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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

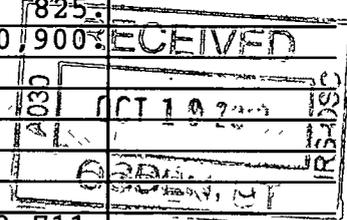
Note. The foundation may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2010, or tax year beginning **DEC 1, 2010**, and ending **NOV 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 ADRIAN FAMILY FOUNDATION C/O DONALD J. ADRIAN		A Employer identification number 33-0783199
Number and street (or P O box number if mail is not delivered to street address) 287 LA COSTA AVE	Room/suite	B Telephone number 760-942-9408
City or town, state, and ZIP code ENCINITAS, CA 92024-1110		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) \$ 3,538,350. (Part I, column (d) must be on cash basis)	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"/>
		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 <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small>		(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		1,000.			
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		825.	825.	825.	
4 Dividends and interest from securities		80,900.	80,900.	80,900.	
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		3,711.			
b Gross sales price for all assets on line 6a	418,617.				
7 Capital gain net income (from Part IV, line 2)			3,711.		
8 Net short-term capital gain				3,711.	
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income		38,772.	0.	38,772.	
12 Total. Add lines 1 through 11		125,208.	85,436.	124,208.	
13 Compensation of officers, directors, trustees, etc		0.	0.	0.	0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees					
b Accounting fees	STMT 2	3,765.	1,694.	0.	2,071.
c Other professional fees	STMT 3	47,942.	0.	0.	47,942.
17 Interest					
18 Taxes	STMT 4	35.	0.	0.	35.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings		25,945.	0.	0.	25,945.
22 Printing and publications					
23 Other expenses	STMT 5	7,722.	0.	0.	7,722.
24 Total operating and administrative expenses. Add lines 13 through 23		85,409.	1,694.	0.	83,715.
25 Contributions, gifts, grants paid		0.			0.
26 Total expenses and disbursements. Add lines 24 and 25		85,409.	1,694.	0.	83,715.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		39,799.			
b Net investment income (if negative, enter -0-)			83,742.		
c Adjusted net income (if negative, enter -0-)				124,208.	



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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		
Assets	1	Cash - non-interest-bearing		22,607.	9,577.	9,577.
	2	Savings and temporary cash investments		1,424,045.	322,203.	322,203.
	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 STMT 7		1,830,139.	1,822,571.	1,698,557.
		c Investments - corporate bonds STMT 8		400,000.	1,552,867.	1,508,013.
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 ▶)					
	16 Total assets (to be completed by all filers)		3,676,791.	3,707,218.	3,538,350.	
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 checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted		3,676,791.	3,707,218.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
	30 Total net assets or fund balances		3,676,791.	3,707,218.		
	31 Total liabilities and net assets/fund balances		3,676,791.	3,707,218.		

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	3,676,791.
2	Enter amount from Part I, line 27a	2	39,799.
3	Other increases not included in line 2 (itemize) ▶ OTHER BOOK ADJUSTMENT	3	699.
4	Add lines 1, 2, and 3	4	3,717,289.
5	Decreases not included in line 2 (itemize) ▶ PROGRAM RELATED INVESTMENTS	5	10,071.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3,707,218.

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Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a PUBLIC SECURITIES		P	VARIOUS	VARIOUS
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 418,617.		414,906.	3,711.	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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			3,711.	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)		{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7	2	3,711.
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	3,711.

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	178,757.	3,383,800.	.052827
2008	90,300.	3,256,377.	.027730
2007	120,701.	3,229,649.	.037373
2006	116,027.	3,016,149.	.038469
2005	78,907.	2,550,768.	.030935
2 Total of line 1, column (d)			.187334
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			.037467
4 Enter the net value of noncharitable-use assets for 2010 from Part X, line 5			3,757,585.
5 Multiply line 4 by line 3			140,785.
6 Enter 1% of net investment income (1% of Part I, line 27b)			837.
7 Add lines 5 and 6			141,622.
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.			93,786.

