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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2011

For calendar year 2011 or tax year beginning , and ending

Name of foundation: MARTIN & ILLIE ANDERSON FOUNDATION

A Employer identification number: 77-0440292

Number and street (or P O box number if mail is not delivered to street address): 5 RIVER PARK EAST

Room/suite:

B Telephone number (see instructions): 650-328-2862

City or town, state, and ZIP code: FRESNO CA 94720

C If exemption application is pending, check here ▶ ☐

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

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

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 2,193,638

J Accounting method ☒ Cash ☐ Accrual ☐ Other (specify) (Part I, column (d) must be on cash basis)

	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) (see instructions))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
	Revenue				
1	Contributions, gifts, grants, etc., received (attach schedule)				
2	Check ▶ ☒ if the foundation is **not** required to attach Sch. B				
3	Interest on savings and temporary cash investments	7	7		
4	Dividends and interest from securities	49,293	49,293		
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10 Stmt 1	428,050			
b	Gross sales price for all assets on line 6a 3,168,975				
7	Capital gain net income (from Part IV, line 2)		3,281		
8	Net short-term capital gain			0	
9	Income modifications				
10a	Gross sales less returns & allowances				
b	Less: Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule)				
12	**Total.** Add lines 1 through 11	477,350	52,581	0	
	Operating and Administrative Expenses				
13	Compensation of officers, directors, trustees, etc.	0			
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees (attach schedule)				
b	Accounting fees (attach schedule) Stmt 2	1,990	1,990		
c	Other professional fees (attach schedule) Stmt 3	2,272	2,272		
17	Interest				
18	Taxes (attach schedule) (see instructions) Stmt 4	60	60		
19	Depreciation (attach schedule) and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses (att. sch)				
24	**Total operating and administrative expenses.** Add lines 13 through 23	4,322	4,322	0	0
25	Contributions, gifts, grants paid	321,000			321,000
26	**Total expenses and disbursements.** Add lines 24 and 25	325,322	4,322	0	321,000
27	Subtract line 26 from line 12:				
a	**Excess of revenue over expenses and disbursements**	152,028			
b	**Net investment income** (if negative, enter -0-)		48,259		
c	**Adjusted net income** (if negative, enter -0-)			0	

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For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2011)

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Part II Balance Sheets

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

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash—non-interest-bearing			
	2	Savings and temporary cash investments	80,658	21,900	21,900
	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 (attach schedule) (see instructions)			
	7	Other notes and loans receivable (att. schedule) ▶			
		Less: allowance for doubtful accounts ▶ 0			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments—U S and state government obligations (attach schedule)			
	b	Investments—corporate stock (attach schedule) See Stmt 5	1,662,753	2,099,557	2,171,738
	c	Investments—corporate bonds (attach schedule)	100,344		
	11	Investments—land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	12	Investments—mortgage loans			
	13	Investments—other (attach schedule)	319,010		
	14	Land, buildings, and equipment basis ▶			
		Less accumulated depreciation (attach sch) ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	2,162,765	2,121,457	2,193,638
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 (attach schedule)			
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ 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	2,162,765	2,121,457	
	30	**Total net assets or fund balances** (see instructions)	2,162,765	2,121,457	
	31	**Total liabilities and net assets/fund balances** (see instructions)	2,162,765	2,121,457	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	2,162,765
2	Enter amount from Part I, line 27a	2	152,028
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	2,314,793
5	Decreases not included in line 2 (itemize) ▶ See Statement 6	5	193,336
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	2,121,457

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	CHAARLES SCHWAB			
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	3,281			3,281
b				
c				
d				
e				

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

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				3,281
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	3,281
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2010	265,441	2,531,666	0.104848
2009	306,007	2,505,688	0.122125
2008	303,338	3,703,018	0.081916
2007	75,968	2,192,230	0.034653
2006	21,332	2,470,857	0.008633

2	Total of line 1, column (d)	2	0.352175
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.070435
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	2,347,150
5	Multiply line 4 by line 3	5	165,322
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	483
7	Add lines 5 and 6	7	165,805
8	Enter qualifying distributions from Part XII, line 4	8	321,000

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: (attach copy of letter if necessary—see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☒ and enter 1% of Part I, line 27b			1	483
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)				
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)			2	0
3	Add lines 1 and 2			3	483
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)			4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-			5	483
6	Credits/Payments				
a	2011 estimated tax payments and 2010 overpayment credited to 2011	6a			
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	
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶			9	483
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 2012 estimated tax** ▶		Refunded ▶	11	

