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

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 6/01 , 2011, **and ending** 5/31 , 2012

PADI FOUNDATION
9150 WILSHIRE BLVD #300
BEVERLY HILLS, CA 90212-3430

A Employer identification number
95-4326850

B Telephone number (see the instructions)
(310) 281-3200

C If exemption application is pending, check here

D 1 Foreign organizations, check here
2 Foreign organizations meeting the 85% test, check here and attach computation

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

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

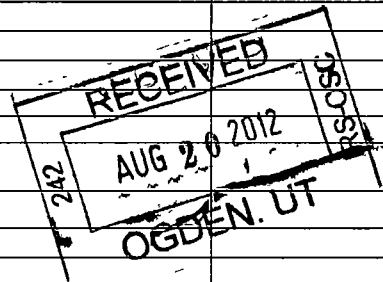
G Check all that apply Initial return Initial Return of a former public charity
 Final return Amended return
 Address change Name change

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

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 3,514,211.

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1 Contributions, gifts, grants, etc., received (att sch)	100,000.			
	2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	30,327.	30,327.	30,327.	
	4 Dividends and interest from securities	118,344.	118,344.	118,344.	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10				
	b Gross sales price for all assets on line 6a				
	7 Capital gain net income (from Part IV, line 2)				
	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/(loss) (att sch)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	248,671.	148,671.	148,671.		
ADMINISTRATIVE EXPENSES	13 Compensation of officers, directors, trustees, etc	25,000.	6,250.	6,250.	12,500.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) SEE ST 1	5,119.	1,280.	1,280.	2,559.
	c Other prof fees (attach sch) SEE ST 2	5,000.	1,250.	1,250.	2,500.
	17 Interest				
	18 Taxes (attach schedule)(see instrs)				
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	1,150.	288.	287.	575.
	22 Printing and publications				
	23 Other expenses (attach schedule) SEE STATEMENT 3	8,350.	2,088.	2,087.	4,175.
	24 Total operating and administrative expenses. Add lines 13 through 23	44,619.	11,156.	11,154.	22,309.
	25 Contributions, gifts, grants paid STMT 4	222,775.			222,775.
26 Total expenses and disbursements. Add lines 24 and 25	267,394.	11,156.	11,154.	245,084.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-18,723.				
b Net investment income (if negative, enter -0-)		137,515.			
c Adjusted net income (if negative, enter -0-)			137,517.		



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash – non-interest-bearing		12,607.	16,259.	16,259.
	2	Savings and temporary cash investments		189,977.	44,075.	44,075.
	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				
	10a	Investments – U.S. and state government obligations (attach schedule)				
	b	Investments – corporate stock (attach schedule) STATEMENT 5		2,341,875.	2,464,212.	2,679,302.
	c	Investments – corporate bonds (attach schedule) STATEMENT 6		255,600.	255,600.	280,482.
	11	Investments – land, buildings, and equipment basis				
	Less: accumulated depreciation (attach schedule)					
12	Investments – mortgage loans					
13	Investments – other (attach schedule) STATEMENT 7		470,000.	470,000.	484,755.	
14	Land, buildings, and equipment: basis					
	Less: accumulated depreciation (attach schedule)					
15	Other assets (describe SEE STATEMENT 8)		10,514.	9,338.	9,338.	
16	Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)		3,280,573.	3,259,484.	3,514,211.	
LIABILITIES	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 SEE STATEMENT 9)		2,366.	2,794.	
	23	Total liabilities (add lines 17 through 22)		2,366.	2,794.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" 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		3,278,207.	3,256,690.	
	30	Total net assets or fund balances (see instructions)		3,278,207.	3,256,690.	
	31	Total liabilities and net assets/fund balances (see instructions)		3,280,573.	3,259,484.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	3,278,207.
2	Enter amount from Part I, line 27a	2	-18,723.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	3,259,484.
5	Decreases not included in line 2 (itemize) SEE STATEMENT 10	5	2,794.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	3,256,690.

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 N/A			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
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			
b			
c			
d			
e			

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

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

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

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

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

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries			
(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2010	228,936.	3,575,022.	0.064038
2009	222,637.	3,059,650.	0.072766
2008	208,806.	2,684,031.	0.077796
2007	210,414.	3,198,336.	0.065789
2006	204,137.	2,932,609.	0.069609

2 Total of line 1, column (d)	2	0.349998
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.070000
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	3,676,453.
5 Multiply line 4 by line 3	5	257,352.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,375.
7 Add lines 5 and 6	7	258,727.
8 Enter qualifying distributions from Part XII, line 4	8	245,084.

