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: RUDI SCHULTE FAMILY FOUNDATION

A Employer identification number: 77-0452600

Number and street (or P O box number if mail is not delivered to street address): P.O. BOX 60921

Room/suite:

B Telephone number: 805-452-8114

City or town, state, and ZIP code: SANTA BARBARA, CA 93160

C If exemption application is pending, check here ▶ [ ]

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

D 1 Foreign organizations, check here ▶ [ ]

2 Foreign organizations meeting the 85% test, check here and attach computation ▶ [ ]

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

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶$ 10,302,614.

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

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

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

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	333,868.	333,868.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	48,606.			STATEMENT 1
	b Gross sales price for all assets on line 6a 1,641,169.				
	7 Capital gain net income (from Part IV, line 2)		162,923.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	1,470.	1,470.		STATEMENT 2
	12 Total Add lines 1 through 11	383,944.	498,261.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 3	5,446.	2,723.		2,723.
	b Accounting fees STMT 4	15,428.	7,714.		7,714.
	c Other professional fees STMT 5	64,708.	64,708.		0.
	17 Interest				
	18 Taxes STMT 6	12,704.	5,399.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 7	27,956.	25,673.		2,283.
	24 Total operating and administrative expenses. Add lines 13 through 23	126,242.	106,217.		12,720.
	25 Contributions, gifts, grants paid	406,570.			406,570.
	26 Total expenses and disbursements. Add lines 24 and 25	532,812.	106,217.		419,290.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-148,868.			
	b Net investment income (if negative, enter -0-)		392,044.		
	c Adjusted net income (if negative, enter -0-)			N/A	

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

		Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing	93,507.	6,580.	6,580.
	2 Savings and temporary cash investments	170,570.	235,028.	235,028.
	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	2,130.	2,970.	2,970.
	7 Other notes and loans receivable ▶ 896,049.			
	Less: allowance for doubtful accounts ▶ 0.	923,917.	896,049.	896,049.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations STMT 9	209,266.	102,633.	102,633.
	b Investments - corporate stock STMT 10	5,838,838.	5,852,897.	5,852,897.
	c Investments - corporate bonds STMT 11	213,947.	210,056.	210,056.
	11 Investments - land, buildings, and equipment basis ▶ 239,100.			
	Less accumulated depreciation ▶	239,100.	239,100.	239,100.
	12 Investments - mortgage loans			
	13 Investments - other STMT 12	2,480,313.	2,751,638.	2,751,638.
	14 Land, buildings, and equipment: basis ▶			
	Less accumulated depreciation ▶			
	15 Other assets (describe ▶ STATEMENT 13)	7,799.	5,663.	5,663.
	16 **Total assets** (to be completed by all filers)	10,179,387.	10,302,614.	10,302,614.
Liabilities	17 Accounts payable and accrued expenses		44.	
	18 Grants payable	15,000.		
	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)	15,000.	44.	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ [X] and complete lines 24 through 26 and lines 30 and 31**			
	24 Unrestricted	10,164,387.	10,302,570.	
	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			
	30 **Total net assets or fund balances**	10,164,387.	10,302,570.	
	31 **Total liabilities and net assets/fund balances**	10,179,387.	10,302,614.	

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	10,164,387.
2	Enter amount from Part I, line 27a	2	-148,868.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	287,051.
4	Add lines 1, 2, and 3	4	10,302,570.
5	Decreases not included in line 2 (itemize) ▶	5	0.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	10,302,570.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b	SEE ATTACHED STATEMENT			
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e	1,641,169.		1,478,246.	162,923.

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

	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a				
b				
c				
d				
e				162,923.

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** 162,923.

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):
If gain, also enter in Part I, line 8, column (c).
If (loss), enter -0- in Part I, line 8 **3** N/A

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

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

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

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

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

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

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2010	419,831.	8,676,720.	.048386
2009	207,162.	4,923,569.	.042076
2008	174,167.	3,064,206.	.056839
2007	200,911.	3,637,637.	.055231
2006	250,298.	3,519,904.	.071109

2	**Total** of line 1, column (d)	2	.273641
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	.054728
4	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	10,130,639.
5	Multiply line 4 by line 3	5	554,430.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	3,920.
7	Add lines 5 and 6	7	558,350.
8	Enter qualifying distributions from Part XII, line 4	8	419,290.