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)?	1b		X
	If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: **(1)** On the foundation ▶ $ ______ **(2)** On foundation managers ▶ $ ______			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ ______			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS?	2		X
	If "Yes," attach a detailed description of the activities			
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? N/A	5		
	If "Yes," attach the statement required by General Instruction T			
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? If "Yes," complete Part II, col (c), and Part XV	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2011 or the taxable year beginning in 2011 (see instructions for Part XIV)? If "Yes," complete Part XIV	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

Part VII-A Statements Regarding Activities (continued)

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ NONE

14 The books are in care of ▶ W. F. DOCKER Telephone no. ▶ 559-433-1300

5 RIVER PARK PLACE EAST

Located at ▶ FRESNO CA ZIP+4 ▶ 93720

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

			Yes	No
16	At any time during calendar year 2011, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2011? N/A	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 2011, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2011? ☐ Yes ☒ No If "Yes," list the years ▶ 20 , 20 , 20 , 20			
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. ▶ 20 , 20 , 20 , 20			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2011 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 2011.) N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2011? N/A	4b		

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)–(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)? N/A | 5b | |

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

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

If "Yes," attach the statement required by Regulations section 53 4945-5(d).

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | | X

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

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

b If Yes, did the foundation receive any proceeds or have any net income attributable to the transaction? N/A | 7b | |

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

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

(a) Name and address		(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
E. MARTIN ANDERSON 620 SAND HILL RD APT 422F	PALO ALTO CA 94304-2622	PRESIDENT 14.00	0	0	0
W. F. DOCKER 3 RIVER PARK PL EAST	FRESNO CA 93720	TREASURER 1.00	0	0	0
CHRISTINE DOCKER 3 RIVER PARK PL EAST	FRESNO CA 93720	SECRETARY 1.00	0	0	0

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

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

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 (see instructions). If none, enter "NONE."**

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

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments (see instructions)

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

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	2,304,739
b	Average of monthly cash balances	1b	78,154
c	Fair market value of all other assets (see instructions)	1c	0
d	**Total** (add lines 1a, b, and c)	1d	2,382,893
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	2,382,893
4	Cash deemed held for charitable activities Enter 1½% of line 3 (for greater amount, see instructions)	4	35,743
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,347,150
6	**Minimum investment return.** Enter 5% of line 5	6	117,358

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	117,358
2a	Tax on investment income for 2011 from Part VI, line 5	2a	483		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	483
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	116,875
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	116,875
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	116,875

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	321,000
b	Program-related investments—total from Part IX-B	1b	
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the.		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	321,000
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	483
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	320,517

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

Part XIII Undistributed Income (see instructions)

				(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
1		Distributable amount for 2011 from Part XI, line 7					116,875
2		Undistributed income, if any, as of the end of 2011					
	a	Enter amount for 2010 only					
	b	Total for prior years 20____ , 20____ , 20____					
3		Excess distributions carryover, if any, to 2011:					
	a	From 2006					
	b	From 2007					
	c	From 2008	119,447				
	d	From 2009	181,723				
	e	From 2010	140,332				
	f	Total of lines 3a through e		441,502			
4		Qualifying distributions for 2011 from Part XII, line 4 ▶ $ 321,000					
	a	Applied to 2010, 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 2011 distributable amount					116,875
	e	Remaining amount distributed out of corpus		204,125			
5		Excess distributions carryover applied to 2011 (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		645,627			
	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 2010 Subtract line 4a from line 2a Taxable amount—see instructions					
	f	Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012					0
7		Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)					
8		Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)					
9		**Excess distributions carryover to 2012.** Subtract lines 7 and 8 from line 6a		645,627			
10		Analysis of line 9:					
	a	Excess from 2007					
	b	Excess from 2008	119,447				
	c	Excess from 2009	181,723				
	d	Excess from 2010	140,332				
	e	Excess from 2011	204,125				

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

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2011, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon.					
a "Assets" alternative test—enter: (1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test—enter: (1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

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

NONE

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

NONE

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

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

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

N/A

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

N/A

c Any submission deadlines:

N/A

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

N/A

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
HOOVER INSTITUTION STANFORD UNIVERSITY STANFORD CA 94305				280,000
STANFORD UNIVERSITY STANFORD UNIVERSITY STANFORD CA 94305				1,000
HAWAII PACIFIC UNIVERSITY 1164 BISHOP ST, STE 200 HONOLULU HI 96813				40,000
Total			▶ 3a	321,000
b Approved for future payment N/A				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					7
4 Dividends and interest from securities					49,293
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					428,050
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue: a					
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0		0	477,350

