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

**2010**

Department of the Treasury  
Internal Revenue Service

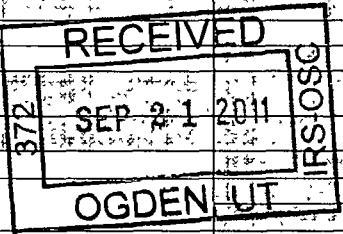
*Note.* The foundation may be able to use a copy of this return to satisfy state reporting requirements

**For calendar year 2010, or tax year beginning** \_\_\_\_\_, **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

Name of foundation <b>THE H. RUSSELL SMITH FOUNDATION</b>		<b>A</b> Employer identification number 56-2283549
Number and street (or P.O. box number if mail is not delivered to street address) <b>150 NORTH ORANGE GROVE BOULEVARD</b>		<b>B</b> Telephone number (see the instructions) (626) 304-2153
City or town <b>PASADENA</b>	State ZIP code <b>CA 91103</b>	<b>C</b> If exemption application is pending, check here <input type="checkbox"/>
<b>H</b> Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		<b>D</b> 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
<b>I</b> Fair market value of all assets at end of year (from Part II, column (c), line 16) \$ <b>10,581,886.</b>	<b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	
		<b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
		<b>F</b> If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

<b>Part I Analysis of Revenue and Expenses</b> (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)
<b>REVENUE</b>	<b>1</b> Contributions, gifts, grants, etc. received (att sch)				
	<b>2</b> <input checked="" type="checkbox"/> If the foundn is not req to att Sch B				
	<b>3</b> Interest on savings and temporary cash investments	12.	12.		
	<b>4</b> Dividends and interest from securities	263,692.	263,692.		
	<b>5a</b> Gross rents				
	<b>b</b> Net rental income or (loss)				
	<b>6a</b> Net gain/(loss) from sale of assets not on line 10	161,113.			
	<b>b</b> Gross sales price for all assets on line 6a	4,402,986.			
	<b>7</b> Capital gain net income (from Part IV line 2)		161,113.		
	<b>8</b> Net short-term capital gain				
	<b>9</b> Income modifications				
	<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less Cost of goods sold					
<b>c</b> Gross profit/(loss) (att sch)					
<b>11</b> Other income (attach schedule) See Line 11 Stmt	193,469.	18,145.			
<b>12 Total.</b> Add lines 1 through 11	618,286.	442,962.			
<b>ADMINISTRATIVE OPERATING AND EXPENSES</b>	<b>13</b> Compensation of officers, directors, trustees, etc				
	<b>14</b> Other employee salaries and wages				
	<b>15</b> Pension plans, employee benefits				
	<b>16a</b> Legal fees (attach schedule)				
	<b>b</b> Accounting fees (attach sch) L-16b Stmt	7,670.	767.		6,903.
	<b>c</b> Other prof fees (attach sch) L-16c Stmt	123,284.	54,581.		68,703.
	<b>17</b> Interest	22,955.	22,955.		
	<b>18</b> Taxes (attach schedule)(see instr) See Line 18 Stmt	3,658.	3,658.		
	<b>19</b> Depreciation (attach sch) and depletion				
	<b>20</b> Occupancy				
<b>21</b> Travel, conferences, and meetings					
<b>22</b> Printing and publications					
<b>23</b> Other expenses (attach schedule) See Line 23 Stmt	250,435.	250,094.		341.	
<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23	408,002.	332,055.		75,947.	
<b>25</b> Contributions, gifts, grants paid	983,578.			983,578.	
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	1,391,580.	332,055.		1,059,525.	
<b>27</b> Subtract line 26 from line 12:					
<b>a Excess of revenue over expenses and disbursements</b>	-773,294.				
<b>b Net investment income</b> (if negative, enter 0)		110,907.			
<b>c Adjusted net income</b> (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	21,603.	181,023.	181,023.
	2 Savings and temporary cash investments			
	3 Accounts receivable	75,814.		
	Less allowance for doubtful accounts		75,814.	75,814.
	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 — US and state government obligations (attach schedule)			
	b Investments — corporate stock (attach schedule)			
	c Investments — corporate bonds (attach schedule) L-10c Stmt	1,853,873.	2,421,581.	2,416,390.
	11 Investments — land, buildings, and equipment basis			
Less accumulated depreciation (attach schedule)				
12 Investments — mortgage loans				
13 Investments — other (attach schedule) L-13 Stmt	7,354,429.	7,363,987.	7,908,659.	
14 Land, buildings, and equipment basis				
Less accumulated depreciation (attach schedule)				
15 Other assets (describe)				
16 Total assets (to be completed by all filers — see instructions Also, see page 1, item I)	9,229,905.	10,042,405.	10,581,886.	
LIABILITIES	17 Accounts payable and accrued expenses			
	18 Grants payable	6,550,000.	5,650,000.	
	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)	6,550,000.	5,650,000.	
FUNDS ASSETS	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	2,679,905.	4,392,405.	
	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)	2,679,905.	4,392,405.		
31 Total liabilities and net assets/fund balances (see the instructions)	9,229,905.	10,042,405.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,679,905.
2 Enter amount from Part I, line 27a	2	-773,294.
3 Other increases not included in line 2 (itemize) See Other Increases Stmt	3	2,546,392.
4 Add lines 1, 2, and 3	4	4,453,003.
5 Decreases not included in line 2 (itemize) See Other Decreases Stmt	5	60,598.
6 Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	4,392,405.