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	7,841.
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	7,841.
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	7,841.
6 Credits/Payments:				
a 2011 estimated tax payments and 2010 overpayment credited to 2011	6a	7,675.		
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	7,675.
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	166.
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 instructions for definition)?	1b		X
If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c Did the foundation file **Form 1120-POL** for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	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? *If "Yes," attach the statement required by General Instruction T*	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	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 ▶ N/A

14 The books are in care of ▶ PAUL SCHULTE Telephone no. ▶805-685-3052

Located at ▶P.O. BOX 60921, SANTA BARBARA, CA ZIP+4 ▶93160

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

			Yes	No
16	At any time during calendar year 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)?	1b		X
	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?	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 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 ▶ ____ , ____ , ____ , ____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.) N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ____ , ____ , ____ , ____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☒ Yes ☐ No			
b	If "Yes," did it have excess business holdings in 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.)*	3b		X
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?	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 [X] 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 [X] No

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? | 6b | | X (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 [X] No

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

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 14		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 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments

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

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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	7,900,587.
b	Average of monthly cash balances	1b	228,187.
c	Fair market value of all other assets	1c	2,156,139.
d	**Total** (add lines 1a, b, and c)	1d	10,284,913.
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	10,284,913.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	154,274.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	10,130,639.
6	**Minimum investment return.** Enter 5% of line 5	6	506,532.

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	506,532.
2a	Tax on investment income for 2011 from Part VI, line 5	2a	7,841.		
b	Income tax for 2011. (This does not include the tax from Part VI.)	2b			
c	Add lines 2a and 2b			2c	7,841.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	498,691.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	498,691.
6	Deduction from distributable amount (see instructions)			6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1			7	498,691.

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	419,290.
b	Program-related investments - total from Part IX-B	1b	0.
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the:		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	419,290.
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	419,290.

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				498,691.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years: ____, ____, ____		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010 18,948.				
f **Total** of lines 3a through e	18,948.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ $ 419,290.				
a Applied to 2010, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2011 distributable amount				419,290.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	18,948.			18,948.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2010. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				60,453.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2012** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

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

Part XV Supplementary Information (Complete this part only if the foundation had $5,000 or more in assets at any time during the year-see 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 ▶ [X] if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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				
ADOPT A STUDENT SCHOLARSHIP 4000 LA COLINA ROAD SANTA BARBARA, CA 93110		501(C)(3)	GENERAL	26,360.
ALZHEIMER'S ASSOCIATION 1528 CHAPALA STREET SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	2,000.
AMERICAN HOMELESS VETERANS 210 EAST BROAD STREET, SUITE 202 FALLS CHURCH, VA 22046		501(C)(3)	GENERAL	2,000.
ARIEL THEATRICAL, INC. 320 MAIN STREET SALINAS, CA 93901		501(C)(3)	GENERAL	2,500.
AVON BREAST CANCER WALK DONATION OFFICE, ONE AVON PLAZA RYE, NY 10580		501(C)(3)	GENERAL	2,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	406,570.
b Approved for future payment NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	333,868.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	48,606.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a OTHER INCOME			01	1,470.	
b					
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		0.		383,944.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13	383,944.