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	2,750.
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	2,750.
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	2,750.
6 Credits/Payments			
a 2011 estimated tax prmts and 2010 overpayment credited to 2011	6 a		
b Exempt foreign organizations – tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d		7	0.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached		8	44.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed		9	2,794.
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		11	
	Refunded		

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 ▶ \$ <u>0.</u> (2) On foundation managers ▶ \$ <u>0.</u>		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ \$ <u>0.</u>		
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) <u>CA</u>		
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

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 WWW.PADIFOUNDATION.ORG	13	X	
14	The books are in care of CHARLES P RETTIG Telephone no. (310) 281-3200 Located at 9150 WILSHIRE BLVD STE 300 BEVERLY HILLS CA ZIP + 4 90212-3430			
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	N/A		<input type="checkbox"/>
		15		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?	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

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)? 5b N/A

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

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

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

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

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

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

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

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? 7b Yes No 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
SEE STATEMENT 11		25,000.	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	
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	3,514,421.
b Average of monthly cash balances	1b	218,019.
c Fair market value of all other assets (see instructions)	1c	
d Total (add lines 1a, b, and c)	1d	3,732,440.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	3,732,440.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	55,987.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,676,453.
6 Minimum investment return. Enter 5% of line 5	6	183,823.

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	183,823.
2a Tax on investment income for 2011 from Part VI, line 5	2a	2,750.
b Income tax for 2011 (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	2,750.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	181,073.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	181,073.
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	181,073.

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	245,084.
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	245,084.
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	245,084.

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				181,073.
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	59,474.			
b From 2007	53,035.			
c From 2008	76,722.			
d From 2009	71,397.			
e From 2010	52,516.			
f Total of lines 3a through e	313,144.			
4 Qualifying distributions for 2011 from Part XII, line 4: ▶ \$ 245,084.				
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				181,073.
e Remaining amount distributed out of corpus	64,011.			
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	377,155.			
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).	59,474.			
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	317,681.			
10 Analysis of line 9:				
a Excess from 2007	53,035.			
b Excess from 2008	76,722.			
c Excess from 2009	71,397.			
d Excess from 2010.	52,516.			
e Excess from 2011	64,011.			

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	
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 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
- SEE STATEMENT 12

- b** The form in which applications should be submitted and information and materials they should include
- SEE STATEMENT FOR LINE 2A

- c** Any submission deadlines
- SEE STATEMENT FOR LINE 2A
- d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
- SEE STATEMENT FOR LINE 2A

Part XV Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a</i> Paid during the year				
Total				▶ 3a
<i>b</i> Approved for future payment				
Total				▶ 3b

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STATEMENT 7 (CONTINUED)
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

<u>OTHER INVESTMENTS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
CD ALLY BANK (200,000)	COST	\$ 200,000.	\$ 201,727.
	TOTAL	<u>\$ 470,000.</u>	<u>\$ 484,755.</u>

STATEMENT 8
FORM 990-PF, PART II, LINE 15
OTHER ASSETS

<u>INTEREST RECEIVABLE</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
	\$ 9,338.	\$ 9,338.
	TOTAL	<u>\$ 9,338.</u>

STATEMENT 9
FORM 990-PF, PART II, LINE 22
OTHER LIABILITIES

FEDERAL INCOME TAX PAYABLE	\$ 2,794.
	TOTAL <u>\$ 2,794.</u>

STATEMENT 10
FORM 990-PF, PART III, LINE 5
OTHER DECREASES

FEDERAL INCOME TAXES	\$ 2,754.40
	TOTAL <u>\$ 2,794.</u>

STATEMENT 11
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN- SATION</u>	<u>CONTRI- BUTION TO EBP & DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
CHARLES RETTIG 9150 WILSHIRE BLVD. #300 BEVERLY HILLS, CA 90212	PRESIDENT 0	\$ 4,000.	\$ 0.	\$ 0.