**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 PIMCO LOW DURATION FUND	P	03/11/10	Various
b PIMCO SHORT TERM FUND	P	03/11/10	Various
c VANGUARD SHORT-TERM INVESTMENT GRADE FUND	P	02/23/10	Various
d VANGUARD SHORT-TERM BOND INDEX FUND	P	03/10/10	Various
e See Columns (a) thru (d)			

(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 527,850.		521,988.	5,862.
b 221,400.		220,830.	570.
c 1,732,104.		1,629,477.	102,627.
d 612,800.		607,251.	5,549.
e See Columns (a) thru (h)		1,262,327.	46,505.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a			5,862.
b			570.
c			102,627.
d			5,549.
e See Columns (i) thru (l)	0.	0.	46,505.

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	161,113.
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	

**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	1,227,024.	9,126,597.	0.134445
2008	1,339,850.	9,126,597.	0.146807
2007	1,288,064.	8,969,882.	0.143599
2006	1,051,230.	7,013,558.	0.149885
2005	1,009,175.	310,407.	3.251135

2 Total of line 1, column (d)	2	3.825871
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	0.765174
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	9,126,597.
5 Multiply line 4 by line 3	5	6,983,435.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,109.
7 Add lines 5 and 6	7	6,984,544.
8 Enter qualifying distributions from Part XII, line 4	8	1,059,525.

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.)			
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		1	2,218.
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	2,218.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	2,218.
6 Credits/Payments.			
a 2010 estimated tax pmts and 2009 overpayment credited to 2010	6a	11,685.	
b Exempt foreign organizations – tax withheld at source	6b		
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	11,685.	
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	9,467.	
11 Enter the amount of line 10 to be Credited to 2011 estimated tax	11	9,467.	Refunded

**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)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.</i>		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 <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		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?	X	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		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? <i>If 'Yes,' complete Part II, column (c), and Part XIV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see the instructions) <u>See States Registered In</u>		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>	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)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

**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 <span style="float:right">▶ N/A</span>	13	X	
14	The books are in care of ▶ <u>STEWART R. SMITH</u> Telephone no ▶ <u>(626) 799-1182</u> Located at ▶ <u>2600 MISSION STREET, SUITE 201, SAN MARINO, CA</u> ZIP + 4 ▶ <u>91108-1676</u>			
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 <span style="float:right">▶ 15</span>			
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 ▶	16		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? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <span style="float:right"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</span>		
(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)? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
(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) <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
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 <span style="float:right">▶ <input type="checkbox"/></span>	1b	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?	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? If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__ <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
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.)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20__ , 20__ , 20__ , 20__		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <span style="float:right"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
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	
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