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

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

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

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee: [signature] Date: 5-14-12 Title: PRESIDENT

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
THOMAS H. BROOKS	Thomas H. Brooks	5-14-12		P00098741

Firm's name ▶ DAMITZ, BROOKS, NIGHTINGALE — Firm's EIN ▶ 77-0076647

Firm's address ▶ 200 EAST CARRILLO STREET, SUITE 202 SANTA BARBARA, CA 93101 — Phone no. 805-963-1837

123622
12-02-11

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
BISHOP GARCIA DIEGO HIGH SCHOOL 4000 LA COLINA ROAD SANTA BARBARA, CA 93110		501(C)(3)	GENERAL	3,870.
BOYS AND GIRLS CLUB 4201 LONG BEACH BOULEVARD, SUITE 101 LONG BEACH, CA 90807		501(C)(3)	GENERAL	6,500.
BSA TROOP 105 5444 HOLLISTER AVE SANTA BARBARA, CA 93111		501(C)(3)	GENERAL	3,500.
CFAITC 2300 RIVER PLAZA DRIVE SACRAMENTO, CA 95833		501(C)(3)	GENERAL	1,000.
CHALLENGED ATHLETES FOUNDATION 9591 WAPLES STREET SAN DIEGO, CA 92121		501(C)(3)	GENERAL	4,000.
COKER COLLEGE 300 EAST COLLEGE AVE HARTSVILLE, SC 29550		501(C)(3)	GENERAL	1,500.
COMMUNITY COACHING CENTER, INC. P.O. BOX 720072 SAN DIEGO, CA 92172		501(C)(3)	GENERAL	5,000.
DOS PUEBLOS LITTLE LEAGUE P.O. BOX 8245 GOLETA, CA 93118		501(C)(3)	GENERAL	2,500.
FUTURE TRADITIONS FOUNDATION 2911 LA COMBADURA SANTA BARBARA, CA 93105		501(C)(3)	GENERAL	5,000.
HEARTS ADAPTIVE RIDING PROGRAM 455 N. DOS PUEBLOS CANYON GOLETA, CA 93117		501(C)(3)	GENERAL	1,450.
Total from continuation sheets				371,710.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
HIGGINS & LANGLEY MEMORIAL AND EDUCATION 8 PELHAM RD ASHEVILLE, NC 28803		501(C)(3)	GENERAL	2,000.
HILLSIDE HOUSE 1235 VERONICA SPRINGS RD SANTA BARBARA, CA 93105		501(C)(3)	GENERAL	2,000.
HOSPICE OF SANTA BARBARA 2050 ALAMEDA PADRE SERRA, SUITE 100 SANTA BARBARA, CA 93103		501(C)(3)	GENERAL	5,000.
ISLA VISTA YOUTH PROJECTS 6842 PHELPS ROAD GOLETA, CA 93117		501(C)(3)	GENERAL	1,000.
JUNIOR LEAGUE OF SANTA BARBARA 229 EAST VICTORIA STREET SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	1,000.
JUVENILE DIABETES RESEARCH FOUNDATION 800 WEST SIXTH STREET, SUITE 450 LOS ANGELES, CA 90017		501(C)(3)	GENERAL	1,000.
KIDS & BIKES 6549 PARDALL ROAD GOLETA, CA 93117		501(C)(3)	GENERAL	2,000.
LAUREN ASHLEY HERRERA MEMORIAL FOUNDATION 242 FIR TREE PL GOLETA, CA 93117		501(C)(3)	GENERAL	1,000.
LITTLE ANGELS 909 NORTH LA CUMBRE RD SANTA BARBARA, CA 93110		501(C)(3)	GENERAL	1,000.
MESA VERDE SCHOOL 8375 ENTREKEN WAY SAN DIEGO, CA 92129		501(C)(3)	GENERAL	5,000.
Total from continuation sheets				