13 Total. Add line 12, columns (b), (d), and (e) 13 477,350

(See worksheet in line 13 instructions to verify calculations)

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

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

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

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

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

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☐ No

Martin Anderson — Signature of officer or trustee

15/4/2012 — Date

PRESIDENT — Title

Paid Preparer Use Only

Print/Type preparer's name R L KERLEY	Preparer's signature R L KERLEY R L Kerley	Date 04/30/12	Check ☒ if self-employed
Firm's name ▶ ROBERT L. KERLEY, BUSINESS CONSULTANT		PTIN	P01082005
Firm's address ▶ 1221 Victoria St # 501 Honolulu, HI 96814-1431		Firm's EIN ▶	
		Phone no	808-531-3530

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77-0440292
FYE: 12/31/2011

4/30/2012 10:10 AM

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description				How Received				
Whom Sold	Date Acquired	Date Sold	Sale Price		Cost	Expense	Depreciation	Net Gain / Loss
AFLAC INC	Various	Various	$ 16,054	Purchase	$ 18,549	$	$	$ -2,495
BEST BUY INC	3/30/11	7/19/11	5,734	Purchase	5,851			-117
CISCO SYSTEMS INC	5/11/11	7/19/11	20,135	Purchase	23,092			-2,957
COCA COLA ENT	Various	7/19/11	31,835	Purchase	29,235			2,600
COVIDIEN PLC	12/10/10	7/19/11	23,243	Purchase	19,584			3,659
DIAMOND HILL LONG SHORT FD	Various	7/19/11	36,947	Purchase	31,201			5,746
EXELON CORPORATION	3/30/11	7/19/11	7,539	Purchase	7,274			265
ISHARES DJ SELECT DIV FD	Various	11/01/11	167,958	Purchase	175,207			-7,249
LEUTHOLD ASSET ALLOC	Various	7/20/11	37,543	Purchase	28,783			8,760
NATIXIS GATEWAY	Various	7/20/11	51,604	Purchase	47,640			3,964
NUVEEN TRADEWINDS INTL	12/30/10	7/26/11	1,295	Purchase	1,034			261
OIL SERVICE HOLDERS	7/19/11	9/16/11	90,796	Purchase	108,415			-17,619
OIL SERVICE HOLDERS	7/19/11	11/30/11	86,621	Purchase	108,292			-21,671
PIMCO ALL ASSET INSTL	Various	7/20/11	18,828	Purchase	13,660			5,168
PIMCO TOTAL RETURN FD	Various	7/19/11	4,806	Purchase	4,747			59
POWERSHARES QQQ TRUST	7/19/11	8/17/11	28,503	Purchase	30,997			-2,494
RS EMERGING MKTS FD	5/13/10	4/29/11	14,951	Purchase	12,539			2,412

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description			How Received					
Whom Sold	Date Acquired	Date Sold		Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
SECTOR SPDR MATERIALS FD	3/30/11	7/19/11	Purchase	$ 11,847	$ 11,979	$	$	$ -132
SEMICONDUCTOR HOLDERS TRADEPOSITARY	7/28/11	9/01/11	Purchase	78,047	87,953			-9,906
STATE STREET CORP	3/30/11	7/26/11	Purchase	12,760	13,498			-738
TEMPLETON CHINA WORLD FD	Various	7/26/11	Purchase	1,203	834			369
TEVA PHARM INDS LTD	7/28/10	7/19/11	Purchase	4,029	4,162			-133
VANGUARD HEALTH CARE	7/26/11	8/24/11	Purchase	12,751	14,269			-1,518
VAUGHAN NELSON SMALL CAP VALUE	Various	7/19/11	Purchase	119,083	104,309			14,774
AFLAC INC	6/08/06	7/19/11	Purchase	26,599	28,182			-1,583
AFLAC INC	2/07/07	7/19/11	Purchase	4,433	4,898			-465
AMERICAN FD EUROPACIFIC GWTH FD	2/11/10	Various	Purchase	200,932	144,232			56,700
AMERICAN FD EUROPACIFIC GWTH FD	2/11/10	4/29/11	Purchase	29,951	23,909			6,042
AUTO DATA PROCESSING	Various	Various	Purchase	31,723	18,727			12,996
BEST BUY INC	Various	Various	Purchase	20,241	25,749			-5,508
CHEVRON CORPORATION	12/20/96	Various	Purchase	74,198	23,341			50,857
CHURCH & DWIGHT CO INC	8/31/09	Various	Purchase	33,619	22,842			10,777
CISCO SYSTEMS INC	Various	7/19/11	Purchase	24,782	26,015			-1,233
COLGATE PALMOLIVE CO	Various	Various	Purchase	35,043	21,626			13,417

