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Form **990-PF**

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

OMB No 1545-0052

2012Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

For calendar year 2012 or tax year beginning

, and ending

Name of foundation MARTIN & ILLIE ANDERSON FOUNDATION		A Employer identification number 77-0440292
Number and street (or P O box number if mail is not delivered to street address) 5 RIVER PARK EAST	Room/suite	B Telephone number (see instructions) 650-328-2862
City or town, state, and ZIP code FRESNO CA 94720		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1. Foreign organizations, check here ☐ 2. Foreign organizations meeting the 85% test, check here and attach computation ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 2,193,593	J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐
(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 (attach schedule)				
	2 Check ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	46,446	46,446	46,446	
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10 Stmt 1	49,808			
	b Gross sales price for all assets on line 6a 1,599,558				
	7 Capital gain net income (from Part IV, line 2)		69		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns and allowances				
b Less: Cost of goods sold					
c Gross profit or (loss) (attach schedule)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	96,254	46,515	46,446		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.	0			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) Stmt 2	2,173	2,173		
	c Other professional fees (attach schedule) Stmt 3	11,769	11,769		
	17 Interest				
	18 Taxes (attach schedule) (see instructions) Stmt 4	85	47		38
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (att. sch)				
	24 Total operating and administrative expenses. Add lines 13 through 23	14,027	13,989	0	38
	25 Contributions, gifts, grants paid	285,450			285,450
26 Total expenses and disbursements. Add lines 24 and 25	299,477	13,989	0	285,488	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-203,223				
b Net investment income (if negative, enter -0-)		32,526			
c Adjusted net income (if negative, enter -0-)			46,446		

For Paperwork Reduction Act Notice, see instructions.

Form **990-PF** (2012)

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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		21,900	10,451	10,451
	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 (att. schedule) ▶				
		Less: allowance for doubtful accounts ▶	0			
	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) See Stmt 5		2,099,557	2,064,748	2,183,142
	c	Investments – corporate bonds (attach schedule)				
	11	Investments – land, buildings, and equipment: basis ▶				
	Less: accumulated depreciation (attach sch.) ▶					
12	Investments – mortgage loans					
13	Investments – other (attach schedule)					
14	Land, buildings, and equipment: basis ▶					
	Less: accumulated depreciation (attach sch.) ▶					
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)		2,121,457	2,075,199	2,193,593	
Liabilities	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶)				
23	Total liabilities (add lines 17 through 22)		0	0		
Net Assets or Fund Balances		Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. ▶ ☐				
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
		Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. ▶ ☒				
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg., and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		2,121,457	2,075,199	
30	Total net assets or fund balances (see instructions)		2,121,457	2,075,199		
31	Total liabilities and net assets/fund balances (see instructions)		2,121,457	2,075,199		

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	2,121,457
2	Enter amount from Part I, line 27a	2	-203,223
3	Other increases not included in line 2 (itemize) ▶ See Statement 6	3	156,965
4	Add lines 1, 2, and 3	4	2,075,199
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	2,075,199

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs. MLC Co.)		(b) How acquired P – Purchase D – Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a	CHARLES SCHWAB			
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 69			69
b			
c			
d			
e			

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

(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
a			69
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	69
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	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 (col. (b) divided by col. (c))
2011	320,517	2,347,150	0.136556
2010	265,441	2,531,666	0.104848
2009	306,007	2,505,688	0.122125
2008	303,338	3,703,018	0.081916
2007	75,968	2,192,230	0.034653

2 Total of line 1, column (d)	2	0.480098
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	0.096020
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	2,314,264
5 Multiply line 4 by line 3	5	222,216
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	325
7 Add lines 5 and 6	7	222,541
8 Enter qualifying distributions from Part XII, line 4 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	8	285,488

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1 Date of ruling or determination letter. (attach copy of letter if necessary—see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b	1	325
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	2	0
3	Add lines 1 and 2	3	325
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	325
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	
b	Exempt foreign organizations – tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	
8	Enter any penalty for underpayment of estimated tax. Check here ☐ if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	325
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 2013 estimated tax ☐ Refunded ☐	11	

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
1b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? 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		X
1c 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 ☐ \$ _____ (2) On foundation managers ☐ \$ _____		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ☐ \$ _____		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
4b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ☐ CA		
8b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation	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 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses		X