**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?

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)  Yes  No

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.  Yes  No

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

Yes  No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?  Yes  No

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

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

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
H. RUSSELL SMITH 150 NORTH ORANGE GROVE BLVD., PASADENA, CA 91103	CHAIRMAN/ DIRECTOR 10.00	0.	0.	0.
STEWART R. SMITH 2600 MISSION STREET, SUITE 201, SAN MARINO, CA 91108	PRESIDENT/ DIRECTOR 25.00	76,337.	0.	0.
KATE PARKER 150 NORTH ORANGE GROVE BLVD., PASADENA, CA 91103	SECRETARY/ TREASURER 10.00	0.	0.	0.
-----				

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				
0				
0				
0				
0				

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

None

**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		
-----		
-----		
-----		
-----		
-----		
<b>Total number of others receiving over \$50,000 for professional services</b>		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 -----	
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 -----	
2 -----	
All other program-related investments See instructions	
3 -----	
<b>Total. Add lines 1 through 3</b>	

BAA

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.		
a	Average monthly fair market value of securities	1a	1,300,548.
b	Average of monthly cash balances	1b	39,057.
c	Fair market value of all other assets (see instructions)	1c	7,925,976.
d	<b>Total</b> (add lines 1a, b, and c)	1d	9,265,581.
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	
3	Subtract line 2 from line 1d	3	9,265,581.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	138,984.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	9,126,597.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	456,330.

**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	456,330.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	2,218.
b	Income tax for 2010. (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	2,218.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	454,112.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	454,112.
6	Deduction from distributable amount (see instructions)	6	
7	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	454,112.

**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	1,059,525.
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,059,525.
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	0.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	1,059,525.

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

**Part XIII Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				454,112.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years 20__, 20__, 20__				
3 Excess distributions carryover, if any, to 2010.				
a From 2005	994,015.			
b From 2006	705,287.			
c From 2007	850,350.			
d From 2008	883,520.			
e From 2009	770,694.			
f Total of lines 3a through e	4,203,866.			
4 Qualifying distributions for 2010 from Part XII, line 4. ▶ \$ 1,059,525.				
a Applied to 2009, but not more than line 2a				
b Applied to undistributed income of prior years (Election required — see instructions)				
c Treated as distributions out of corpus (Election required — see instructions)				
d Applied to 2010 distributable amount				
e Remaining amount distributed out of corpus	1,059,525.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	5,263,391.			
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				
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				454,112.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2005 not applied on line 5 or line 7 (see instructions)	994,015.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	4,269,376.			
10 Analysis of line 9.				
a Excess from 2006	705,287.			
b Excess from 2007	850,350.			
c Excess from 2008	883,520.			
d Excess from 2009	770,694.			
e Excess from 2010	1,059,525.			

BAA

Form 990-PF (2010)

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 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				(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 organization had \$5,000 or more in assets at any time during the year — see instructions.)

1 **Information Regarding Foundation Managers:**

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

H. RUSSELL SMITH

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

NONE

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

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

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

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

c Any submission deadlines.

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

**Part XV** Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> SCHEDULE ATTACHED  DIRECT PAYMENTS CA 91108 FROM PARTNERSHIP K-1s  PASS THROUGH CA 91108	N/A  N/A	PUBLIC  PUBLIC	GENERAL SUPPORT  GENERAL SUPPORT	980,500.  3,078.
<b>Total</b>				▶ <b>3a</b> 983,578.
<b>b</b> <i>Approved for future payment</i>				
<b>Total</b>				▶ <b>3b</b>





Form 990-PF, Page 1, Part I, Line 11

**Line 11 Stmt**

Other income:	Rev/Exp Book	Net Inv Inc	Adj Net Inc
CRT income	175,324.	0.	
Partnership Income	18,145.	18,145.	
<b>Total</b>	<b>193,469.</b>	<b>18,145.</b>	

Form 990-PF, Page 1, Part I, Line 18

**Line 18 Stmt**

Taxes (see the instructions)	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
Foreign Taxes	3,648.	3,648.		
Franchise Tax	10.	10.		
<b>Total</b>	<b>3,658.</b>	<b>3,658.</b>		