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Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description			How Received					
Whom Sold	Date Acquired	Date Sold		Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
COSTCO WHOLESALE CORP	Various	Various	Purchase	$ 42,134	$ 24,191	$	$	$ 17,943
DIAMOND HILL LONG SHORT FUND	Various	7/19/11	Purchase	54,325	45,877			8,448
EMC CORP MASS	Various	Various	Purchase	70,963	31,681			39,282
EOG RESOURCES INC	9/12/08	Various	Purchase	30,909	27,011			3,898
EMERSON CORPORATION	6/09/06	7/20/11	Purchase	27,697	20,034			7,663
EXELONG CORPORATION	2/24/09	7/19/11	Purchase	21,539	24,368			-2,829
EXXON MOBIL CORPORATION	3/03/09	Various	Purchase	49,580	39,279			10,301
FRANKLIN RESOURCES INC	Various	Various	Purchase	31,884	23,436			8,448
GENERAL ELECTRIC CO	Various	Various	Purchase	42,269	64,514			-22,245
GILEAD SCIENCES INC	4/06/04	7/19/11	Purchase	16,627	5,717			10,910
GOOGLE INC	Various	7/19/11	Purchase	60,042	46,254			13,788
JACOBS ENGINEERING GROUP	Various	7/27/11	Purchase	38,114	33,884			4,230
JOHNSON & JOHNSON	12/13/05	3/28/11	Purchase	11,816	12,017			-201
LEUTHOLD ASSET ALLOC	Various	7/20/11	Purchase	55,879	42,841			13,038
LINEAR TECHNOLOGY CORP	Various	7/28/11	Purchase	21,639	23,253			-1,614
LOWES COMPANIES INC	Various	Various	Purchase	41,012	39,311			1,701
MCDONALDS CORP	Various	7/19/11	Purchase	28,285	9,171			19,114

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description			How Received					
Whom Sold	Date Acquired	Date Sold	Sale Price	Cost	Expense	Depreciation	Net Gain / Loss	
MICROSOFT CORP	Various	Various	Purchase $ 39,374	$ 38,027	$	$	$ 1,347	
NATIXIS GATEWAY	Various	7/20/11	Purchase 51,398	47,450			3,948	
NEXTERA ENERGY INC	3/04/09	Various	Purchase 31,501	24,449			7,052	
NOVARTIS A G SPON ADR	Various	Various	Purchase 45,669	40,796			4,873	
NUVEEN TRADEWINDS INTL	Various	Various	Purchase 113,879	90,497			23,382	
PEPSICO INCORPORATED	Various	Various	Purchase 51,360	43,613			7,747	
PIMCO ALL ASSET INSTL	Various	7/20/11	Purchase 115,033	97,152			17,881	
PIMCO TOTAL RETURN FD	Various	7/19/11	Purchase 96,258	95,606			652	
PROGRESSIVE CORP OHIO	Various	Various	Purchase 30,069	27,607			2,462	
QUALCOMM INC	Various	7/19/11	Purchase 39,611	23,860			15,751	
ROCKWELL COLLINS INC	Various	Various	Purchase 29,772	24,472			5,300	
RS EMERGING MKTS FD	5/13/10	Various	Purchase 110,859	97,510			13,349	
SCHLUMBERGER LTD	Various	Various	Purchase 48,106	36,765			11,341	
SECTOR SPDR MATERIALS FD	7/24/09	7/19/11	Purchase 21,719	15,598			6,121	
STATE STREET CORP	Various	7/26/11	Purchase 29,773	31,958			-2,185	
TJX COS INC	Various	7/19/11	Purchase 30,592	22,299			8,293	
TEMPLETON CHINA WORLD FD	Various	7/26/11	Purchase 90,486	62,764			27,722	

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description Whom Sold	Date Acquired	Date Sold	How Received	Sale Price	Cost	Expense	Depreciation	Net Gain / Loss
TEVA PHARM INDS LTD	Various	7/19/11	Purchase	$ 35,550	$ 23,722	$	$	$ 11,828
TRANSOCEAN INC	Various	Various	Purchase	32,685	27,559			5,126
UNITED PARCEL SERVICE	Various	Various	Purchase	41,887	41,564			323
WELLS FARGO & CO	Various	7/19/11	Purchase	30,815	31,166			-351
WESTERN UNION COMPANY	Various	Various	Purchase	38,951	41,027			-2,076
Total				$ 3,165,694	$ 2,740,925	$ 0	$ 0	$ 424,769

