - LEGAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
LEGAL FEES	144.	0.		144.
TOTALS	<u>144.</u>	<u>0.</u>	<u>0.</u>	<u>144.</u>

FORM 990PF, PART I - ACCOUNTING FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>ADJUSTED NET INCOME</u>	<u>CHARITABLE PURPOSES</u>
ACCOUNTING FEES	44,200.			44,200.
TOTALS	<u>44,200.</u>	<u>0.</u>	<u>0.</u>	<u>44,200.</u>

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

<u>DESCRIPTION</u>	<u>REVENUE AND EXPENSES PER BOOKS</u>	<u>NET INVESTMENT INCOME</u>	<u>CHARITABLE PURPOSES</u>
PHILANTHROPY ADVISING FEES	29,719.		29,719.
INVESTMENT MGT FEES	69,368.	69,368.	
PROFESSIONAL FEES	7,000.	3,500.	3,500.
CONSULTING FEES	4,000.		4,000.
INVESTMENT SERVICES	20,000.	20,000.	
SEMINARS	10,000.		10,000.
TOTALS	<u>140,087.</u>	<u>92,868.</u>	<u>47,219.</u>

FORM 990PF, PART I - OTHER EXPENSES

<u>DESCRIPTION</u>	REVENUE AND EXPENSES <u>PER BOOKS</u>	NET INVESTMENT <u>INCOME</u>	CHARITABLE PURPOSES
REIMBURSABLE EXPENSES	14,784.		14,784.
FOREIGN TAX PAID	184.	184.	0.
INSURANCE	3,214.	0.	3,214.
FTB FILING FEES	35.	0.	0.
REGISTRY FEES	295.	0.	0.
TOTALS	<u>18,512.</u>	<u>184.</u>	<u>17,998.</u>

FORM 990PF, PART II - U.S. AND STATE OBLIGATIONSATTACHMENT 6DESCRIPTIONENDING
BOOK VALUEENDING
FMV

GS # 026-03676-4

0.

0.

US OBLIGATIONS TOTAL

0.0.

ATTACHMENT 7FORM 990PF, PART II - CORPORATE STOCK

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
GS # 026-03678-0	0.	0.
STATE STREET 0009	4,940,886.	4,880,524.
STATE STREET 0010	6,254,113.	6,834,260.
TOTALS	<u>11,194,999.</u>	<u>11,714,784.</u>

ATTACHMENT 8FORM 990PF, PART II - CORPORATE BONDS

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
GS #026-03678-0	0.	0.
TOTALS	<u>0.</u>	<u>0.</u>

ATTACHMENT 9FORM 990PF, PART II - OTHER ASSETS

<u>DESCRIPTION</u>	<u>ENDING BOOK VALUE</u>	<u>ENDING FMV</u>
GS 026-04196-2	661,048.	703,300.
SR STRATEGIC FIXED INCOME	1,200,000.	1,240,845.
SR SELECT EQUITY (OFFSHORE)	700,000.	764,632.
SR HEDGED EQUITY	2,800,000.	2,936,329.
SR DIVERSIFIED STRATEGIES	3,600,000.	3,763,074.
SR NATURAL RESOURCES	1,200,000.	1,374,955.
TOTALS	<u>10,161,048.</u>	<u>10,783,135.</u>

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 10

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u>	<u>COMPENSATION</u>	<u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u>	<u>EXPENSE ACCT AND OTHER ALLOWANCES</u>
W. H. SOSKIN 2100 GARDEN RD, STE F MONTEREY, CA 93940	PRESIDENT AND DIRECTOR 1.00	0.	0.	0.
D. BAUER 2100 GARDEN RD, STE F MONTEREY, CA 93940	SECRETARY, TREASURER, DIRECTOR 1.00	0.	0.	0.
	GRAND TOTALS	<u>0.</u>	<u>0.</u>	<u>0.</u>

