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Return of Private Foundation

OMB No 1545-0052

2010

Department of the Treasury
Internal Revenue Serviceor Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation

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

For calendar year 2010, or tax year beginning OCT 1, 2010, and ending SEP 30, 2011

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 EUSTACE-KWAN FAMILY FOUNDATION		A Employer identification number 20-2865402
Number and street (or P O box number if mail is not delivered to street address) 205 HANNA WAY	Room/suite	B Telephone number 650-566-8381
City or town, state, and ZIP code MENLO PARK, CA 94025-3583		C If exemption application is pending, check here <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 19,862,827.	J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
(Part I, column (d) must be on cash basis.)		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

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		1,735,300.		N/A	
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		753,470.	753,470.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		109,280.			STATEMENT 1
b Gross sales price for all assets on line 6a	2,547,819.				
7 Capital gain net income (from Part IV, line 2)			1,843,748.		
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		2,598,050.	2,597,218.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees	STMT 3	16,925.	0.		16,925.
c Other professional fees	STMT 4	25,148.	25,148.		0.
17 Interest					
18 Taxes	STMT 5	11,601.	0.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses	STMT 6	230.	0.		230.
24 Total operating and administrative expenses. Add lines 13 through 23		53,904.	25,148.		17,155.
25 Contributions, gifts, grants paid		1,979,500.			1,979,500.
26 Total expenses and disbursements. Add lines 24 and 25		2,033,404.	25,148.		1,996,655.
27 Subtract line 26 from line 12		564,646.			
a Excess of revenue over expenses and disbursements			2,572,070.		
b Net investment income (if negative, enter -0-)					
c Adjusted net income (if negative, enter -0-)				N/A	

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only			
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1 Cash - non-interest-bearing				
	2 Savings and temporary cash investments	247,768.	196,455.	196,455.	
	3 Accounts receivable ▶				
	Less allowance for doubtful accounts ▶				
	4 Pledges receivable ▶				
	Less allowance for doubtful accounts ▶				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons				
	7 Other notes and loans receivable ▶				
	Less allowance for doubtful accounts ▶				
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments - U S and state government obligations				
	b Investments - corporate stock				
	c Investments - corporate bonds				
	11 Investments - land, buildings, and equipment basis ▶				
	Less accumulated depreciation ▶				
	12 Investments - mortgage loans				
	13 Investments - other STMT 7	19,027,814.	19,643,773.	19,666,372.	
	14 Land, buildings, and equipment basis ▶				
	Less accumulated depreciation ▶				
	15 Other assets (describe ▶)				
	16 Total assets (to be completed by all filers)	19,275,582.	19,840,228.	19,862,827.	
	Liabilities	17 Accounts payable and accrued expenses			
		18 Grants payable			
19 Deferred revenue					
20 Loans from officers, directors, trustees, and other disqualified persons					
21 Mortgages and other notes payable					
22 Other liabilities (describe ▶)					
23 Total liabilities (add lines 17 through 22)		0.	0.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here <input type="checkbox"/>				
	24 Unrestricted				
	25 Temporarily restricted				
	26 Permanently restricted				
	Foundations that do not follow SFAS 117, check here <input checked="" type="checkbox"/>				
	27 Capital stock, trust principal, or current funds	0.	0.		
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.		
	29 Retained earnings, accumulated income, endowment, or other funds	19,275,582.	19,840,228.		
30 Total net assets or fund balances	19,275,582.	19,840,228.			
31 Total liabilities and net assets/fund balances	19,275,582.	19,840,228.			

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	19,275,582.
2 Enter amount from Part I, line 27a	2	564,646.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	19,840,228.
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	19,840,228.

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 2772 GOOGLE	D	02/20/03	11/04/10
b 51,600.114 DFA TA US CORE EQ 2	P	01/22/08	12/14/10
c 8082.398 DFA INTL CORE EQ	P	11/10/06	06/02/11
d 21,236.624 DFA TA US CORE EQ 2	P	01/22/08	06/02/11
e CAPITAL GAINS DIVIDENDS			

(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 1,739,022.		832.	1,738,190.
b 453,000.		426,220.	26,780.
c 95,000.		101,603.	<6,603.>
d 200,000.		175,416.	24,584.
e 60,797.			60,797.

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			1,738,190.
b			26,780.
c			<6,603.>
d			24,584.
e			60,797.

2 Capital gain net income or (net capital loss)	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;"> If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 </div> <div style="margin-left: 10px;"> <div style="border: 1px solid black; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">2</div> </div> </div>	1,843,748.
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	<div style="display: flex; align-items: center;"> <div style="border-left: 1px solid black; padding-left: 5px;"> If gain, also enter in Part I, line 8, column (c) If (loss), enter -0- in Part I, line 8 </div> <div style="margin-left: 10px;"> <div style="border: 1px solid black; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center;">3</div> </div> </div>	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	1,547,011.	19,179,643.	.080659
2008	1,431,048.	14,482,612.	.098811
2007	1,582,111.	18,346,959.	.086233
2006	842,711.	14,276,368.	.059028
2005	421,322.	7,987,506.	.052748

2 Total of line 1, column (d)	2	.377479
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	.075496
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5	4	22,179,320.
5 Multiply line 4 by line 3	5	1,674,450.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	25,721.
7 Add lines 5 and 6	7	1,700,171.
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions	8	1,996,655.

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	25,721.
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			
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		2	0.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		3	25,721.
3 Add lines 1 and 2		4	0.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		5	25,721.
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	24,000.	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	24,000.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	1,721.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be credited to 2011 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input 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 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 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

Form 990-PF (2010)

Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>NONE</u>	13	X	
14	The books are in care of ► <u>THE FOUNDATION</u> Telephone no ► <u>650-566-8381</u> Located at ► <u>205 HANNA WAY, MENLO PARK, CA</u> ZIP+4 ► <u>94025-3583</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	
16	At any time during calendar year 2010, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See 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 ►	16	Yes	No
				X

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

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

	Yes	No
1a During the year did the foundation (either directly or indirectly)		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
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
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 Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<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.)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
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

Form 990-PF (2010)

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**

If "Yes" to 6b, file Form 8870.

X**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
ROBERT A EUSTACE 205 HANNA WAY MENLO PARK, CA 94025	DIRECTOR, SECRETARY & CFO 2.00	0.	0.	0.
KATHY A KWAN 205 HANNA WAY MENLO PARK, CA 94025	DIRECTOR & PRESIDENT 2.00	0.	0.	0.

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

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

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

0

Form 990-PF (2010)

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

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

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

	Expenses
1 THERE ARE NO DIRECT CHARITABLE ACTIVITIES	
	0.
2	
3	
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2

	Amount
1 NO PROGRAM RELATED INVESTMENTS WERE MADE DURING THE YEAR	
	0.
2	
All other program-related investments See instructions	
3	
Total. Add lines 1 through 3	0.

Form 990-PF (2010)

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a	Average monthly fair market value of securities	1a	22,035,135.
b	Average of monthly cash balances	1b	481,941.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	22,517,076.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	22,517,076.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	337,756.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	22,179,320.
6	Minimum investment return. Enter 5% of line 5	6	1,108,966.

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

1	Minimum investment return from Part X, line 6	1	1,108,966.
2a	Tax on investment income for 2010 from Part VI, line 5	2a	25,721.
b	Income tax for 2010 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	25,721.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	1,083,245.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	1,083,245.
6	Deduction from distributable amount (see instructions)	6	0.
7	Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	1,083,245.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	1,996,655.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,996,655.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	25,721.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,970,934.

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.