Form 990-PF, Page 1, Part I, Line 23

**Line 23 Stmt**

Other expenses	Rev/Exp Book	Net Inv Inc	Adj Net Inc	Charity Disb
FILING FEES	244.			244.
MISCELLANEOUS	217.	120.		97.
PORTFOLIO EXPENSES FROM K-1s	249,974.	249,974.		
<b>Total</b>	<b>250,435.</b>	<b>250,094.</b>		<b>341.</b>

Form 990-PF, Page 2, Part III, Line 3

**Other Increases Stmt**

Transfers from the Estate of Jeanne Smith	1,646,392.
Current Grants paid book / tax difference	900,000.
<b>Total</b>	<b>2,546,392.</b>

Form 990-PF, Page 2, Part III, Line 5

**Other Decreases Stmt**

Nondeductible expenses net of nontaxable income	55,598.
Current Federal Excise tax per books	5,000.
<b>Total</b>	<b>60,598.</b>

Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

**Columns (a) thru (d)**

(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)
VANGUARD SHORT-TERM INVESTMENT GRADE FUND	P	Various	Various
CAPITAL GAIN DIVIDENDS	P	Various	Various
INVESTMENT IN SAMSON TAX-EFFICIENT INFLATION PROTECTION STRA	P	Various	08/03/10
GAINS FROM PARTNERSHIPS K-1s, NET	P	Various	Various

## Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

**Columns (e) thru (h)**

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
260,000.		245,276.	14,724.
24,485.		0.	24,485.
758,138.		1,017,051.	-258,913.
266,209.		0.	266,209.
Total		<u>1,262,327.</u>	<u>46,505.</u>

## Form 990-PF, Part IV, Capital Gains and Losses for Tax on Investment Income

**Columns (i) thru (l)**

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (column (h) gain minus column (k), but not less than -0-) or losses (from column (h))
0.	0.	0.	14,724.
0.	0.	0.	24,485.
0.	0.	0.	-258,913.
0.	0.	0.	266,209.
Total	<u>0.</u>	<u>0.</u>	<u>46,505.</u>

## Form 990-PF, Page 4, Part VII-A, Line 8a

**States Registered In**

CA - California

DE - Delaware

## Form 990-PF, Page 1, Part I

**Line 16b - Accounting Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
EUGENE LEWIS & ASSOC	TAX PREP/ AUDIT	7,670.	767.		6,903.
Total		<u>7,670.</u>	<u>767.</u>		<u>6,903.</u>

## Form 990-PF, Page 1, Part I

**Line 16c - Other Professional Fees**

Name of Provider	Type of Service Provided	Amount Paid Per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
Stewart R. Smith	President/CEO	76,337.	7,634.		68,703.
Long-Term Solutions	Investment Advisory	46,947.	46,947.		
Total		<u>123,284.</u>	<u>54,581.</u>		<u>68,703.</u>

Form 990-PF, Page 2, Part II, Line 10c

**L- 10c Stmt**

Line 10c - Investments - Corporate Bonds:	End of Year	
	Book Value	Fair Market Value
VANGUARD SHORT-TERM INVESTMENT GRADE FUND	5,174.	5,207.
VANGUARD SHORT-TERM BOND FUND	978,773.	979,790.
PIMCO LOW DURATION FUND	943,716.	938,005.
PIMCO SHORT-TERM FUND	493,918.	493,388.
Total	<u>2,421,581.</u>	<u>2,416,390.</u>