N/A

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 ► NONE	13	X	
14	The books are in care of ► W. F. DOCKER 5 RIVER PARK PLACE EAST Located at ► FRESNO CA ZIP+4 ► 93720 Telephone no ► 559-433-1300			
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			
16	At any time during calendar year 2012, 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? ☐ Yes ☒ No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No		
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) ☐ Yes ☒ No		
b	If any answer is "Yes" to 1a(1)–(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► ☐ N/A	1b	
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 2012? N/A	1c	
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 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012? ☐ Yes ☒ 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.) N/A	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ► 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? ☐ Yes ☒ No		
b	If "Yes," did it have excess business holdings in 2012 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 2012) N/A	3b	
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 2012? N/A	4b	

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)? **N/A** ☐ **5b**

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

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

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ 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? **N/A** **7b**

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1 List all officers, directors, trustees, foundation managers and their compensation (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
E. MARTIN ANDERSON 620 SAND HILL RD APT 422F PALO ALTO CA 94304-2622	PRESIDENT 14.00	0	0	0
W. F. DOCKER 3 RIVER PARK PL EAST FRESNO CA 93720	TREASURER 1.00	0	0	0
CHRISTINE DOCKER 3 RIVER PARK PL EAST FRESNO CA 93720	SECRETARY 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 ▶**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 ▶

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	2,295,141
b	Average of monthly cash balances	1b	54,366
c	Fair market value of all other assets (see instructions)	1c	0
d	Total (add lines 1a, b, and c)	1d	2,349,507
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	2,349,507
4	Cash deemed held for charitable activities. Enter 1½% of line 3 (for greater amount, see instructions)	4	35,243
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	2,314,264
6	Minimum investment return. Enter 5% of line 5	6	115,713

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	115,713
2a	Tax on investment income for 2012 from Part VI, line 5	2a	325
b	Income tax for 2012. (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	325
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	115,388
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	115,388
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	115,388

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	285,488
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	285,488
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	325
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	285,163

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 2011	(c) 2011	(d) 2012
1 Distributable amount for 2012 from Part XI, line 7				115,388
2 Undistributed income, if any, as of the end of 2012.				
a Enter amount for 2011 only				
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				119,447
c From 2009				181,723
d From 2010				140,332
e From 2011				204,125
f Total of lines 3a through e	645,627			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 285,488				
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)				
c Treated as distributions out of corpus (Election required – see instructions)				
d Applied to 2012 distributable amount				115,388
e Remaining amount distributed out of corpus	170,100			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	815,727			
b Prior years' undistributed income. Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b Taxable amount – see instructions				
e Undistributed income for 2011. Subtract line 4a from line 2a Taxable amount – see instructions				
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				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)				
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)				
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	815,727			
10 Analysis of line 9:				
a Excess from 2008				119,447
b Excess from 2009				181,723
c Excess from 2010				140,332
d Excess from 2011				204,125
e Excess from 2012				170,100

Form **990-PF** (2012)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
		(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue:						
a _____						
b _____						
c _____						
d _____						
e _____						
f _____						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments						
4 Dividends and interest from securities						46,446
5 Net rental income or (loss) from real estate:						
a Debt-financed property						
b Not debt-financed property						
6 Net rental income or (loss) from personal property						
7 Other investment income						
8 Gain or (loss) from sales of assets other than inventory						49,808
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue a _____						
b _____						
c _____						
d _____						
e _____						
12 Subtotal Add columns (b), (d), and (e)			0		0	96,254
13 Total. Add line 12, columns (b), (d), and (e)						96,254

(See worksheet in line 13 instructions to verify calculations)

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

[illegible]