Form 990-PF (2010)

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2009	(c) 2009	(d) 2010
1 Distributable amount for 2010 from Part XI, line 7				1,083,245.
2 Undistributed income, if any, as of the end of 2010				
a Enter amount for 2009 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2010				
a From 2005	206,017.			
b From 2006	245,451.			
c From 2007	781,081.			
d From 2008	760,821.			
e From 2009	629,327.			
f Total of lines 3a through e	2,622,697.			
4 Qualifying distributions for 2010 from Part XII, line 4 ▶ \$	1,996,655.			
a Applied to 2009, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2010 distributable amount				1,083,245.
e Remaining amount distributed out of corpus	913,410.			
5 Excess distributions carryover applied to 2010 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	3,536,107.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount - see instructions		0.		
e Undistributed income for 2009 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2010 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2005 not applied on line 5 or line 7	206,017.			
9 Excess distributions carryover to 2011. Subtract lines 7 and 8 from line 6a	3,330,090.			
10 Analysis of line 9				
a Excess from 2006	245,451.			
b Excess from 2007	781,081.			
c Excess from 2008	760,821.			
d Excess from 2009	629,327.			
e Excess from 2010	913,410.			

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

023611 12-07-10

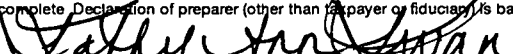
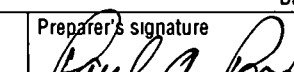
Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- | | | Yes | No |
|----------|--|-----|----|
| 1 | Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations? | | |
| a | Transfers from the reporting foundation to a noncharitable exempt organization of | | |
| | (1) Cash | | X |
| | (2) Other assets | | X |
| b | Other transactions | | |
| | (1) Sales of assets to a noncharitable exempt organization | | X |
| | (2) Purchases of assets from a noncharitable exempt organization | | X |
| | (3) Rental of facilities, equipment, or other assets | | X |
| | (4) Reimbursement arrangements | | X |
| | (5) Loans or loan guarantees | | X |
| | (6) Performance of services or membership or fundraising solicitations | | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | | 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		12/23/11 Date	
Paid Preparer Use Only	Print/Type preparer's name PAUL A PODRID		Preparer's signature 	
	Firm's name ▶ MORGAN LEV FINANCIAL CORP		Date 12/21/11	
	Firm's address ▶ 52 HAROLD AVENUE SANTA CLARA, CA 95050		Check <input type="checkbox"/> if self-employed	
	Firm's EIN ▶		PTIN	
		Phone no (408) 554-5875		

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

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

OMB No 1545-0047

2010

Name of the organization

EUSTACE-KWAN FAMILY FOUNDATION

Employer identification number

20-2865402

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☐

501(c)() (enter number) organization

☐4947(a)(1) nonexempt charitable trust **not** treated as a private foundation☐

527 political organization

Form 990-PF

☒

501(c)(3) exempt private foundation

☐

4947(a)(1) nonexempt charitable trust treated as a private foundation

☐

501(c)(3) taxable private foundation

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

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

Special Rules

- ☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year. ▶ \$ _____

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

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2010)

Name of organization

Employer identification number

EUSTACE-KWAN FAMILY FOUNDATION

20-2865402

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ROBERT EUSTACE AND KATHY KWAN 205 HANNA WAY MENLO PARK, CA 94025	\$ 1,735,300.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Employer identification number

20-2865402

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	2,772 GOOGLE	\$ 1,735,300.	11/04/10
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
2772 GOOGLE	DONATED	02/20/03	11/04/10

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,739,022.	1,735,300.	0.	0.	3,722.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
51,600.114 DFA TA US CORE EQ 2	PURCHASED	01/22/08	12/14/10

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
453,000.	426,220.	0.	0.	26,780.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
8082.398 DFA INTL CORE EQ	PURCHASED	11/10/06	06/02/11

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
95,000.	101,603.	0.	0.	<6,603.>

