Form **990-PF** Department of the Treasury Internal Revenue Service

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

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

OMB No 1545-0052 **2012** Open to public Inspection

For calendar year 2012 or tax year beginning , **and ending**

Name of foundation: RUDI SCHULTE FAMILY FOUNDATION

A Employer identification number: 77-0452600

Number and street (or P O box number if mail is not delivered to street address): P.O. BOX 60921 | Room/suite:

B Telephone number: 805-452-8114

City or town, state, and ZIP code: SANTA BARBARA, CA 93160

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: [X] 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)* ▶$ 10,673,074.

J Accounting method: ☐ Cash [X] Accrual ☐ Other (specify) *(Part I, column (d) must be on cash basis)*

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

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))

		(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			N/A	
	2 Check ▶ [X] if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	348,119.	348,119.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	58,592.			STATEMENT 1
	b Gross sales price for all assets on line 6a 1,913,094.				
	7 Capital gain net income (from Part IV, line 2)		143,970.		
	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 or (loss)				
	11 Other income				
	12 **Total.** Add lines 1 through 11	406,711.	492,089.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	555.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 2	4,100.	2,050.		2,050.
	b Accounting fees STMT 3	23,627.	11,814.		11,813.
	c Other professional fees STMT 4	61,461.	61,461.		0.
	17 Interest				
	18 Taxes STMT 5	11,521.	3,829.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 6	36,235.	34,682.		1,553.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	137,499.	113,836.		15,416.
	25 Contributions, gifts, grants paid	382,840.			382,840.
	26 **Total expenses and disbursements** Add lines 24 and 25	520,339.	113,836.		398,256.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	-113,628.			
	b **Net investment income** (if negative, enter -0-)		378,253.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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Part II Balance Sheets (Attached schedules and amounts in the description column should be for end-of-year amounts only)		Beginning of year (a) Book Value	End of year (b) Book Value	(c) Fair Market Value
Assets 1 Cash - non-interest-bearing		6,580.		
2 Savings and temporary cash investments		235,028.	299,373.	299,373.
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	STMT 8	2,970.	885.	885.
7 Other notes and loans receivable ▶	866,253.			
Less: allowance for doubtful accounts ▶	0.	896,049.	866,253.	866,253.
8 Inventories for sale or use				
9 Prepaid expenses and deferred charges				
10a Investments - U.S. and state government obligations	STMT 9	102,633.	0.	0.
b Investments - corporate stock	STMT 10	5,852,897.	6,044,253.	6,044,253.
c Investments - corporate bonds	STMT 11	210,056.	206,526.	206,526.
11 Investments - land, buildings, and equipment basis ▶	239,100.			
Less accumulated depreciation ▶		239,100.	239,100.	239,100.
12 Investments - mortgage loans				
13 Investments - other	STMT 12	2,751,638.	3,011,732.	3,011,732.
14 Land, buildings, and equipment: basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶ STATEMENT 13)		5,663.	4,952.	4,952.
16 **Total assets** (to be completed by all filers)		10,302,614.	10,673,074.	10,673,074.
Liabilities 17 Accounts payable and accrued expenses		44.		
18 Grants payable				
19 Deferred revenue				
20 Loans from officers, directors, trustees, and other disqualified persons				
21 Mortgages and other notes payable				
22 Other liabilities (describe ▶)				
23 **Total liabilities** (add lines 17 through 22)		44.	0.	
Net Assets or Fund Balances **Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.**	▶ [X]			
24 Unrestricted		10,302,570.	10,673,074.	
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				
30 **Total net assets or fund balances**		10,302,570.	10,673,074.	
31 **Total liabilities and net assets/fund balances**		10,302,614.	10,673,074.	

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	10,302,570.
2 Enter amount from Part I, line 27a	2	-113,628.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 7	3	484,132.
4 Add lines 1, 2, and 3	4	10,673,074.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	10,673,074.

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				
b	SEE ATTACHED STATEMENT			
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	1,913,094.		1,769,124.	143,970.

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

	(i) F.M.V. 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				
b				
c				
d				
e				143,970.

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** 143,970.