FORM 990PF. PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 11

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT</u>	<u>PURPOSE OF GRANT OR CONTRIBUTION</u>	<u>AMOUNT</u>
KINSHIP CENTER 124 RIVER ROAD SALINAS, CA 93908	NONE TAX EXEMPT	GENERAL CHARITABLE PURPOSES	200,000
BRENNAN CENTER FOR JUSTICE 161 AVENUE OF THE AMERICAS, 12TH FLOOR NEW YORK, NY 10013	NONE TAX EXEMPT	GENERAL CHARITABLE PURPOSE	100,000
AMERICAN CONSTITUTION SOCIETY 1333 H STREET, NW, 11TH FLOOR WASHINGTON, DC 20036	NONE TAX EXEMPT	GENERAL CHARITABLE PURPOSES	100,000
CENTER FOR PROGRESSIVE LEADERSHIP 1133 19TH STREET, NW, 9TH FLOOR WASHINGTON, DC 20036	NONE TAX EXEMPT	GENERAL CHARITABLE PURPOSES	100,000.
BRAVE NEW FOUNDATION 10510 CULVER BLVD CULVER CITY, CA 90232	NONE TAX EXEMPT	GENERAL CHARITABLE PURPOSE	100,000
TIDES FOUNDATION P O.BOX 29198 SAN FRANCISCO, CA 94129	NONE TAX EXEMPT	GENERAL CHARITABLE PURPOSE	50,000.

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 11 (CONT'D)

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT</u>	<u>PURPOSE OF GRANT OR CONTRIBUTION</u>	<u>AMOUNT</u>
REEVES FOUNDATION 830 E MAIN ST, STE 110 SPRINGERVILLE, AZ 85938	NONE TAX EXEMPT	GENERAL CHARITABLE PURPOSES	500,000.
		TOTAL CONTRIBUTIONS PAID	<u>1,150,000.</u>

SCHEDULE D
(Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

► **Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).**

OMB No 1545-0092

2010

Name of estate or trust

MELALUCCA FOUNDATION

Employer identification number

26-1699444

Note: Form 5227 filers need to complete only Parts I and II

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	270,513.
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4 Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet	4	()
5 Net short-term gain or (loss). Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ►	5	270,513.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo, day, yr)	(c) Date sold (mo, day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	113,128.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9 Capital gain distributions	9	
10 Gain from Form 4797, Part I	10	
11 Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet	11	()
12 Net long-term gain or (loss). Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ►	12	113,128.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041

Schedule D (Form 1041) 2010

Part III Summary of Parts I and II		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
Caution: Read the instructions before completing this part.				
13 Net short-term gain or (loss)	13			270,513.
14 Net long-term gain or (loss):				
a Total for year	14a			113,128.
b Unrecaptured section 1250 gain (see line 18 of the wrkst.)	14b			
c 28% rate gain	14c			
15 Total net gain or (loss). Combine lines 13 and 14a ▶	15			383,641.

Note: If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the **Capital Loss Carryover Worksheet**, as necessary.

Part IV Capital Loss Limitation	
16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the smaller of	16
a The loss on line 15, column (3) or b \$3,000	()

Note: If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the **Capital Loss Carryover Worksheet** on page 7 of the instructions to figure your capital loss carryover.

Part V Tax Computation Using Maximum Capital Gains Rates	
Form 1041 filers. Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22, is more than zero.	
Caution: Skip this part and complete the worksheet on page 8 of the instructions if	
• Either line 14b, col (2) or line 14c, col (2) is more than zero, or	
• Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.	
Form 990-T trusts. Complete this part only if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, and Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col (2) or line 14c, col (2) is more than zero.	

