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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

**ERNEST PRETE JR. FOUNDATION**  
16530 VENTURA BLVD. #306  
ENCINO, CA 91436

- A** Employer identification number  
95-4333283
- B** Telephone number (see the instructions)
- 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
- |   |  |
|---|--|
| <input type="checkbox"/> Initial return | <input type="checkbox"/> Initial Return of a former public charity |
| <input type="checkbox"/> Final return   | <input type="checkbox"/> Amended return                            |
| <input type="checkbox"/> Address change | <input type="checkbox"/> 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)  
▶ \$ 6,390,497.
- J** Accounting method  Cash  Accrual  
 Other (specify) \_\_\_\_\_  
(Part I, column (d) must be on cash basis)

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))				
<b>1</b> Contributions, gifts, grants, etc. received (att sch)				
<b>2</b> Ck ▶ <input checked="" type="checkbox"/> if the foundn is not req to att Sch B				
<b>3</b> Interest on savings and temporary cash investments	73,428.	73,428.	73,428.	
<b>4</b> Dividends and interest from securities	205,510.	205,510.	205,510.	
<b>5a</b> Gross rents	114,716.	114,716.	114,716.	
<b>b</b> Net rental income or (loss) 72,183.				
<b>6a</b> Net gain/(loss) from sale of assets not on line 10	488,863.			
<b>b</b> Gross sales price for all assets on line 6a 2,169,578.				
<b>7</b> Capital gain net income (from Part IV, line 2)		488,863.		
<b>8</b> Net short-term capital gain			3,177.	
<b>9</b> Income modifications				
<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less Cost of goods sold				
<b>c</b> Gross profit/(loss) (att sch)				
<b>11</b> Other income (attach schedule)				
<b>12 Total.</b> Add lines 1 through 11	882,517.	882,517.	396,831.	
<b>13</b> Compensation of officers, directors, trustees, etc	74,011.	13,340.		60,671.
<b>14</b> Other employee salaries and wages				
<b>15</b> Pension plans, employee benefits				
<b>16a</b> Legal fees (attach schedule)				
<b>b</b> Accounting fees (attach sch) SEE ST 1	31,175.	5,175.		26,000.
<b>c</b> Other prof fees (attach sch) SEE ST 2	58.	58.		
<b>17</b> Interest				
<b>18</b> Taxes (attach schedule)(see instrs) SEE STM 3	11,383.	11,383.		
<b>19</b> Depreciation (attach sch) and depletion	10,484.	10,484.		
<b>20</b> Occupancy				
<b>21</b> Travel, conferences, and meetings				
<b>22</b> Printing and publications				
<b>23</b> Other expenses (attach schedule) SEE STATEMENT 4	72,094.	69,094.		3,000.
<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23	199,205.	109,534.		89,671.
<b>25</b> Contributions, gifts, grants paid PART XV	204,500.			204,500.
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	403,705.	109,534.	0.	294,171.
<b>27</b> Subtract line 26 from line 12:				
<b>a Excess of revenue over expenses and disbursements</b>	478,812.			
<b>b Net investment income</b> (if negative, enter -0-)		772,983.		
<b>c Adjusted net income</b> (if negative, enter -0-)			396,831.	

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ADMINISTRATIVE EXPENSES

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
ASSETS	1 Cash – non-interest-bearing			
	2 Savings and temporary cash investments	281,341.	331,529.	331,529.
	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)	4,555,673.	5,225,238.	5,443,968.
	c Investments – corporate bonds (attach schedule)			
	11 Investments – land, buildings, and equipment basis			
Less: accumulated depreciation (attach schedule)				
12 Investments – mortgage loans				
13 Investments – other (attach schedule)				
14 Land, buildings, and equipment basis	500.			
Less: accumulated depreciation (attach schedule) SEE STMT 5	500.	394,340.		
15 Other assets (describe SEE STATEMENT 6)	537,279.	615,000.	615,000.	
16 Total assets (to be completed by all filers – see the instructions Also, see page 1, item I)	5,768,633.	6,171,767.	6,390,497.	
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)	322,400.		
	22 Other liabilities (describe SEE STATEMENT 7)	926.	858.	
	23 Total liabilities (add lines 17 through 22)	323,326.	858.	
NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>			
	24 Unrestricted	5,445,307.	6,170,909.	
	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)	5,445,307.	6,170,909.		
31 Total liabilities and net assets/fund balances (see instructions)	5,768,633.	6,171,767.		