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). If (loss), enter -0- in Part I, line 8 **3** N/A

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	419,290.	10,130,639.	.041388
2010	419,831.	8,676,720.	.048386
2009	207,162.	4,923,569.	.042076
2008	174,167.	3,064,206.	.056839
2007	200,911.	3,637,637.	.055231

2	**Total** of line 1, column (d)	2	.243920
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	.048784
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	10,380,817.
5	Multiply line 4 by line 3	5	506,418.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	3,783.
7	Add lines 5 and 6	7	510,201.
8	Enter qualifying distributions from Part XII, line 4	8	398,256.

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)

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	7,565.
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	7,565.
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	7,565.
6	Credits/Payments:			
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a 8,500.		
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	8,500.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	5.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	930.
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶ 930.	**Refunded** ▶	11	0.

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?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	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.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
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*	2		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*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a		X
b	If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A	4b		
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		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?	6	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.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	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*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10		X

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

			Yes	No
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?	13	X	

Website address ▶ N/A

14 The books are in care of ▶ PAUL SCHULTE Telephone no. ▶ 805-685-3052

Located at ▶ P.O. BOX 60921, SANTA BARBARA, CA ZIP+4 ▶ 93160

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A

			Yes	No
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?	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

				Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.				
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)?		1b		X
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
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?		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 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 ▶ ____, ____, ____, ____				
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. ▶ ____, ____, ____, ____				
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.)*		3b		X
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?		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)? ☐ 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: 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.

(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 14		555.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). 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. 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**

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	8,176,721.
b	Average of monthly cash balances	1b	241,668.
c	Fair market value of all other assets	1c	2,120,512.
d	**Total** (add lines 1a, b, and c)	1d	10,538,901.
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	10,538,901.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	158,084.
5	**Net value of noncharitable-use assets** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	10,380,817.
6	**Minimum investment return.** Enter 5% of line 5	6	519,041.

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	519,041.
2a	Tax on investment income for 2012 from Part VI, line 5 — 2a: 7,565.		
b	Income tax for 2012. (This does not include the tax from Part VI.) — 2b		
c	Add lines 2a and 2b	2c	7,565.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	511,476.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	511,476.
6	Deduction from distributable amount (see instructions)	6	0.
7	**Distributable amount** as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	511,476.

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	398,256.
b	Program-related investments - total from Part IX-B	1b	0.
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	398,256.
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	5	0.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	398,256.

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				511,476.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			60,453.	
b Total for prior years: ______ , ______ , ______		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008				
c From 2009				
d From 2010				
e From 2011				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 398,256.				
a Applied to 2011, but not more than line 2a			60,453.	
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 2012 distributable amount				337,803.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2012 (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 2011. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2012. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2013				173,673.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7	0.			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9:				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

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 2012, 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	Prior 3 years			
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	(e) Total
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 foundation 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 or e-mail of the person to whom applications should be addressed:

b The form in which applications should be submitted and information and materials they should include.

c Any submission deadlines.

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
ADOPT A STUDENT SCHOLARSHIP 4000 LA COLINA ROAD SANTA BARBARA, CA 93110		501(C)(3)	GENERAL	2,000.
ANGELS FOSTER FAMILY NETWORK 6160 FAIRMOUNT AVE., SUITE H SAN DIEGO, CA 92120		501(C)(3)	GENERAL	1,000.
ARIEL THEATRICAL, INC. 320 MAIN STREET SALINAS, CA 93901		501(C)(3)	GENERAL	3,000.
BISHOP GARCIA DIEGO HIGH SCHOOL 4000 LA COLINA ROAD SANTA BARBARA, CA 93110		501(C)(3)	GENERAL	5,500.
BOYS AND GIRLS CLUB 4201 LONG BEACH BOULEVARD, SUITE 101 LONG BEACH, CA 90807		501(C)(3)	GENERAL	1,500.
Total SEE CONTINUATION SHEET(S)			▶ 3a	382,840.
b Approved for future payment NONE				
Total			▶ 3b	0.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(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			14	348,119.	
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			18	58,592.	
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.		406,711.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 406,711.

(See worksheet in line 13 instructions to verify calculations.)

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

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes).