17 Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)	17	
18 Enter the smaller of line 14a or 15 in column (2) but not less than zero.	18	
19 Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T).	19	
20 Add lines 18 and 19	20	
21 If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- ▶	21	
22 Subtract line 21 from line 20. If zero or less, enter -0-	22	
23 Subtract line 22 from line 17. If zero or less, enter -0-	23	
24 Enter the smaller of the amount on line 17 or \$2,300	24	
25 Is the amount on line 23 equal to or more than the amount on line 24?	25	
<input type="checkbox"/> Yes. Skip lines 25 and 26; go to line 27 and check the "No" box.		
<input type="checkbox"/> No. Enter the amount from line 23.		
26 Subtract line 25 from line 24.	26	
27 Are the amounts on lines 22 and 26 the same?	27	
<input type="checkbox"/> Yes. Skip lines 27 thru 30; go to line 31. <input type="checkbox"/> No. Enter the smaller of line 17 or line 22		
28 Enter the amount from line 26 (If line 26 is blank, enter -0-)	28	
29 Subtract line 28 from line 27	29	
30 Multiply line 29 by 15% (15)	30	
31 Figure the tax on the amount on line 23. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041).	31	
32 Add lines 30 and 31	32	
33 Figure the tax on the amount on line 17. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041).	33	
34 Tax on all taxable income. Enter the smaller of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36).	34	

Schedule D (Form 1041) 2010

**Continuation Sheet for Schedule D
(Form 1041)**

OMB No 1545-0092

2010

► See instructions for Schedule D (Form 1041).

▶ Attach to Schedule D to list additional transactions for lines 1a and 6a.

Name of estate or trust

Employer identification number

MELALUCCA FOUNDATION

26-1699444

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less[illegible]

1b Total. Combine the amounts in column (f). Enter here and on Schedule D, line 1b	270,513.
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For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D-1 (Form 1041) 2010

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PAGE 32

Employer identification number

[illegible]

6b Total. Combine the amounts in column (f) Enter here and on Schedule D, line 6b 113,128.