Federal Statements

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Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Description			How Received		Expense	Depreciation	Net Gain / Loss
Whom Sold	Date Acquired	Date Sold	Sale Price	Purchase Price			
SECTOR SPDR ENGY	9/21/12	9/21/12	\$	Purchase 506 \$	540 \$	\$	-34
SECTOR SPDR ENGY	9/21/12	9/21/12		Purchase 6,830	7,285		-455
SECTOR SPDR ENGY	10/22/12	10/22/12		Purchase 7,849	4,956		2,893
SECTOR SPDR ENGY	11/14/12	11/14/12		Purchase 5,022	76		4,946
SECTOR SPDR FINCL FNDS	10/22/12	10/22/12		Purchase 2,293	2,061		232
SECTOR SPDR FINCL FNDS	11/14/12	11/14/12		Purchase 4,629	275		4,354
GUGGENHEIM ETF	7/19/11	6/29/12		Purchase 24,671	24,966		-295
ISHARES DJ SELECT	10/04/11	2/07/12		Purchase 107,463	91,487		15,976
ISHARES DJ SELECT	11/30/11	2/07/12		Purchase 61,627	58,641		2,986
ISHARES DJ US HOME CONST	8/22/12	12/18/12		Purchase 202,755	186,830		15,925
ISHARES S&P NORTH AM FD	7/20/11	6/29/12		Purchase 14,228	14,256		-28
ISHARES TR DJ US TELECOM	7/19/11	2/07/12		Purchase 65,342	71,734		-6,392
POWERSHS QQQ TR	7/19/11	7/06/12		Purchase 13,099	11,989		1,110
SECTOR SPDR CONSUMER FD	2/07/12	6/29/12		Purchase 4,354	4,237		117
SECTOR SPDR CONSUMER FD	2/07/12	6/29/12		Purchase 4,355	4,237		118
SECTOR SPDR CONSUMER FD	2/07/12	6/29/12		Purchase 6,967	6,780		187
SECTOR SPDR CONSUMER FD	2/07/12	8/22/12		Purchase 134,170	125,847		8,323

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Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets (continued)

Description			How Received		Net	
Whom Sold	Date Acquired	Date Sold	Sale Price	Cost	Expense	Gain / Loss
SECTOR SPDR FINCL SELECT	7/19/11	7/06/12	Purchase 40,106 \$	40,823 \$	\$	-717
SECTOR SPDR INDL SELECT	7/21/11	7/06/12	Purchase 3,508	3,726		-218
SECTOR SPDR INDL SELECT	7/21/11	7/06/12	Purchase 25,082	26,639		-1,557
SECTOR SPDR TECH SELECT	7/19/11	7/05/12	Purchase 48,366	43,659		4,707
SPDR S&P BANK	2/07/12	8/22/12	Purchase 114,586	112,675		1,911
SPDR S&P REGIONAL BANKING	7/20/11	7/06/12	Purchase 10,964	10,069		895
VANGUARD HEALTH CARE	7/26/11	2/07/12	Purchase 77,183	75,782		1,401
VANGUARD HEALTH CARE	7/27/11	2/07/12	Purchase 92,167	89,106		3,061
VANGUARD HEALTH CARE	7/27/11	7/05/12	Purchase 41,942	37,965		3,977
GUGGENHEIM ETF	7/19/11	8/16/12	Purchase 166,195	161,282		4,913
GUGGENHEIM EXCH TRD FD	9/01/11	12/19/12	Purchase 11,338	11,494		-156
ISHARES MSCI BRAZIL INDX	7/20/11	8/27/12	Purchase 87,931	114,130		-26,199
ISHARES TRUST	7/21/11	8/15/12	Purchase 99,545	100,005		-460
SECTOR SPDR FINCL SELECT	7/19/11	8/07/12	Purchase 30,072	29,422		650
SPDR S&P REGIONAL BANKING	7/20/11	8/22/12	Purchase 84,344	76,776		7,568

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Statement 5 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>	<u>Fair Market Value</u>
SEE ATTACHED SCHEDULE	\$ 2,099,557	\$ 2,064,748	Cost	\$ 2,183,142
Total	\$ 2,099,557	\$ 2,064,748		\$ 2,183,142

Statement 6 - Form 990-PF, Part III, Line 3 - Other Increases

Description	Amount
MARKET UNREALIZED GAINS/LOSSES	\$ 156,965
Total	\$ 156,965

Investment Detail - Equities

Equities	Quantity	Market Price	Market Value Cost Basis	% of Account Assets	Unrealized Gain or (Loss)	Estimated Yield	Estimated Annual Income
BANK OF HAWAII CORP SYMBOL: BOH	4,000.0000	44.0500	176,200.00 162,447.25	8%	13,752.75	4.08%	7,200.00
Total Equities	4,000.0000	Total Cost Basis:	176,200.00 162,447.25	8%	13,752.75		7,200.00

Estimated Annual Income ("EAI") and Estimated Yield ("EY") calculations are for informational purposes only. The actual income and yield might be lower or higher than the estimated amounts. EY is based upon EAI and the current price of the security and will fluctuate. For certain types of securities, the calculations could include a return of principal or capital gains in which case EAI and EY would be overstated. EY and EAI are not promptly updated to reflect when an issuer has missed a regular payment or announced changes to future payments, in which case EAI and EY will continue to display at a prior rate.

Investment Detail - Options

Options	Quantity	Market Price	Market Value Cost Basis	% of Account Assets	Unrealized Gain or (Loss)
CALL ISHRS US HOMECONSTR \$22 EXP 04/20/13 SYMBOL: ITB 04/20/2013 22.00 C	52.0000 ^s	0.9000	(4,680.00) (5,689.31)		1,009.31
Total Options	(52.0000)	Total Cost Basis:	(4,680.00) (5,689.31)		1,009.31

Investment Detail - Other Assets

Other Assets	Quantity	Market Price	Market Value Cost Basis	% of Account Assets	Unrealized Gain or (Loss)
GUGGENHEIM EXCH TRD FD	2,800.0000	23.9900	67,172.00	3%	124.24
CHINA SMALL CAP ETF SYMBOL: HAO			67,047.76		
ISHARES DJ US HOME CONST INDEX FUND	10,400.0000	21.1600	220,064.00	10%	(1,376.55)
SYMBOL: ITB			221,440.55		
ISHARES MSCI EMRG MKT FD	650.0000	44.3500	28,827.50	1%	2,760.70
EMERGING MARKETS INDX FD SYMBOL: EEM			26,066.80		
ISHARES S&P NORTH AM FD	2,500.0000	63.0295	157,573.75	7%	1,721.74
NORTH AMERICAN TECHNOLO- GY SOFTWARE INDEX FD SYMBOL: IGV			155,852.01		
MARKET VECTORS ETF	2,770.0000	42.6195	118,056.02	5%	11,275.22
BRAZIL SMALL CAP SYMBOL: BRF			106,780.80		
POWERSHS QQQ TRUST SER 1	1,350.0000	65.1301	87,925.64	4%	10,139.61
SYMBOL: QQQ			77,786.03		
SECTOR SPDR ENGY SELECT	2,900.0000	71.4200	207,118.00	9%	(2,616.87)
SHARES OF BENEFICIAL INT SYMBOL: XLE			209,734.87		
SECTOR SPDR FINCL SELECT	12,275.0000	16.3900	201,187.25	9%	16,327.37
SHARES OF BENEFICIAL INT SYMBOL: XLF			184,859.88		

Schwab has provided accurate gain and loss information wherever possible for most investments. Cost basis data may be incomplete or unavailable for some of your holdings. Please see "Endnotes for Your Account" section for an explanation of the endnote codes and symbols on this statement.

Investment Detail - Other Assets (continued)

Other Assets (continued)	Quantity	Market Price	Market Value Cost Basis	% of Account Assets	Unrealized Gain or (Loss)
SECTOR SPDR INDL SELECT SHARES OF BENEFICIAL INT SYMBOL: XLI	6,160.0000	37.9000	233,464.00 226,644.43	11%	6,819.57
SECTOR SPDR TECH SELECT SHARES OF BENEFICIAL INT SYMBOL: XLK	9,100.0000	28.8500	262,535.00 239,295.35	12%	23,239.65
SPDR S&P DIVIDEND ETF SYMBOL: SDY	3,620.0000	58.1600	210,539.20 203,708.30	10%	6,830.90
VANGUARD HEALTH CARE SYMBOL: VHT	3,030.0000	71.6700	217,160.10 188,773.44	10%	28,386.66
Total Other Assets	57,555.0000		2,011,622.46 1,907,990.22	92%	103,632.24

Total Investment Detail	2,193,593.38
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Total Account Value	2,193,593.38
Total Cost Basis	2,064,748.16