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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

, 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

ANN PEPPERS FOUNDATION  
C/O PEGINE GRAYSON

A Employer identification number

95-2114455

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

625 S FAIR OAKS AVENUE

Room/suite

360

B Telephone number

(626) 441-5188

City or town, state, and ZIP code

SOUTH PASADENA, CA 91030

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundation

I Fair market value of all assets at end of year

(from Part II, col (c), line 16)

\$ 16,004,370. (Part I, column (d) must be on cash basis)

J Accounting method:

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

## Part I Analysis of Revenue and Expenses

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

(a) Revenue and expenses per books

(b) Net investment income

(c) Adjusted net income

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

1	Contributions, gifts, grants, etc., received			N/A	
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	411,070.	411,070.		STATEMENT 1
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	264,792.			
b	Gross sales price for all assets on line 6a	2,401,985.			
7	Capital gain net income (from Part IV, line 2)		264,792.		
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				
12	Total. Add lines 1 through 11	675,862.	675,862.		
13	Compensation of officers, directors, trustees, etc	43,200.	4,320.		38,880.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees				
c	Other professional fees	100,996.	30,299.		70,697.
17	Interest				
18	Taxes	5,814.	1,314.		0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings	480.	48.		432.
22	Printing and publications				
23	Other expenses	2,503.	298.		2,205.
24	Total operating and administrative expenses. Add lines 13 through 23	152,993.	36,279.		112,214.
25	Contributions, gifts, grants paid	737,500.			737,500.
26	Total expenses and disbursements. Add lines 24 and 25	890,493.	36,279.		849,714.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	-214,631.			
b	Net investment income (if negative, enter -0-)		639,583.		
c	Adjusted net income (if negative, enter -0-)			N/A	

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**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
<b>Assets</b>	1 Cash - non-interest-bearing	2,470.	6,329.	6,329.
	2 Savings and temporary cash investments	1,211,358.	68,931.	68,931.
	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>STMT 5</b>	199,850.	0.	0.
	b Investments - corporate stock <b>STMT 6</b>	9,970,861.	11,100,568.	13,837,653.
	c Investments - corporate bonds <b>STMT 7</b>	1,984,021.	1,978,101.	2,091,457.
11 Investments - land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
<b>16 Total assets (to be completed by all filers)</b>	<b>13,368,560.</b>	<b>13,153,929.</b>	<b>16,004,370.</b>	
<b>Liabilities</b>	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 ▶)			
<b>23 Total liabilities (add lines 17 through 22)</b>	<b>0.</b>	<b>0.</b>		
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here</b> ▶ <input type="checkbox"/>			
	<b>and complete lines 24 through 26 and lines 30 and 31</b>			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	<b>Foundations that do not follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/>			
	<b>and complete lines 27 through 31.</b>			
	27 Capital stock, trust principal, or current funds	14,262,706.	14,262,706.	
28 Paid-in or capital surplus, or land, bldg., and equipment fund	0.	0.		
29 Retained earnings, accumulated income, endowment, or other funds	-894,146.	-1,108,777.		
<b>30 Total net assets or fund balances</b>	<b>13,368,560.</b>	<b>13,153,929.</b>		
<b>31 Total liabilities and net assets/fund balances</b>	<b>13,368,560.</b>	<b>13,153,929.</b>		

**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	13,368,560.
2 Enter amount from Part I, line 27a	2	-214,631.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	13,153,929.
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	13,153,929.

**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 2,401,985.		2,137,193.	264,792.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) 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			
b			
c			
d			
e			264,792.

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	264,792.
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	788,318.	13,832,414.	.056991
2008	989,621.	17,608,630.	.056201
2007	1,029,450.	18,970,083.	.054267
2006	964,276.	18,072,409.	.053356
2005	959,036.	17,605,923.	.054472

2 Total of line 1, column (d)	2	.275287
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	.055057
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	15,252,622.
5 Multiply line 4 by line 3	5	839,764.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	6,396.
7 Add lines 5 and 6	7	846,160.
8 Enter qualifying distributions from Part XII, line 4	8	849,714.

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 <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	6,396.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	6,396.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	6,396.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-			
6 Credits/Payments:			
a 2010 estimated tax payments and 2009 overpayment credited to 2010	6a	7,810.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	1,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	8,810.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	29.	
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	2,385.	
11 Enter the amount of line 10 to be: Credited to 2011 estimated tax <input checked="" type="checkbox"/> 2,385. Refunded <input checked="" type="checkbox"/> 0.	11	0.	

**Part VII-A Statements Regarding Activities**

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

N/A

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13		X
Website address <b>▶ N/A</b>				
14	The books are in care of <b>▶ PEGINE GRAYSON</b>	Telephone no. <b>▶ (626) 441-5188</b>		
Located at <b>▶ 625 S FAIR OAKS AVE STE 360, SO. PASADENA, CA</b>		ZIP+4 <b>▶ 91030</b>		
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	<b>▶ 15</b>	<b>N/A</b>	
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	Yes	No
See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country <b>▶</b>				X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <b>▶</b>	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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <b>▶</b> _____ , _____ , _____ , _____		
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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.) <b>N/A</b>	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. <b>▶</b> _____ , _____ , _____ , _____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If "Yes," did it have excess business holdings in 2010 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2010.) <b>N/A</b>	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

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

5a During the year did the foundation pay or incur any amount to:

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ Yes ☒ No

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

☐ 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

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
SEE STATEMENT 8		43,200.	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

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	14,721,612.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	763,283.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	
<b>d</b>	Total (add lines 1a, b, and c)	<b>1d</b>	15,484,895.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	15,484,895.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	232,273.
<b>5</b>	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	15,252,622.
<b>6</b>	Minimum investment return. Enter 5% of line 5	<b>6</b>	762,631.

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	762,631.
<b>2a</b>	Tax on investment income for 2010 from Part VI, line 5	<b>2a</b>	6,396.
<b>b</b>	Income tax for 2010. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	6,396.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	756,235.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.
<b>5</b>	Add lines 3 and 4	<b>5</b>	756,235.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	756,235.

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	849,714.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	849,714.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	<b>5</b>	6,396.
<b>6</b>	Adjusted qualifying distributions. Subtract line 5 from line 4	<b>6</b>	843,318.

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

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

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
<b>1</b> Distributable amount for 2010 from Part XI, line 7				756,235.
<b>2</b> Undistributed income, if any, as of the end of 2010				
<b>a</b> Enter amount for 2009 only			0.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2010:				
<b>a</b> From 2005	60,171.			
<b>b</b> From 2006	81,654.			
<b>c</b> From 2007	111,132.			
<b>d</b> From 2008	116,375.			
<b>e</b> From 2009	103,277.			
<b>f</b> Total of lines 3a through e	472,609.			
<b>4</b> Qualifying distributions for 2010 from Part XII, line 4: ► \$	849,714.			
<b>a</b> Applied to 2009, but not more than line 2a			0.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2010 distributable amount				756,235.
<b>e</b> Remaining amount distributed out of corpus	93,479.			
<b>5</b> Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	566,088.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2009. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2010. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2011				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 2005 not applied on line 5 or line 7	60,171.			
<b>9</b> Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	505,917.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2006	81,654.			
<b>b</b> Excess from 2007	111,132.			
<b>c</b> Excess from 2008	116,375.			
<b>d</b> Excess from 2009	103,277.			
<b>e</b> Excess from 2010	93,479.			