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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)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	1	1,675.
3	Add lines 1 and 2	2	0.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	3	1,675.
5	Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-	4	0.
6	Credits/Payments:	5	1,675.
6a	2010 estimated tax payments and 2009 overpayment credited to 2010	6a	18,559.
6b	Exempt foreign organizations - tax withheld at source	6b	.
6c	Tax paid with application for extension of time to file (Form 8868)	6c	
6d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	18,559.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	16,884.
11	Enter the amount of line 10 to be: Credited to 2011 estimated tax <input type="checkbox"/> 16,884. Refunded <input type="checkbox"/>	11	0.

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8a		
8b	X	
9	X	
10		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entry 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>N/A</u>	13	X	
14	The books are in care of ► <u>DONALD J. ADRIAN</u> Telephone no. ► <u>760-942-9408</u> Located at ► <u>287 LA COSTA AVE., ENCINITAS, CA</u> ZIP+4 ► <u>92024-1110</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 ► <u>15</u> <u>N/A</u>			
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 checked="" type="checkbox"/> Yes <input 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 ► <input type="checkbox"/>	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	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.) <u>N/A</u>	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.) <u>N/A</u>	3b	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2010?	4b	X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? 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)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here **N/A**

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d) **N/A**

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If "Yes" to 6b, file Form 8870.

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

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

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 9		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

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 REVOLVING LOAN FUND (RLF) PROGRAM: SEE STATEMENT A	
	22,621.
2 PRODUCT DESIGN: SEE STATEMENT A	
	14,649.
3 OAXACA: SEE STATEMENT A	
	22,361.
4 BARBED WIRE: STATEMENT A	
	10,433.

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	
SEE STATEMENT 10	10,071.
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	10,071.

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	3,765,323.
b	Average of monthly cash balances	1b	49,484.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	3,814,807.
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	3,814,807.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	57,222.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,757,585.
6	Minimum investment return. Enter 5% of line 5	6	187,879.

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

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	83,715.
b	Program-related investments - total from Part IX-B	1b	10,071.
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	93,786.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	93,786.

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

Part XIII Undistributed Income (see instructions)

N/A

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

ADRIAN FAMILY FOUNDATION

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

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

b Check box to indicate whether the foundation is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2010	(b) 2009	(c) 2008	(d) 2007	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	124,208.	65,536.	162,819.	87,150.	439,713.
b 85% of line 2a	105,577.	55,706.	138,396.	74,078.	373,756.
c Qualifying distributions from Part XII, line 4 for each year listed	93,786.	179,299.	90,300.	120,701.	484,086.
d Amounts included in line 2c not used directly for active conduct of exempt activities	0.	0.	0.	0.	0.
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	93,786.	179,299.	90,300.	120,701.	484,086.
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					0.
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0.
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	125,253.	112,793.	108,546.	107,655.	454,247.
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)					0.
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0.
(3) Largest amount of support from an exempt organization					0.
(4) Gross investment income					0.

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).)

DONALD J. ADRIAN

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

NONE

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

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

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

SEE STATEMENT 11

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment				
Recipient	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)				
<i>a Paid during the year</i>				
NONE				
Total			▶ 3a	0.
<i>b Approved for future payment</i>				
NONE				
Total			▶ 3b	0.

Adrian Family Foundation
990 PF 11/30/11
EIN: 33-0783199

PART IX - A
SUMMARY OF DIRECT CHARITABLE ACTIVITIES

Indirect costs are allocated equally to each active program (6 currently).

1. REVOLVING LOAN FUND (RLF) PROGRAM

A revolving loan program has been established in the Dominican Republic. The general program includes agroforestry training and loans to impoverished farmers for agroforestry farm development to enable them to become self-sufficient. Long term loans (6 to 10 years) are made for establishing timber and fruit trees and short term loans (about 1 -3 years) for intercrops. The farmers use the loan proceeds to purchase plants, seeds, fertilizer and other agroforestry supplies as well as for their living expenses while they are working on the farms and the crops are maturing. The loans will be repaid as the crops are harvested and sold. Some of these farmers have begun to harvest their trees and are selling their wood and beginning to repay their loans.