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	5,445,307.
2 Enter amount from Part I, line 27a	2	478,812.
3 Other increases not included in line 2 (itemize) SEE STATEMENT 8	3	493,362.
4 Add lines 1, 2, and 3	4	6,417,481.
5 Decreases not included in line 2 (itemize) SEE STATEMENT 9	5	246,572.
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	6,170,909.

**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)
1 a SEE STATEMENT 10				
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	488,863.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)		3	3,177.
If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8			

**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) N/A

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			
2009			
2008			
2007			
2006			

2 Total of line 1, column (d)	2	
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	
4 Enter the net value of noncharitable-use assets for 2011 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

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)		1	15,460.
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			
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	15,460.
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	15,460.
6 Credits/Payments			
a 2011 estimated tax prmts and 2010 overpayment credited to 2011	6a	5,416.	
b Exempt foreign organizations -- tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c	20,075.	
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d	7	25,491.	
8 Enter any penalty for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	18.	
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	10,013.	
11 Enter the amount of line 10 to be Credited to 2012 estimated tax <input type="checkbox"/> 6,820.   Refunded <input type="checkbox"/>	11	3,193.	

**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. SEE STATEMENT 11		
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) <input type="checkbox"/> CA		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <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)			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)			X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <span style="float:right">▶ N/A</span>	X		
14	The books are in care of ▶ <u>MOHAMMAD J. VIRANI</u> Telephone no ▶ <u>(818) 907-0632</u> Located at ▶ <u>16530 VENTURA BLVD., STE 306, ENCINO, CA</u> ZIP + 4 ▶ <u>91436</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 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? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country ▶		Yes	No
		16		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

**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		

**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
MOHAMMAD J. VIRANI 16530 VENTURA BLVD., STE 306 ENCINO, CA 91436	DIRECTOR 20.00	74,011.	0.	0.
LEON SMALL 16530 VENTURA BLVD., STE 306 ENCINO, CA 91436	DIRECTOR 0	0.	0.	0.
REBECCA NATALIA 16530 VENTURA BLVD., STE 306 ENCINO, CA 91436	DIRECTOR 0	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	
-----	
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.

BAA

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see 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>	4,890,456.
<b>b</b> Average of monthly cash balances	<b>1b</b>	306,435.
<b>c</b> Fair market value of all other assets (see instructions)	<b>1c</b>	576,140.
<b>d Total</b> (add lines 1a, b, and c)	<b>1d</b>	5,773,031.
<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>	0.
<b>3</b> Subtract line 2 from line 1d	<b>3</b>	5,773,031.
<b>4</b> Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	86,595.
<b>5 Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	5,686,436.
<b>6 Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	284,322.

**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.)

<b>1</b> Minimum investment return from Part X, line 6	<b>1</b>	284,322.
<b>2a</b> Tax on investment income for 2011 from Part VI, line 5	<b>2a</b>	15,460.
<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>	15,460.
<b>3</b> Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	268,862.
<b>4</b> Recoveries of amounts treated as qualifying distributions	<b>4</b>	
<b>5</b> Add lines 3 and 4	<b>5</b>	268,862.
<b>6</b> Deduction from distributable amount (see instructions)	<b>6</b>	
<b>7 Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	268,862.

**Part XII Qualifying Distributions** (see 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>	294,171.
<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 Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	294,171.
<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 instructions)	<b>5</b>	
<b>6 Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	294,171.