MELALUCCA FOUNDATION FIXED INCOME

26-1699444

Account # SR0009

Gain/Loss Trade Detail

January 01, 2010 - December 31, 2010

Date Sold	Shares/Par	Security Description	Total Cost	Net Proceeds	Short Term Realized Gain/Loss	Long Term Realized Gain/Loss	Total Realized Gain/Loss
09/13/2010	1,100,000 00	US TREASURY NOTES 1 5% 12/31/13	1,079,137 11	② 1,120,625 00	① 0 00	41,487 89	41,487 89
09/13/2010	400,000 00	US TREASURY NOTES 1 125% 12/15/11	398,412 00	② 403,890 63	① 0 00	5,478 63	5,478 63
09/16/2010	95,000 00	US TREASURY NOTE 1 25% 8/31/15	94,205 86	94,027 42	(178 44)	0 00	(178 44)
09/16/2010	75,000 00	US TREASURY NOTES 3 875% 8/15/40	75,401 37	74,783 20	(618 17)	0 00	(618 17)
09/17/2010	245,000 00	US TREASURY NOTES 0 875% 12/31/10	245,168 46	② 245,488 09	① 0 00	319 63	319 63
09/21/2010	50,000 00	US TREASURY NOTE 1 25% 8/31/15	49,677 90	49,871 09	193 19	0 00	193 19
09/21/2010	60,000 00	US TREASURY NOTES 1 5% 12/31/13	58,868 85	② 61,481 25	① 0 00	2,612 40	2,612 40
09/21/2010	75,000 00	US TREASURY BONDS 4 5% 2/15/36	84,064 45	84,832 03	767 58	0 00	767 58
09/21/2010	120,000 00	US TREASURY NOTES 2 625% 8/15/20	118,710 94	119,625 00	914 06	0 00	914 06
09/21/2010	75,000 00	US TREASURY NOTES 1 875% 8/31/17	73,596 03	74,170 90	574 87	0 00	574 87
09/21/2010	100,000 00	FNMA TBA 30YR 4% 10/13/40	102,559 11	102,930 21	371 10	0 00	371 10
09/21/2010	1,000,000 00	US TREASURY NOTES 0 875% 12/31/10	1,000,687 61	② 1,001,914 06	① 0 00	1,226 45	1,226 45
09/21/2010	25,000 00	US TSY BDS 6% 2/15/26	33,042 97	33,214 84	171 87	0 00	171 87
09/23/2010	75,000 00	US TREASURY NOTE 1 25% 8/31/15	74,459 33	74,753 91	294 58	0 00	294 58
09/23/2010	55,000 00	US TREASURY NOTES 1 875% 8/31/17	54,920 51	54,763 67	(156 84)	0 00	(156 84)
09/23/2010	80,000 00	US TREASURY NOTES 1 875% 8/31/17	78,502 44	79,940 63	1,438 19	0 00	1,438 19
09/23/2010	80,000 00	US TREASURY NOTES 1 875% 8/31/17	78,502 43	79,709 38	1,206 95	0 00	1,206 95
09/27/2010	400,000 00	FNMA TBA CMO #4422 5% 11/15/17	424,250 00	424,250 00	0 00	0 00	0 00
09/27/2010	80,000 00	US TREASURY NOTE 1 25% 8/31/15	78,970 29	79,862 50	892 21	0 00	892 21
09/27/2010	50,000 00	US TREASURY NOTE 1 25% 8/31/15	49,469 23	49,925 78	456 55	0 00	456 55
09/29/2010	25,000 00	US TSY BDS 6% 2/15/26	33,024 13	33,816 41	792 28	0 00	792 28
09/29/2010	130,000 00	US TREASURY NOTES 1 5% 12/31/13	127,559 47	② 133,244 92	① 0 00	5,685 45	5,685 45
09/29/2010	100,000 00	US TREASURY NOTES 2 625% 8/15/20	98,925 78	101,281 25	2,355 47	0 00	2,355 47
10/01/2010	95,000 00	FNMA TBA CMO 6% 10/15/33	102,285 31	102,311 29	25 98	0 00	25 98
10/01/2010	50,000 00	FNMA TBA 30YR 4% 10/13/40	51,539 33	51,476 83	(62 50)	0 00	(62 50)
10/01/2010	295,000 00	FNMA TBA 30YR 4 5% 10/01/39	308,671 41	307,853 24	(818 17)	0 00	(818 17)
10/01/2010	255,000 00	US TREASURY NOTES 1 125% 12/15/11	253,987 65	② 257,460 35	① 0 00	3,472 70	3,472 70
10/04/2010	285,000 00	FNMA TBA CMO 5 5% 10/15/33	303,980 70	303,802 58	(178 12)	0 00	(178 12)
10/05/2010	125,000 00	US TREASURY NOTE 1 25% 8/31/15	123,398 02	125,429 69	2,031 67	0 00	2,031 67
10/05/2010	150,000 00	US TREASURY NOTES 1 25% 9/30/15	150,152 24	150,392 58	240 34	0 00	240 34
10/06/2010	25,000 00	GOLDMAN SACHS GRP INC 7 5% 2/15/19	29,640 27	30,325 25	684 98	0 00	684 98
10/14/2010	530,000 00	US TSY NTS 0 375% 9/30/12	529,648 05	529,937 89	289 84	0 00	289 84
10/18/2010	595,000 00	US TREASURY NOTES 1 125% 12/15/11	592,637 85	② 600,903 52	① 0 00	8,265 67	8,265 67
10/19/2010	295,000 00	FNMA TBA 4 5% 11/25/39	306,800 00	309,680 86	2,880 86	0 00	2,880 86
10/19/2010	125,000 00	FNMA TBA 30YR 4% 11/01/39	128,505 86	129,194 34	688 48	0 00	688 48
10/22/2010	100,000 00	US TREASURY NOTES 1 25% 9/30/15	100,100 18	100,487 95	387 77	0 00	387 77
10/26/2010	175,000 00	US TREASURY NOTES 0 75% 9/15/13	175,729 79	175,942 77	212 98	0 00	212 98