Part XV | Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
NATIONAL ASSOCIATION OF STATE BOATING 1500 LEESTOWN RD, SUITE 330 LEXINGTON, KY 40511		501(C)(3)	GENERAL	1,000.
NATIONAL SAFE BOATING COUNCIL P.O. BOX 509 BRISTOW, VA 20136		501(C)(3)	GENERAL	1,000.
NOTES FOR NOTES P.O. BOX 90632 SANTA BARBARA, CA 93190		501(C)(3)	GENERAL	26,000.
PAGE YOUTH CENTER 4540 HOLLISTER AVE SANTA BARBARA, CA 93110		501(C)(3)	GENERAL	2,500.
PANCAN 2141 ROSECRANS AVE, SUITE 7000 EL SEGUNDO, CA 90245		501(C)(3)	GENERAL	5,000.
PANCREATIC CANCER ACTION NETWORK 2141 ROSECRANS AVE, SUITE 7000 EL SEGUNDO, CA 90245		501(C)(3)	GENERAL	5,000.
POINT LOBOS FOUNDATION ROUTE 1, BOX 62 CARMEL, CA 93923		501(C)(3)	GENERAL	5,000.
RADY CHILDREN'S HOSPITAL 3020 CHILDREN'S WAY SAN DIEGO, CA 92123		501(C)(3)	GENERAL	6,000.
RECORDING FOR THE BLIND & DYSLEXIC 20 ROSZEL ROAD PRINCETON, NJ 08540		501(C)(3)	GENERAL	5,000.
ROAD 2A CURE 31858 CASTAIC ROAD #299 CASTAIC, CA 91310		501(C)(3)	GENERAL	2,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
SAN DIEGO HUMANE SOCIETY 5500 GAINES ST SAN DIEGO, CA 92110		501(C)(3)	GENERAL	2,000.
SAN DIEGO RESCUE MISSION P.O. BOX 80427 SAN DIEGO, CA 92138		501(C)(3)	GENERAL	5,000.
SANTA BARBARA DANCE ALLIANCE 1330 STATE STREET, SUITE 201 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	3,000.
SANTA BARBARA EDUCATION FOUNDATION 1330 STATE STREET, SUITE 203 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	6,000.
SANTA BARBARA INTERNATIONAL FILM FESTIVAL 1528 CHAPALA STREET, SUITE 203 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	740.
SANTA BARBARA RESCUE MISSION P.O. BOX 3130 SANTA BARBARA, CA 93130		501(C)(3)	GENERAL	5,000.
SANTA BARBARA YOUTH ENSEMBLE THEATRE 319-A ANACAPA STREET SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	5,500.
SANTA BARBARA YOUTH MUSIC ACADEMY 3892 STATE STREET SANTA BARBARA, CA 93105		501(C)(3)	GENERAL	3,000.
SANTA INES MISSION 1760 MISSION DRIVE, P.O. BOX 408 SOLVANG, CA 93464		501(C)(3)	GENERAL	2,000.
SDRI 2219 BATH STREET SANTA BARBARA, CA 93105		501(C)(3)	GENERAL	2,500.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
SMILE TRAIN 41 MADISON AVENUE, 28TH FLOOR NEW YORK, NY 10010		501(C)(3)	GENERAL	2,000.
SOUTH COAST RAILROAD MUSEUM 300 N. LOS CARNEROS ROAD GOLETA, CA 93117		501(C)(3)	GENERAL	1,000.
ST. JUDE CHILDREN'S RESEARCH HOSPITAL 262 DANNY THOMAS PLACE MEMPHIS, TN 38105		501(C)(3)	GENERAL	5,000.
ST. RAFAEL SCHOOL 160 SAINT JOSEPHS ST SANTA BARBARA, CA 93111		501(C)(3)	GENERAL	51,700.
ST. RAFAEL'S YOUTH MINISTRY 5444 HOLLISTER AVE SANTA BARBARA, CA 93111		501(C)(3)	GENERAL	10,000.
THE TEDDY BEAR CANCER FOUNDATION 133 E DE LA GUERRA STREET, #163 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	6,600.
TOBY KEITH FOUNDATION P.O. BOX 721856 NORMAN, OK 73070		501(C)(3)	GENERAL	2,000.
UNITY SHOPPE 1219 STATE STREET SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	1,000.
UNIVERSITY OF ARIZONA FOUNDATION 1111 N. CHERRY AVENUE, P.O. BOX 210109 TUCSON, AZ 85721		501(C)(3)	GENERAL	3,000.
VALLEY HAVEN P.O. BOX 950 SOLVANG, CA 93464		501(C)(3)	GENERAL	1,000.
Total from continuation sheets				