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

			Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?			
a	Transfers from the reporting foundation to a noncharitable exempt organization of:			
	(1) Cash	1a(1)		X
	(2) Other assets	1a(2)		X
b	Other transactions:			
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		X
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		X
	(3) Rental of facilities, equipment, or other assets	1b(3)		X
	(4) Reimbursement arrangements	1b(4)		X
	(5) Loans or loan guarantees	1b(5)		X
	(6) Performance of services or membership or fundraising solicitations	1b(6)		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		X

d If the answer to any of the above is "Yes," complete the following schedule. Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received.

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
		N/A	

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☒ No

b If "Yes," complete the following schedule.

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

Sign Here

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

Signature of officer or trustee | Date: 5-10-13 | Title: PRESIDENT

May the IRS discuss this return with the preparer shown below (see instr)? ☒ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
CATHERINE MACAULAY	Catherine Macaulay	5-9-13		P00178796

Firm's name ▶ DAMITZ, BROOKS, NIGHTINGALE | Firm's EIN ▶ 77-0076647

Firm's address ▶ 200 EAST CARRILLO STREET, SUITE 303
SANTA BARBARA, CA 93101 | Phone no. 805-963-1837

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	MORGAN STANLEY	P	VARIOUS	12/31/12
b	FIDELITY #119	P	VARIOUS	12/31/12
c	FIDELITY #275	P	VARIOUS	12/31/12
d	FIDELITY #178	P	VARIOUS	12/31/12
e	PASSTHROUGH LONG TERM GAINS	P	VARIOUS	12/31/12
f	MLP OUTSIDE BASIS	P	VARIOUS	12/31/12
g	CAPITAL GAINS DIVIDENDS			
h				
i				
j				
k				
l				
m				
n				
o				

	(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	1,061,552.		1,023,663.	37,889.
b	304,728.		282,143.	22,585.
c	321,181.		260,193.	60,988.
d	207,661.		203,125.	4,536.
e	1,909.			1,909.
f	6,860.			6,860.
g	9,203.			9,203.
h				
i				
j				
k				
l				
m				
n				
o				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a				37,889.
b				22,585.
c				60,988.
d				4,536.
e				1,909.
f				6,860.
g				9,203.
h				
i				
j				
k				
l				
m				
n				
o				

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	143,970.
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). If (loss), enter "-0-" in Part I, line 8	3	N/A

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
BSA TROOP 105 5444 HOLLISTER AVE SANTA BARBARA, CA 93111		501(C)(3)	GENERAL	1,000.
CALIFORNIA SURF MUSEUM 312 PIER VIEW WAY OCEANSIDE, CA 92054		501(C)(3)	GENERAL	2,000.
CARRIAGE AND WESTERN ART MUSEUM OF SANTA BARBARA 129 CASTILLO ST., P.O. BOX 1587 SANTA BARBARA, CA 93102		501(C)(3)	GENERAL	2,500.
CATHEDRAL CATHOLIC HIGH SCHOOL 5555 DEL MAR HEIGHTS ROAD SAN DIEGO, CA 92130		501(C)(3)	GENERAL	2,500.
CHALLENGED ATHLETES FOUNDATION 9591 WAPLES STREET SAN DIEGO, CA 92121		501(C)(3)	GENERAL	5,000.
COMMUNITY COACHING CENTER, INC. P.O. BOX 720072 SAN DIEGO, CA 92172		501(C)(3)	GENERAL	10,000.
D.A.R.E P.O. BOX 512090 LOS ANGELES, CA 90051		501(C)(3)	GENERAL	2,000.
DEL SUR ELEMENTARY SCHOOL 15665 PASEO DEL SUR SAN DIEGO, CA 92127		501(C)(3)	GENERAL	5,000.
DREAM FOUNDATION 1528 CHAPALA STREET, SUITE 304 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	17,825.
EWGA 300 AVENUE OF THE CHAMPIONS, STE 140 PALM BEACH GARDENS, FL 33418		501(C)(3)	GENERAL	2,000.
Total from continuation sheets				369,840.