MELALUCCA FOUNDATION FIXED INCOME

26-1699444

Account # SR0009

Gain/Loss Trade Detail

January 01, 2010 - December 31, 2010

Date Sold	Shares/Par	Security Description	Total Cost	Net Proceeds	Short Term Realized Gain/Loss	Long Term Realized Gain/Loss	Total Realized Gain/Loss
10/26/2010	45,000 00	US TREASURY NOTE 1 875% 9/30/17	45,050 33	44,766 03	(284 30)	0 00	(284 30)
10/28/2010	49,439 11	FNMA POOL #725027 5% 11/01/33	52,974 68	52,791 70	(182 98)	0 00	(182 98)
11/02/2010	135,000 00	US TREASURY NOTES 2 625% 8/15/20	137,684 42	135,220 94	(2,463 48)	0 00	(2,463 48)
11/04/2010	285,000 00	FNMA TBA 5 5% 11/01/33	302,946 09	307,543 95	4,597 86	0 00	4,597 86
11/04/2010	95,000 00	FNMA TBA 6% 11/01/29	101,976 56	103,605 66	1,629 10	0 00	1,629 10
11/04/2010	70,000 00	US TREASURY NOTES 3 875% 8/15/40	70,209 36	67,968 08	(2,241 28)	0 00	(2,241 28)
11/05/2010	75,000 00	GEN ELEC CAP CORP 2 125% 12/21/12	77,324 92	77,648 25	323 33	0 00	323 33
11/05/2010	77,000 00	US TREASURY NOTES 1 875% 8/31/17	76,888 71	77,905 35	1,016 64	0 00	1,016 64
11/09/2010	100,000 00	FNMA TBA CMO #4422 5% 11/15/17	106,453 13	106,667 97	214 84	0 00	214 84
11/09/2010	135,000 00	FNMA TBA 4 5% 11/01/18	142,467 19	142,773 05	305 86	0 00	305 86
11/10/2010	25,000 00	US TREASURY NOTES 1 25% 9/30/15	25,024 74	25,010 74	(14 00)	0 00	(14 00)
11/12/2010	80,000 00	US TREASURY NOTES 2 625% 8/15/20	81,004 07	79,515 63	(1,488 44)	0 00	(1,488 44)
11/15/2010	140,000 00	US TREASURY NOTE 1 25% 8/31/15	138,245 36	139,196 09	950 73	0 00	950 73
11/17/2010	35,000 00	US TREASURY NOTE 1 25% 8/31/15	34,561 81	34,738 75	176 94	0 00	176 94
11/17/2010	45,000 00	US TREASURY NOTES 1 25% 9/30/15	44,975 39	44,576 22	(399 17)	0 00	(399 17)
11/17/2010	45,000 00	US TREASURY NOTE 1 25% 8/31/15	44,436 62	44,732 66	296 04	0 00	296 04
11/18/2010	310,000 00	US TREASURY NOTES 3 625% 12/31/12	322,240 27 ^②	330,525 39 ^①	0 00	8,285 12	8,285 12
11/23/2010	90,000 00	US TREASURY NOTES 2 625% 8/15/20	91,115 27	89,085 58	(2,029 69)	0 00	(2,029 69)
11/25/2010	2,033 31	FNMA POOL #888129 5 5% 2/01/37	2,185 85	2,033 31	(152 54)	0 00	(152 54)
11/25/2010	1,830 31	FNMA POOL #745418 5 5% 4/01/36	1,972 51	1,830 31	(142 20)	0 00	(142 20)
11/25/2010	9,320 00	FNMA POOL #725027 5% 11/01/33	9,960 14	9,320 00	(640 14)	0 00	(640 14)
11/25/2010	1,942 66	FNMA POOL #889579 6% 5/01/38	2,107 06	1,942 66	(164 40)	0 00	(164 40)
11/25/2010	4,966 42	FNMA POOL #995265 5 5% 1/01/24	5,378 97	4,966 42	(412 55)	0 00	(412 55)
11/25/2010	2,008 54	FNMA POOL #AD3808 4 5% 4/01/40	2,106 19	2,008 54	(97 65)	0 00	(97 65)
11/30/2010	15,000 00	US TREASURY NOTES 2 625% 8/15/20	15,183 10	14,824 80	(358 30)	0 00	(358 30)
12/03/2010	25,000 00	US TREASURY NOTES 3 875% 8/15/40	24,664 16	23,287 01	(1,377 15)	0 00	(1,377 15)
12/06/2010	460,000 00	FNMA TBA 30YR 4 5% 12/01/39	480,319 53	477,483 59	(2,835 94)	0 00	(2,835 94)
12/06/2010	195,000 00	FNMA TBA 30YR 4% 12/15/40	199,530 47	197,140 43	(2,390 04)	0 00	(2,390 04)
12/06/2010	95,000 00	FNMA TBA 6% 12/15/32	103,371 88	103,249 41	(122 47)	0 00	(122 47)
12/06/2010	285,000 00	FNMA TBA 5 5% 12/01/32	306,953 91	305,673 63	(1,280 28)	0 00	(1,280 28)
12/06/2010	120,000 00	FNMA TBA 30YR 4% 12/15/40	123,618 75	121,279 69	(2,339 06)	0 00	(2,339 06)
12/08/2010	15,000 00	TIME WARNER CABLE 5% 2/01/20	15,962 66	15,436 95	(525 71)	0 00	(525 71)
12/08/2010	15,000 00	PHILIP MORRIS INTL 4 5% 3/26/20	16,172 37	15,560 85	(611 52)	0 00	(611 52)
12/09/2010	65,000 00	US TREASURY NOTE 1 875% 9/30/17	65,071 10	62,110 29	(2,960 81)	0 00	(2,960 81)
12/10/2010	135,000 00	FNMA TBA 15YR 4 5% 12/01/23	142,931 26	141,491 61	(1,439 65)	0 00	(1,439 65)
12/10/2010	20,000 00	JP MORGAN CHASE & CO 4 25% 10/15/20	19,902 00	19 335 20	(566 80)	0 00	(566 80)
12/10/2010	100,000 00	FNMA TBA 5% 12/01/17	106,817 71	106,083 33	(734 38)	0 00	(734 38)