**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)

**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(i)(3)(B)(iii)

**(3) Largest amount of support from an exempt organization**

(4) Gross investment income

[illegible]

**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).)

NONE

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)

<b>3 Grants and Contributions Paid During the Year or Approved for Future Payment</b>				
Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a Paid during the year</b> <b>SEE SCHEDULE ATTACHED</b>				<b>737,500.</b>
<b>Total</b>			<b>▶ 3a</b>	<b>737,500.</b>
<b>b Approved for future payment</b> <b>SEE SCHEDULE ATTACHED</b>				<b>1,000,000.</b>
<b>Total</b>			<b>▶ 3b</b>	<b>1,000,000.</b>

**Part XVI-A Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
f _____						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments						
4 Dividends and interest from securities				18	411,070.	
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory				18	264,792.	
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.		675,862.	0.
13 Total Add line 12, columns (b), (d), and (e)					675,862.	0.

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

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

[illegible]

## Part XVII

**Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

		Yes	No
<b>1</b>	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?		
<b>a</b>	Transfers from the reporting foundation to a noncharitable exempt organization of:		
	(1) Cash	1a(1)	X
	(2) Other assets	1a(2)	X
<b>b</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
<b>c</b>	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c	X

**d** If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

[illegible]

**2a** Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

☐ Yes ☒ No

**b** If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
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.

Signature of officer or trustee

Date \_\_\_\_\_

Title

Print/Type preparer's name

Preparer's signature

Date \_\_\_\_\_

Check ☐ if  
self-employed

PTIN
------

**Paid  
Preparer  
Use Only**

Kyle Webster CPA

5/11/22

cc/c/c/c/

Firm's name ► WHITTIER TRUST COMPANY

Firm's EIN ▶

Firm's address ► 1600 HUNTINGTON DRIVE  
SOUTH PASADENA, CA 91030

Phone no. **626-441-5111**

Form **990-PF** (2010)

**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	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
b	PUBLICLY TRADED SECURITIES	P	VARIOUS	VARIOUS
c	CLASS ACTION PROCEEDS - AOL	P	VARIOUS	VARIOUS
d	CLASS ACTION PROCEEDS - QWEST	P	VARIOUS	VARIOUS
e	CLASS ACTION PROCEEDS - TYCO	P	VARIOUS	VARIOUS
f	CAPITAL GAINS DIVIDENDS			
g				
h				
i				
j				
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 1,080,842.		1,038,752.	42,090.
b 1,315,793.		1,098,441.	217,352.
c 165.			165.
d 505.			505.
e 72.			72.
f 4,608.			4,608.
g			
h			
i			
j			
k			
l			
m			
n			
o			

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			42,090.
b			217,352.
c			165.
d			505.
e			72.
f			4,608.
g			
h			
i			
j			
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	264,792.
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

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FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CORPORATE BONDS	111,253.	0.	111,253.
LT CAP GAIN DIVIDEND	4,608.	4,608.	0.
U.S. GOVT BONDS	10,150.	0.	10,150.
WHITTIER TRUST CO - A/C 5114	289,667.	0.	289,667.
TOTAL TO FM 990-PF, PART I, LN 4	415,678.	4,608.	411,070.

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FORM 990-PF	OTHER PROFESSIONAL FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
WTC ADMIN EXP-ALLOCATED 60% TO CHARITABLE PURPOSES	100,996.	30,299.		70,697.
TO FORM 990-PF, PG 1, LN 16C	100,996.	30,299.		70,697.

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FORM 990-PF	TAXES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EXCISE TAX	4,500.	0.		0.
FOREIGN TAX	1,314.	1,314.		0.
TO FORM 990-PF, PG 1, LN 18	5,814.	1,314.		0.



FORM 990-PF	OTHER EXPENSES	STATEMENT	4
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FILING FEES	30.	0.		30.
INSURANCE EXPENSE	2,170.	217.		1,953.
ADR FEE	56.	56.		0.
OFFICE EXPENSE	245.	25.		220.
BANK FEE	2.	0.		2.
TO FORM 990-PF, PG 1, LN 23	2,503.	298.		2,205.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS	STATEMENT	5
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DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
US GOV'T BONDS/NOTES	X		0.	0.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			0.	0.

FORM 990-PF	CORPORATE STOCK	STATEMENT	6
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCKS/SECURITIES	11,100,568.	13,837,653.
FOREIGN EQUITIES	0.	0.
ASIA TIGER - MUTUAL FUNDS	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 10B	11,100,568.	13,837,653.

FORM 990-PF	CORPORATE BONDS	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS	1,978,101.	2,091,457.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,978,101.	2,091,457.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT	8
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
HOWARD O WILSON 625 S FAIR OAKS AVENUE SUITE 360 SOUTH PASADENA, CA 91030	PRESIDENT/DIRECTOR 10.00	14,400.	0.	0.
PHILIP V SWAN 625 S FAIR OAKS AVENUE SUITE 360 SOUTH PASADENA, CA 91030	VICE PRESIDENT/DIR/TREAS 10.00	14,400.	0.	0.
H ROSS MACMICHAEL 625 S FAIR OAKS AVENUE SUITE 360 SOUTH PASADENA, CA 91030	DIRECTOR/SECRETARY 10.00	14,400.	0.	0.
LINDA J BLINKENBERG 625 S FAIR OAKS AVENUE SUITE 360 SOUTH PASADENA, CA 91030	ASSISTANT TREASURER 5.00	0.	0.	0.
JULIE LYTTLE NESBIT 625 S FAIR OAKS AVENUE SUITE 360 SOUTH PASADENA, CA 91030	ASSISTANT SECRETARY 5.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		43,200.	0.	0.

**ANN PEPPERS FOUNDATION, 95-2114455****CONTRIBUTIONS PAID****AS OF DECEMBER 31, 2010**

RECIPIENT/ADDRESS	TAX STATUS	PURPOSE	AMOUNT
Armory Center for the Arts 145 North Raymond Avenue Pasadena, CA 91103	170(b)(1)(A)(ii)	Armory Artists in the Community Program	\$5,000
Art Center College of Design 1700 Lida Street Pasadena, CA 91103	170(b)(1)(A)(i)	Scholarship Program	\$5,000
Azusa Pacific University 901 East alosa Avenue Azusa, CA 91702-7000	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
The Gooden Center 191 North El Molino Avenue Pasadena, CA 91101-1804	509(a)(2)	Cooperative Scholarship Program	\$2,500
Blind Childrens Center 4120 Marathon Street Los Angeles, CA 90029	170(b)(1)(A)(vi)	Therapeutic Services Program	\$5,000
Boy Scouts of America - San Gabriel Valley Council 3450 East Sierra Madre Boulevard Pasadena, CA 91107	170(b)(1)(A)(vi)	Camp Site Renovation	\$5,000
Boys Republic 1907 Boys Republic Drive Chino Hills, CA 91709	170(b)(1)(A)(vi)	Road Paving Project	\$5,000
Braille Institute of America, Inc 741 North Vermont Avenue Los Angeles, CA 90029	170(b)(1)(A)(ii)	El Poder sin Ver (Ability without Sight) Program	\$20,000
California Institute of Technology 1200 East California Blvd Mail Code 5-32 Pasadena, CA 91125	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
California Lutheran University 60 West Olsen Road Thousand Oaks, CA 9130	170(b)(1)(A)(ii)	Scholarship Support	\$5,000

