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Form 990-PF

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

OMB No 1545-0052

2011

Department of the Treasury Internal Revenue Service

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

For calendar year 2011, or tax year beginning 01-01-2011, and ending 12-31-2011

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

Name of foundation: SMITH-WELSH FOUNDATION CO KARL REINECKER. A Employer identification number: 95-3958030. B Telephone number: (310) 589-2701. H Check type of organization: Section 501(c)(3) exempt private foundation. I Fair market value of all assets at end of year: \$ 3,413,801. J Accounting method: Cash.

Table with 5 columns: (a) Revenue and expenses per books, (b) Net investment income, (c) Adjusted net income, (d) Disbursements for charitable purposes. Rows include Revenue (1-12) and Operating and Administrative Expenses (13-26), leading to Total expenses and disbursements of 243,505 and Excess of revenue over expenses of -181,088.

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

<b>Part II Balance Sheets</b>		Beginning of year		End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .				
	<b>2</b> Savings and temporary cash investments . . . . .	94,022	105,021	105,021	
	<b>3</b> Accounts receivable ▶ _____ Less allowance for doubtful accounts ▶ _____				
	<b>4</b> Pledges receivable ▶ _____ Less allowance for doubtful accounts ▶ _____				
	<b>5</b> Grants receivable . . . . .				
	<b>6</b> Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions) . . . . .				
	<b>7</b> Other notes and loans receivable (attach schedule) ▶ _____ Less allowance for doubtful accounts ▶ _____				
	<b>8</b> Inventories for sale or use . . . . .				
	<b>9</b> Prepaid expenses and deferred charges . . . . .				
	<b>10a</b> Investments—U S and state government obligations (attach schedule)				
	<b>b</b> Investments—corporate stock (attach schedule) . . . . .	1,999,829 <input checked="" type="checkbox"/>	1,807,742	3,308,780	
	<b>c</b> Investments—corporate bonds (attach schedule) . . . . .				
	<b>11</b> Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____				
	<b>12</b> Investments—mortgage loans . . . . .				
	<b>13</b> Investments—other (attach schedule) . . . . .				
	<b>14</b> Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____				
<b>15</b> Other assets (describe ▶ _____)					
<b>16 Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)	2,093,851	1,912,763	3,413,801		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .				
	<b>18</b> Grants payable . . . . .				
	<b>19</b> Deferred revenue . . . . .				
	<b>20</b> Loans from officers, directors, trustees, and other disqualified persons				
	<b>21</b> Mortgages and other notes payable (attach schedule) . . . . .				
	<b>22</b> Other liabilities (describe ▶ _____)				
	<b>23 Total liabilities</b> (add lines 17 through 22) . . . . .		0		
<b>Net Assets or Fund Balances</b>	<b>Foundations that follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>				
	<b>24</b> Unrestricted . . . . .				
	<b>25</b> Temporarily restricted . . . . .				
	<b>26</b> Permanently restricted . . . . .				
	<b>Foundations that do not follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 31.</b>				
	<b>27</b> Capital stock, trust principal, or current funds . . . . .	1,727,897	1,727,897		
	<b>28</b> Paid-in or capital surplus, or land, bldg, and equipment fund				
<b>29</b> Retained earnings, accumulated income, endowment, or other funds	365,954	184,866			
<b>30 Total net assets or fund balances</b> (see page 17 of the instructions) . . . . .	2,093,851	1,912,763			
<b>31 Total liabilities and net assets/fund balances</b> (see page 17 of the instructions) . . . . .	2,093,851	1,912,763			

**Part III Analysis of Changes in Net Assets or Fund Balances**

<b>1</b>	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) . . . . .	<b>1</b>	2,093,851
<b>2</b>	Enter amount from Part I, line 27a . . . . .	<b>2</b>	-181,088
<b>3</b>	Other increases not included in line 2 (itemize) ▶ _____	<b>3</b>	
<b>4</b>	Add lines 1, 2, and 3 . . . . .	<b>4</b>	1,912,763
<b>5</b>	Decreases not included in line 2 (itemize) ▶ _____	<b>5</b>	
<b>6</b>	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30 . . . . .	<b>6</b>	1,912,763

**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)
<b>1a</b>	See Additional Data Table			
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
(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)	
<b>a</b>	See Additional Data Table			
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))	
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
<b>a</b>	See Additional Data Table			
<b>b</b>				
<b>c</b>				
<b>d</b>				
<b>e</b>				
<b>2</b>	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 }	<b>2</b>	-14,521
<b>3</b>	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 pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		<b>3</b>	-13,586