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
FUTURE TRADITIONS FOUNDATION 2911 LA COMBADURA SANTA BARBARA, CA 93105		501(C)(3)	GENERAL	3,000.
GOLETA VALLEY BEAUTIFUL P.O. BOX 6756 GOLETA, CA 93160		501(C)(3)	GENERAL	2,500.
GWENDOLYN STRONG FOUNDATION 27 W. ANAPAMU STREET, SUITE 177 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	2,000.
HEMOPHILIA FOUNDATION OF SOCAL 6720 MELROSE AVENUE HOLLYWOOD, CA 90038		501(C)(3)	GENERAL	1,000.
HILLSIDE HOUSE 1235 VERONICA SPRINGS RD SANTA BARBARA, CA 93105		501(C)(3)	GENERAL	1,000.
ISLA VISTA YOUTH PROJECTS 6842 PHELPS ROAD GOLETA, CA 93117		501(C)(3)	GENERAL	2,000.
LA CUMBRE JUNIOR HIGH SCHOOL FOUNDATION 2255 MODOC ROAD SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	2,500.
MESA VERDE FOUNDATION 823 SO. PERRY STREET, SUITE 120 CASTLE ROCK, CO 80104		501(C)(3)	GENERAL	1,000.
MT. CARMEL HIGH SCHOOL ATHLETICS 9550 CARMEL MOUNTAIN ROAD SAN DIEGO, CA 92129		501(C)(3)	GENERAL	2,000.
NATIONAL ASSOCIATION OF STATE BOATING 1500 LEESTOWN RD, SUITE 330 LEXINGTON, KY 40511		501(C)(3)	GENERAL	1,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
NATIONAL SAFE BOATING COUNCIL P.O. BOX 509 BRISTOW, VA 20136		501(C)(3)	GENERAL	1,000.
NOTES FOR NOTES P.O. BOX 90632 SANTA BARBARA, CA 93190		501(C)(3)	GENERAL	6,850.
PAGE YOUTH CENTER 4540 HOLLISTER AVE SANTA BARBARA, CA 93110		501(C)(3)	GENERAL	2,500.
PANCREATIC CANCER ACTION NETWORK 2141 ROSECRANS AVE, SUITE 7000 EL SEGUNDO, CA 90245		501(C)(3)	GENERAL	10,000.
PHOENIX PATRIOT FOUNDATION P.O. BOX 7082 SAN DIEGO, CA 92167		501(C)(3)	GENERAL	1,000.
PROMISES TO KIDS 9440 RUFFIN COURT, SUITE 2 SAN DIEGO, CA 92123		501(C)(3)	GENERAL	5,000.
SAINT RAPHAEL CATHOLIC CHURCH 5444 HOLLISTER AVENUE SANTA BARBARA, CA 93111		501(C)(3)	GENERAL	35,500.
SAINT VINCENT DE PAUL 105 E DE LA GUERRA SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	5,000.
SAN DIEGO HUMANE SOCIETY 5500 GAINES ST SAN DIEGO, CA 92110		501(C)(3)	GENERAL	1,000.
SANTA BARBARA DANCE ALLIANCE 1330 STATE STREET, SUITE 201 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	6,500.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
SANTA BARBARA EDUCATION FOUNDATION 1330 STATE STREET, SUITE 203 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	5,000.
SANTA BARBARA INTERNATIONAL FILM FESTIVAL 1528 CHAPALA STREET, SUITE 203 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	740.
SANTA BARBARA RESCUE MISSION P.O. BOX 3130 SANTA BARBARA, CA 93130		501(C)(3)	GENERAL	5,000.
SANTA BARBARA YOUTH ENSEMBLE THEATRE 319-A ANACAPA STREET SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	5,000.
SANTA INES MISSION 1760 MISSION DRIVE, P.O. BOX 408 SOLVANG, CA 93464		501(C)(3)	GENERAL	1,000.
SBDA P.O. BOX 710241 HOUSTON, TX 77271		501(C)(3)	GENERAL	8,500.
SDRI 2219 BATH STREET SANTA BARBARA, CA 93105		501(C)(3)	GENERAL	2,500.
SOUTH COAST RAILROAD MUSEUM 300 N. LOS CARNEROS ROAD GOLETA, CA 93117		501(C)(3)	GENERAL	1,500.
SPECIAL OPERATIONS WARRIOR FOUNDATION 7020 AC SKINNER PARKWAY, SUITE 100 JACKSONVILLE, FL 32256		501(C)(3)	GENERAL	5,000.
ST. RAFAEL SCHOOL 160 SAINT JOSEPHS ST SANTA BARBARA, CA 93111		501(C)(3)	GENERAL	46,500.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
THE TEDDY BEAR CANCER FOUNDATION 133 E DE LA GUERRA STREET, #163 SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	22,300.
THE WAHINE PROJECT 514 12TH STREET PACIFIC GROVE, CA 93950		501(C)(3)	GENERAL	3,500.
UA SAN DIEGO CHAPTER BEACHCATS 1111 NORTH CHERRY AVENUE, P.O. BOX 210109 TUCSON, AZ 85721		501(C)(3)	GENERAL	2,500.
UNITY SHOPPE 1219 STATE STREET SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	500.