MELALUCCA FOUNDATION FIXED INCOME

26-1699444

Account # SR0009

Gain/Loss Trade Detail

January 01, 2010 - December 31, 2010

Date Sold	Shares/Par	Security Description	Total Cost	Net Proceeds	Short Term Realized Gain/Loss	Long Term Realized Gain/Loss	Total Realized Gain/Loss
12/14/2010	15,000 00	JPMORGAN CHASE & CO 3 7% 1/20/15	15,784 80	15,381 90	(402 90)	0 00	(402 90)
12/15/2010	696 19	FHLMC GOLD #J13584 3 5% 11/01/25	715 49	696 19	(19 30)	0 00	(19 30)
12/15/2010	20,000 00	FNMA TBA 5 5% 1/01/34	21,415 63	21,234 38	(181 25)	0 00	(181 25)
12/15/2010	2,732 38	HAROT 2009-3-A3 2 31% 5/15/13	2,765 53	2,732 38	(33 15)	0 00	(33 15)
12/16/2010	25,000 00	GOLDMAN SACHS GROUP 3 7% 8/01/15	25,686 94	25,265 75	(421 19)	0 00	(421 19)
12/21/2010	20,000 00	US TSY NTS 2 625% 11/15/20	18,911 80	18,757 73	(154 07)	0 00	(154 07)
12/21/2010	25,000 00	US TREASURY NOTES 2 625% 8/15/20	25,303 65	23,564 35	(1,739 30)	0 00	(1,739 30)
12/25/2010	1,914 35	FNMA POOL #745418 5 5% 4/01/36	2,059 24	1,914 35	(144 89)	0 00	(144 89)
12/25/2010	2,082 80	FNMA POOL #888129 5 5% 2/01/37	2,235 04	2,082 80	(152 24)	0 00	(152 24)
12/25/2010	5,413 25	FNMA POOL #995265 5 5% 1/01/24	5,851 27	5,413 25	(438 02)	0 00	(438 02)
12/25/2010	1,965 16	FNMA POOL #889579 6% 5/01/38	2,127 43	1,965 16	(162 27)	0 00	(162 27)
12/25/2010	2,084 15	FNMA POOL #AD3808 4 5% 4/01/40	2,183 84	2,084 15	(99 69)	0 00	(99 69)
12/25/2010	10,356 66	FNMA POOL #725027 5% 11/01/33	11,051 06	10,356 66	(694 40)	0 00	(694 40)
PORTFOLIO TOTALS **			\$11,345,073.19 (B)	\$11,414,380.43 (A)	\$(7,526.70)	\$76,833.94	\$69,307.24