**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				268,862.
2 Undistributed income, if any, as of the end of 2011				
a Enter amount for 2010 only			280,597.	
b Total for prior years 20__, 20__, 20__		0.		
3 Excess distributions carryover, if any, to 2011				
a From 2006				
b From 2007				
c From 2008				
d From 2009				
e From 2010				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2011 from Part XII, line 4 ▶ \$ 294,171.				
a Applied to 2010, but not more than line 2a			280,597.	
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				13,574.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2011 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2010 Subtract line 4a from line 2a Taxable amount – see instructions			0.	
f Undistributed income for 2011 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2012				255,288.
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)	0.	-		
9 Excess distributions carryover to 2012. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2007				
b Excess from 2008				
c Excess from 2009				
d Excess from 2010				
e Excess from 2011				

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

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

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

	Tax year				(e) Total
	(a) 2011	(b) 2010	(c) 2009	(d) 2008	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
<b>b</b> 85% of line 2a					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> 'Assets' alternative test – enter					
<b>(1)</b> Value of all assets					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> 'Endowment' alternative test – enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
<b>c</b> 'Support' alternative test – enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> 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	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)				
a Paid during the year SEE STATEMENT 12				
<b>Total</b>			▶ 3a	204,500.
b Approved for future payment				
<b>Total</b>			▶ 3b	





ERNEST PRETE JR. FOUNDATION

95-4333283

**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
	\$ 31,175.	\$ 5,175.		\$ 26,000.
TOTAL	<u>\$ 31,175.</u>	<u>\$ 5,175.</u>	<u>\$ 0.</u>	<u>\$ 26,000.</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
	\$ 58.	\$ 58.		
TOTAL	<u>\$ 58.</u>	<u>\$ 58.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

**STATEMENT 3**  
**FORM 990-PF, PART I, LINE 18**  
**TAXES**

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL	\$ 5,491.	\$ 5,491.		
PAYROLL	5,882.	5,882.		
STATE	10.	10.		
TOTAL	<u>\$ 11,383.</u>	<u>\$ 11,383.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

**STATEMENT 4**  
**FORM 990-PF, PART I, LINE 23**  
**OTHER EXPENSES**

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AMORTIZATION	\$ 2,277.	\$ 2,277.		N/A
BANK CHARGES	-2.	-2.		
BROKER'S FEES	35,466.	35,466.		
DIRECTOR'S FEES	3,000.			\$ 3,000.
MISC. TAXES & LICENSES	1,510.	1,510.		
OFFICE	21.	21.		
PROGRAM/ACTIVITIES	50.	50.		
RENTAL EXPENSES	29,772.	29,772.		
TOTAL	<u>\$ 72,094.</u>	<u>\$ 69,094.</u>	<u>\$ 0.</u>	<u>\$ 3,000.</u>

ERNEST PRETE JR. FOUNDATION

95-4333283

STATEMENT 5  
FORM 990-PF, PART II, LINE 14  
LAND, BUILDINGS, AND EQUIPMENT

<u>CATEGORY</u>	<u>BASIS</u>	<u>ACCUM. DEPREC.</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
FURNITURE AND FIXTURES	\$ 500.	\$ 500.	\$ 0.	\$ 0.
TOTAL	<u>\$ 500.</u>	<u>\$ 500.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 6  
FORM 990-PF, PART II, LINE 15  
OTHER ASSETS

	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
TRUST DEED RECEIVABLES	\$ 615,000.	\$ 615,000.
TOTAL	<u>\$ 615,000.</u>	<u>\$ 615,000.</u>

STATEMENT 7  
FORM 990-PF, PART II, LINE 22  
OTHER LIABILITIES

PAYROLL TAXES PAYABLE	\$ 858.
TOTAL	<u>\$ 858.</u>

STATEMENT 8  
FORM 990-PF, PART III, LINE 3  
OTHER INCREASES

TO CORRECT FUND BALANCE	\$ 7,480.
UNDERSTATED VALUATION OF DONATED ASSETS	485,882.
TOTAL	<u>\$ 493,362.</u>

STATEMENT 9  
FORM 990-PF, PART III, LINE 5  
OTHER DECREASES

ADJUSTMENT	\$ 989.
WRITE OFF WORTHLESS STOCKS	245,583.
TOTAL	<u>\$ 246,572.</u>

ERNEST PRETE JR. FOUNDATION

95-4333283

STATEMENT 10  
FORM 990-PF, PART IV, LINE 1  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
1	1000 ENDURO ROYALTY TRUST	PURCHASED	1/31/2012	2/06/2012
2	ENERVEST DIVERSIFIED INCOME TR	PURCHASED	5/30/2012	5/30/2012
3	1178 ISHARES INC MSCI JAPAN	PURCHASED	11/22/2005	4/02/2012
4	75000 LEHMAN BROS HOLDINGS INC MED TRANCHE	PURCHASED	1/01/1901	4/17/2012
5	6057.904 CAPITAL WORLD BD FD CL A	PURCHASED	11/22/2005	8/03/2011
6	50000 DAIMLER CHRYSLER	PURCHASED	9/05/2006	9/15/2011
7	21000 DONNELLEY & SONS	PURCHASED	9/18/2007	6/17/2011
8	DONNELLEY & SONS	PURCHASED	6/15/2011	6/15/2011
9	400 ISHARES DIVERSIFIED ALTR TR	PURCHASED	8/27/2010	8/19/2011
10	96 ISHARES DIVERSIFIED ALTR TR	PURCHASED	2/23/2011	8/19/2011
11	476 ISHARES DIVERSIFIED ALTR TR	PURCHASED	5/02/2011	8/19/2011
12	245 ISHARES TR	PURCHASED	6/18/2008	8/08/2011
13	823 ISHARES TR	PURCHASED	11/06/2008	8/08/2011
14	263 ISHARES TR	PURCHASED	2/25/2009	8/08/2011
15	235 ISHARES TR	PURCHASED	9/30/2009	8/08/2011
16	1430 ISHARES TR	PURCHASED	8/27/2010	8/04/2011
17	668 ISHARES TR	PURCHASED	8/27/2010	8/04/2011
18	455 ISHARES TR	PURCHASED	9/22/2010	7/05/2011
19	159 ISHARES TR	PURCHASED	2/23/2011	8/04/2011
20	47 ISHARES TR	PURCHASED	2/23/2011	7/05/2011
21	71 ISHARES TR	PURCHASED	2/23/2011	8/04/2011
22	679 ISHARES TR	PURCHASED	7/26/2011	8/09/2011
23	400 ISHARES TR	PURCHASED	8/04/2011	8/09/2011
24	22252.01 OPPENHEIMER INTL BD FD A	PURCHASED	11/22/2005	8/19/2011
25	BUILDING	PURCHASED	6/01/2006	1/09/2012

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS. 12/31/69	(K) EXCESS (I) - (J)	(L) GAIN (LOSS)
1	19,290.		20,570.	-1,280.				\$ -1,280.
2	18.		0.	18.				18.
3	12,004.		14,749.	-2,745.				-2,745.
4	4,326.		4,326.	0.				0.
5	129,760.		117,345.	12,415.				12,415.
6	50,000.		50,000.	0.				0.
7	20,580.		21,316.	-736.				-736.
8	630.		0.	630.				630.
9	19,688.		19,993.	-305.				-305.
10	4,725.		4,943.	-218.				-218.
11	23,428.		25,009.	-1,581.				-1,581.
12	27,438.		25,074.	2,364.				2,364.
13	92,168.		74,972.	17,196.				17,196.
14	29,454.		25,176.	4,278.				4,278.
15	26,318.		25,039.	1,279.				1,279.
16	41,623.		40,003.	1,620.				1,620.
17	45,164.		39,980.	5,184.				5,184.
18	49,640.		50,055.	-415.				-415.
19	4,628.		4,931.	-303.				-303.
20	5,128.		4,917.	211.				211.
21	4,800.		4,927.	-127.				-127.
22	33,813.		33,977.	-164.				-164.
23	19,919.		20,012.	-93.				-93.
24	150,869.		135,737.	15,132.				15,132.
25	1354167.	702,246.	1619910.	436,503.				436,503.
								TOTAL \$ 488,863.

**STATEMENT 11**  
**FORM 990-PF, PART VII-A, LINE 2**  
**ACTIVITIES NOT PREVIOUSLY REPORTED TO THE IRS**

REFER TO NOTES ATTACHED TO THIS STATEMENT REGARDING EXPANSION OF ITS EXEMPT PURPOSE

**STATEMENT 12**  
**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>
CALIF STATE POLYTECHNIC UNIV 3801 WEST TEMPLE AVENUE POMONA, CA 91768	NONE		STUDENT ENVIRONMENTAL RESEARCH/FELLOWS HIP	\$ 200,000.
MARCH OF DIMES 1275 MAMARONECK AVE. WHITE PLAINS, NY 10605	NONE		CHARITY WORK	500.
LIGHT THE NIGHT WALK 1311 MAMARONECK AVE., STE. 310 WHITE PLAINS, NY 10605	NONE		CHARITY WORK	500.
THE SALVATION ARMY 832 W. JAMES M. WOOD BLVD. LOS ANGELES, CA 90015	NONE		FEEDING THE HUNGRY, TENDING TO THE POOR, SHELTERING HOMELESS, CARING FOR THE SICK	1,000.
SPECIAL OLYMPICS 5901 S.W. MACADAM, SUITE 200 PORTLAND, OR 97239			FOR THE BENEFIT OF PERSONS WITH INTELLECTUAL DISABILITIES	2,500.
TOTAL				\$ <u>204,500.</u>

1. FORM 1099S

THE FOUNDATION RECEIVED FORM 1099S FOR THE SALE OF ITS INTEREST IN A BUILDING. THIS AMOUNT IS REFLECTED AS PROCEEDS AND REPORTED ON PAGE 3 OF FORM 990PF

2. AMENDED BY-LAWS

THE BY-LAWS WERE AMENDED TO EXPAND THE EXEMPT PURPOSE TO ALLOW CONTRIBUTION TO BE MADE TO FURTHER SCIENTIFIC, MEDICAL, AND HUMANITARIAN AIMS AND TO PROVIDE AID IN CASE OF NATURAL OR MANMADE CATASTROPHIES. ALL SUCH CONTRIBUTIONS WILL BE CONSIDERED ON A CASE TO CASE BASIS AND SUBJECT TO REVIEW AND APPROVAL OF THE MAJORITY OF THE BOARD OF DIRECTORS.

• 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 <b>ERNEST PRETE JR. FOUNDATION</b>	Employer identification number (EIN) or <input checked="" type="checkbox"/> 95-4333283
	Number, street, and room or suite number If a P O box, see instructions <b>VIRANI &amp; UY ACCOUNTANCY CORPORATION 16530 VENTURA BLVD. SUITE 306</b>	Social security number (SSN) <input type="checkbox"/>
	City, town or post office, state, and ZIP code For a foreign address, see instructions <b>ENCINO, CA 91436</b>	

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  **MOHAMMAD J. VIRANI**

Telephone No  **(818) 907-0632**

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 4/15, 2013

5 For calendar year \_\_\_\_\_, or other tax year beginning 6/01, 2011, and ending 5/31, 2012

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 NEED ADDITIONAL TIME TO PREPARE THE 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	\$	25,177.
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	\$	5,416.
c <b>Balance due.</b> 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	\$	19,761.

**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  Ernest C. Virani

CPA

Date  1/14/2013