Chapman University One University Drive Orange, CA 92866	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Claremont Graduate University 165 East Tenth Street Claremont, CA 91711-3911	170(b)(1)(A)(vi)	Scholarship Support	\$5,000
Claremont Mckenna College 5000 East Ninth Street Claremont, CA 91711	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Claremont School of Theology 1325 North College Avenue Claremont, CA 91711	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Claremont University Consortium 150 East Eighth Street Claremont, CA 91711-3910	509(A)(3)	Scholarship Support	\$5,000
Fuller Theological Seminary 135 North Oakland Avenue Pasadena, CA 91182	170(b)(1)(A)(ii)	Need-Based Scholarships	\$5,000
The Gamble House 4 Westmoreland Place Pasadena, CA 91103	170(b)(1)(A)(ii)	Portable Audio Transmission Equipment	\$5,000
Girl Scouts of Greater Los Angeles 801 S Grand Avenue, Suite 300 Los Angeles, CA 90017-4621	170(b)(1)(A)(vi)	Enrichment Program	\$5,000
Harvey Mudd College 301 Platt Boulevard Claremont, CA 91711	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Hathaway-Sycamores Child & Family Services 210 South DeLacey Avenue, Suite 110 Pasadena, CA 91105	170(b)(1)(A)(vi)	General Operating Support	\$5,000
House Ear Institute 2100 West Third Street Los Angeles, CA 90057	170(b)(1)(A)(vi)	Hearing Healthcare Program for disadvantaged Children	\$5,000
Keck Graduate Institute of Applied Sciences 535 Watson Drive Claremont, CA 91711	170(b)(1)(A)(ii)	Scholarship Support	\$5,000

Los Angeles Children's Chorus 585 East Colorado Boulevard Pasadena, CA 91101-2036	170(b)(1)(A)(vi)	Need Based Turtion Scholarship Program	\$5,000
Marymount College 30800 Palos Verdes Drive East Rancho Palos Verdes, CA 90275-6299	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Mother's Club Family Learning Center 980 North Fair Oaks Avenue Pasadena, CA 91103	509(a)(2)	Two-Generation Family Literacy Program	\$5,000
Mount St. Mary's College Doheny Campu,s 10 Chester Place Los Angeles, CA 90007-2598	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Occidental College 1600 Campus Road Los Angeles, CA 90041-3314	170(b)(1)(A)(vi)	Scholarship Support	\$5,000
Oneonta Club Foundation 1613 Chelsea Road #853 San Marino, CA 91108	170(b)(1)(A)(vi)	Program Support	\$7,500
Oneonta Club Foundation 1613 Chelsea Road #853 San Marino, CA 91108	170(b)(1)(A)(vi)	Program Support	\$7,500
Pasadena Conservatory of Music 100 North Hill Avenue Pasadena, CA 91106	170(b)(1)(A)(ii)	Music Education Outreach Program	\$5,000
Pepperdine University 24255 Pacific Coast Highway Malibu, CA 90263-4819	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Pitzer College 1050 North Mills Avenue Calremont, CA 91711-6101	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Pomona College 550 North College Avenue Claremont, CA 91711-6301	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Rancho Los Alamitos 6400 Bixby Hill Road Long Beach, CA 90815	170(b)(1)(A)(vi)	General Operating Support	\$5,000
Scipps College 1030 Columbia Avenue Claremont, CA 91711-3948	170(b)(1)(A)(ii)	Scholarship Support	\$5,000

YMCA - South Pasadena & San Marino 1605 Garfield Avenue South Pasadena, CA 91030	170(b)(1)(A)(vi)	Youth and Government Program	\$2,500
St. Jude Memorial Foundation 1440 North Harbor Boulevard, Suite 200 Fullerton, CA 92835	170(b)(1)(A)(iii)	Varian Trilogy Rapidarc Linear Accelerator	\$7,500
Thomas Aquinas College 10000 North Ojai Road Santa Paula, CA 93060	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Union Station Homeless Services 825 East Orange Grove Boulevard Pasadena, CA 91104	170(b)(1)(A)(vi)	Program Support	\$7,500
University of La Verne 1950 Third Street La Verne, CA 91750	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
University of Redlands 1200 East Colton Avenue Redlands, CA 92373-0999	170(b)(1)(A)(ii)	Construction of New Fine Art & Art History Building	\$500,000
Whittier College 13406 East Philadelphia Street Whittier, CA 90608	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Woodbury University 7500 Glenoaks Boulevard Burbank, CA 92510-7846	170(b)(1)(A)(ii)	Scholarship Support	\$5,000
Young & Healthy P O Box 93397 Pasadena, CA 93397	509(a)(2)	General Operating Support	\$7,500
<b>Total Contributions Paid</b>			<b>\$737,500</b>

**Ann Peppers Foundation, 95-2114455**

**FUTURE COMMITMENTS**

**AS OF JANUARY 1, 2011**

RECIPIENT/ADDRESS	PURPOSE	AMOUNT	DATE APPROVED	PAYMENTS DUE	AMOUNT
University of Redlands	To Support Art Building Construction	\$ 1,000,000	2010	10/22/2011	\$ 250,000
				7/16/2012	\$ 250,000
				4/10/2013	\$ 250,000
				1/3/2014	\$ 250,000
TOTAL FUTURE COMMITMENTS		\$ 1,000,000			

Report Date **November 11, 2011**Time Prepared **09:33:03 AM**Requested By **Jonathon Duong**Includes **Account: 52 00 5114 0 0Z ANN PEPPERS FOUNDATION**