WESTSIDE BOYS & GIRLS CLUB SANTA BARBARA 602 WEST ANAPAMU ST SANTA BARBARA, CA 93101		501(C)(3)	GENERAL	6,000.
WESTVIEW FOUNDATION 13500 CAMINO DEL SUR SAN DIEGO, CA 92129		501(C)(3)	GENERAL	9,000.
YOUNG AMERICA'S FOUNDATION 110 ELDEN STREET HERNDON, VA 20170		501(C)(3)	GENERAL	20,000.
ALOHA SPIRIT SB PO BOX 6431 SANTA BARBARA, CA 93160	NONE	501(C)(3)	GENERAL	1,000.
AMERICAN HEART ASSOCIATION 212 W FIGUEROA ST SANTA BARBARA, CA 93101	NONE	501(C)(3)	GENERAL	500.
BOYS AND GIRLS CLUB 602 WEST ANAPAMU ST SANTA BARBARA, CA 93101	NONE	501(C)(3)	GENERAL	1,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
BREAST CANCER RESOURCE CENTER 525 WEST JUNIPERO STREET SANTA BARBARA, CA 93105	NONE	501(C)(3)	GENERAL	1,025.
CANCER CENTER OF SANTA BARBARA 300 W PUEBLO ST SANTA BARBARA, CA 93105	NONE	501(C)(3)	GENERAL	200.
CATALINA CHURCH OF MIDTOWN 1900 N COUNTRY CLUB RD TUCSON, AZ 85716	NONE	501(C)(3)	GENERAL	5,000.
CHILDHOOD LEUKEMIA FOUNDATION 807 MANTOLOKING ROAD BRICK, NJ 08723	NONE	501(C)(3)	GENERAL	100.
CHRISTIAN SURFERS PO BOX 9 ST AUGUSTINE, FL 32085	NONE	501(C)(3)	GENERAL	1,000.
GREATER SANTA BARBARA ICE SKATING ASSOC 831 STATE STREET SANTA BARBRA, CA 93102	NONE	501(C)(3)	GENERAL	5,000.
HELP THE CHILDREN PO BOX 911607 LOS ANGELES, CA 90091	NONE	501(C)(3)	GENERAL	500.
INCREDIBLE CHILDREN'S ART NETWORK 1531 CHAPALA STREET, SUITE 3 SANTA BARBARA, CA 93101	NONE	501(C)(3)	GENERAL	1,000.
INDIA PHILLIPS FOUNDATION 444 SOUTH CEDROS, SUITE 195 SOLANA BEACH, CA 92075	NONE	501(C)(3)	GENERAL	5,000.
LA CUESTA HIGH SCHOOL 710 SANTA BARBARA ST SANTA BARBARA, CA 93101	NONE	501(C)(3)	GENERAL	2,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
DEL NORTE HIGH SCHOOL FOUNDATION 16601 NIGHTHAWK LANE SAN DIEGO, CA 92127	NONE	501(C)(3)	GENERAL	2,000.
DISABLED VETERANS SERVICES 3200 N.E. 14TH STREET, SUITE 219 POMPANO BEACH, FL 33062	NONE	501(C)(3)	GENERAL	100.
DOMESTIC VIOLENCE SOLUTIONS PO BOX 1536 SANTA BARBARA, CA 93102	NONE	501(C)(3)	GENERAL	3,500.
DOS PUEBLOS HIGH SCHOOL 7266 ALAMEDA AVE GOLETA, CA 93117	NONE	501(C)(3)	GENERAL	1,500.
FAITH ALIVE PO BOX 51776 ALBUQUERQUE, NM 87181	NONE	501(C)(3)	GENERAL	500.
FOUNDATION FOR SBCC CONTINUING EDUCATION 721 CLIFF DRIVE SANTA BARBARA, CA 93109	NONE	501(C)(3)	GENERAL	500.
LEARNING ALLY 20 ROSZEL ROAD PRINCETON, NJ 08540	NONE	501(C)(3)	GENERAL	5,000.
LOVE RIDE FOUNDATION 3717 SAN FERNANDO ROAD GLENDALE, CA 91204	NONE	501(C)(3)	GENERAL	1,000.
MANNA HOUSE 50407 HANGTREE LN OAKHURST, CA 93644	NONE	501(C)(3)	GENERAL	5,000.
NATIONAL CRIMINAL ENFORCEMENT ASSOCIATION 8491 HOSPITAL DRIVE #316 DOUGLASVILLE, GA 30134	NONE	501(C)(3)	GENERAL	1,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
NEW NOISE MUSIC FOUNDATION 17 EL PASEO SANTA BARBARA, CA 93117	NONE	501(C)(3)	GENERAL	5,000.
NSA 1450 DUKE STREET ALEXANDRIA, VA 22314	NONE	501(C)(3)	GENERAL	1,000.
OPERATION SURF PO BOX 1581 SAN LUIS OBISPO, CA 93406	NONE	501(C)(3)	GENERAL	1,000.
PACIFIC PRIDE FOUNDATION 126 E HALEY ST A-11 SANTA BARBARA, CA 93101	NONE	501(C)(3)	GENERAL	1,200.
PARKS & RECREATION COMMUNITY FOUNDATION PO BOX 91742 SANTA BARBARA, CA 93190	NONE	501(C)(3)	GENERAL	3,000.
RANCHO FAMILY YMCA 9410 FAIRGROVE LN SAN DIEGO, CA 92129	NONE	501(C)(3)	GENERAL	2,000.
RETURN TO FREDOM PO BOX 926 LOMPOC, CA 93438	NONE	501(C)(3)	GENERAL	500.
ROCK SHOP ACADEMY 1109 DE LA VINA ST SANTA BARBARA, CA 93101	NONE	501(C)(3)	GENERAL	5,500.
SANTA BARBARA BLUES SOCIETY PO BOX 30853 SANTA BARBARA, CA 93130	NONE	501(C)(3)	GENERAL	1,000.
SAVE THE WAVES COALITION PO BOX 183 DAVENPORT, CA 95017	NONE	501(C)(3)	GENERAL	1,000.
Total from continuation sheets				