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**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
ACCOUNTING FEES	\$ 5,119.	\$ 1,280.	\$ 1,280.	\$ 2,559.
TOTAL	<u>\$ 5,119.</u>	<u>\$ 1,280.</u>	<u>\$ 1,280.</u>	<u>\$ 2,559.</u>

**STATEMENT 2
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES**

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CONSULTANT	\$ 5,000.	\$ 1,250.	\$ 1,250.	\$ 2,500.
TOTAL	<u>\$ 5,000.</u>	<u>\$ 1,250.</u>	<u>\$ 1,250.</u>	<u>\$ 2,500.</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
501C (3) SALES ADJ	\$ -3,861.	\$ -965.	\$ -965.	\$ -1,931.
ADMINISTRATIVE	11,229.	2,807.	2,807.	5,615.
BANK AND WIRE FEES	982.	246.	245.	491.
TOTAL	<u>\$ 8,350.</u>	<u>\$ 2,088.</u>	<u>\$ 2,087.</u>	<u>\$ 4,175.</u>

**STATEMENT 4
FORM 990-PF, PART I, LINE 25
CONTRIBUTIONS, GIFTS, AND GRANTS**

CASH GRANTS AND ALLOCATIONS

CLASS OF ACTIVITY:

DONEE'S NAME:

RECIPIENT SCH ONLINE @ FNDTN WEBSITE

DONEE'S ADDRESS:

RELATIONSHIP OF DONEE:

ORGANIZATIONAL STATUS OF DONEE:

AMOUNT GIVEN:

\$ 222,775.

TOTAL \$ 222,775.

Padi Foundation
6/1/2011 5/31/2012
Grants Approved

#	Last Name	First Name	Approved
1	Matich	Philip	\$5,295
2	von Zharen	Wyndylyn	\$1,170
3	Martinez Crego	Begona	\$5,000
4	Megawanto	Rony	\$7,500
5	Houser	Chris	\$4,495
6	Macken	Sidney	\$6,700
7	Magalhaes	Wagner	\$2,477
8	Ohman	Mark	\$9,073
9	Marin	Ivan	\$7,300
10	Calle	Leonardo	\$5,200
11	Ratna Putri	Annisa	\$1,300
12	Moore	Paula	\$5,000
13	Rickborn	Alissa	\$6,585
14	Supyan	Supyan	\$3,072
15	Schutte	Virginia	\$3,840
16	Aubery	Sara	\$5,158
17	Araujo	Claryana	\$3,210
18	Silbiger	Nyssa	\$3,075
19	Rosman	Johanna	\$6,740
20	Grottoli	Andrea	\$8,440
21	Gilardon	Carmen	\$5,000
22	Backof	Thomas	\$2,190
23	Pierce	Simon	\$4,580
24	Sasson	Daniel	\$2,820
25	Fisher	Leah	\$2,800
26	Muhammad	Ali Fahmi	\$1,500
27	Smith	Geoffrey	\$6,751
28	Bassos-Hull	Kimbrough	\$2,000
29	Cleaver	Caitlin	\$5,088
30	Hernandez	Oswaldo	\$1,930
31	Wakeman	Kevin	\$7,995
32	Jennings	Lucas	\$1,527
33	Dgebuadze	Polina	\$5,400
34	Gonzalez	Adriana	\$2,470
35	Burrows	Julia	\$5,000
36	Horpedahl	Elizabeth	\$9,000
37	Poirson	Brittany	\$4,134
38	van Duinkerken	Daniel	\$4,100
39	Boudreau	William	\$2,130
40	Knowles	Heather	\$2,000
41	Schoepf	Verena	\$9,600
42	Thomas	Travis	\$1,900
43	Lopez	Gloria I	\$6,000
44	Granados	Jasmin	\$4,379
45	Nourisson	Coralie	\$4,950
46	Kernagis	Dawn	\$2,500
47	Collins	Shawn	\$3,000
48	Whitney	Jonathan	\$8,600
49	Laurenti	Marta	\$2,800
			\$222,774

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STATEMENT 5
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