Part XV | Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
WESTVIEW FOUNDATION 13500 CAMINO DEL SUR SAN DIEGO, CA 92129		501(C)(3)	GENERAL	21,000.
WOUNDED WARRIOR PROJECT P.O. BOX 758517 TOPEKA, KS 66675		501(C)(3)	GENERAL	5,000.
YOUNG AMERICA'S FOUNDATION 110 ELDEN STREET HERNDON, VA 20170		501(C)(3)	GENERAL	20,000.
CHILD HELP 15757 NORTH 78TH STREET SCOTTSDALE, AZ 85260		501(C)(3)	GENERAL	2,000.
DOWN SYNDROME ASSOCIATION OF LOS ANGELES INC 16461 SHERMAN WAY, SUITE 180 VAN NUYS, CA 91406		501(C)(3)	GENERAL	1,000.
DREAM FOUNDATION 1528 CHAPALA STREET, SUITE 304 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	20,800.
ENSEMBLE THEATRE COMPANY P.O. BOX 2307 SANTA BARBARA, CA 93120		501(C)(3)	GENERAL	1,000.
EWGA 300 AVENUE OF THE CHAMPIONS, STE 140 PALM BEACH GARDENS, FL 33418		501(C)(3)	GENERAL	1,000.
GWENDOLYN STRONG FOUNDATION 27 W. ANAPAMU STREET, SUITE 177 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	2,000.
INJURED MARINE SEMPER FI FUND 825 COLLEGE BOULEVARD SUITE 102, PMB 609 OCEANSIDE, CA 92057		501(C)(3)	GENERAL	1,000.
Total from continuation sheets				

RUDI SCHULTE FAMILY FOUNDATION 77-0452600

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
L.A.U.R.A 4514 S. LONG BEACH AVENUE LOS ANGELES, CA 90058		501(C)(3)	GENERAL	1,000.
LA CUMBRE JUNIOR HIGH SCHOOL FOUNDATION 2255 MODOC ROAD SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	2,300.
PROMISES TO KIDS 9440 RUFFIN COURT, SUITE 2 SAN DIEGO, CA 92123		501(C)(3)	GENERAL	5,000.
RONALD MCDONALD HOUSE 4707 BENGAL STREET DALLAS, TX 75235		501(C)(3)	GENERAL	5,000.
SANTA BARBARA MUSEUM OF ART 1130 STATE STREET SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	2,500.
CARRIAGE AND WESTERN ART MUSEUM OF SANTA BARBARA 129 CASTILLO ST., P.O. BOX 1587 SANTA BARBARA, CA 93102		501(C)(3)	GENERAL	5,000.
PHOENIX PATRIOT FOUNDATION P.O. BOX 7082 SAN DIEGO, CA 92167		501(C)(3)	GENERAL	1,000.
STEPPING STONES OF HOPE 4000 NORTH 7TH STREET, SUITE 108 PHOENIX, AZ 85014		501(C)(3)	GENERAL	2,000.
UA SAN DIEGO CHAPTER BEACHCATS 1111 NORTH CHERRY AVENUE, P.O. BOX 210109 TUCSON, AZ 85721		501(C)(3)	GENERAL	2,000.
AMERICAN WATERCRAFT ASSOCIATION P.O. BOX 1993 ASHBURN, VA 20147		501(C)(3)	GENERAL	1,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
AYSO 19750 S. VERMONT AVE., SUITE 200 TORRENCE, CA 90502		501(C)(3)	GENERAL	500.
CALIFORNIA SURF MUSEUM 312 PIER VIEW WAY OCEANSIDE, CA 92054		501(C)(3)	GENERAL	1,000.
D.A.R.E P.O. BOX 512090 LOS ANGELES, CA 90051		501(C)(3)	GENERAL	2,000.
DEL SUR ELEMENTARY SCHOOL 15665 PASEO DEL SUR SAN DIEGO, CA 92127		501(C)(3)	GENERAL	5,000.
GOLETA VALLEY BEAUTIFUL P.O. BOX 6756 GOLETA, CA 93160		501(C)(3)	GENERAL	2,500.
HONORING OUR FALLEN 11436 SEABROOK WAY CYPRESS, CA 90630		501(C)(3)	GENERAL	1,000.
KOURT'S KREW 1260 VETERAN AVE. #318 LOS ANGELES, CA 90024		501(C)(3)	GENERAL	1,000.
MT. CARMEL HIGH SCHOOL ATHLETICS 9550 CARMEL MOUNTAIN ROAD SAN DIEGO, CA 92129		501(C)(3)	GENERAL	1,000.
NATIONAL WATER SAFETY CONGRESS P.O. BOX 1632 MENTOR, OH 44061		501(C)(3)	GENERAL	1,000.
PASSION FOR KIDS 204 N. EL CAMINO REAL, SUITE #E-736 ENCINITAS, CA 92024		501(C)(3)	GENERAL	5,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