## THE WHITTIER TRUST COMPANY

**Account Holdings as of 12/31/2010**

Cusip No.	Security Name	Shares / Par	Investment	Unit Price	Market Value	Price Date
<b>CORPORATE BONDS &amp; NOTES</b>						
02580ECN1	AMEX 5 5 4/16/13	600,000 0000	594,447.60	107.779	646,674.00	12/31/2010
060505BD5	BOA 4 75 8/15/13	500,000.0000	488,358.45	103.958	519,790.00	12/31/2010
209111DZ3	CO ED 5 625 7/1/12	50,000 0000	49,996.55	106.713	53,356.50	12/31/2010
31283GAW7	FHLMC 10 5 1/1/21	221 6300	244.70	115.774	256.59	12/31/2010
3133T5W58	FED 8 5 11/15/24	2,690 1600	2,898.63	119.017	3,201.75	12/31/2010
313401P70	FHLMC 10 5 6/1/19	267 5300	291.56	116.417	311.45	12/31/2010
31359MJH7	FED 6 00 5/15/11	35,000 0000	35,007.91	102.116	35,740.60	12/31/2010
313614YT0	FHMA 9 50 8/1/19	162.0700	169.75	117.576	190.56	12/31/2010
31387CLZ2	FNMA 6 0 6/1/16	3,256 4100	3,260.03	108.859	3,544.90	12/31/2010
31388KMQ2	FNMA 6 0 11/1/16	5,105 1400	5,136.30	108.859	5,557.40	12/31/2010
31388YX49	FNMA 5 5 5/1/17	5,593 2000	5,544.25	107.828	6,031.04	12/31/2010
36202BP66	GNMA II 9.5 2/20/20	49 3100	52.47	116.88	57.63	12/31/2010
362086JP6	GNMA 15.0 3/15/12	1,283 5100	1,559.79	100.899	1,295.05	12/31/2010
362088S56	GNMA 15 0 8/15/12	3,747 3300	4,553.53	101.032	3,786.00	12/31/2010
362091A83	GNMA 11 5 2/15/13	209.9800	233.06	99.88	209.73	12/31/2010
362091VT4	GNMA 11 5 5/15/13	159 9900	177.67	101.52	162.42	12/31/2010
362093SE7	GNMA 11 5 4/15/13	1,665 3000	1,848.78	101.619	1,692.26	12/31/2010
362093W28	GNMA 11.5 2/15/13	4,066.1100	4,513.40	100.809	4,099.00	12/31/2010
362098JB2	GNMA 11 50 9/15/13	216 2700	240.14	101.715	219.98	12/31/2010
36962GXZ2	GEN ELE 6 75 3/15/32	20,000 0000	19,809.16	113.212	22,642.40	12/31/2010
38141EA33	GOLDMAN 6 5/1/14	200,000 0000	201,699.54	110.164	220,328.00	12/31/2010
38141GBU7	GOLD 6.60 1/15/12	15,000 0000	15,349.48	105.746	15,861.90	12/31/2010
45974VZY7	INTL 5 45 3/24/11	200,000 0000	198,095.30	100.25	200,500.00	12/31/2010
61745ESP7	MORGAN 3 75 5-1-14	320,000 0000	319,542.82	99.928	319,769.60	12/31/2010
92344UAA3	VER 5 875 1/17/12	25,000 0000	25,070.12	104.714	26,178.50	12/31/2010
<b>Total</b>	<b>CORPORATE BONDS &amp; NOTES</b>	<b>1,993,693.9400</b>	<b>1,978,100.99</b>		<b>2,091,457.26</b>	
<b>US LARGE CAP EQUITIES</b>						
002824100	ABBOTT LABS	3,075 0000	147,124.88	47.91	147,323.25	12/31/2010
037411105	APACHE CORP	2,715 0000	186,280.27	119.23	323,709.45	12/31/2010
037833100	APPLE COMPUTER	1,115.0000	199,660.70	322.56	359,654.40	12/31/2010
060505104	BANK OF AMERICA	9,115 0000	45,704.43	13.34	121,594.10	12/31/2010
126650100	CVS CORP	7,175 0000	249,956.05	34.77	249,474.75	12/31/2010
166764100	CHEVRON	3,185.0000	115,965.85	91.25	290,631.25	12/31/2010
17275R102	CISCO SYS INC	17,755.0000	451,029.01	20.23	359,183.65	12/31/2010
263534109	DU PONT	2,455 0000	99,132.87	49.88	122,455.40	12/31/2010
291011104	EMERSON ELECTRIC	3,690 0000	101,832.19	57.17	210,957.30	12/31/2010
30231G102	EXXON-MOBIL	2,730 0000	201,318.94	73.12	199,617.60	12/31/2010
343412102	FLUOR CORP	4,350.0000	199,878.04	66.26	288,231.00	12/31/2010
375558103	GILEAD SCIENCES	5,280 0000	280,738.80	36.24	191,347.20	12/31/2010
38141G104	GOLDMAN SACHS	2,015.0000	323,010.51	168.16	338,842.40	12/31/2010
38259P508	GOOGLE INC	470 0000	247,131.77	593.97	279,165.90	12/31/2010
458140100	INTEL CORP	9,935 0000	249,356.15	21.03	208,933.05	12/31/2010
464287242	INV GRADE BOND ETF	3,815 0000	400,418.68	108.44	413,698.60	12/31/2010
464287655	ISHARES RUSL 2000	1,465 0000	100,147.40	78.24	114,621.60	12/31/2010
464288646	ISHARE 1-3 YR INV CR	4,330 0000	449,987.72	104.28	451,532.40	12/31/2010
46625H100	JP MORGAN CHASE	11,395 0000	352,536.16	42.42	483,375.90	12/31/2010
48203R104	JUNIPER NETWORKS	5,015 0000	136,708.39	36.92	185,153.80	12/31/2010
53217V109	LIFE TECH	6,060 0000	250,194.98	55.50	336,330.00	12/31/2010
55616P104	MACY'S INC	3,880 0000	100,414.40	25.30	98,164.00	12/31/2010
580135101	MCDONALDS CORP	6,575 0000	199,709.05	76.76	504,697.00	12/31/2010
58155Q103	MCKESSON HBOC INC	4,310 0000	178,718.80	70.38	303,337.80	12/31/2010



Report Date **November 11, 2011**  
 Time Prepared **09:33:03 AM**  
 Requested By **Jonathon Duong**  
 Includes **Account: 52 00 5114 0 0Z ANN PEPPERS FOUNDATION**

**THE WHITTIER TRUST COMPANY**

# Account Holdings as of 12/31/2010

Cusip No	Security Name	Shares / Par	Investment	Unit Price	Market Value	Price Date
594918104	MICROSOFT CORP	11,450 0000	336,420 20	27 91	319,569 50	12/31/2010
654106103	NIKE	805 0000	69,696 10	85 42	68,763 10	12/31/2010
68389X105	ORACLE SYSTEMS	7,935 0000	152,133 79	31 30	248,365 50	12/31/2010
713448108	PEPSICO INC	3,575 0000	151,415 72	65 33	233,554.75	12/31/2010
718172109	PHILIP MORRIS INTL	5,750 0000	266,609.41	58.53	336,547 50	12/31/2010
755111507	RAYTHEON	6,630 0000	280,357.90	46 34	307,234 20	12/31/2010
78464A417	ETF HIGH YIELD BONDS	4,890 0000	200,098 80	39 71	194,181 90	12/31/2010
806857108	SCHLUMBERGER LTD	4,005 0000	124,795 80	83.50	334,417 50	12/31/2010
872340104	TCW STRATEGIC INC	72,990 0000	308,460 41	5.22	381,007.80	12/31/2010
87612E106	TARGET CORP	7,280 0000	299,390 00	60 13	437,746 40	12/31/2010
883556102	THERMO ELECT CORP	1,200.0000	59,805 89	55 36	66,432 00	12/31/2010
88579Y101	3M CO COM	2,380 0000	200,435 27	86 30	205,394 00	12/31/2010
887317303	TIME WARNER	5,025 0000	126,374 20	32 17	161,654 25	12/31/2010
89417E109	TRAVELERS	3,950 0000	200,225.50	55 71	220,054 50	12/31/2010
907818108	UNION PACIFIC	2,210 0000	142,774 84	92 66	204,778.60	12/31/2010
931142103	WAL MART STORES	2,710 0000	149,559 48	53 93	146,150 30	12/31/2010
949746101	WELLS FARGO	8,770 0000	105,602 20	30.99	271,782 30	12/31/2010
H0023R105	ACE LIMITED	1,655 0000	99,773 66	62.25	103,023.75	12/31/2010
<b>Total</b>	<b>US LARGE CAP EQUITIES</b>	<b>275,115.0000</b>	<b>8,540,885.21</b>		<b>10,822,689.65</b>	
<b>FOREIGN EQUITIES</b>						
02364W105	AMERICA MOVIL	2,050 0000	100,183 50	57 34	117,547 00	12/31/2010
088606108	BHP LTD ADR	4,195 0000	281,724 03	92 92	389,799 40	12/31/2010
204409601	CEMIG SA - SPONS ADR	12,237.0000	150,251 67	16 59	203,011 83	12/31/2010
464286103	ISHARES AUSTRALIA	6,510 0000	150,576.30	25 44	165,614 40	12/31/2010
464286509	ISHARES MSCI CANADA	5,825 0000	150,518 00	31 00	180,575 00	12/31/2010
464287465	ISHARES MSCI EAFE	3,555 0000	180,913 95	58 22	206,972 10	12/31/2010
464288281	ETF EMER MKT BONDS	2,995 0000	307,666 78	107 08	320,704 60	12/31/2010
617477104	MORGAN ST EMERGING	12,945 0000	200,968 54	16 15	209,061 75	12/31/2010
641069406	NESTLE ADR	6,000 0000	300,802 80	58 738	352,428 00	12/31/2010
71654V408	PETROLEO BRASI	4,815 0000	199,693 94	37 84	182,199 60	12/31/2010
881624209	TEVA PHARM	6,285 0000	261,003 48	52 13	327,637.05	12/31/2010
97717W281	WISDOMTREE EM - DGS	1,895 0000	99,904 40	54 50	103,277 50	12/31/2010
<b>Total</b>	<b>FOREIGN EQUITIES</b>	<b>69,307.0000</b>	<b>2,384,207.39</b>		<b>2,758,828.23</b>	
<b>MUTUAL FUNDS-TAXABLE</b>						
04516T105	ASIA TIGER	13,015 0000	175,475 49	19 68	256,135 20	12/31/2010
<b>Total</b>	<b>MUTUAL FUNDS-TAXABLE</b>	<b>13,015.0000</b>	<b>175,475.49</b>		<b>256,135.20</b>	
<b>MISC CASH EQUIV-TAXABLE</b>						
09248U619	BLACKROCK PROV TEMP	68,930 6200	68,930 62		68,930 62	12/31/2010
<b>Total</b>	<b>MISC CASH EQUIV-TAXABLE</b>	<b>68,930.6200</b>	<b>68,930.62</b>		<b>68,930.62</b>	
<b>Total Securities</b>		<b>2,420,061.5600</b>	<b>13,147,599.70</b>		<b>15,998,040.96</b>	
<b>Income Cash</b>			<b>6,331.46</b>		<b>6,331.46</b>	
<b>Principal Cash</b>			<b>0.00</b>		<b>0.00</b>	
<b>Account Total</b>			<b>13,153,931.16</b>		<b>16,004,372.42</b>	