**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 page 18 of 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	199,521	3,312,300	0.06024
2009	191,878	2,888,704	0.06642
2008	153,404	3,864,613	0.03970
2007	159,812	3,917,136	0.04080
2006	129,469	3,668,846	0.03529
<b>2</b>	<b>Total</b> of line 1, column (d).		<b>2</b> 0.24244
<b>3</b>	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		<b>3</b> 0.04849
<b>4</b>	Enter the net value of noncharitable-use assets for 2011 from Part X, line 5.		<b>4</b> 3,746,086
<b>5</b>	Multiply line 4 by line 3.		<b>5</b> 181,640
<b>6</b>	Enter 1% of net investment income (1% of Part I, line 27b).		<b>6</b> 237
<b>7</b>	Add lines 5 and 6.		<b>7</b> 181,877
<b>8</b>	Enter qualifying distributions from Part XII, line 4.		<b>8</b> 243,505

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 on page 18.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

Table with 11 main rows and sub-rows (a-d) for credits and payments. Includes fields for tax due, overpayment, and refunded amounts.

Part VII-A Statements Regarding Activities

Table with 10 main rows (1a-10) regarding foundation activities, including political influence, expenditures, and state reporting requirements.

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

<b>11</b> 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 page 20 of the instructions).	<b>11</b>		<b>No</b>
<b>12</b> Did the foundation acquire a direct or indirect interest in any applicable insurance contract before August 17, 2008?	<b>12</b>		<b>No</b>
<b>13</b> Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <b>N/A</b>	<b>13</b>	<b>Yes</b>	
<b>14</b> The books are in care of <b>KARL S REINECKER</b> Telephone no <b>(310) 589-2101</b> Located at <b>28925 PACIFIC COAST HWY 2ND FL MALIBU CA</b> ZIP+4 <b>90265</b>			
<b>15</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of <b>Form 1041</b> —Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year.	<b>15</b>		<input type="checkbox"/>
<b>16</b> 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?	<b>16</b>	<input type="checkbox"/>	<input type="checkbox"/>
See the instructions for exceptions and filing requirements for Form TD F 90-22.1 If "Yes", enter the name of the foreign country <b>N/A</b>			

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			Yes	No
<b>1a</b> During the year did the foundation (either directly or indirectly)				
<b>(1)</b> Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>(2)</b> Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>(3)</b> Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>(4)</b> Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>(5)</b> Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>(6)</b> Agree to pay money or property to a government official? ( <b>Exception.</b> Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>b</b> If any answer is "Yes" to 1a(1)–(6), did <b>any</b> of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/>	<b>1b</b>			<b>No</b>
<b>c</b> 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?	<b>1c</b>			<b>No</b>
<b>2</b> 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))				
<b>a</b> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <b>20___, 20___, 20___, 20___</b>				
<b>b</b> Are there any years listed in 2a for which the foundation is <b>not</b> applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to <b>all</b> years listed, answer "No" and attach statement—see page 20 of the instructions).	<b>2b</b>			<b>No</b>
<b>c</b> If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <b>20___, 20___, 20___, 20___</b>				
<b>3a</b> Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
<b>b</b> If "Yes," did it have excess business holdings in 2011 as a result of <b>(1)</b> any purchase by the foundation or disqualified persons after May 26, 1969, <b>(2)</b> 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 <b>(3)</b> the lapse of the 10-, 15-, or 20-year first phase holding period? ( <i>Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2011.</i> )	<b>3b</b>			<b>No</b>
<b>4a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	<b>4a</b>			<b>No</b>
<b>b</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?	<b>4b</b>			<b>No</b>

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

<p><b>5a</b> During the year did the foundation pay or incur any amount to</p> <p><b>(1)</b> Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>(2)</b> Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>(3)</b> Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>(4)</b> 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 page 22 of the instructions). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>(5)</b> Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>b</b> If any answer is "Yes" to 5a(1)–(5), did <b>any</b> of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 22 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/></p> <p><b>c</b> 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If "Yes," attach the statement required by Regulations section 53.4945–5(d).</i></p> <p><b>6a</b> Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>b</b> Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If "Yes" to 6b, file Form 8870.</i></p> <p><b>7a</b> At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>b</b> If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<b>5b</b>	<b>No</b>
<b>6b</b>		<b>No</b>
<b>7b</b>		<b>No</b>

**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 page 22 of the 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
JAMES WELSH 22 EMPTY SADDLE LANE ROLLING HILL ESTATE, CA 90274	C E O 0 00	0		
NANCY WELSH 22 EMPTY SADDLE LANE ROLLING HILLS ESTATE, CA 90274	C E O 0 00	0		

**2 Compensation of five highest-paid employees (other than those included on line 1—see page 23 of the 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.