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
SANTA BARBARA ZOO 500 NINOS DRIVE SANTA BARBARA, CA 93103		501(C)(3)	GENERAL	1,000.
SENIOR COMMUNITY CENTERS 525 14TH STREET, SUITE 200 SAN DIEGO, CA 92101		501(C)(3)	GENERAL	2,000.
SAINT RAPHAEL CATHOLIC CHURCH 5444 HOLLISTER AVENUE SANTA BARBARA, CA 93111		501(C)(3)	GENERAL	3,500.
FATHER JOE'S VILLAGE 3350 E STREET SAN DIEGO, CA 92102		501(C)(3)	GENERAL	5,000.
SANTA BARBARA YOUTH FOOTBALL LEAGUE 4540 HOLLISTER AVE SANTA BARBARA, CA 93160		501(C)(3)	GENERAL	500.
THE WAHINE PROJECT 514 12TH STREET PACIFIC GROVE, CA 93950		501(C)(3)	GENERAL	1,750.
VIETNAM VETERANS OF AMERICA P.O. BOX 4862 SANTA BARBARA, CA 93120		501(C)(3)	GENERAL	4,500.
Total from continuation sheets				

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	MORGAN STANLEY #4629 PUBLICLY TRADED SECURITIES	P	VARIOUS	12/31/11
b	MORGAN STANLEY #0303 PUBLICLY TRADED SECURITIES	P	VARIOUS	12/31/11
c	MORGAN STANLEY #0304 PUBLICLY TRADED SECURITIES	P	VARIOUS	12/31/11
d	CAPITAL GAINS DIVIDENDS			
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a	872,519.		859,742.	12,777.
b	347,198.		283,875.	63,323.
c	412,882.		334,629.	78,253.
d	8,570.			8,570.
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				12,777.
b				63,323.
c				78,253.
d				8,570.
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7; If (loss), enter "-0-" in Part I, line 7 }	2	162,923.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8	3	N/A

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

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGAN STANLEY #4629 PUBLICLY TRADED SECURITIES	PURCHASED	VARIOUS	12/31/11

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
872,519.	878,759.	153.	0.	-6,393.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGAN STANLEY #0303 PUBLICLY TRADED SECURITIES	PURCHASED	VARIOUS	12/31/11

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
347,198.	334,368.	0.	0.	12,830.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGAN STANLEY #0304 PUBLICLY TRADED SECURITIES	PURCHASED	VARIOUS	12/31/11

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
412,882.	379,283.	0.	0.	33,599.

CAPITAL GAINS DIVIDENDS FROM PART IV	8,570.
TOTAL TO FORM 990-PF, PART I, LINE 6A	48,606.

FORM 990-PF OTHER INCOME STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INCOME	1,470.	1,470.	
TOTAL TO FORM 990-PF, PART I, LINE 11	1,470.	1,470.	

FORM 990-PF LEGAL FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SCHLEY LOOK & GUTHRIE	5,446.	2,723.		2,723.
TO FM 990-PF, PG 1, LN 16A	5,446.	2,723.		2,723.

