Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

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

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

OMB No 1545-0052

2010

For calendar year 2010, or tax year beginning , 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
RAY AND DAGMAR DOLBY FAMILY FUND
FKA DOLBY FAMILY FOUNDATION

A Employer identification number
91-2159332

Number and street (or P O box number if mail is not delivered to street address) Room/suite
C/O DAGMAR DOLBY, 3340 JACKSON STREET

B Telephone number
(415) 563-7403

City or town, state, and ZIP code
SAN FRANCISCO, CA 94118-2019

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 ☐

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

E If private foundation status was terminated under section 507(b)(1)(A), check here ☐

I Fair market value of all assets at end of year (from Part II, col. (c), line 16) ▶$ 73,630,631.

J Accounting method: [X] Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis.)

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))

		(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	18,904,000.		N/A	
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	977,793.	977,793.		STATEMENT 1
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	1,115,864.			
	b Gross sales price for all assets on line 6a 6,985,207.				
	7 Capital gain net income (from Part IV, line 2)		1,115,864.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	-11,633.	-11,633.		STATEMENT 2
	12 Total. Add lines 1 through 11	20,986,024.	2,082,024.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees				
	b Accounting fees				
	c Other professional fees STMT 3	96,580.	96,580.		0.
	17 Interest	8,204.	8,204.		0.
	18 Taxes STMT 4	13,943.	13,943.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 5	322,320.	322,320.		0.
	24 Total operating and administrative expenses. Add lines 13 through 23	441,047.	441,047.		0.
	25 Contributions, gifts, grants paid	1,039,060.			1,039,060.
	26 Total expenses and disbursements. Add lines 24 and 25	1,480,107.	441,047.		1,039,060.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	19,505,917.			
	b Net investment income (if negative, enter -0-)		1,640,977.		
	c Adjusted net income (if negative, enter -0-)			N/A	

RECEIVED
NOV 15 2011
OGDEN, UT
IRS-OSC

SCANNED NOV 2 8 2011

918 23

Part II Balance Sheets

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

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	-2.	-1.	-1.
	2 Savings and temporary cash investments	832,463.	6,212,660.	6,212,660.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other STMT 6	44,968,799.	59,094,518.	67,417,972.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶)			
	16 Total assets (to be completed by all filers)	45,801,260.	65,307,177.	73,630,631.
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			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)	0.	0.	
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ [ ] and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ [X] and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	45,801,260.	65,307,177.	
	30 Total net assets or fund balances	45,801,260.	65,307,177.	
	31 Total liabilities and net assets/fund balances	45,801,260.	65,307,177.	

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	45,801,260.
2 Enter amount from Part I, line 27a	2	19,505,917.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	65,307,177.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	65,307,177.

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				
b	SEE ATTACHED STATEMENT			
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	6,985,207.		5,869,343.	1,115,864.

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				1,115,864.

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 — 1,115,864.

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).
If (loss), enter -0- in Part I, line 8 — 3 — N/A

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 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	819,750.	43,643,834.	.018783
2008	15,113,292.	54,458,395.	.277520
2007	7,230,289.	52,937,594.	.136581
2006	2,151,200.	51,211,337.	.042006
2005	7,181,978.	31,081,887.	.231066

2	Total of line 1, column (d)	2	.705956
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	.141191
4	Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	51,985,989.
5	Multiply line 4 by line 3	5	7,339,954.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	16,410.
7	Add lines 5 and 6	7	7,356,364.
8	Enter qualifying distributions from Part XII, line 4	8	1,039,060.

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 instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ________ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b	1	32,820.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0.
3	Add lines 1 and 2	3	32,820.
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	32,820.
6	Credits/Payments:		
a	2010 estimated tax payments and 2009 overpayment credited to 2010 — 6a: 15,004.		
b	Exempt foreign organizations - tax withheld at source — 6b		
c	Tax paid with application for extension of time to file (Form 8868) — 6c		
d	Backup withholding erroneously withheld — 6d		
7	Total credits and payments. Add lines 6a through 6d	7	15,004.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☒ 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	17,816.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	
11	Enter the amount of line 10 to be: **Credited to 2011 estimated tax** ▶ **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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	If the answer is "Yes" to **1a** *or* **1b**, *attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		X
	If "Yes," attach a detailed description of the activities.			
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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year?	5		X
	If "Yes," attach the statement required by General Instruction T.			
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?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year?	7	X	
	If "Yes," complete Part II, col (c), and Part XV.			
8a	Enter the states to which the foundation reports or with which it is registered (see 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*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2010 or the taxable year beginning in 2010 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

023531
12-07-10

Part VII-A Statements Regarding Activities *(continued)*

			Yes	No
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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ KARENA FOWLER Telephone no. ▶ (415) 563-7403
Located at ▶ 3340 JACKSON STREET, SAN FRANCISCO, CA ZIP+4 ▶ 94118-2019

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 N/A

			Yes	No
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

			Yes	No
1a	During the year did the foundation (either directly or indirectly):			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ 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)? ☐ Yes ☒ 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.) ☐ Yes ☒ 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)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
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? ☐ Yes ☒ No			
	If "Yes," list the years ▶ ____, ____, ____, ____			
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 instructions.) N/A	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. ▶ ____, ____, ____, ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ 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.)* N/A	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

023541
12-07-10

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)? ☐ 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)? N/A **5b**

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

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

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

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? **6b** No: 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? N/A **7b**

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(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
RAY M. DOLBY 3340 JACKSON STREET SAN FRANCISCO, CA 941182019	PRESIDENT 1.00	0.	0.	0.
DAGMAR DOLBY 3340 JACKSON STREET SAN FRANCISCO, CA 941182019	SECRETARY/TREASURER 1.00	0.	0.	0.

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

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

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

023551
12-07-10

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

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

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

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

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 N/A	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments**

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

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	51,153,367.
b	Average of monthly cash balances	1b	1,624,287.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	52,777,654.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e 0.		
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	52,777,654.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	791,665.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	51,985,989.
6	**Minimum investment return.** Enter 5% of line 5	6	2,599,299.

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	2,599,299.
2a	Tax on investment income for 2010 from Part VI, line 5 2a 32,820.		
b	Income tax for 2010. (This does not include the tax from Part VI.) 2b		
c	Add lines 2a and 2b	2c	32,820.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,566,479.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	2,566,479.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount as adjusted.** Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	2,566,479.

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	1,039,060.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,039,060.
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	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	1,039,060.

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.

023571
12-07-10

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				2,566,479.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2010:				
a From 2005 1,605,470.				
b From 2006				
c From 2007 2,084,111.				
d From 2008 12,403,988.				
e From 2009				
f Total of lines 3a through e	16,093,569.			
4 Qualifying distributions for 2010 from Part XII, line 4: ▶ $ 1,039,060.				
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	1,039,060.			
d Applied to 2010 distributable amount				0.
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).)	2,566,479.			2,566,479.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	14,566,150.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2011.** Subtract lines 7 and 8 from line 6a	14,566,150.			
10 Analysis of line 9:				
a Excess from 2006				
b Excess from 2007 1,123,102.				
c Excess from 2008 12,403,988.				
d Excess from 2009				
e Excess from 2010 1,039,060.				

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	Prior 3 years			
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	(e) Total
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 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).)

SEE STATEMENT 7

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:

SEE STATEMENT 8

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 *Paid during the year* SEE ATTACHMENT				
Total			▶ 3a	1,039,060.
b *Approved for future payment* NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	977,793.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	-11,633.	
8 Gain or (loss) from sales of assets other than inventory			18	1,115,864.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		2,082,024.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 2,082,024.