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
SPIRIT OF THE FOUNDATION 5370 SANDY LAKE EAST LITHONIA, GA 30038	NONE	501(C)(3)	GENERAL	500.
ST SCHOLASTICA ACADEMY 122 SOUTH MASSACHUSETTS ST COVINGTON, LA 70433	NONE	501(C)(3)	GENERAL	1,000.
STAR JASMINE FOUNDATION 631 1/2 N MILPAS SANTA BARBARA, CA 93103	NONE	501(C)(3)	GENERAL	2,000.
WESTERN FOUNDATION 439 CALLE SAN PABLO CAMARILLO, CA 93012	NONE	501(C)(3)	GENERAL	5,000.
JUST ADD WATER SAFETY PO BOX 200 LINCOLN CITY, OR 97367	NONE	501(C)(3)	GENERAL	5,000.
POVA 11319 CREEK ROAD POWAY, CA 92064	NONE	501(C)(3)	GENERAL	5,000.
Total from continuation sheets				

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 1

(A) DESCRIPTION OF PROPERTY				MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MORGAN STANLEY				PURCHASED	VARIOUS	12/31/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,061,552.	1,018,882.	0.	0.	42,670.

(A) DESCRIPTION OF PROPERTY				MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FIDELITY #119				PURCHASED	VARIOUS	12/31/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
304,728.	292,964.	0.	0.	11,764.