**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 page 23 of the 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
<b>1</b> _____	
<b>2</b> _____	
<b>3</b> _____	
<b>4</b> _____	

**Part IX-B Summary of Program-Related Investments (see page 23 of the instructions)**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
<b>1</b> _____	
<b>2</b> _____	
<b>3</b> All other program-related investments See page 24 of the instructions _____	

**Total.** Add lines 1 through 3. . . . . ▶

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 24 of the instructions.)

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
<b>a</b>	Average monthly fair market value of securities. . . . .	<b>1a</b>	3,776,813
<b>b</b>	Average of monthly cash balances. . . . .	<b>1b</b>	26,320
<b>c</b>	Fair market value of all other assets (see page 24 of the instructions). . . . .	<b>1c</b>	0
<b>d</b>	<b>Total</b> (add lines 1a, b, and c). . . . .	<b>1d</b>	3,803,133
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation). . . . .	<b>1e</b>	0
<b>2</b>	Acquisition indebtedness applicable to line 1 assets. . . . .	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d. . . . .	<b>3</b>	3,803,133
<b>4</b>	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 25 of the instructions). . . . .	<b>4</b>	57,047
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	<b>5</b>	3,746,086
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5. . . . .	<b>6</b>	187,304

**Part XI Distributable Amount** (see page 25 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

<b>1</b>	Minimum investment return from Part X, line 6. . . . .	<b>1</b>	187,304
<b>2a</b>	Tax on investment income for 2011 from Part VI, line 5. . . . .	<b>2a</b>	237
<b>b</b>	Income tax for 2011 (This does not include the tax from Part VI ). . . . .	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b. . . . .	<b>2c</b>	237
<b>3</b>	Distributable amount before adjustments Subtract line 2c from line 1. . . . .	<b>3</b>	187,067
<b>4</b>	Recoveries of amounts treated as qualifying distributions. . . . .	<b>4</b>	
<b>5</b>	Add lines 3 and 4. . . . .	<b>5</b>	187,067
<b>6</b>	Deduction from distributable amount (see page 25 of the instructions). . . . .	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1. . . . .	<b>7</b>	187,067

**Part XII Qualifying Distributions** (see page 25 of the instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
<b>a</b>	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26. . . . .	<b>1a</b>	243,505
<b>b</b>	Program-related investments—total from Part IX-B. . . . .	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes. . . . .	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required). . . . .	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule). . . . .	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	243,505
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 26 of the instructions). . . . .	<b>5</b>	237
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4. . . . .	<b>6</b>	243,268

**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 page 26 of the instructions)

	(a) Corpus	(b) Years prior to 2010	(c) 2010	(d) 2011
<b>1</b> Distributable amount for 2011 from Part XI, line 7				187,067
<b>2</b> Undistributed income, if any, as of the end of 2011				
<b>a</b> Enter amount for 2010 only. . . . .			66,197	
<b>b</b> Total for prior years 20___, 20___, 20___				
<b>3</b> Excess distributions carryover, if any, to 2011				
<b>a</b> From 2006. . . . .				
<b>b</b> From 2007. . . . .				
<b>c</b> From 2008. . . . .				
<b>d</b> From 2009. . . . .				
<b>e</b> From 2010. . . . .				
<b>f</b> Total of lines 3a through e. . . . .				
<b>4</b> Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ <u>243,505</u>				
<b>a</b> Applied to 2010, but not more than line 2a			66,197	
<b>b</b> Applied to undistributed income of prior years (Election required—see page 26 of the instructions)				
<b>c</b> Treated as distributions out of corpus (Election required—see page 26 of the instructions). . . . .	0			
<b>d</b> Applied to 2011 distributable amount. . . . .				177,308
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2011 <i>(If an amount appears in column (d), the same amount must be shown in column (a).)</i>				
<b>6 Enter the net total of each column as indicated below:</b>				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5				
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
<b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed. . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see page 27 of the instructions . . . . .				
<b>e</b> Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount—see page 27 of the instructions . . . . .				
<b>f</b> Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2011 . . . . .				9,759
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see page 27 of the instructions). . . . .				
<b>8</b> Excess distributions carryover from 2006 not applied on line 5 or line 7 (see page 27 of the instructions). . . . .				
<b>9 Excess distributions carryover to 2012.</b> Subtract lines 7 and 8 from line 6a . . . . .				
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2007. . . . .				
<b>b</b> Excess from 2008. . . . .				
<b>c</b> Excess from 2009. . . . .				
<b>d</b> Excess from 2010. . . . .				
<b>e</b> Excess from 2011. . . . .				