PROCEEDS

COST

$$L/T: \Sigma \textcircled{1} = 4,155,533.21$$

$$\Sigma \textcircled{2} = 4,078,699.27$$

$$S/T: \quad \quad \quad 7,258,847.22$$

$$\quad \quad \quad 7,266,373.92$$

$$\textcircled{A} \quad 11,414,380.43$$

$$\textcircled{B} \quad 11,345,073.19$$

STATEMENT A

MELALUCCA FOUNDATION EQUITY

26-1699444

Account # SR0010

Gain/Loss Trade Detail

January 01, 2010 - December 31, 2010

Date Sold	Shares/Par	Security Description	Total Cost	Net Proceeds	Short Term Realized Gain/Loss	Long Term Realized Gain/Loss	Total Realized Gain/Loss
09/20/2010	26,040 00	VANGUARD TOTAL BOND MARKET ETF	2,068,716 47	2,131,311 96	62,595 49	0 00	62,595 49
09/20/2010	35,805 00	VANGUARD EUROPE PACIFIC ETF	1,217,440 98	1,221,889 46	6,392 75	(1,944 27)	4,448 48
09/20/2010	3,285 00	WISDOMTREE EQUITY DEFA EQUITY INC FU	137,256 24	130,962 18	(5,240 28)	(1,053 78)	(6,294 06)
09/20/2010	1,680 00	WISDOMTREE TOTAL EARNINGS FUND	66,922 40	68,462 70	998 21	542 09	1,540 30
09/20/2010	555 00	WISDOMTREE TRUST SMALLCAP EARNINGS	23,528 40	24,910 74	1,112 09	270 25	1,382 34
09/20/2010	11,950 00	ISHARES BARCLAYS TIPS BOND FUND	1,248,306 02	1,286,823 56	38,517 54	0 00	38,517 54
09/20/2010	23,000 00	SPDR BARCLAYS CAP S/T INTL TREAS BD	833,049 68	821,191 87	(8,526 02)	(3,331 79)	(11,857 81)
09/20/2010	915 00	WISDOMTREE EMERG MKTS SMALL CAP FD	38,967 60	44,149 92	4,392 21	790 11	5,182 32
09/20/2010	24,180 00	ISHARES MSCI JAPAN INDEX FD	243,392 10	235,821 11	(6,386 93)	(1,184 06)	(7,570 99)
09/20/2010	27,350 00	VANGUARD TOTAL STOCK MARKET VIPERS	1,550,467 74	1,599,193 11	35,336 55	13,388 82	48,725 37
09/20/2010	3,245 00	ISHARES TRUST-RUSSELL 2000 INDEX FD	207,563 31	217,435 32	7,699 82	2,172 19	9,872 01
09/20/2010	16,220 00	VANGUARD EMERGING MARKETS ETF	658,788 82	715,400 27	46,419 05	10,192 40	56,611 45
09/20/2010	2,415 00	WISDOMTREE TOTAL DIVIDEND FD	100,301 60	103,757 25	2,594 10	861 55	3,455 65
09/20/2010	11,140 00	VANGUARD REIT ETF	505,430 18	608,192 48	87,618 58	15,143 72	102,762 30
09/20/2010	825 00	WISDOMTREE EMG MKTS EQUITY INCOME	41,080 45	44,068 68	2,541 30	446 93	2,988 23
09/20/2010	15,530 00	TECHNOLOGY SELECT SECT SPDR	351,656 87	353,894 75	2,237 88	0 00	2,237 88
PORTFOLIO TOTALS **			\$9,292,868 86	\$9,607,465 36	\$278,302 34	\$36,294 16	\$314,596 50