**BYLAWS**

**OF**

**THE ANN PEPPERS FOUNDATION**

**A California Nonprofit Public Benefit Corporation**

**Incorporated December 20, 1959**

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# **Bylaws of The Ann Peppers Foundation**

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## **1. NAME**

The name of this private foundation is The Ann Peppers Foundation (the "Foundation").

## **2. OFFICES**

The principal office for the transaction of the activities and affairs of the Foundation are located at 625 Fair Oaks Avenue, Suite 360, South Pasadena, CA 91030, in Los Angeles County, California. The location of the principal office may be established at any place or places within or without the State of California by resolution of the Board of Directors.

## **3. PURPOSES AND LIMITATIONS**

### **3.1. Purposes**

The general purpose for which this Foundation is organized is to engage in any lawful act or activity for which a corporation may be organized under the Nonprofit Public Benefit Corporation Law of California, and organized exclusively for public and charitable purposes within the meaning of Internal Revenue Code § 501(c)(3) or the corresponding provision of any future United States internal revenue law. This Foundation is organized for two specific purposes: (A) to operate as a charitable foundation; and (b) subject to applicable legal restrictions, to use the whole or any part of the income and principal of the Foundation for charitable, religious, scientific, literary or educational purposes either directly or by contributions to organizations duly authorized to carry on charitable, religious, scientific, literary, or educational activities.

### **3.2. Restrictions on Foundation's Activities**

#### ***3.2.1. Exempt Activities***

This Foundation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that do not further the purposes of this corporation, and the corporation shall not carry on any other activities not permitted to be carried on by (a) a corporation exempt from federal income tax under Internal Revenue Code § 501(c)(3) or the corresponding provision of any future United States internal revenue law, or (b) a corporation, contributions to which are deductible under Internal Revenue Code § 170(c)(2) or the corresponding provision of any future United States internal revenue law.

#### ***3.2.2. Political Lobbying or Electioneering***

No substantial part of the activities of the Foundation shall consist of propaganda or otherwise attempting to influence legislation, and the Foundation shall not participate or intervene in any political campaign (including publishing or distributing statements) on behalf of or in opposition to any candidate for public office.

### ***3.2.3. Undistributed Income***

The Foundation will distribute its income for each tax year at a time and in a manner as not to become subject to the tax on undistributed income imposed by section 4942 of the Internal Revenue Code, or the corresponding section of any future federal tax code.

### ***3.2.4. Self-Dealing***

The Foundation will not engage in any act of self-dealing with disqualified persons as defined in section 4941(d) of the Internal Revenue Code, or the corresponding section of any future federal tax code. Prohibited self-dealing transactions include but are not limited to prohibited transactions: the sale, exchange, or leasing of property; the lending of money or extensions of credit; the furnishing of goods, services, or facilities for money; the transfer of the income or assets of the foundation to a disqualified person or the use of such assets by or for the benefit of a disqualified person; payment of an enforceable, personal charitable pledge previously made by a disqualified person; and the payment of money or transfer of property to a government official.

"Disqualified persons" include: officers, directors, trustees, and others with similar powers and authority; substantial contributors to the foundation, generally including any person who has contributed more than \$5,000 to the foundation, but only if that amount is greater than 2% of the total contributions received by the foundation in the year of the contribution; individuals or entities who own at least 20% of entities (such as the voting power of a corporation, the profits interest of a partnership, or beneficial interest in a trust) that are substantial contributors (contributions by spouses are aggregated for this purpose); family members of the first three groups (including spouses, ancestors, descendants, and spouses of descendants but excluding siblings); any corporation, partnership or trust of which any of the above disqualified persons hold 35% or more of the ownership or beneficial interest; and certain government officials.

### ***3.2.5. Excess Business Holdings***

The Foundation will not retain any excess business holdings as defined in section 4943(c) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

### ***3.2.6. Investments***



The Foundation will not make any investments in a manner as to subject it to tax under section 4944 of the Internal Revenue Code, or the corresponding section of any future federal tax code.

#### ***3.2.7. Taxable Expenditures***

The Foundation will not make any taxable expenditure as defined in section 4945(d) of the Internal Revenue Code, or the corresponding section of any future federal tax code.

#### ***3.2.8. Property Use***

The property of this Foundation is irrevocably dedicated to charitable, educational and scientific purposes, or any other purposes permitted under Section 501(c)(3) of the Internal Revenue Code. No part of the net income or assets of this Foundation shall ever inure to the benefit of any Director or officer thereof or to the benefit of any private person, and no such person or persons shall be entitled to share in the distribution of, and shall not receive, any of the corporate assets on the dissolution of the Foundation, except that the Foundation is authorized and empowered to pay reasonable compensation for services rendered and expenses incurred in furtherance of the Foundation's exempt purposes.

#### ***3.2.9. Distribution of Assets Upon Dissolution***

Upon the dissolution or winding up of this Foundation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this Foundation shall be distributed to one or more nonprofit funds, foundations or corporations which are organized and operated exclusively for charitable, educational and scientific purposes and which has established and is currently tax exempt under Section 501(c)(3) of the Internal Revenue Code.

### **3.3. Memberships**

This Foundation shall have no members.

## **4. DIRECTORS**

### **4.1. Number of Directors**

There shall be up to four directors on the Board of Directors.