The farmers who are interested in the program generally live on their farm land and the soil quality is generally suitable. 8 farmers, all below the poverty level, were selected in 2001 using specific criteria and have received training in agroforestry by an agroforestry technician. The loan procedures are established and part time personnel have been contracted to operate the program. Except for two drought periods, additional farmers have been added each year. The work load per farmer is heaviest in the first couple of years, and then decreases allowing time for new farmers to be trained. A total of 61 farmers have benefited from the program. Nine of the farmers have repaid their loans and one has defaulted. Farmer's plant eucalyptus, acacia, and mahogany due to the high local demand in addition to various other trees including: bananas, coffee, orange and cacao.

The farmers generally grow a large portion of their seedlings in community nurseries established by the foundation. This significantly reduces the cost of establishing their farms.

2. PRODUCT DESIGN

The Foundation built a distiller which is used to distill oregano oil, eucalyptus oil and citronella. This is being sold in the Dominican Republic market and the proceeds used to fund foundation programs. This provides a market for farmer's oregano. We are exploring other uses for oregano oil such as protecting food supply and possible use as a natural insecticide and fungicide. Ways of packaging the oil are being explored.

A major activity during the current year was the establishment of an oregano grinding facility in a mountain community. The electrical power was supplied to a building by the community and

the grinding machine was transported to the facility. The machine was previously designed and constructed by the foundation. It is capable of grinding a single herb or a controlled mixture of several herbs. Ground oregano has a larger demand than dried leaf oregano.

The distiller required maintenance this year; also improvements were made on the water collecting capability.

3. OAXACA

The Foundation supports activities in the Mixtec Indian communities in the mountains of Oaxaca. Most of these people live at or below the poverty level and make their living by growing corn and beans for self-consumption. They often live at great distance from government and commercial services. Transportation is generally very limited.

The Foundation, using portable equipment, supplies dental care in remote areas where reaching a government clinic would require a trip of 2 or more hours. Medicines are supplied to the clinic of Santa Inez.

Materials for ecological latrines were supplied to several communities. Rural stoves were constructed in several communities so that smoke could be directed out of the home. Before, much of the cooking was done on an open fire. The stoves, by taking the smoke out of the house limit respiratory problems and eliminating the open fire minimizes children getting burned.

The Foundation sponsored the building of a community center in Loma Chimedia. A second story was added to the main building. The center has been furnished for overnight visitors so it can be used by visitors from other communities. The center is used for community meetings, women's craft and sewing activities, teaching of the Mixtec language etc. The building was constructed of bricks made by members of the community.

Major activities were completed in Loma Chimedia and plans to transition to the new village of La Union. Projects in La Union include: ecological latrines, cisterns, rural stoves, and major work on a local reservoir.

A sort of boot camp for Oaxaca was carried out primarily by the youth from the Hispanic Congregation at the Solana Beach Presbyterian Church and our foundation. This was done with cooperation of a church in Baja, California. The work included: planting trees and bible school. This is a project we will continue to support in upcoming years.

4. BARBED WIRE

Our Foundation is working with another non-profit organization to develop a project serving two needs, employment for handicapped people and barbed wire for farmers to keep animals and plant agriculture separate. Barbed wire manufacturing equipment has been modified so that operating requires only the arms. Two sizes of wire or strengths are used. The more easily bent

wire is used for the barbs. Useful selections of wire sizes were made and purchased. Plans for a workshop and trial runs in West Africa were made. Two workshops were setup and training on the machines was provided for two groups. It was hoped that an existing group would provide a useful organizational structure. The results were not satisfactory and procedures are being revised prior to further trials. Plans for a workshop and trial runs in West Africa were made.