Form 990-PF, Page 2, Part II, Line 13

**L-13 Stmt**

Line 13 - Investments - Other:	End of Year	
	Book Value	Fair Market Value
AURORA OFFSHORE LP	680,481.	760,073.
BEACH POINT DISTRESSED FUND	665,192.	1,169,030.
CHURCHILL ENVIRONMENTAL	9,143.	10,000.
CS STRATEGIC PARTNERS IV	631,937.	740,233.
CSFB STRATEGIC PARTNERS III	419,492.	426,318.
DIVERSIFIED REAL ESTATE FUND	245,367.	235,448.
FIRSTMARK II	13,472.	15,421.
LEGACY VENTURE III, LLC	668,004.	906,280.
LEGACY VENTURES IV, LLC	507,300.	574,692.
LEGACY VENTURES V	244,250.	183,102.
NORTHGATE PRIVATE EQUITY III-B3	1,198,935.	1,069,725.
NORTHGATE PRIVATE EQUITY PARTNERS II	305,160.	299,453.
NORTHGATE VENTURE PARTNERS II	152,258.	199,689.
RBO MALL ASSOCIATES	228,055.	207,281.
STRATEGIC REAL ESTATE FUND III	1,078,738.	812,636.
STRATEGIC REAL ESTATE FUND II	316,203.	299,278.
Total	<u>7,363,987.</u>	<u>7,908,659.</u>

Part X, Line 3 Fair market value of assets not used directly in carrying out charitable purposes

Part X, Line 1(a) Average monthly fair market value of securities

	Stocks	Mutual Funds	Bonds	Total
	held at Charles Schwab	held at Charles Schwab	held at Vanguard	
January	0	0.00	1,876,678.70	1,876,678.7
February	0	1,460,789.00	5,027.50	1,465,816.5
March	0	1,459,207.00	5,047.47	1,464,254.47
April	0	1,465,438.00	5,081.28	1,470,519.28
May	0	1,460,682.00	5,063.44	1,465,745.44
June	0	1,012,814.00	5,101.47	1,017,915.47
July	0	2,973,222.00	0.00	2,973,222
August	0	3,309,140.00	0.00	3,309,140
September	0	3,248,628.00	0.00	3,248,628
October	0	3,192,737.00	0.00	3,192,737
November	0	2,553,617.00	0.00	2,553,617
December	0	2,416,380.00	0.00	2,416,380
Average				<u>1,300,448.17</u>

Part X, Line 1(b) Average monthly cash balances

	Bank of America	Cash	Money Market	Total
	Checkings	held at Charles Schwab	Funds held at Charles Schwab	
January	31,553.06	1.30	0	31,554.36
February	21,897.33	289,878.30	0	291,775.63
March	61,929.21	226,360.76	0	288,289.97
April	42,267.32	209,519.61	0	251,786.93
May	36,857.32	204,402.41	0	241,259.73
June	83,886.20	124,603.96	0	208,490.16
July	73,897.34	87,536.00	0	161,433.34
August	73,897.34	547,950.00	0	621,847.34
September	95,876.22	71,388.00	0	167,264.22
October	89,233.15	65,488.00	0	154,721.15
November	75,073.15	70,099.00	0	145,172.15
December	31,068.03	149,925.00	0	180,993.03
Average				<u>28,657.07</u>

Part X, Line 1(c) Fair market value of all other assets

	Beach Point Delaware Fund	Churchill Environmental & Industrial	Aurora Limited Partnership	CSFB Strategic Partners III LP	CS Strategic Partners IV LP	Overstuffed Real Estate Fund	FirstMark II LP	Legacy Venture III LLC	Legacy Venture IV LLC	Legacy Venture V LLC	Northgate Private Equity II, B2	Northgate Private Equity III, B2	Northgate Venture Partners II	Samson Tax			Strategic Real Estate Fund II	Strategic Real Estate Fund III	Total Other Assets
														Efficient Inflation Protection Strategy LLC	RBC Multi Associates	Strategic Real Estate Fund I			
January	1,023,173	10,000	891,675	373,188	461,718	199,940	5,252	771,754	436,828	98,169	285,240	798,441	141,380	898,519	207,281	286,083	534,226	7,224,948	
February	1,023,173	10,000	891,675	373,188	478,822	199,940	5,252	801,754	429,063	98,169	285,240	809,441	141,380	898,519	207,281	286,083	534,226	7,271,057	
March	1,023,173	10,000	891,675	373,188	474,193	199,940	5,252	782,922	409,063	128,169	285,240	809,441	141,380	898,519	207,281	286,083	534,226	7,319,725	
April	1,023,173	10,000	891,675	373,188	474,193	199,940	5,252	782,922	409,063	128,169	285,240	809,441	141,380	898,519	207,281	286,083	534,226	7,316,725	
May	1,023,173	10,000	891,675	373,188	584,93	199,940	5,252	782,922	409,063	128,169	285,240	809,441	152,630	898,519	207,281	286,083	534,226	7,440,975	
June	1,023,173	10,000	891,675	373,188	614,183	199,940	5,252	782,922	508,063	178,169	285,240	809,441	152,630	898,519	207,281	301,083	534,226	7,575,975	
July	1,023,173	10,000	891,675	373,188	614,183	192,431	5,252	782,922	508,063	178,169	285,240	809,441	152,630	898,519	207,281	301,083	534,226	7,568,406	
August	1,023,173	10,000	891,675	369,064	614,183	192,431	5,252	782,922	508,063	178,169	285,240	875,441	158,360	0	207,281	301,083	534,226	8,739,193	
September	1,023,173	10,000	891,675	369,064	608,183	192,431	5,252	812,922	549,063	178,169	285,240	875,441	158,360	0	207,281	301,083	534,226	8,851,183	
October	1,023,173	10,000	891,675	369,064	608,183	192,431	5,252	812,922	549,063	178,169	285,240	963,441	152,589	0	207,281	301,083	534,226	8,852,392	
November	1,023,173	10,000	891,675	369,064	608,183	192,431	5,252	812,922	549,063	218,169	285,240	963,441	152,589	0	207,281	301,083	714,276	7,102,392	
December	1,189,030	10,000	780,073	426,318	740,233	235,448	15,421	906,280	574,892	183,102	299,453	1,069,725	199,658	0	207,281	299,278	812,636	<u>7,808,653</u>	
Average																			<u>7,625,875.07</u>

02/22/11

**H. RUSSELL SMITH FOUNDATION**  
**Itemized Profit and Loss**  
 January through December 2010

Trans #	Type	Date	Num	Name	Memo	Split	Amount	Balance
<b>550 CONTRIBUTIONS MADE</b>								
550 01 Cash								
550 02 Miscellaneous Contributions								
1033	Check	2/16/2010	1138	Huntington Library	Charitable	101 11 BofA Checking #74715-00270	50,000 00	50,000 00
1033	Check	2/16/2010	1138	United Way Inc	Charitable	101 11 BofA Checking #74715-00270	50,000 00	100,000 00
1043	Check	3/18/2010	1140	Hoover Institution	Charitable	101 11 BofA Checking #74715-00270	1,000 00	101,000 00
1094	Check	6/24/2010	160	Huntington Library	Charitable	101 13 Charles Schwab & Co (7247)	0 00	101,000 00
1096	Check	6/24/2010	162	Huntington Library	Charitable	101 13 Charles Schwab & Co (7247)	350,000 00	451,000 00
1194	Check	11/17/2010	1153	KCET Associates	Charitable	101 11 BofA Checking #74715-00270	5,000 00	456,000 00
1189	Check	11/29/2010	101	Huntington Memorial Hosp	Charitable	101 13 Charles Schwab & Co (7247)	400,000 00	856,000 00
1203	Check	12/9/2010	1154	Rand Corporation	Charitable	101 11 BofA Checking #74715-00270	2,500 00	858,500 00
1204	Check	12/9/2010	1155	Huntington Medical Research Institutes	Charitable	101 11 BofA Checking #74715-00270	2,000 00	860,500 00
1206	Check	12/21/2010	1157	Los Angeles Philharmonic Assoc	Charitable	101 11 BofA Checking #74715-00270	5,000 00	865,500 00
1207	Check	12/21/2010	1158	Claremont Graduate University	Charitable	101 11 BofA Checking #74715-00270	10,000 00	875,500 00
1208	Check	12/21/2010	1159	University of So California	Charitable	101 11 BofA Checking #74715-00270	100,000 00	975,500 00
1209	Check	12/21/2010	1160	Claremont University Consortium	Charitable	101 11 BofA Checking #74715-00270	5,000 00	980,500 00
Total 550 02 Miscellaneous Contributions							980,500 00	980,500 00
Total 550 01 Cash							980,500 00	980,500 00
Total 550 CONTRIBUTIONS MADE							980,500 00	980,500 00