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

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

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
N/A		

Sign Here

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

Dagmar Dolby 11-9-11 Sec/Treasurer
Signature of officer or trustee Date Title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Guy Johnson		11/9/11		P00336854
Firm's name ▶ DELOITTE TAX LLP			Firm's EIN ▶ 86-1065772	
Firm's address ▶ 555 MISSION STREET, 14TH FLOOR SAN FRANCISCO, CA 94105			Phone no. (415)783-4000	

023622
04-26-11

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2010

Name of the organization
RAY AND DAGMAR DOLBY FAMILY FUND
FKA DOLBY FAMILY FOUNDATION

Employer identification number
91-2159332

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc , purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year. . ... ▶ $ ____________

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
RAY AND DAGMAR DOLBY FAMILY FUND FKA DOLBY FAMILY FOUNDATION	91-2159332

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	RAY & DAGMAR DOLBY 2515 SCOTT STREET SAN FRANCISCO, CA 94115	$ 6,000,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	RAY & DAGMAR DOLBY 2515 SCOTT STREET SAN FRANCISCO, CA 94115	$ 12,903,000.	Person [ ] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization: RAY AND DAGMAR DOLBY FAMILY FUND FKA DOLBY FAMILY FOUNDATION

Employer identification number: 91-2159332

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
2	APPRECIATED DOLBY LABORATORIES STOCK - 200,000 SHARES	$ 12,903,000.	11/19/10

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization

RAY AND DAGMAR DOLBY FAMILY FUND
FKA DOLBY FAMILY FOUNDATION

Employer identification number

91-2159332

Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than $1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of $1,000 or less for the year. (Enter this information once. See instructions.) ▶ $

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

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	WELLS FARGO 1600	P	VARIOUS	VARIOUS
b	WELLS FARGO 1600	P	VARIOUS	VARIOUS
c	J.P. MORGAN 5194	P	VARIOUS	VARIOUS
d	MCDONALD 5194	P	VARIOUS	VARIOUS
e	FCIP K-1	P	VARIOUS	VARIOUS
f	FCIP K-1	P	VARIOUS	VARIOUS
g	MATRIX - FINAL YEAR (BOOK GAIN)	P	VARIOUS	VARIOUS
h	MATRIX - FINAL YEAR (TAX GAIN)	P	VARIOUS	VARIOUS
i	OAKMARK - 46,783 SHARES	P	VARIOUS	VARIOUS
j	BRACEBRIDGE CAPITAL - FINAL YEAR (TAX GAIN)	P	VARIOUS	VARIOUS
k				
l				
m				
n				
o				

	(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	1,758,789.		1,739,295.	19,494.
b	2,089,307.		2,090,701.	-1,394.
c	539,737.		509,564.	30,173.
d	184,772.		98,971.	85,801.
e			2,212.	-2,212.
f			-66,680.	66,680.
g	1,612,602.		1,612,558.	44.
h			-212,558.	212,558.
i	800,000.		574,495.	225,505.
j			-479,215.	479,215.
k				
l				
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				19,494.
b				-1,394.
c				30,173.
d				85,801.
e				-2,212.
f				66,680.
g				44.
h				212,558.
i				225,505.
j				479,215.
k				
l				
m				
n				
o				

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	1,115,864.
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). If (loss), enter "-0-" in Part I, line 8	3	N/A

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES		STATEMENT 1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
MCDONALD 5194 INTEREST INCOME	7,485.	0.	7,485.
CHARLES SCHWAB 8139 DIVIDEND INCOME	122,770.	0.	122,770.
FCIP K-1 DIVIDEND INCOME	33,640.	0.	33,640.
FCIP K-1 INTEREST INCOME	134,719.	0.	134,719.
J.P. MORGAN 6194 DIVIDEND INCOM	39,139.	0.	39,139.
J.P. MORGAN 6194 INTEREST INCOME	7,774.	0.	7,774.
J.P. MORGAN 6194 OID	362.	0.	362.
MCDONALD 5194 DIVIDEND INCOME	56,300.	0.	56,300.
MCDONALD 5194 OID	422.	0.	422.
WELLS FARGO 1324 INTEREST INCOME	5,591.	0.	5,591.
WELLS FARGO 1600 ACCRETION INTEREST	250.	0.	250.
WELLS FARGO 1600 ACCRUED INTEREST	2,430.	0.	2,430.
WELLS FARGO 1600 DIVIDEND INCOME	131,268.	0.	131,268.
WELLS FARGO 1600 INTEREST	408,467.	0.	408,467.
WELLS FARGO 1600 US GOVT INTEREST	27,176.	0.	27,176.
TOTAL TO FM 990-PF, PART I, LN 4	977,793.	0.	977,793.

FORM 990-PF	OTHER INCOME		STATEMENT 2
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
FCIP - SEC. 988 LOSS	-10,369.	-10,369.	
FCIP - SEC. 1256 LOSS	-8,394.	-8,394.	
FCIP - OTHER LOSS	7,130.	7,130.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-11,633.	-11,633.	

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PROFESSIONAL FEES	96,580.	96,580.		0.
TO FORM 990-PF, PG 1, LN 16C	96,580.	96,580.		0.

FORM 990-PF TAXES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DOMESTIC TAXES	3,141.	3,141.		0.
FOREIGN TAXES	10,802.	10,802.		0.
TO FORM 990-PF, PG 1, LN 18	13,943.	13,943.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AGENCY FEES	282,052.	282,052.		0.
OTHER EXPENSES	40,268.	40,268.		0.
TO FORM 990-PF, PG 1, LN 23	322,320.	322,320.		0.

FORM 990-PF OTHER INVESTMENTS STATEMENT 6

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
OTHER INVESTMENTS	COST	45,120,879.	67,417,972.
OTHER INVESTMENTS ADJUSTMENT	COST	13,973,639.	0.
TOTAL TO FORM 990-PF, PART II, LINE 13		59,094,518.	67,417,972.

FORM 990-PF | PART XV - LINE 1A LIST OF FOUNDATION MANAGERS | STATEMENT 7

NAME OF MANAGER

RAY M. DOLBY
DAGMAR DOLBY

FORM 990-PF GRANT APPLICATION SUBMISSION INFORMATION STATEMENT 8
PART XV, LINES 2A THROUGH 2D

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

KARENA K. FOWLER, RAY AND DAGMAR DOLBY FAMILY FUND
3340 JACKSON STREET
SAN FRANCISCO, CA 94118

TELEPHONE NUMBER

(415) 563-6947

FORM AND CONTENT OF APPLICATIONS

PLEASE SUBMIT A SIMPLE LETTER DESCRIBING YOUR ORGANIZATION AND PURPOSE OF REQUESTED FUNDS.

ANY SUBMISSION DEADLINES

NO DEADLINES

RESTRICTIONS AND LIMITATIONS ON AWARDS

NOT APPLICABLE

McDonald Capital Investors

REALIZED GAINS AND LOSSES

Dolby Family Fund

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss Short Term	Gain Or Loss Long Term
09-26-08	02-22-10	15,000	CapitalSource 7.250% Due 07-15-37	11,125 00	14,118.75		2,993.75
09-30-08	02-22-10	5,000	CapitalSource 7.250% Due 07-15-37	3,705 95	4,706 25		1,000 30
12-31-03	05-10-10	50	CareFusion Corp	1,749 06	1,331 58		-417 48
01-02-04	05-10-10	450	CareFusion Corp	15,212.45	11,984.25		-3,228.20
01-12-04	05-10-10	50	CareFusion Corp.	1,694 34	1,331 58		-362 76
09-20-07	05-10-10	50	CareFusion Corp.	1,832 35	1,331.58		-500 77
09-26-07	05-10-10	200	CareFusion Corp	7,126 83	5,326.34		-1,800 49
10-04-07	05-10-10	150	CareFusion Corp	5,271 87	3,994.75		-1,277.12
01-02-04	05-11-10	1,000	CareFusion Corp	33,805 45	26,624 74		-7,180 71
01-20-04	05-12-10	300	CareFusion Corp.	10,125 96	7,892.20		-2,233 76
11-20-07	05-12-10	250	CareFusion Corp.	8,048.17	6,576 83		-1,471.34
03-13-08	05-12-10	375	CareFusion Corp	11,332.94	9,865 26		-1,467 68
09-24-08	05-12-10	250	CareFusion Corp	6,966.55	6,576 84		-389.71
09-29-08	05-12-10	175	CareFusion Corp	4,876.20	4,603.78		-272 42
12-22-05	05-13-10	900	Bed, Bath & Beyond	32,868.32	41,780 29		8,911 97
09-20-07	05-13-10	100	Cardinal Health Inc.	4,624 13	3,487 80		-1,136 33
09-26-07	05-13-10	400	Cardinal Health Inc	17,985.33	13,951.19		-4,034 14
10-04-07	05-13-10	200	Cardinal Health Inc.	8,869 42	6,975 59		-1,893 83
02-10-04	05-13-10	450	Clorox	21,582 84	28,760 64		7,177 80
10-03-05	05-13-10	100	Clorox	5,476 71	6,391 25		914 54
10-08-07	05-13-10	800	Comcast Corp Class A	19,087 20	14,344 75		-4,742 45
11-20-08	05-13-10	200	Fastenal Co.	6,512 96	11,058 81		4,545 85
12-24-03	05-13-10	150	Microsoft Corp	4,058 05	4,429.77		371 72
01-13-04	05-13-10	1,800	Microsoft Corp	49,226.08	53,157.25		3,931 17
04-29-04	05-13-10	500	Nike Inc Class B	18,165 90	38,214 97		20,049 07
02-09-05	05-13-10	300	Nike Inc Class B	12,477.96	22,928 99		10,451 03
01-07-04	05-13-10	500	Paychex Inc.	17,920.66	15,240.19		-2,680 47
01-13-04	05-13-10	600	Paychex Inc.	21,192.78	18,288 23		-2,904.55
02-01-06	05-13-10	50	Paychex Inc	1,797.71	1,524 02		-273 69
07-21-06	05-13-10	500	Paychex Inc.	17,648.87	15,240.20		-2,408 67
07-01-04	05-13-10	2,450	Progressive Corp	51,622.37	50,804.58		-817.79
07-18-07	05-13-10	500	Progressive Corp.	11,003.41	10,368.28		-635 13
04-24-07	05-13-10	250	United Parcel Svc B	17,942.62	16,859 06		-1,083 56
10-06-08	05-13-10	150	Waters Corp	7,785.10	10,612 32		2,827.22
10-23-08	05-13-10	150	Waters Corp.	5,924 61	10,612.32		4,687.71
01-22-04	05-13-10	1,150	Wells Fargo Inc	32,918 27	38,441 37		5,523 10
09-30-08	10-04-10	10,000	CapitalSource 7.250% Due 07-15-37	7,411 90	9,950 00		2,538.10
10-24-00	11-12-10	1	CAH Litigation Settlement	1,472 26	1,472.26		0 00
01-26-04	12-02-10	250	Waters Corp.	9,197.35	19,809.50		10,612 15
01-29-04	12-02-10	200	Waters Corp	7,506 43	15,847 60		8,341.17
10-23-08	12-02-10	350	Waters Corp.	13,824 09	27,733.31		13,909 22
09-30-08	12-03-10	6,000	CapitalSource 7.250% Due 07-15-37	4,447.14	6,125 00		1,677 86
10-02-08	12-03-10	9,000	CapitalSource 7.250% Due 07-15-37	6,508.93	9,187 50		2,678 57
01-26-04	12-10-10	50	Waters Corp.	1,839.47	4,022 21		2,182.74
02-23-04	12-10-10	250	Waters Corp	9,184.86	20,111 03		10,926 17
12-02-08	12-21-10	300	Fastenal Co	9,764 17	17,958 83		8,194.66
12-02-08	12-27-10	100	Fastenal Co	3,254 72	5,963 63		2,708.91
12-02-08	12-29-10	300	Fastenal Co	9,764 17	18,006.05		8,241.88
11-19-08	12-29-10	100	Fastenal Co.	3,253.47	6,002 02		2,748.55

McDonald Capital Investors

REALIZED GAINS AND LOSSES

Dolby Family Fund

From 01-01-10 Through 12-31-10

Open Date	Close Date	Quantity	Security	Cost Basis	Proceeds	Gain Or Loss Short Term	Gain Or Loss Long Term
11-19-08	12-30-10	400	Fastenal Co.	13,013 88	24,055 75		11,041 87
TOTAL GAINS						0 00	159,187 08
TOTAL LOSSES						0 00	-43,213 08
				610,007.29	725,981.29	0.00	115,974.00

TOTAL REALIZED GAIN/LOSS 115,974 00

Recipient			Contribution Total
			1,039,059.95
Always Dream Foundation			5,000.00
4/15/2010	Always Dream Foundation	Capital Campaign - Building Project	5,000.00
American Conservatory Theater			200,000.00
2/2/2010	American Conservatory Theater	Next Generation Campaign: The Bridge Initiative	200,000.00
AmeriCares			10,000.00
1/14/2010	AmeriCares	for Haiti Relief Fund	10,000 00
Animal Rescue of the Hamptons			500.00
10/12/2010	Animal Rescue of the Hamptons	General Operating Support	500 00
ARCS Foundation			10,000.00
9/21/2010	ARCS Foundation	Scholar Awards Fund	10,000.00
C.O.F.A.M.			125,000.00
11/1/2010	C.O F A.M	General Operating Support	25,000 00
4/6/2010	C.O.F.A M.	Underwrite Musee d'Orsay Exhibitions	100,000.00
California Academy of Sciences			5,000.00
1/1/2010	California Academy of Sciences	General Operating Support	5,000.00
California Historical Society			1,000.00
11/1/2010	California Historical Society	General Operating Support	1,000 00
California Music Project			5,000.00
6/15/2010	California Music Project	General Operating Support	5,000.00
Cambridge in America			50,000.00
9/21/2010	Cambridge in America	University General Operating Support	25,000.00
9/21/2010	Cambridge in America	Pembroke College General Operating Support	25,000.00
Chanticleer			10,000.00
2/16/2010	Chanticleer	To support music programs and education	10,000 00
Chronicle Season of Sharing Fund			10,000.00
9/21/2010	Chronicle Season of Sharing Fund	General Operating Support	10,000 00
Conservatory of Flowers			1,000.00
5/11/2010	Conservatory of Flowers	General Operating Support	1,000.00

			Contribution Total
Courage Campaign Institute			11,000.00
8/9/2010	Courage Campaign Institute	General Operating Support	10,000 00
10/12/2010	Courage Campaign Institute	General Operating Support	1,000.00
Doctors Without Borders			10,000.00
2/23/2010	Doctors Without Borders	for Haiti Relief Programs	10,000 00
Duke Annual Fund			500.00
12/6/2010	Duke Annual Fund	General Operating Support	500.00
East Hampton Library Society			250.00
10/12/2010	East Hampton Library Society	General Operating Support	250 00
Empire State Pride Agenda Foundation			1,000.00
10/12/2010	Empire State Pride Agenda Foundation	General Operating Support	1,000.00
Environmental Defense Fund			500.00
12/6/2010	Environmental Defense Fund	General Operating Support	500 00
Equality California Institute			300.00
12/6/2010	Equality California Institute	General Operating Support	300.00
Exploratorium			2,500.00
5/3/2010	Exploratorium	General Operating Support	2,500.00
First Graduate			500.00
12/6/2010	First Graduate	General Operating Support	500.00
Friends of Hudson River Park			250.00
10/12/2010	Friends of Hudson River Park	General Operating Support	250.00
Friends of the San Francisco Public Library			100,000.00
11/15/2010	Friends of the San Francisco Public Library	For the benefit of the Bayview and Presidio Library Projects	100,000.00
Gay Lesbian Straight Education Network			250.00
10/12/2010	Gay Lesbian Straight Education Network	General Operating Support	250.00
Greenwich Village Society for Historic			1,000.00
10/12/2010	Greenwich Village Society for Historic Preservation	General Operating Support	1,000.00
Guild Hall of East Hampton			250.00
10/12/2010	Guild Hall of East Hampton	General Operating Support	250.00

			Contribution Total
Hofstra University			200.00
12/6/2010	Hofstra University	General Operating Support	200.00
Hotchkiss School			1,000.00
10/12/2010	Hotchkiss School	General Operating Support	1,000.00
Humane Society of the United States			1,250.00
10/12/2010	Humane Society of the United States	General Operating Support	1,250.00
JED Foundation			250.00
10/12/2010	JED Foundation	General Operating Support	250.00
JW House			100.00
12/6/2010	JW House	General Operating Support	100 00
KIPP Foundation			2,800.00
12/6/2010	KIPP Foundation	General Operating Support	2,800 00
KQED			3,000.00
11/1/2010	KQED	General Operating Support	3,000 00
Ladies Village Improvement Society			500.00
10/12/2010	Ladies Village Improvement Society	General Operating Support	500.00
Laguna Honda Hospital Volunteers			5,000.00
4/15/2010	Laguna Honda Hospital Volunteers	General Operating Support	5,000.00
Medical Students for Choice			500.00
5/18/2010	Medical Students for Choice	General Operating Support	500.00
NARAL Pro-Choice America Foundation			170,550.00
2/9/2010	NARAL Pro-Choice America Foundation	General Operating Support	10,000.00
8/9/2010	NARAL Pro-Choice America Foundation	General Operating Support	135,000.00
2/9/2010	NARAL Pro-Choice America Foundation	General Operating Support	20,000.00
3/12/2010	NARAL Pro-Choice America Foundation	General Operating Support	5,250.00
12/6/2010	NARAL Pro-Choice America Foundation	General Operating Support	300.00
NARAL Pro-Choice California Foundation			5,000.00
8/9/2010	NARAL Pro-Choice California Foundation	General Operating Support	5,000.00

			Contribution Total
New York Public LIbrary - LGBT Committee			250.00
10/12/2010	New York Public LIbrary - LGBT Committee	Operatıng Support for the LGBT Commıttee	250.00
Park City Historical Society			300.00
12/6/2010	Park City Historical Society	General Operatıng Support	300.00
Parks Conservancy			1,000.00
9/21/2010	Parks Conservancy	General Operating Support	1,000.00
Project Inform			250.00
10/12/2010	Project Inform	General Operating Support	250.00
S.F. MOMA			5,000.00
11/1/2010	S.F. MOMA	General Operating Support	5,000.00
San Francisco Child Abuse Prevention			1,200.00
2/2/2010	San Francisco Child Abuse Prevention Center	General Operating Support	1,000.00
12/6/2010	San Francisco Child Abuse Prevention Center	General Operating Support	200 00
San Francisco Film Society			11,000.00
9/21/2010	San Francisco Film Society	General Operating Support	1,000.00
4/6/2010	San Francisco Fılm Society	Underwrıte produαton of Miss Representation	10,000.00
San Francisco Free Clinic			500.00
9/21/2010	San Francisco Free Clınic	General Operatıng Support	500.00
San Francisco Opera			100,000.00
6/22/2010	San Francisco Opera	General Operating Support	100,000 00
San Francisco Parks Trust			4,059.95
5/11/2010	San Francisco Parks Trust	General Operating Support	1,000.00
8/30/2010	San Francisco Parks Trust	To benefit San Francisco parks in need	2,500.00
9/21/2010	San Francisco Parks Trust	To purchase gardening equipment	559.95
San Francisco Symphony			100,000.00
6/15/2010	San Francisco Symphony	General Operating Support	100,000.00
Save a Yorkie Rescue			500.00
10/12/2010	Save a Yorkie Rescue	General Operatıng Support	500.00

			Contribution Total
SFGH Foundation			5,000.00
1/12/2010	SFGH Foundation	General Operating Support	5,000.00
Sonoma Plein Air Foundation			2,000.00
4/13/2010	Sonoma Plein Air Foundation	General Operatng Support	2,000 00
Southhampton Hospital Foundation			250.00
10/12/2010	Southhampton Hospital Foundation	General Operating Support	250.00
Stanford University			51,000.00
11/1/2010	Stanford University	Dean's Fund in the School of Engineering	25,000.00
9/21/2010	Stanford University	Challenge Success Program Support	25,000.00
12/6/2010	Stanford University	Graduate School of Business General Operating Support	1,000.00
Tahoe Maritime Museum			1,000.00
8/9/2010	Tahoe Maritime Museum	General Operatng Support	1,000.00
Tipping Point Community			2,500.00
12/6/2010	Tipping Point Community	General Operatng Support	2,500.00
Town School for Boys			500.00
12/6/2010	Town School for Boys	General Operating Support	500.00
Women for Women International			300.00
12/6/2010	Women for Women International	General Operatng Support	300.00
Yale University Annual Fund			1,000.00
10/12/2010	Yale University Annual Fund	General Operatng Support	1,000.00
Young Performers Theater			500.00
5/18/2010	Young Performers Theater	General Operating Support	500.00

Election to Treat Qualifying Distribution as Coming from Corpus pursuant to Code § 4942(h)(2) and Reg. § 53.4942(a)-3(d)(2)

RAY & DAGMAR DOLBY FAMILY FUND

FKA DOLBY FAMILY FOUNDATION

Identification Number: 91-2159332

Tax Year End: 12/31/2010

Pursuant to Code § 4942(h)(2) and Reg. § 53.4942(a)-3(d)(2), RAY & DAGMAR FAMILY FUND elects to treat current year qualifying distributions as distributions out of corpus.

Dagmar Dolby

Authorized Signature

Form **8868** (Rev January 2011) Department of the Treasury Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box . . . . . . ▶ ☐
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

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

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension—check this box and complete Part I only . . . . . . ▶ ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print		
File by the due date for filing your return See instructions	Name of exempt organization	Employer identification number
	Number, street, and room or suite no. If a P.O box, see instructions	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	

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

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

- The books are in the care of ▶ ____________

Telephone No. ▶ ____________ FAX No. ▶ ____________

- If the organization does not have an office or place of business in the United States, check this box . . . . ▶ ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) ______ . If this is for the whole group, check this box . . . ▶ ☐ . If it is for part of the group, check this box . . ▶ ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until ________ , 20 ___ , to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ ☐ calendar year 20 ___ or
▶ ☐ tax year beginning ________ , 20 ___ , and ending ________ , 20 ___

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$
c	**Balance due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

• If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ▶ [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II — Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Type or print File by the extended due date for filing your return See instructions	Name of exempt organization RAY AND DAGMAR DOLBY FAMILY FUND FKA DOLBY FAMILY FOUNDATION	**Employer identification number** 91-2159332
	Number, street, and room or suite no. If a P.O. box, see instructions. C/O DAGMAR DOLBY, 3340 JACKSON STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SAN FRANCISCO, CA 94118-2019	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 4

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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

• The books are in the care of ▶ KARENA FOWLER 3340 JACKSON STREET - SAN FRANCISCO, CA 94118-2019

Telephone No ▶ (415) 563-7403 FAX No. ▶

• If the organization does not have an office or place of business in the United States, check this box ▶ [ ]

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

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

5 For calendar year 2010 , or other tax year beginning ______ , and ending ______

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

7 State in detail why you need the extension
TAXPAYER IS AWAITING THIRD-PARTY INFORMATION NECESSARY IN ORDER TO FILE A COMPLETE AND ACCURATE TAX RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	$ 10,159.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	$ 15,004.
c	**Balance due.** Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature ▶ Title ▶ Date ▶

023842
01-24-11