This year we saw the completion of training and maintenance visits to the 4 workshops that were established last year. We have made 3 trips so far this year. Each trip requires approximately one week, and covers a distance of about 900 miles. Because of the drought in the Sahel region last year, the market for barbed wire was depressed. This has a direct impact on the demand for barbed wire, and thus the success of each workshop. Loan payments have been delayed as a result, but should start up this month. Also because of the drought, one of the workshops may be forced to close. Our agent is presently in the field investigating whether we will need to cancel that contract and find another entrepreneur who can take over that machine. Activities at three of the workshops have rebounded with the beginning of what looks to be a good rainy season for 2012. We anticipate that loan payments will resume as sales increase in the last quarter of this year. Brad would like to visit the project next Spring if funds and time allow.

5. BRAIN RESEARCH

This activity covers research directed towards non-pharmaceutical treatment of currently incurable diseases such as Alzheimer's and Parkinson's disease.

Part of the study involves medical library research to find low cost symptomatic treatments such as physical and speech therapy, value of exercise and avoidance of obesity. The next level of the research for possible relief of symptoms is by reprogramming the neural system. For example, implanted deep brain stimulators in the sub thalamus neurons. These devices are very expensive and we are investigating non-invasive methods such as bio-feedback and extremely low frequency electrical stimulation.

Finally we plan to investigate the stimulation of brain cells to produce natural chemicals which may be neuroprotective. Stimulus possibilities include heat and electromagnetic radiation. Experiments with rats show that exercise stimulates the production of neurotropic factors which slow degeneration and cause the growth of new neurons in the hippocampus, an area in the brain important for Alzheimer's disease. It remains to be determined if this will occur in humans. However exercise can be recommended at this time since it has been shown effective in treating depression which often accompanies neurodegenerative diseases.

Biofeedback using EEG and accelerometer signals has been experimented with to reduce tremors associated with Parkinson's disease. In cooperation with a consortium of researchers, new signal processing and display techniques have been investigated for studying tremor. The possible use of tremor data as an indicator of disease progression is also being studied. Preliminary analysis indicates that tremor frequency decreases as Parkinson's disease progresses.

We have found that massage has an effect on tremor similar to biofeedback. Both biofeedback and massage seem to produce an "alpha state" in EEG. This state is the opposite of stress or excited state which is known to promote tremor.

Experiments with a massage machine have shown little effect on tremor. This is disappointing since available machines would be much more economical than a massage therapist. The study is still continuing and other methods of obtaining the benefits of human touch will be examined.

We have found that a combination of heavy exercises (a stationary bicycle and treadmill) and biofeedback allows for the reduction of medication (and resulting side effects) for symptomatic treatment of Parkinson's disease. In one case this reduction has lasted several years but we have not yet isolated the relative contribution of exercise and biofeedback.

The individual mentioned in the last paragraph has had other ailments for the last couple of years which led to severe reduction of his exercise. His medication has had to be increased to 400 mg of levo dopa per day from an earlier 200 to 250 mg per day. Massage therapy has continued during this time. This result hints that exercise may be more important than massage (or biofeedback) in slowing symptoms.

In cooperation with another foundation, the electrical stimulation of the peripheral nervous system is being studied for reducing tremor and muscle stiffness and pain associated with neurological disorders. Long range plans include using electrical stimulation to mimic part of the effects (e.g. contracting of muscles) of exercise. This is important since persons with more advanced disease have difficulty in exercising.

FORM 990-PF	OTHER INCOME		STATEMENT	1
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	
LOAN REPAYMENT	32,535.	0.	32,535.	
OTHER INCOME	6,237.	0.	6,237.	
TOTAL TO FORM 990-PF, PART I, LINE 11	38,772.	0.	38,772.	

FORM 990-PF	ACCOUNTING FEES		STATEMENT	2
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PREPARATION OF FEDERAL AND STATE TAX RETURNS	3,765.	1,694.	0.	2,071.
TO FORM 990-PF, PG 1, LN 16B	3,765.	1,694.	0.	2,071.