<u>CORPORATE STOCKS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
ABBOTT LABS (1,750 SHS)	COST	\$ 64,890.	\$ 108,133.
AT&T (4,000 SHS)	COST	95,818.	136,680.
BANK OF AMERICA (1,700 SHS)	COST	78,503.	12,495.
COHEN & STEERS REIT (5,000 SHS)	COST	128,487.	78,900.
GANNETT CO (1,000 SHS)	COST	72,821.	13,060.
GENERAL ELECTRIC (2,400 SHS)	COST	35,171.	45,816.
HEWLETT PACKARD (3,000 SHS)	COST	61,428.	68,040.
HOSPIRA INC (175 SHS)	COST	4,304.	5,471.
IBM (1,000 SHS)	COST	92,466.	192,900.
JOHNSON AND JOHNSON (1,100 SHS)	COST	55,011.	68,673.
MICROSOFT (2,500 SHS)	COST	75,898.	72,975.
PEPISCO (1,650 SHS)	COST	72,909.	111,953.
PFIZER (4,300 SHS)	COST	149,208.	94,041.
PROCTER & GAMBLE (1,600 SHS)	COST	51,739.	99,664.
UNITED TECHS (2,000 SHS)	COST	59,545.	148,220.
US BANCORP (2,600 SHS)	COST	74,707.	80,886.
VERIZON COMMUNICATIONS (4,000 SHS)	COST	110,696.	166,560.
ORACLE (5,000 SHS)	COST	48,667.	132,350.
CALOMOS STRATEGIC (15,000 SHS)	COST	213,552.	139,200.
NEJ DIV INT PREM STRAT (14,000 SHS)	COST	270,026.	226,240.
CONOCOPHILLIPS (1,000 SHS)	COST	48,224.	52,160.
COMCAST CRP NEW CL A SPL (2,500 SHS)	COST	59,880.	71,800.
TEMPLETON GLOBAL BOND FD (19,985 SHS)	COST	383,783.	358,200.
BAXTER INTERNTL INC (2,000 SHS)	COST	83,905.	101,240.
EXXON MOBIL CORP (1,000 SHS)	COST	58,243.	78,630.
PHILLIPS (66 SHS)	COST	14,331.	15,015.
	TOTAL	<u>\$ 2,464,212.</u>	<u>\$ 2,679,302.</u>

STATEMENT 6
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS

<u>CORPORATE BONDS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
BANK OF AMERICA CORP (120,000)	COST	\$ 105,600.	\$ 123,145.
GE ELEC CAP CORP (150,000)	COST	150,000.	157,337.
	TOTAL	<u>\$ 255,600.</u>	<u>\$ 280,482.</u>

STATEMENT 7
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER

<u>OTHER INVESTMENTS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
CD CAPMARK BANK (90,000)	COST	\$ 90,000.	\$ 90,532.
CD M & T BANK (90,000)	COST	90,000.	93,774.
CD GOLDMAN SACHS BK USA (90,000)	COST	90,000.	98,722.

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STATEMENT 11 (CONTINUED)
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN- SATION</u>	<u>CONTRI- BUTION TO EBP & DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
DANIEL HANES 9150 WILSHIRE BLVD. #300 BEVERLY HILLS, CA 90212	DIRECTOR 0	\$ 6,500.	\$ 0.	\$ 0.
ANDREW SAXON 9150 WILSHIRE BLVD. #300 BEVERLY HILLS, CA 90212	DIRECTOR 0	4,000.	0.	0.
PAUL DAYTON 9150 WILSHIRE BLVD. #300 BEVERLY HILLS, CA 90212	DIRECTOR 0	6,500.	0.	0.
JEFF NADLER 9150 WILSHIRE BLVD. #300 BEVERLY HILLS, CA 90212	DIRECTOR 0	4,000.	0.	0.
TOTAL		<u>\$ 25,000.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 12
FORM 990-PF, PART XV, LINE 2A-D
APPLICATION SUBMISSION INFORMATION

NAME OF GRANT PROGRAM:
NAME: CHARLES RETTIG, PRESIDENT
CARE OF:
STREET ADDRESS: 9150 WILSHIRE BLVD., SUITE 300
CITY, STATE, ZIP CODE: BEVERLY HILLS, CA 90212-3430
TELEPHONE: (310) 281-3200
FORM AND CONTENT: COMMON GRANT APPLICATION AVAILABLE ONLINE AT
WWW.PADIFOUNDATION.ORG.
SUBMISSION DEADLINES: NOVEMBER 1 THROUGH JANUARY 31
RESTRICTIONS ON AWARDS: