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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end of year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
A S S E T S	1	Cash — non-interest-bearing		8,305.	2,709.	2,709.
	2	Savings and temporary cash investments		34,716.	84,957.	84,957.
	3	Accounts receivable				
		Less allowance for doubtful accounts				
	4	Pledges receivable				
		Less allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach sch)				
		Less allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10 a	Investments — U.S. and state government obligations (attach schedule)		1,214,834.	2,710,458.	2,710,458.
		b Investments — corporate stock (attach schedule)				
		c Investments — corporate bonds (attach schedule)				
	11	Investments — land, buildings, and equipment basis				
	Less accumulated depreciation (attach schedule)		623,235.			
12	Investments — mortgage loans					
13	Investments — other (attach schedule)					
14	Land, buildings, and equipment basis					
	Less accumulated depreciation (attach schedule)					
15	Other assets (describe SEE STATEMENT 4)		237.	237.	237.	
16	Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)		1,881,327.	2,798,361.	2,798,361.	
L I A B I L I T I E S	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe)		13,587.		
	23	Total liabilities (add lines 17 through 22)		13,587.	0.	
F U N D A S S E T A N C E S	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.		<input checked="" type="checkbox"/>			
	24	Unrestricted		1,867,740.	2,798,361.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.		<input type="checkbox"/>			
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see instructions)		1,867,740.	2,798,361.		
31	Total liabilities and net assets/fund balances (see instructions)		1,881,327.	2,798,361.		

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	1,867,740.
2	Enter amount from Part I, line 27a	2	930,621.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	2,798,361.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	2,798,361.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a 505 GENERAL ELECTRIC CAP 6% CORTS	P	10/01/10	5/10/11
b 495 GENERAL ELECTRIC CAP 6% CORTS	P	10/04/10	5/10/11
c KELTON PLAZA APARTMENTS	P	1/01/97	4/01/11
d KELTON PLAZA EQUIPMENT	P	10/15/97	4/01/11
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 12,625.		12,872.	-247.
b 12,375.		12,626.	-251.
c 1,479,100.	438,384.	1,039,795.	877,689.
d 195,900.	111,535.	135,592.	171,843.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			-247.
b			-251.
c			877,689.
d			171,843.
e			

2 Capital gain net income or (net capital loss). [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]	2	1,049,034.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6). [If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8]	3	-498.

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

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

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

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No
 If 'Yes,' the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see the instructions before making any entries			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010	136,735.	1,846,734.	0.074042
2009	125,993.	1,942,827.	0.064850
2008	110,864.	1,270,436.	0.087265
2007	143,641.	1,283,207.	0.111939
2006	134,625.	1,361,782.	0.098859
2 Total of line 1, column (d)			0.436955
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			0.087391
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5			2,286,839.
5 Multiply line 4 by line 3			199,849.
6 Enter 1% of net investment income (1% of Part I, line 27b)			10,960.
7 Add lines 5 and 6			210,809.
8 Enter qualifying distributions from Part XII, line 4			165,360.

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)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b		1	21,920.
c All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	21,920.
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	21,920.
6 Credits/Payments			
a 2011 estimated tax prmts and 2010 overpayment credited to 2011	6a	21,465.	
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	1,000.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7		22,465.
8 Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9		0.
10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		545.
11 Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> 0. Refunded <input type="checkbox"/>	11		545.

Part VII-A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>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</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ 0. (2) On foundation managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T.</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a 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 <i>General Instruction G</i> ? <i>If 'No,' attach explanation</i>	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)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled 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? Website address ▶ N/A	13	X	
14	The books are in care of ▶ <u>DAVID KELTON</u> Telephone no ▶ <u>310-396-4514</u> Located at ▶ <u>2716 OCEAN PARK BL #3006 SANTA MONICA CA</u> ZIP + 4 ▶ <u>90405-5299</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A ▶ <input type="checkbox"/> N/A			
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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country ▶	16	Yes	No
				X

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

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

		Yes	No
1a	During the year did the foundation (either directly or indirectly)		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	N/A
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years ▶ 20__ , 20__ , 20__ , 20__		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see instructions.)	2b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ▶ 20__ , 20__ , 20__ , 20__		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	N/A
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

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

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

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

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

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

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

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

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Yes No

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? Yes No

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d) N/A

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

If 'Yes' to 6b, file Form 8870

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

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

	5b	N/A
	6b	X
	7b	N/A

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
DAVID KELTON 2716 OCEAN PARK BLVD #3006 SANTA MONICA, CA 90405-5299	PRESIDENT/DI 1.00	0.	0.	0.
RICHARD KELTON 2716 OCEAN PARK BLVD #3006 SANTA MONICA, CA 90405-5299	V PRE/SEC/DI 1.00	0.	0.	0.

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

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

Total number of other employees paid over \$50,000 ▶ 0

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services		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 NOT AN OPERATING FOUNDATION	

2	

3	

4	

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

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

2		

All other program-related investments See instructions		
3		

Total. Add lines 1 through 3		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	2,221,417.
b Average of monthly cash balances	1b	100,010.
c Fair market value of all other assets (see instructions)	1c	237.
d Total (add lines 1a, b, and c)	1d	2,321,664.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	2,321,664.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	34,825.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,286,839.
6 Minimum investment return. Enter 5% of line 5	6	114,342.

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	114,342.
2a Tax on investment income for 2011 from Part VI, line 5	2a	21,920.	
b Income tax for 2011. (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b	2c	21,920.	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	92,422.	
4 Recoveries of amounts treated as qualifying distributions	4		
5 Add lines 3 and 4	5	92,422.	
6 Deduction from distributable amount (see instructions)	6		
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	92,422.	

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	165,360.
b Program-related investments — total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	165,360.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	165,360.

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				92,422.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			0.	
b Total for prior years 20___, 20___, 20___		0.		
3 Excess distributions carryover, if any, to 2011:				
a From 2006	68,342.			
b From 2007	81,126.			
c From 2008	49,366.			
d From 2009	30,261.			
e From 2010	45,840.			
f Total of lines 3a through e	274,935.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 165,360.				
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				92,422.
e Remaining amount distributed out of corpus	72,938.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	347,873.			
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 instructions			0.	
f Undistributed income for 2011. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2012				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2006 not applied on line 5 or line 7 (see instructions)	68,342.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	279,531.			
10 Analysis of line 9				
a Excess from 2007	81,126.			
b Excess from 2008	49,366.			
c Excess from 2009	30,261.			
d Excess from 2010	45,840.			
e Excess from 2011	72,938.			

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

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

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))
 NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
 NONE

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

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

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

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 SEE STATEMENT 5				
Total				▶ 3a 142,828.
b Approved for future payment				
Total				▶ 3b

KELTON FUND, INC

95-6092356

STATEMENT 1
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
G SCOTT LITTELL	\$ 2,750.	\$ 1,375.	\$ 1,375.	\$ 1,375.
TOTAL	<u>\$ 2,750.</u>	<u>\$ 1,375.</u>	<u>\$ 1,375.</u>	<u>\$ 1,375.</u>

STATEMENT 2
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FRANCHISE TAX BOARD	\$ 10.			\$ 10.
UNITED STATES TREASURY	21,147.			21,147.
TOTAL	<u>\$ 21,157.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 21,157.</u>

STATEMENT 3
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEES	\$ 107.	\$ 107.		
RENTAL EXPENSES			\$ 118,658.	
RENTAL EXPENSES	118,558.	118,558.		
TOTAL	<u>\$ 118,665.</u>	<u>\$ 118,665.</u>	<u>\$ 118,658.</u>	<u>\$ 0.</u>

STATEMENT 4
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

	BOOK VALUE	FAIR MARKET VALUE
ORGANIZATION EXPENSE	\$ 237.	
ORGANIZATION EXPENSE		\$ 237.
TOTAL	<u>\$ 237.</u>	<u>\$ 237.</u>

KELTON FUND, INC

95-6092356

**STATEMENT 5
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR**

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
ALSC/OPERATION SCHOOL BELL 1370 N ST. ANDREWS PL HOLLYWOOD, CA 90028	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	\$ 5,000.
AMERICAN CANCER SOCIETY PO BOX 79099 LOS ANGELES, CA 90079-0099	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	200.
AMERICAN HEART ASSOCIATION PO BOX 78851 PHOENIX, AZ 85062-8851	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	200.
AMERICAN RED CROSS 20929 VENTURA BLVD STE 47-120 WOODLAND HILLS, CA 91364-2334	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	200.
ANGELES CHORALE 5151 STATE UNIVERSITY DR LOS ANGELES, CA 90032	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	1,000.
ARTS HIGH FOUNDATION 1149 SOUTH HILL ST STE H-100 LOS ANGELES, CA 90015	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	1,000.
C G JUNG INSTITUTE OF LOS ANGELES 10349 W PICO BLVD LOS ANGELES, CA 90064	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	100.
CCFA 1640 S SEPULVEDA BLVD STE 214 LOS ANGELES, CA 90025	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,500.
CENTER THEATRE GROUP 601 W TEMPLE ST LOS ANGELES, CA 90012	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	20,000.
CHILDREN'S WISH FOUNDATION INTERNATIONAL 8615 ROSWELL ROAD ATLANTA, GA 30350-1822	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	200.
CORAL TREE ENDOWMENT FUND 149 S BARRINGTON AVE #194 LOS ANGELES, CA 90049	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	500.

KELTON FUND, INC

95-6092356

STATEMENT 5 (CONTINUED)
 FORM 990-PF, PART XV, LINE 3A
 RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
DISCOVERY EYE FOUNDATION 8733 BEVERLY BLVD STE 201 LOS ANGELES, CA 90048	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	\$ 2,500.
FACTS EDUCATION FUND 3982 S FIGUEROA ST #210 LOS ANGELES, CA 90037	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	1,600.
GEFFEN PLAYHOUSE 10886 LE CONTE AVE LOS ANGELES, CA 90024-8986	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	1,000.
HEAL THE BAY 1444 9TH ST SANTA MONICA, CA 90401	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	100.
JOHN WAYNE CANCER INSTITUTE 2200 SANTA MONICA BLVD SANTA MONICA, CA 90404	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	3,000.
JUVENILE DIABETES RESEARCH FOUNDATION 17872 MITCHELL NORTH STE 100 IRVINE, CA 92614	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	500.
KCET 4401 W SUNSET BLVD LOS ANGELES, CA 90099-5643	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	1,000.
KUSC PO BOX 80354 LOS ANGELES, CA 90080-0354	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	200.
LACMA 5905 WILSHIRE BLVD LOS ANGELES, CA 90036	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,000.
LEO BAECK TEMPLE 1300 N SEPULVEDA BLVD LOS ANGELES, CA 90049	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	4,977.
LEUKEMIA AND LYMPHOMA SOCIETY 6033 WEST CENTURY BOULEVARD LOS ANGELES, CA 90045	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	333.
LIBRARY FOUNDATION OF LOS ANGELES 630 W FIFTH ST LOS ANGELES, CA 90071	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	1,800.

KELTON FUND, INC

95-6092356

STATEMENT 5 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
LIBERTY HILL FOUNDATION 2121 CLOVERFIELD BLVD #113 SANTA MONICA, CA 90404	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	\$ 2,500.
LOS ANGELES JEWISH HOME FOR THE AGING 7150 TAMPA AVE RESEDA, CA 91335-3700	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	100.
LOS ANGELES OPERA 135 NORTH GRAND AVE LOS ANGELES, CA 90012	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	15,000.
LOS ANGELES TIMES FAMILY FUND PO BOX 100324 PASADENA, CA 91189	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	125.
MUSEUM OF CONTEMPORARY ART 250 SOUTH GRAND AVE LOS ANGELES, CA 90012	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	100.
PALISADES CHARTER HIGH SCHOOL 15777 BOWDOIN ST PACIFIC PALISADES, CA 90272	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,000.
PASADENA PLAYHOUSE 39 S EL MOLINA AVE PASADENA, CA 91189	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	1,000.
PLANNED PARENTHOOD LOS ANGELES 1316 3RD ST PROMENADE #B-5 LOS ANGELES, CA 90401	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	110.
REPRISE 1575 WESTWOOD BLVD STE 204 LOS ANGELES, CA 90024-5627	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,500.
SAINT JOHN'S HEALTH CENTER FOUNDATION 2121 SANTA MONICA BLVD SANTA MONICA, CA 90404	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	5,000.
SCPR PO BOX 861238 LOS ANGELES, CA 90051-6220	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	200.
SKIRBALL CULTURAL CENTER 2701 N SEPULVEDA BLVD LOS ANGELES, CA 90049-6833	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,000.

KELTON FUND, INC

95-6092356

STATEMENT 5 (CONTINUED)
 FORM 990-PF, PART XV, LINE 3A
 RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
SPECIAL OLYMPICS SOUTHERN CALIFORNIA INC PO BOX 1986 SANTA MONICA, CA 90406-1986	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	\$ 200.
SUNDANCE INSTITUTE PATRON COUNCIL 8530 WILSHIRE BLVD 3RD FL LOS ANGELES, CA 90211	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	1,250.
THE GUARDIANS 1640 SEPULVEDA BLVD #210 LOS ANGELES, CA 90025	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	300.
THE JEWISH FEDERATION 6505 WILSHIRE BLVD LOS ANGELES, CA 90048	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	37,500.
UCLA FOUNDATION 757 WESTWOOD BLVD STE 1320 LOS ANGELES, CA 90095-7400	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	20,333.
UCLA FOUNDATION LAW FUND PO BOX 24209 LOS ANGELES, CA 90024	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	2,500.
UCLA UNICAMP 900 HILGARD AVE STE 301 LOS ANGELES, CA 90024	NONE	PUBLIC	SUPPORT OF CHARITABLE ACTIVITIES	200.
TOTAL \$				<u>142,828.</u>

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box
- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions	Employer identification number (EIN) or
	KELTON FUND, INC	<input checked="" type="checkbox"/> 95-6092356
	Number, street, and room or suite number. If a P.O. box, see instructions	Social security number (SSN)
File by the due date for filing your return. See instructions	2716 OCEAN PARK BLVD #3006	<input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions	
	SANTA MONICA, CA 90405-5299	

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

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	01	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ DAVID KELTON -----

Telephone No. ▶ 310-396-4514 ----- FAX No ▶ -----

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 8/15, 2012, to file the exempt organization return for the organization named above.

The extension is for the organization's return for

- ▶ calendar year 2011 or
- ▶ tax year beginning _____, 20____, and ending _____, 20____

2 If the tax year entered in line 1 is for less than 12 months, check reason Initial return Final return Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$	22,465.
3b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$	22,465.
3c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$	0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print File by the extended due date for filing the return. See instructions.	Name of exempt organization or other filer, see instructions KELTON FUND, INC	Employer identification number (EIN) or <input checked="" type="checkbox"/> 95-6092356
	Number, street, and room or suite number. If a P O box, see instructions G. SCOTT LITTELL, CPA 1508 17TH STREET	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code. For a foreign address, see instructions SANTA MONICA, CA 90404-3402	

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

04

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

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

- The books are in care of **DAVID KELTON**
Telephone No **310-396-4514** FAX No. _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until 11/15, 2012.
- 5 For calendar year 2011, or other tax year beginning _____, 20____, and ending _____, 20____.
- 6 If the tax year entered in line 5 is for less than 12 months, check reason Initial return Final return Change in accounting period
- 7 State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO COMPILE THE INFORMATION NECESSARY TO FILE AN ACCURATE TAX RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	8a \$	21,920.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868	8b \$	22,465.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	8c \$	0.

Signature and Verification must be completed for Part II only.

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

Signature **BAA** Title _____ Date _____