Part XIV Private Operating Foundations (see page 27 of the 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 organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

Table with 5 columns: (a) 2011, (b) 2010, (c) 2009, (d) 2008, (e) Total. Rows include: 2a Enter the lesser of the adjusted net income...; b 85% of line 2a; c Qualifying distributions from Part XII...; d Amounts included in line 2c not used directly...; e Qualifying distributions made directly...; 3 Complete 3a, b, or c for the alternative test relied upon; a "Assets" alternative test; b "Endowment" alternative test; c "Support" alternative test.

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year—see page 27 of the instructions.)

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

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

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 page 28 of the 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
<b>a</b> <i>Paid during the year</i> See Additional Data Table				
<b>Total . . . . .</b>				<b>3a</b> 198,305
<b>b</b> <i>Approved for future payment</i>				
<b>Total . . . . .</b>				<b>3b</b>



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

- 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...
a Transfers from the reporting foundation to a noncharitable exempt organization of
(1) Cash.
(2) Other assets.
b Other transactions
(1) Sales of assets to a noncharitable exempt organization.
(2) Purchases of assets from a noncharitable exempt organization.
(3) Rental of facilities, equipment, or other assets.
(4) Reimbursement arrangements.
(5) Loans or loan guarantees.
(6) Performance of services or membership or fundraising solicitations.
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees.
d If the answer to any of the above is "Yes," complete the following schedule.

Table with 4 columns: (a) Line No, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

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

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

Signature of officer or trustee: \*\*\*\*\* Date: 2012-11-12 Title: \*\*\*\*\*

Preparer's information section including: Preparer's Signature (Karl S Reinecker), Date, Check if self-employed, Firm's name (KARL S REINECKER ACCTCY CORP), Firm's address (28925 PACIFIC COAST HWY, MALIBU, CA 902653922), Firm's EIN, and Phone no (310) 589-2101.

May the IRS discuss this return with the preparer shown above? See instructions Yes No

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns a - d**

<b>(a)</b> 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>(b)</b> How acquired P—Purchase D—Donation	<b>(c)</b> Date acquired (mo , day, yr )	<b>(d)</b> Date sold (mo , day, yr )
2,000 SH WELLS FARGO & CO NEW	P	2011-01-12	2011-12-20
1,000 SH WELLS FARGO & CO NEW	P	2010-04-29	2011-12-20
1,500 SH HEWLETT PACKARD	P	2010-05-27	2011-12-20
1,000 SH CISCO SYSTEMS	P	2011-01-12	2011-12-20
2,000 SH CISCO SYSTEMS	P	2010-05-27	2011-12-20
1,000 SH ANADARKO PETROLEUM	P	2000-03-03	2011-12-20
200 SH RAYTHEON	P	2000-03-15	2011-02-09
3,500 SH APPLIED MATERIAL	P	2007-11-16	2011-01-05

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns e - h**

<b>(e)</b> Gross sales price	<b>(f)</b> Depreciation allowed (or allowable)	<b>(g)</b> Cost or other basis plus expense of sale	<b>(h)</b> Gain or (loss) (e) plus (f) minus (g)
51,579		62,316	-10,737
25,790		32,789	-6,999
39,329		69,493	-30,164
18,010		20,859	-2,849
36,019		47,253	-11,234
72,473		15,048	57,425
10,113		4,152	5,961
49,146		65,070	-15,924

**Form 990PF Part IV - Capital Gains and Losses for Tax on Investment Income - Columns i - l**

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			<b>(l)</b> Gains (Col (h) gain minus col (k), but not less than -0-) <b>or</b> Losses (from col (h))
<b>(i)</b> F M V as of 12/31/69	<b>(j)</b> Adjusted basis as of 12/31/69	<b>(k)</b> Excess of col (i) over col (j), if any	
			-10,737
			-6,999
			-30,164
			-2,849
			-11,234
			57,425
			5,961
			-15,924

**Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<b>a</b> <i>Paid during the year</i>				
UNITED STATES BOBSLED AND SKELETON161 MESA AVENUE COLORADO SPRINGS,CO 80906	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN THE ATHLETIC TRAINING OF TEAM USA BOBSLED	5,000
GREENWOOD CEMETERY1011 AUBURN STREET ROCKFORD,IL 61103	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN CEMETARY CONSERVATION	5,000
WESTERN RIVERS CONSERVANCY 71 SW OAK ST PORTLAND,OR 97204	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN RIVER CONSERVATION	10,000
SUN VALLEY SYMPHONY P O BOX 1914 SUN VALLEY,ID 83353	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN ACCESSIBILITY OF MUSIC	5,000
THE COMMUNITY LIBRARY415 SPRUCE AVENUE N BOX 2168 KETCHUM,ID 83340	NONE	PUBLIC CH	PROVIDE FUNDS TO SUPPORT ACCESS AND UPKEEP OF THE LIBRARY	2,000
VIRGIN ISLAND SEARCH AND RESCUE P O BOX 3042 ROAD TOWN,TORTOLA VI	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN SEARCH AND RESCUE OPERATIONS	1,000
FRIENDS OF PALOS VERDES LIBRARY701 SILVER SPUR ROAD ROLLING HILLS ESTATE,CA 90274	NONE	PUBLIC CH	PROVIDE FUNDS TO SUPPORT ACCESS AND UPKEEP OF THE LIBRARY	1,000
PALOS VERDES PENINSULA LAND CO916 SILVER SPUR ROAD 207 ROLLING HILLS ESTATE,CA 90274	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN LAND CONSERVATION	5,000
LOS ANGELES BIO MED FOUNDATION1124 WEST CARSON ST TORRANCE,CA 90502	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN MEDICAL RESEARCH	5,000
AMERICAN INST FOR CANCER RES 1759 R STREET NW WASHINGTON,DC 20009	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN CANCER RESEARCH	2,000
SAN PEDRO PENINSULA YMCA301 SOUTH BANDINI ST SAN PEDRO,CA 90731	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN COMMUNITY DEVELOPMENT	5,000
LAS CANDALISTAS P O BOX 3655 PALOS VERDES PEN,CA 90274	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN THE BENEFIT OF CHILDREN AND THE ENVIRONMENT	2,000
PROVIDENCE TRINITYCARE HOSPICE2601 AIRPORT DRIVE SUITE 230 TORRANCE,CA 90505	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN HOSPICE CARE	5,000
PALOS VERDES ART CENTER5504 W CRESTRIDGE ROAD RANCHO PALOS VERDES,CA 90275	NONE	PUBLIC CH	PROVIDE FUNDS TO SUPPORT THE ARTS	50,000
NATURAL HISTORY MUSEUM900 EXPOSITION BLVD LOS ANGELES,CA 90007	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN SUPPORTING THE MUSEUM	48,000
KCET4401 SUNSET BLVD LOS ANGELES,CA 90027	NONE	PUBLIC CH	PROVIDE FUNDS TO SUPPORT PUBLIC RADIO	5,305
NORRIS CENTER FOR THE PERFORM27570 CROSSFIELD DR ROLLING HILLS ESTATES,CA 90274	NONE	PUBLIC CH	PROVIDE FUNDS TO SUPPORT THE PERFORMING ARTS	5,000
WELLNESS COMMUNITY109 WEST TORRANCE BLVD REDONDO BEACH,CA 90277	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN CANCER RESEARCH AND SUPPORT	5,000
VOLUNTEER CENTER SB1230 CRAVENS AVE TORRANCE,CA 90501	NONE	PUBLIC CH	PROVIDE FUNDS TO SUPPORT COMMUNITY SERVICES	2,000
FRIENDS OF CABRILLO MARINE 3720 STEPHEN WHITE DRIVE SAN PEDRO,CA 90731	NONE	PUBLIC CH	PROVIDE FUNDS FOR AIDING THE OPERATIONS OF THE AQUARIUM	15,000
PENINSULA SYMPHONY P O BOX 2602 PALOS VERDES PENINSULA,CA 90274	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN ACCESSIBILITY OF MUSIC	1,000
PROJECT MEXICO2 JOHNS CANYON ROAD ROLLING HILLS,CA 90274	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN BUILDING HOMES FOR THE POOR	2,000
FRIENDS OF BANNING MUSEUM401 EAST M STREET WILMINGTON,CA 90744	NONE	PUBLIC CH	PROVIDE FUNDS TO AID IN EDUCATION AND PRESERVATION	2,000
DANA HALL SCHOOL45 DANA ROAD PO BOX 9010 WELLESLEY,MA 02482	NONE	PUBLIC CH	PROVIDE FUNDS FOR EDUCATION	5,000
BLIND CHILDREN'S CENTER4120 MARATHON STREET LOS ANGELES,CA 90029	NONE	PUBLIC CH	PROVIDE FUNDS FOR AIDING BLIND CHILDREN	5,000
<b>Total . . . . .</b>				198,305