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD	
21,236.624 DFA TA US CORE EQ 2	PURCHASED	01/22/08	06/02/11	
(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
200,000.	175,416.	0.	0.	24,584.
CAPITAL GAINS DIVIDENDS FROM PART IV				60,797.
TOTAL TO FORM 990-PF, PART I, LINE 6A				109,280.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	2
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DFA EMERGING MARKETS CORE	20,253.	0.	20,253.
DFA FIVE YEAR GLOBAL FIXED	113,332.	30,648.	82,684.
DFA INTERNATIONAL CORE	69,724.	0.	69,724.
DFA INTL REAL ESTATE	48,087.	0.	48,087.
DFA REAL ESTATE	12,359.	0.	12,359.
DFA TA US CORE	98,568.	0.	98,568.
DFA TWO YEAR GLOBAL FIXED	17,299.	2,364.	14,935.
JEFFERIES TR/J COMM	4,254.	0.	4,254.
MISC	1.	0.	1.
PIMCO COMMODITY REAL	150,862.	0.	150,862.
PIMCO DIVERSIFIED INCOME	121,431.	239.	121,192.
PIMCO TOTAL RETURN	158,054.	27,546.	130,508.
SCHWAB MM FUND (1541)	32.	0.	32.
SCHWAB MM FUND (4113)	11.	0.	11.
TOTAL TO FM 990-PF, PART I, LN 4	814,267.	60,797.	753,470.

FORM 990-PF	ACCOUNTING FEES			STATEMENT	3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
TAX PREP - MORGAN LEV FINANCIAL	2,950.	0.		2,950.	
AUDIT - DELUCCHI, HAWN	13,975.	0.		13,975.	
TO FORM 990-PF, PG 1, LN 16B	16,925.	0.		16,925.	

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ASSET MANAGEMENT FEES - FOUNDERS FINANCIAL NETWORK	25,148.	25,148.		0.	
TO FORM 990-PF, PG 1, LN 16C	25,148.	25,148.		0.	

FORM 990-PF	TAXES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ESTIMATED TAXES	11,601.	0.		0.	
TO FORM 990-PF, PG 1, LN 18	11,601.	0.		0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
CA FILING/REGISTRATION FEES	180.	0.		180.	
WIRE FEES	50.	0.		50.	
TOTAL TO FORM 990-PF, PG 1, LN 23	230.	0.		230.	

FORM 990-PF	OTHER INVESTMENTS		STATEMENT	7
DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE	
MUTUAL FUNDS/ETFS	COST	19,643,773.	19,666,372.	
TOTAL TO FORM 990-PF, PART II, LINE 13		19,643,773.	19,666,372.	

FORM 990-PF	PART XV - LINE 1A LIST OF FOUNDATION MANAGERS	STATEMENT	8
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NAME OF MANAGER

ROBERT A EUSTACE
KATHY A KWAN

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 9

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
ANITA BORG INSTITUTE 1501 PAGE MILL ROAD PALO ALTO, CA 94304	NONE GENERAL OPERATING EXPENSES	PUBLIC CHARITY	75,000.
GARFIELD SCHOOL (REDWOOD CITY SCHOOL DISTRICT) 3600 MIDDLEFIELD ROAD MENLO PARK, CA 94025	NONE COUNSELING SERVICES; INNOVATION GRANTS	PUBLIC CHARITY	210,000.
HEALTH CAREER CONNECTION 300 FRANK OGAWA PLAZA, STE 243 OAKLAND, CA 94612	NONE GENERAL OPERATING EXPENSES	PUBLIC CHARITY	65,000.
HIDDEN VILLA 26870 MOODY ROAD LOS ALTOS HILLS, CA 94022	NONE TAFT SCIENCE AND INTERNSHIP PROGRAMS	PUBLIC CHARITY	60,000.
LUCILLE PACKARD FOUNDATION FOR CHILDREN'S HEALTH 400 HAMILTON AVE, STE 340 PALO ALTO, CA 94301	NONE GRANTS FOR FRONT LINE RN FELLOWSHIP TEAMS	PUBLIC CHARITY	50,000.
PHILANTHROPIC VENTURES FOUNDATION 1222 PRESERVATION PARK WAY OAKLAND, CA 94612-1201	NONE GENERAL OPERATING SUPPORT	PUBLIC CHARITY	50,000.
QUESTBRIDGE PO BOX 20054 STANFORD, CA 94309	NONE AWARD PROGRAMS FOR JUNIORS AND SENIORS	PUBLIC CHARITY	50,000.
REDWOOD CITY SCHOOL DISTRICT 750 BRADFORD STREET REDWOOD CITY, CA 94063	NONE SUPPORT FOR PRINCIPALS STUDY GROUP	PUBLIC CHARITY	80,000.

SAINT FRANCIS CENTER 151 BUCKINGHAM AVENUE REDWOOD CITY, CA 94063	NONE CAPITAL EXPENDITURE FOR SCHOOL; SUPPORT FOR K-5 STUDENTS	PUBLIC CHARITY	110,000.
SELBY LANE SCHOOL 170 SELBY LANE ATHERTON, CA 94027	NONE SUPPORT PRINCIPAL LEADERSHIP PILOT PROGRAM	PUBLIC CHARITY	25,000.
THE GIRLS' MIDDLE SCHOOL 180 N RENGSTORFF AVENUE MOUNTAIN VIEW, CA 94043	NONE SCHOLARSHIP FUND	PUBLIC CHARITY	60,000.
UC BERKELEY SCHOOL OF PUBLIC HEALTH 50 UNIVERSITY HALL BERKELEY, CA 94720	NONE CENTER OF LEADERSHIP/CAREER DEVELOPMENT; FELLOWSHIPS	PUBLIC CHARITY	310,000.
UCF RESEARCH FOUNDATION 12424 RESEARCH PARKWAY, STE 250 ORLANDO, FL 32826	NONE SUPPORT FOR COMPUTER PROGRAMMING TEAM	PUBLIC CHARITY	260,000.
UCSF FOUNDATION 220 MONTGOMERY ST, 5TH FL SAN FRANCISCO, CA 94143	NONE GLOBAL HEALTH SCIENCES LEADERSHIP PROGRAM	PUBLIC CHARITY	75,000.
WOMEN'S INITIATIVE FOR SELF EMPLOYMENT 1398 VALENCIA STREET SAN FRANCISCO, CA 94110	NONE SUPPORT FOR REDWOOD CITY PROGRAM	PUBLIC CHARITY	50,000.
UC BERKELEY FOUNDATION 2080 ADDISON STREET, #4200 BERKELEY, CA 94720	NONE SUPPORT FOR WOMEN IN SCIENCE AND ENGINEERING; STEM PROGRAM	PUBLIC CHARITY	125,000.
CAMERON HOUSE 920 SACRAMENTO STREET SAN FRANCISCO, CA 94108	NONE CANCER AND NUTRITION SUPPORT; LEADERSHIP DEVELOPMENT	PUBLIC CHARITY	60,000.
AIM HIGH 2030 HARRISON STREET SAN FRANCISCO, CA 94110	NONE CAPITAL CAMPAIGN FOR REDWOOD CITY SITE	PUBLIC CHARITY	50,000.

SEQUOIA HIGH SCHOOL EDUCATION FOUNDATION 1201 BREWSTER AVENUE REDWOOD CITY, CA 94062	NONE FUNDING FOR TEAM ASCENT	PUBLIC CHARITY	39,500.
MENLO PARK CITY SCHOOL DISTRICT 181 ENCINAL AVENUE AHERTON, CA 94027	NONE TINSLEY STUDENT ENRICHMENT AND INNOVATION GRANTS	PUBLIC CHARITY	75,000.
JOB TRAIN INC 1200 O'BRIEN DRIVE MENLO PARK, CA 94025	NONE JOB TRAINING AND PLACEMENT; CAREER COUNSELING	PUBLIC CHARITY	50,000.
HANDS ON BAY AREA 135 BLUXOME STREET SAN FRANCISCO, CA 94107	NONE LIFT PROGRAM AND ASSIST WITH PROJECT COSTS	PUBLIC CHARITY	50,000.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

1,979,500.