Statement 2 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
R L KERLEY, BUSINESS CONSULTANT	$ 1,990	$ 1,990	$	$
Total	$ 1,990	$ 1,990	$ 0	$ 0

Statement 3 - Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
MAIN MANAGEMENT	$ 2,272	$ 2,272	$	$
Total	$ 2,272	$ 2,272	$ 0	$ 0

Statement 4 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FRANCHISE TAX BOARD CALIFORNIA	$ 10	$ 10	$	$
ATTORNEY GENERAL	50	50		
Total	$ 60	$ 60	$ 0	$ 0

Federal Statements

Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SEE ATTACHED SCHEDULE	$ 1,662,753	$ 2,099,557	Cost	$ 2,171,738
Total	$ 1,662,753	$ 2,099,557		$ 2,171,738

Form 990-PF, Part II, Line 10c - Corporate Bond Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
	$ 100,344	$	Cost	$
Total	$ 100,344	$ 0		$ 0

Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
	$ 319,010	$	Cost	$
Total	$ 319,010	$ 0		$ 0

Investment Detail (continued)

Description	*Symbol*	*Quantity*	*Price*	*Market Value*
Investments				
BANK OF HAWAII CORP	BOH	4,000.0000	44.4900	177,960.00
GUGGENHEIM EXCH TRD FD CHINA SMALL CAP ETF	HAO	3,280.0000	19.3000	63,304.00
ISHARES DJ SELECT DIV FD SELECT DIVIDEND INDEX FD	DVY	3,073.0000	53.7700	165,235.21
ISHARES MSCI BRAZIL INDX BRAZIL FREE INDEX FUND	EWZ	1,635.0000	57.3900	93,832.65
ISHARES MSCI EMRG MKT FD EMERGING MARKETS INDX FD	EEM	650.0000	37.9400	24,661.00
ISHARES S&P NORTH AM FD NORTH AMERICAN TECHNOLOGY SOFTWARE INDEX FD	IGV	2,080.0000	54.1200	112,569.60
ISHARES TR DJ US TELECOM DOW JONES U S TELECOMMUN SECTOR INDEX FUND	IYZ	2,970.0000	21 0000	62,370.00
ISHARES TRUST IBOXX $ HIGH YIELD CORP BOND FUND	HYG	1,090.0000	89.4300	97,478.70
POWERSHS QQQ TRUST SER 1	QQQ	1,555.0000	55.8300	86,815.65
RYDEX ETF TRUST S&P 500 EQUAL WT INDX FD	RSP	3,730.0000	46.2800	172,624.40
SECTOR SPDR FINCL SELECT SHARES OF BENEFICIAL INT	XLF	8,950.0000	13.0000	116,350.00
SECTOR SPDR INDL SELECT SHARES OF BENEFICIAL INT	XLI	6,975.0000	33.7500	235,406.25
SECTOR SPDR TECH SELECT SHARES OF BENEFICIAL INT	XLK	10,760.0000	25.4500	273,842.00
SPDR S&P REGIONAL BKING	KRE	3,450.0000	24.4100	84,214.50
VANGUARD HEALTH CARE	VHT	6,260.0000	61.2100	383,174.60
	Total Account Value			**2,171,738.49**

Transaction Detail

Settle Date	*Trade Date*	*Transaction*	*Description*	*Quantity*	*Price*	*Total*
Cash & Money Market Fund(s) Activity						
12/05	12/05	Cash Dividend	OIL SERVICE HOLDERS TR F DEPOSITARY RCPTS: OIH			9.63
12/05	12/05	Special Dividend	OIL SERVICE HOLDERS TR F DEPOSITARY RCPTS: OIH			50.75
12/07	12/07	Cash Dividend	ISHARES TRUST IBOXX $ HIGH YIELD CORP: HYG			598.42
12/14	12/14	Qualified Dividend	BANK OF HAWAII CORP: BOH			1,800.00

Please see "Endnotes For Your Account" section for an explanation of the endnote codes and symbols on this statement.

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Statement 6 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
MARKET UNREALIZED GAINS/LOSSES	$ 193,336
Total	$ 193,336

Form 990-PF, Part XV, Line 1a - Managers Who Contributed Over 2% or $5,000

Name of Manager		Amount
NONE	$	
Total	$	0

Form 990-PF, Part XV, Line 1b - Managers Who Own 10% or More Stock

Name of Manager		Amount
NONE	$	
Total	$	0