FORM 990-PF	OTHER PROFESSIONAL FEES		STATEMENT	3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
COMMUNITY NURSERIES	5,330.	0.	0.	5,330.
PRODUCT DESIGN	9,608.	0.	0.	9,608.
REVOLVING LOAN FUND PROGRAM	10,611.	0.	0.	10,611.
BRAIN RESEARCH	5,760.	0.	0.	5,760.
INDIRECT	0.	0.	0.	0.
BARBED WIRE PROGRAM	5,000.	0.	0.	5,000.
OTHER CONSULTING	11,633.	0.	0.	11,633.
TO FORM 990-PF, PG 1, LN 16C	47,942.	0.	0.	47,942.

FORM 990-PF	TAXES			STATEMENT	4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
CALIFORNIA TAX/SEC OF STATE	25.	0.	0.	25.	
FRANCHISE TAX BOARD	10.	0.	0.	10.	
TO FORM 990-PF, PG 1, LN 18	35.	0.	0.	35.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
BANK CHARGES	262.	0.	0.	262.	
SUPPLIES	6,610.	0.	0.	6,610.	
OTHER EXPENSES	34.	0.	0.	34.	
MAINTENANCE	504.	0.	0.	504.	
EXCHANGE RATE ADJUSTMENT	312.	0.	0.	312.	
TO FORM 990-PF, PG 1, LN 23	7,722.	0.	0.	7,722.	

FOOTNOTES

STATEMENT 6

PART VII-B, LINE 1A

LINE 1 (A)(3) THE FOUNDATION USES, FREE OF CHARGE, OFFICE FACILITIES AND EQUIPMENT OWNED BY DONALD J.

ADRIAN, A DISQUALIFIED PERSON.

LINE 1(A)(4) THE FOUNDATION OFFICERS WERE REIMBURSED FOR FOUNDATION TRAVEL EXPENSES.

FORM 990-PF	CORPORATE STOCK	STATEMENT	7
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
1,000 SHARES AMERICA MOVIL	61,990.	22,600.
900 SHARES BIOTECH HOLDERS	138,343.	98,406.
760 SHARES CENTURY TEL	28,933.	28,272.
1,000 COUNTRY WIDE CAPITAL	25,000.	20,280.
54,712 SHARES FRANKLIN TEMPLE	138,179.	114,897.
500 SHARES JACOBS ENGINEERING	41,970.	20,307.
5,500 SHARES MEDTRONIC	209,649.	210,375.
400 SHARES PERKINELMER	20,493.	8,000.
14,500 SHARES QUALCOMM	537,950.	793,150.
11,100 SHARES SPRINT	284,370.	25,974.
1,300 SHARES STD & POORS	159,258.	163,150.
1,000 SHARES TELOFONOS	21,924.	14,440.
1,000 SHARES WALGREEN	25,744.	33,060.
12,406 SHARES WINDSTREAM	128,768.	145,646.
TOTAL TO FORM 990-PF, PART II, LINE 10B	1,822,571.	1,698,557.

FORM 990-PF	CORPORATE BONDS	STATEMENT	8
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
3,000 SHARES BK OF AMERICA CORP	309,040.	301,215.
3,000 SHARES HSBC USA INC NEW	300,000.	294,174.
2,250 SHARES ILLINOIS ST	243,827.	236,570.
6,000 SHARES ROYAL BK SCOTLAND	600,000.	576,048.
1,000 SHARES SAFRA NATL BK CD	100,000.	100,006.
TOTAL TO FORM 990-PF, PART II, LINE 10C	1,552,867.	1,508,013.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT 9
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
DONALD J. ADRIAN 287 LA COSTA AVENUE ENCINITAS, CA 92024	PRESIDENT 40.00	0.	0.	0.
NANCY ADRIAN HALL 287 LA COSTA AVENUE ENCINITAS, CA 92024	BOARD MEMBER 1.00	0.	0.	0.
DUNCAN MCCOLL 287 LA COSTA AVENUE ENCINITAS, CA 92024	BOARD MEMBER 1.00	0.	0.	0.
CRAIG RACINE 287 LA COSTA AVENUE ENCINITAS, CA 92024	BOARD MEMBER 1.00	0.	0.	0.
DAVID ADRIAN 287 LA COSTA AVENUE ENCINITAS, CA 92024	BOARD MEMBER 5.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.