### **4.2. Limit on Interested Directors**

Not more than 49 percent of the Directors serving on the Board of Directors may be interested persons. An "interested person" is any person currently being compensated by the Foundation for services rendered to it within the previous 12 months, whether as a full- or part-time employee, independent contractor, or otherwise; or any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person. Compensation, for the purposes of this section, does not include reasonable compensation paid to a Director as a director. Any violation of this paragraph shall not affect the validity or enforceability of transactions entered into by the Foundation.

### **4.3. General Corporate Powers**

Subject to the provisions of the California Nonprofit Public Benefit Corporation Law, the business and affairs of the Foundation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors. The Board may delegate the management of the activities of the Foundation to any person or persons, management company or committee however composed, provided that the activities and affairs of the Foundation shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.

### **4.4. Terms; Election of Successors**

Each Director shall serve until the conclusion of the next annual meeting following their election to the Board or until their successor is elected and qualified. At each annual meeting, each seat on the incoming Board shall be filled by a separate vote of the current Directors; a majority vote of a quorum of Directors shall be sufficient to fill each seat. If the number of Directors then in office is less than a quorum, vacancies may be filled by (1) the unanimous written consent of the Directors then in office; (2) the affirmative vote of a majority of the Directors then in office at a meeting held according to notice or waivers of notice complying with Corporations Code § 5211; or (3) a sole remaining Director. Each new Director shall take office at the conclusion of the annual meeting at which he or she is elected.

### **4.5. Vacancies**

#### ***4.5.1. Events Causing Vacancy***

A vacancy on the Board of Directors shall be deemed to exist on the occurrence of the following: (i) the death, resignation, or removal of any Director; (ii) the declaration by resolution of the Board of Directors of a vacancy in the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or has been found by final order or judgment of any court to have breached a duty under the California Nonprofit Public Benefit Corporation Law; or (iii) whenever the number of authorized Directors is increased.

#### ***4.5.2. Resignations***

Except as provided in this paragraph, any Director may resign, which resignation shall be effective on giving written notice to the President, the Secretary, or the Board of Directors, unless the notice specifies a later time for the resignation to become effective. No Director may resign if the Foundation would then be left without a duly elected Director or Directors in charge of its affairs, except upon notice to the Attorney General.

#### ***4.5.3. Appointment to Fill Vacancies***

If a vacancy is created by any event, a majority of the remaining Directors then in office may appoint a new Director to serve until the next annual meeting of the Board of Directors.

#### ***4.5.4. No Vacancy on Reduction of Number of Directors***

No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

#### ***4.6. Place of Meetings***

Regular meetings of the Board of Directors may be held at any place within the State of California that has been designated from time to time by resolution of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Foundation. Special meetings of the Board shall be held at any place within the State of California that has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, at the principal office of the Foundation. Notwithstanding the provisions of this section, a regular or special meeting of the Board of Directors may be held at any place consented to in writing by all the members of the Board of Directors, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting.

#### ***4.7. Meetings by Telephone and Other Means of Communication***

Any meeting, regular or special, of Directors may be held by conference telephone or video screen communication, and all such Directors shall be deemed to be present in person at such meeting so long as all Directors participating in the meeting can hear one another. A Director participating in a meeting using electronic communication, other than

conference telephone or video screen communication, shall be deemed to be present at such meeting if (i) each Director participating in the meeting can communicate with all the other Directors concurrently, and (ii) each Director is provided the means of participating in all matters before the Board, including without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the Board.

#### **4.8. Annual Meeting**

Unless the Board of Directors specifies otherwise in a Notice to the Directors, the annual meeting for the purpose of electing Directors and for such other business as may be required, shall be held during the period from January through March on a date determined by resolution of the Board of Directors.

#### **4.9. Other Regular Meetings**

The Board of Directors shall meet at least once each year and may set a specified time and place for its regular meetings. Once the Board of Directors sets the time for regular meetings, each Director shall receive notice, as specified in Section 4.11, of the time and place that regular meetings shall be held. Subsequent to such notice, regular meetings shall be held without call. If the Board of Directors changes the time and place of regular meetings, each Director shall receive notice of the change in keeping with Section 5.10.

#### **4.10. Special Meetings**

##### ***4.10.1. Authority to Call***

Special meetings of the Board of Directors for any purpose may be called at any time by the President or any Vice President, or by written request to either of them from a Director.

#### 4.11. Notice

##### 4.11.1. *Manner of Giving*

Notice of the time and place of regular and special meetings shall be given to each Director by one of the following methods: (i) by personal delivery of written notice; (ii) by first-class mail, postage paid; (iii) by telephone including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, electronic mail, or other electronic means; or (iv) by telegram, charges prepaid. All such notices shall be given or sent to the Director's address as shown on the records of the Foundation; or, if notice is given by facsimile, the notice shall be sent to each Director at his or her facsimile number as shown on the records of the Foundation. Any oral notice given personally or by telephone may be communicated directly to the Director or to a person at the Director's office who would reasonably be expected to communicate such notice promptly to the Director.

##### 4.11.2. *Time Requirements*

Notices sent by first class mail shall be deposited into a United States mail box at least five days before the time set for the meeting. Notices given by personal delivery, telephone, voice messaging system or other system or technology designed to record and communicate messages, or facsimile shall be delivered, telephoned or telecopied at least 48 hours before the time set for the meeting.

##### 4.11.3. *Notice Contents*

The notice shall state the time, purpose, and place for the meeting. It need not, however, specify the place of the meeting if it is to be held at the principal office of the Foundation.

#### 4.12. Quorum

A majority of the number of Directors currently in office shall constitute a quorum for the transaction of business, except to adjourn as provided in 4.14. Every act taken or decision made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to the provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest, (ii) creation of, and appointment to, committees of the Board, and (iii) indemnification of Directors. No Director may vote at any meeting by proxy. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. An "interested director" as defined in Foundations Code § 5233 may be counted in determining the existence of a quorum at a meeting of the Board which authorizes,

approves or ratifies a contract or transaction subject to the provisions of section 5233 concerning contracts or transactions with an "interested director."

#### **4.13. Waiver of Notice**

The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (A) all Directors are present; or (b) (i) a quorum is present, and (ii) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice. Directors can protest the lack of notice only by presenting a written protest to the Secretary of the Foundation either in person, by first-class mail addressed to the Secretary at the principal office of the Foundation as contained on the Foundation's records as of the date of the protest, or by facsimile addressed to the facsimile number of the Foundation as contained on the Foundation's records as of the date of the protest.

#### **4.14. Adjournment**

A majority of the Directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

#### **4.15. Notice of Adjournment**

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

#### **4.16. Conduct of Meetings**

Meetings of the Board of Directors shall be presided over by the Chairperson of the Board, or, if no such person has been so designated or, in his or her absence, the President of the Foundation or, in his or her absence, by a vice president of the Foundation or, in the absence of each of these persons, by a chairperson chosen by a majority of the Directors present at the meeting. The Secretary of the Foundation shall act as Secretary of all meetings of the Board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the Meeting.

#### **4.17. Action Without Meeting**

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all Directors, individually or collectively, consent in writing to the

action. For the purposes of this Section only, "all Directors" shall not include any "interested Director" as defined in Section 5233 of the California Nonprofit Public Benefit Foundation Law. Such action by unanimous written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

#### **4.18. Fees and Compensation of Directors**

Directors may receive reasonable compensation for services rendered and, upon submitting appropriate documentation, for expenses incurred in furtherance of the Foundation's exempt purposes as determined by resolution of the Board of Directors to be just and reasonable. Notwithstanding the foregoing provisions of this section, no disqualified person as that term is defined in Internal Revenue Code § 4941, shall receive, directly or indirectly, any compensation or other payments from the Foundation, unless such compensation or other payment is permissible under the applicable provisions of the Internal Revenue Code.