## TY 2011 Accounting Fees Schedule

**Name:** SMITH-WELSH FOUNDATION  
CO KARL REINECKER

**EIN:** 95-3958030

**Software ID:** 11000144

**Software Version:** 2011v1.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING FEES	5,225	5,225	0	5,225

## TY 2011 General Explanation Attachment

**Name:** SMITH-WELSH FOUNDATION  
 CO KARL REINECKER

**EIN:** 95-3958030

**Software ID:** 11000144

**Software Version:** 2011v1.2

Identifier	Return Reference	Explanation
		OTHER INCOME OF \$8,000 REPRESENTS CHECKS ISSUED TO CHARITIES FROM PRIOR YEARS THAT WERE NO RECEIVED OR CASHED BY THE RESPECTIVE CHARITY

## TY 2011 Investments Corporate Stock Schedule

**Name:** SMITH-WELSH FOUNDATION  
CO KARL REINECKER

**EIN:** 95-3958030

**Software ID:** 11000144

**Software Version:** 2011v1.2

Name of Stock	End of Year Book Value	End of Year Fair Market Value
WELLS FARGO & CO NEW		
S & P US PFD STK INDEX FD	98,975	89,050
KIMBERLY CLARK	60,900	73,560
ISHARES TR RUSSELL 2000	36,719	36,875
INTL BUSINESS MACHINES	63,750	91,940
HEWLETT PACKARD		
CISCO SYSTEMS	41,718	36,160
APPLE INC	131,614	202,500
TECK RESOURCES (FKA COMINCO)	64,005	52,785
APPLIED MATERIAL		
NESTLE S A	69,883	137,061
GOLDCORP	122,163	188,062
DISNEY	49,985	56,250
DEVON ENERGY	92,800	93,000
BARICK GOLD	130,357	221,273
COSTCO	68,065	166,640
CHEVRON	47,798	163,856
SCHLUMBERGER	88,386	163,944
RAYTHEON	87,186	203,196
PROCTOR & GAMBLE	75,764	173,446
BAKER HUGHES	64,545	82,688
ANADARKO PETROLEUM	62,810	305,320
ALLSTATE	91,410	134,309
CONOCOPHILLIPS	50,037	182,175
EMERSON ELECTRIC	85,174	139,770
HALLIBURTON	90,140	241,570
BOEING	33,558	73,350

## TY 2011 Legal Fees Schedule

**Name:** SMITH-WELSH FOUNDATION  
CO KARL REINECKER

**EIN:** 95-3958030

**Software ID:** 11000144

**Software Version:** 2011v1.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL FEES	835	835	0	835

## TY 2011 Other Expenses Schedule

**Name:** SMITH-WELSH FOUNDATION  
 CO KARL REINECKER

**EIN:** 95-3958030

**Software ID:** 11000144

**Software Version:** 2011v1.2

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BANK FEES	196	196		196

## TY 2011 Other Income Schedule

**Name:** SMITH-WELSH FOUNDATION  
 CO KARL REINECKER

**EIN:** 95-3958030

**Software ID:** 11000144

**Software Version:** 2011v1.2

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
ADJUST FOR VOIDED CONTRIB	8,000		

## TY 2011 Other Professional Fees Schedule

**Name:** SMITH-WELSH FOUNDATION  
 CO KARL REINECKER

**EIN:** 95-3958030

**Software ID:** 11000144

**Software Version:** 2011v1.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
BROKER MANAGEMENT FEES	37,376	37,376	0	37,376

# TY 2011 Taxes Schedule

**Name:** SMITH-WELSH FOUNDATION  
 CO KARL REINECKER

**EIN:** 95-3958030

**Software ID:** 11000144

**Software Version:** 2011v1.2

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
SECRETARY OF STATE	44	44		44
FOREIGN TAXES WITHHELD	1,524	1,524		1,524

## Additional Data

**Software ID:** 11000144

**Software Version:** 2011v1.2

**EIN:** 95-3958030

**Name:** SMITH-WELSH FOUNDATION  
CO KARL REINECKER

### Form 990PF - Special Condition Description:

**Special Condition Description**