FORM 990-PF	SUMMARY OF PROGRAM-RELATED INVESTMENTS	STATEMENT 10
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DESCRIPTION

REVOLVING LOAN FUND PROGRAM-LOANS TO IMPOVERISHED FARMERS FOR AGROFORESTRY AND FARM DEVELOPMENT INITIATED IN THE DOMINICAN REPUBLIC ENABLING FARMERS TO BECOME SELF SUFFICIENT.

TO FORM 990-PF, PART IX-B, LINE 1

AMOUNT

10,071.

FORM 990-PF

GRANT APPLICATION SUBMISSION INFORMATION
PART XV, LINES 2A THROUGH 2D

STATEMENT 11

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

DONALD J. ADRIAN, PRESIDENT - THE ADRIAN FOUNDATION
287 LA COSTA AVENUE
ENCINITAS, CA 920241110

TELEPHONE NUMBER

760-942-9408

FORM AND CONTENT OF APPLICATIONS

POTENTIAL GRANTEEES SHOULD SUBMIT A CLEAR LETTER DESCRIBING THE TYPE OF ACTIVITIES PERFORMED, GEOGRAPHICAL WORK AREA AND THE ORGANIZATION'S CHARITABLE STATUS.

ANY SUBMISSION DEADLINES

NO SUBMISSION DEADLINE.

RESTRICTIONS AND LIMITATIONS ON AWARDS

CURRENTLY ONLY ORGANIZATIONS PERFORMING COMMUNITY DEVELOPMENT ACTIVITIES IN THE DOMINICAN REPUBLIC OR OAXACA, MEXICO OR THE AFAR REGION OF ETHIOPIA WILL BE CONSIDERED QUALIFIED FOR POTENTIAL GRANTS. ANY GRANTEE MUST BE A PUBLIC CHARITY OF A FOREIGN CHARITY MEETING REQUIREMENTS OF REVENUE PROCEDURE 92-94. EXCEPT FOR A RELIEF FROM NATURAL DISASTERS, ANY GRANTS SOLICITED WILL OFTEN BE SMALL, E.G. \$5,000. ANY GRANT WILL BE BASED ON A SOLICITATION TO A POTENTIAL GRANTEE OR GRANTEEES.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** and check this box **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II		Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).	
Type or print File by the extended due date for filing your return. See instructions.	Name of exempt organization ADRIAN FAMILY FOUNDATION C/O DONALD J. ADRIAN		Employer identification number 33-0783199
	Number, street, and room or suite no. If a P.O. box, see instructions. 287 LA COSTA AVE		
	City, town or post office, state, and ZIP code For a foreign address, see instructions. ENCINITAS, CA 92024-1110		

Enter the Return code for the return that this application is for (file a separate application for each return) 04

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

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

DONALD J. ADRIAN

- The books are in the care of **287 LA COSTA AVE. - ENCINITAS, CA 92024-1110**
Telephone No. **760-942-9408** FAX No.
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until OCTOBER 15, 2012.

5 For calendar year _____, or other tax year beginning DEC 1, 2010, and ending NOV 30, 2011.

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

7 State in detail why you need the extension
THE TAXPAYER RESPECTFULLY REQUESTS ADDITIONAL TIME TO OBTAIN THE NECESSARY INFORMATION TO FILE A COMPLETE AND ACCURATE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a	\$ 18,559.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$ 18,559.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions.	8c	\$ 0.

Signature and Verification

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

Signature Title Date

COPY