#### **4.19. Non-Liability of Directors**

The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Foundation.

### **5. COMMITTEES**

#### **5.1. Committees of Directors**

The Board of Directors may, by resolution adopted by a majority of the Directors then in office, create one or more committees, including an executive committee, each consisting of two or more Directors, to serve at the discretion of the Board. Any such committee shall have all the authority of the Board, to the extent provided in the resolution of the Board, except that no committee, regardless of Board resolution, may:

- (a) Fill vacancies on the Board of Directors or in any committee which has the authority of the Board;
- (b) Fix compensation of the Directors for serving on the Board or on any committee;
- (c) Amend or repeal Bylaws or adopt new Bylaws;
- (d) Amend or repeal any resolution of the Board of Directors which by its express terms may not be amended or repealed;
- (e) Create any other committees of the Board of Directors or appoint members of committees of the Board of Directors;

(f) Approve any transaction between the Foundation and a Director in which one or more of its Directors has a material financial interest, except as special approval is provided for in Foundations Code § 5233(d); or

(g) Expend corporate funds to support a nominee for Director after more persons have been nominated than can be elected.

## **5.2. Audit Committee**

If the annual gross revenue of the Foundation is \$2,000,000 or more, the Board of Directors shall appoint an Audit Committee.

### ***5.2.1. Membership***

The Audit Committee may include persons who are not members of the Board of Directors, but the member or members of the Audit Committee shall not include the President or the Treasurer.

### ***5.2.2. Relation to Finance Committee***

If the Foundation has a Finance Committee, it must be separate from the Audit Committee. Members of the Finance Committee may serve on the Audit Committee; however, the chairperson of the Audit Committee may not be a member of the Finance Committee and members of the Finance Committee shall constitute less than one-half of the membership of the Audit Committee.



### ***5.2.3. Compensation***

Members of the Audit Committee shall not receive any compensation from the Foundation in excess of the compensation, if any, received by members of the Board of Directors for service on the Board and shall not have a material financial interest in any entity doing business with the Foundation.

### ***5.2.4. Duties***

Subject to the supervision of the Board of Directors, the Audit Committee shall be responsible for: (a) recommending to the Board of Directors the retention and termination of the independent auditor; (b) if authorized by the Board of Directors, for negotiating the independent auditor's compensation; (c) for conferring with the auditor to satisfy its members that the financial affairs of the Foundation are in order; (d) for reviewing and determining whether to accept the audit; (e) for assuring that any nonaudit services performed by the auditing firm conform with standards for auditor independence described in Government Auditing Standards issued by the Comptroller General of the United States (the "Yellow Book," subject to any different standards prescribed by the Attorney General of California; and (f) for approving performance of nonaudit services by the auditing firm.

## **5.3. Meetings and Action of Committees**

Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of 4.6 of these Bylaws, concerning meetings of Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board of Directors and its members, except that the time for regular meetings of committees may be determined by resolution of the Board of Directors. Special meetings of committees may also be called by resolution of the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Committee shall report to the Board of Directors from time to time as the Board may require. The Board of Directors may adopt rules for the governance of any committee not inconsistent with the provisions by these Bylaws, or, in the absence of rules adopted by the Board, the committee may adopt such rules.

#### **5.4. Quorum Rules for Committees**

A majority of the authorized committee members shall constitute a quorum for the transaction of committee business, except to adjourn. A majority of the committee members present, whether or not constituting a quorum, may adjourn any meeting to another time and place. Every act taken or decision made by a majority of the committee members present at a meeting duly held at which a quorum is present shall be regarded as an act of the committee, subject to the provisions of the California Nonprofit Foundation law, including without limitation those provisions relating to (i) creation of, or appointment to, committees of the Board, and (ii) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of committee members, if any action taken is approved by at least a majority of the required quorum for that meeting.

#### **5.5. Revocation of Delegated Authority**

The Board of Directors may, at any time, revoke or modify any or all of the authority so delegated to a committee, increase or decrease but not below two (2) the number of its members, and fill committee vacancies from the members of the Board.

### **6. OFFICERS**

#### **6.1. Officers**

The Foundation shall have as officers a President, a Vice President, a Secretary, and a Treasurer. The Foundation may also have, at the discretion of the Board of Directors, a Chairperson of the Board, one or more additional vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed by the Board. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer or Chief Financial Officer may serve concurrently as either the President or the Chairperson of the Board.

#### **6.2. Election of Officers**

Any person may serve as an officer of the Foundation. The officers of the Foundation, except those appointed in accordance with the provisions of 6.5, shall be annually chosen by the Board of Directors, and each shall serve at the discretion of the Board until their successor shall be elected, subject to the rights, if any, of an officer under any contract of employment.

### **6.3. Removal of Officers**

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board of Directors, at any regular or special meeting of the Board, or at the annual meeting of the Foundation, or, except in the case of any officer chosen by the Board of Directors, by an officer on whom such power of removal may be conferred by the Board of Directors.

### **6.4. Resignation of Officers**

Any officer may resign at any time by giving written notice to the Foundation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights of the Foundation under any contract to which the officer is a party.

### **6.5. Vacancies in Offices**

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office. In the event of a vacancy in any office other than the President, such vacancy shall be filled temporarily by appointment by the President, and the appointed officer shall remain in office for 60 days, or until the next regular meeting of the Board of Directors, whichever comes first. Thereafter, the position can be filled only by action of the Board of Directors.

### **6.6. Responsibilities of Officers**

#### ***6.6.1. President***

The President shall supervise, direct, and control the business affairs of the Foundation, the activities of the officers of the Foundation, subject to the control of the Board of Directors, and shall preside at all meetings of the Board of Directors.

#### ***6.6.2. Vice Presidents***

In the absence or disability of the President, or in the event of his or her inability or refusal to act, the vice presidents, if any, in order of their rank as fixed by the Board of Directors or, if not ranked, a vice president designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President.

#### ***6.6.3. Secretary***

The Secretary shall be the custodian of the corporate records and its seal, if any; shall keep or cause to be kept, at the principal office or such other place as the Board of Directors

may direct, the Foundation's Articles of Incorporation, Bylaws, and a book of minutes of all meetings, proceedings, and actions of Directors and Board committees, recording the time and place of holding such meeting, whether regular or special, and, if special, how authorized; the notice given; the names of those present at such meetings; the number of Directors present or represented at Directors' meetings; and the proceedings of such meetings. The Secretary shall also give, or cause to be given, notice of all meetings of the Board of Directors in accordance with these Bylaws.

#### ***6.6.4. Treasurer***

The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Foundation with such depositories as may be designated by the Board of Directors; shall disburse, or cause to be disbursed, the funds of the Foundation as may be ordered by the Board of Directors. The Treasurer shall also keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and transactions of the Foundation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

#### **6.7. Compensation of Officers**

The Board shall review and approve the compensation, if any, of the President or Chief Executive Officer and the Treasurer or Chief Financial Officer as just and reasonable. Such review and approval shall initially occur upon the hiring of such officers, whenever the term of employment, if any, of the officer is renewed or extended, and whenever the officer's compensation is modified. Separate review and approval shall not be required if a modification of compensation extends to substantially all employees. The compensation of other officers, if any, also shall be fixed from time to time by resolution of the Board, and no officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Foundation, provided, however, that such compensation paid a Director for serving as an officer of the Foundation shall only be allowed if permitted under the provisions of 4.18 of these Bylaws. In all cases, any salaries received by officers of the Foundation shall be just and reasonable and given in return for services actually rendered for the Foundation which relate to the performance of the public benefit purposes of the Foundation.