FORM 990-PF ACCOUNTING FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DAMITZ BROOKS NIGHTINGALE ET AL	15,428.	7,714.		7,714.
TO FORM 990-PF, PG 1, LN 16B	15,428.	7,714.		7,714.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	64,708.	64,708.		0.
TO FORM 990-PF, PG 1, LN 16C	64,708.	64,708.		0.

FORM 990-PF — TAXES — STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES WITHHELD	5,399.	5,399.		0.
FEDERAL EXCISE TAX	7,305.	0.		0.
TO FORM 990-PF, PG 1, LN 18	12,704.	5,399.		0.

FORM 990-PF — OTHER EXPENSES — STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INSURANCE-D&O	3,556.	1,778.		1,778.
FILING FEES	10.	0.		10.
REAL PROPERTY: MAINTENANCE	3,407.	3,407.		0.
OFFICE EXPENSE	990.	495.		495.
PARTNERSHIP PASSTHRU LOSS	7,115.	7,115.		0.
PARTNERSHIP PASSTHRU DED	857.	857.		0.
PARTNERSHIP PASSTHRU SEC 1231 LOSS	268.	268.		0.
REAL PROPERTY: TAXES	11,753.	11,753.		0.
TO FORM 990-PF, PG 1, LN 23	27,956.	25,673.		2,283.

FORM 990-PF — OTHER INCREASES IN NET ASSETS OR FUND BALANCES — STATEMENT 8

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON MARKETABLE SECURITIES	272,051.
PRIOR YEAR ACCRUAL OF GRANTS PAYABLE	15,000.
TOTAL TO FORM 990-PF, PART III, LINE 3	287,051.

FORM 990-PF U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS STATEMENT 9

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
U.S. TREASURY NOTES - SEE ATTACHED	X		102,633.	102,633.
TOTAL U.S. GOVERNMENT OBLIGATIONS			102,633.	102,633.
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			102,633.	102,633.

FORM 990-PF CORPORATE STOCK STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MS INVESTMENTS #4629 - COMMON STOCK	1,808,792.	1,808,792.
MS INVESTMENTS #0303 - COMMON STOCK	2,039,297.	2,039,297.
MS #0304 - COMMON STOCK AND MLP INVESTMENTS	2,004,808.	2,004,808.
TOTAL TO FORM 990-PF, PART II, LINE 10B	5,852,897.	5,852,897.

FORM 990-PF CORPORATE BONDS STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS - SEE ATTACHED	210,056.	210,056.
TOTAL TO FORM 990-PF, PART II, LINE 10C	210,056.	210,056.

FORM 990-PF OTHER INVESTMENTS STATEMENT 12

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS	FMV	1,729,707.	1,729,707.
PARTNERSHIP INVESTMENT - THE PINES RESORT	FMV	1,021,931.	1,021,931.
TOTAL TO FORM 990-PF, PART II, LINE 13		2,751,638.	2,751,638.

FORM 990-PF | OTHER ASSETS | STATEMENT 13

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
INCOME RECEIVABLE	7,538.	5,663.	5,663.
TAX OVERPAYMENT	261.	0.	0.
TO FORM 990-PF, PART II, LINE 15	7,799.	5,663.	5,663.

FORM 990-PF | PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS | STATEMENT 14

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
PAUL S. SCHULTE 200 E CARRILLO, STE 202 SANTA BARBARA, CA 93101	PRESIDENT 0.00	0.	0.	0.
PETER R. SCHULTE 200 E CARRILLO, STE 202 SANTA BARBARA, CA 93101	VICE PRESIDENT 0.00	0.	0.	0.
SYLVIA M. MOLONY 200 E CARRILLO, STE 202 SANTA BARBARA, CA 93101	ASSISTANT VP 0.00	0.	0.	0.
HENRY G. SCHULTE 200 E CARRILLO, STE 202 SANTA BARBARA, CA 93101	SECTRY / TRSR 0.00	0.	0.	0.
MARK M. AIJIAN 200 E CARRILLO, STE 202 SANTA BARBARA, CA 93101	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.