### **7. TRANSACTIONS INVOLVING DIRECTORS OR OFFICERS**

#### **7.1. Contracts**

No director or officer of this Foundation nor any other corporation, firm, association, or other entity in which they are directors or officers or have a material financial interest, shall be interested, directly or indirectly, in any contract or transaction with this Foundation unless (1) the material facts regarding their financial interest in such contract or transaction or regarding such common directorship, officership, or financial interest are

fully disclosed in good faith and noted in the minutes, or are known to all members of the Board prior to the Board's consideration of such contract or transaction; (2) such contract or transaction is authorized in good faith by a majority of the Board by a vote sufficient for that purpose without counting the votes of any interested directors; (3) before authorizing or approving the transaction, the Board considers and in good faith decides after reasonable investigation that the Foundation could not obtain a more advantageous arrangement with reasonable effort under the circumstances; and (4) the Foundation for its own benefit enters into the transaction, which is fair and reasonable to the Foundation at the time the transaction is entered into.

This Section does not apply to a transaction that is part of an educational or charitable program of this Foundation if it (1) is approved or authorized by the Foundation in good faith and without unjustified favoritism and (2) results in a benefit to one or more directors or officers, or their families because they are in the class of persons intended to be benefited by the educational or charitable program of this Foundation.

In the event of any conflict between this Section and a Foundation policy regarding transactions involving directors or officers that is approved by the Board of Directors, the provisions of the policy shall control.

## **7.2. Loans**

The Foundation shall not make any loan of money or property to or guarantee the obligation of any Director or officer, unless approved by the Attorney General of the State of California; provided, however, the Foundation may advance money to a Director or officer of the Foundation for reasonable expenses anticipated to be incurred in the performance of duties of such Director or officer, provided that in the absence of such advance, such Director or officer would be entitled to be reimbursed for such expenses by the Foundation.

### **7.3. Duty of Loyalty; Construction with Bylaws Regarding Indemnification**

Nothing in this Article shall be construed to derogate in any way from the absolute duty of loyalty that every Director and officer owes to the Foundation. Furthermore, nothing in this Article shall be construed to override or amend the provisions of Article 8. All conflicts between the two articles shall be resolved in favor of Article 8.

### **7.4. Prohibition on Self-Dealing**

Notwithstanding the other provisions of this Article, the Board shall not approve the payment, directly or indirectly, of any compensation, the extension of any loan, any contract, or any other transaction with a disqualified person which is prohibited by Internal Revenue Code § 4941.

## **8. INDEMNIFICATION AND INSURANCE**

### **8.1. Scope of Indemnification**

To the fullest extent permitted by law, the Foundation shall indemnify its directors and officers, and may indemnify employees and other persons, including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any proceeding.

### **8.2. Insurance**

The Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance to the fullest extent permitted by law on behalf of any Director, officer or other agent of the Foundation, against any liability asserted against or incurred by any Director, officer or other agent in such capacity or arising out of their status as such, whether or not this Foundation would have the power to indemnify them against the liability under the provisions of the applicable law.

## **9. CORPORATE RECORDS, REPORTS AND SEAL**

### **9.1. Records**

The Foundation shall keep its Articles of Incorporation, Bylaws, and minute book at its principal office or at a location approved by resolution of the Board of Directors.

### **9.2. Annual Report; Statement of Certain Transactions**

The Board shall cause an annual report, verified by the President and Treasurer or by a majority of the Board of Directors, to be sent to each Director within one hundred and twenty (120) days after the close of the Foundation's fiscal year showing (a) its assets and liabilities and principal changes in them during the fiscal year; (b) its revenue and expenses

for both unrestricted and restricted purposes; (c) a statement of any transaction to which the Foundation was a party which involved more than \$50,000 or which was one of a number of such transactions with the same person involving, in the aggregate, more than \$50,000, and in which any Director or officer had a direct or indirect material financial interest; and (d) a brief description of the amounts and circumstances of any loans, guaranties, indemnifications, or advances aggregating more than \$10,000 paid during the fiscal year to any Director or officer of the Foundation. The annual Form RRF-1 filed with the California Attorney General's Registry of Charitable Trusts may be sent to Directors in lieu of the annual report if it reflects the required information.

### **9.3. Federal Tax Exemption and Annual Information Returns**

The Foundation shall at all time keep at its principal office a copy of its federal tax exemption application and, for three years from their date of filing, its annual information returns. These documents shall be open to public inspection and copying to the extent required by the Internal Revenue Code.

### **9.4. Audited Financial Statements; Public Disclosure**

If the annual gross revenue of the Foundation is \$2,000,000 or more, an audited annual financial statement shall be prepared and shall be available for inspection no later than nine months after the close of the fiscal year to which the statements relate in accordance with California Government Code § 12586(e).

### **9.5. Corporate Seal**

The Board of Directors may adopt and use a corporate seal which shall be in the form of a circle and having on its circumference the words and figures "The Ann Peppers Foundation, Incorporated December 30, 1959, California." The Board may at will alter the seal. Such seal shall be kept at the principal office of the Foundation. Failure to affix the seal to corporate instruments, however, shall not affect the validity of any such instrument.

## **9.6. Directors' Rights of Inspection**

Every Director shall have the absolute right at any reasonable time to inspect the Foundation's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. The inspection may be made in person or by the Director's agent or attorney. The right of inspection includes the right to copy and make extracts of documents.

## **10. EXECUTION OF INSTRUMENTS, DEPOSITS AND FUNDS**

### **10.1. Execution of Instruments**

The Board of Directors, except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the Foundation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Foundation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the Foundation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

### **10.2. Checks and Notes**

Except as otherwise specifically determined by resolution of the Board of Directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the Foundation shall be signed by the Treasurer with a signed authorization by the President of the Foundation.

### **10.3. Deposits**

All funds of the Foundation shall be deposited from time to time to the credit of the Foundation in such banks, trust companies, or other depositories as the Board of Directors may select.

### **10.4. Gifts**

The Board of Directors may accept on behalf of the Foundation any contribution, gift, bequest, or devise for the charitable or public purposes of this Foundation.



## **11. CONSTRUCTION AND DEFINITIONS**

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Public Benefit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both the Foundation and a natural person.

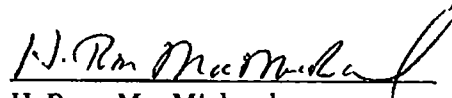
## **12. AMENDMENTS**

The Board of Directors may adopt, amend or repeal bylaws by a majority vote of the Directors.

### **CERTIFICATE OF SECRETARY**

I certify that I am the duly elected and acting Secretary of Ann Peppers Foundation, a California nonprofit public benefit corporation; that these Bylaws, consisting of 19 pages, are the Bylaws of this Foundation as adopted by the Board of Directors on September 12, 2011, and that these Bylaws have not been amended or modified since that date.

Executed on September 12, 2011 at South Pasadena, California.

A handwritten signature in cursive script, reading "H. Ross MacMichael", written over a horizontal line.

H. Ross MacMichael  
*Secretary*