(A) DESCRIPTION OF PROPERTY				MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FIDELITY #275				PURCHASED	VARIOUS	12/31/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
321,181.	300,787.	0.	0.	20,394.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FIDELITY #178	PURCHASED	VARIOUS	12/31/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
207,661.	241,869.	0.	0.	-34,208.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PASSTHROUGH LONG TERM GAINS	PURCHASED	VARIOUS	12/31/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,909.	0.	0.	0.	1,909.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
MLP OUTSIDE BASIS	PURCHASED	VARIOUS	12/31/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
6,860.	0.	0.	0.	6,860.

CAPITAL GAINS DIVIDENDS FROM PART IV	9,203.
TOTAL TO FORM 990-PF, PART I, LINE 6A	58,592.

FORM 990-PF LEGAL FEES STATEMENT 2

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
SCHLEY LOOK & GUTHRIE	4,100.	2,050.		2,050.
TO FM 990-PF, PG 1, LN 16A	4,100.	2,050.		2,050.

FORM 990-PF ACCOUNTING FEES STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
DAMITZ BROOKS NIGHTINGALE ET AL	23,627.	11,814.		11,813.
TO FORM 990-PF, PG 1, LN 16B	23,627.	11,814.		11,813.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT MANAGEMENT FEES	61,461.	61,461.		0.
TO FORM 990-PF, PG 1, LN 16C	61,461.	61,461.		0.

FORM 990-PF TAXES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES WITHHELD	3,829.	3,829.		0.
FEDERAL EXCISE TAX	7,692.	0.		0.
TO FORM 990-PF, PG 1, LN 18	11,521.	3,829.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INSURANCE-D&O	2,666.	1,333.		1,333.
FILING FEES	210.	0.		210.
REAL PROPERTY: MAINTENANCE	1,170.	1,170.		0.
OFFICE EXPENSE	20.	10.		10.
PARTNERSHIP PASSTHRU LOSS	25,263.	25,263.		0.
PARTNERSHIP PASSTHRU DED	1,675.	1,675.		0.
PARTNERSHIP PASSTHRU SEC 1231 LOSS	403.	403.		0.
REAL PROPERTY: TAXES	4,828.	4,828.		0.
TO FORM 990-PF, PG 1, LN 23	36,235.	34,682.		1,553.

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 7

DESCRIPTION	AMOUNT
UNREALIZED GAIN ON MARKETABLE SECURITIES	484,132.
TOTAL TO FORM 990-PF, PART III, LINE 3	484,132.

FORM 990-PF OTHER RECEIVABLES FROM OFFICERS, ETC. STATEMENT 8

DESCRIPTION	BALANCE DUE	FMV OF LOAN
PETER SCHULTE	0.	0.
PAUL SCHULTE	885.	0.
SYLVIA MOLONY	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 6	885.	0.

FORM 990-PF	U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS				STATEMENT 9

DESCRIPTION	U.S. GOV'T	OTHER GOV'T	BOOK VALUE	FAIR MARKET VALUE
U.S. TREASURY NOTES - SEE ATTACHED	X		0.	0.
TOTAL U.S. GOVERNMENT OBLIGATIONS				
TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS				
TOTAL TO FORM 990-PF, PART II, LINE 10A			0.	0.

FORM 990-PF	CORPORATE STOCK	STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
MS INVESTMENTS #4629 - COMMON STOCK	0.	0.
MS INVESTMENTS #0303 - COMMON STOCK	0.	0.
MS #0304 - COMMON STOCK AND MLP INVESTMENTS	0.	0.
FIDELITY #119 - COMMON STOCK	1,929,870.	1,929,870.
FIDELITY #275 - COMMON STOCK	2,049,260.	2,049,260.
FIDELITY #178 - COMMON STOCK	2,065,123.	2,065,123.
TOTAL TO FORM 990-PF, PART II, LINE 10B	6,044,253.	6,044,253.

FORM 990-PF	CORPORATE BONDS	STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE BONDS - SEE ATTACHED	206,526.	206,526.
TOTAL TO FORM 990-PF, PART II, LINE 10C	206,526.	206,526.

FORM 990-PF OTHER INVESTMENTS STATEMENT 12

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
MUTUAL FUNDS	FMV	1,995,632.	1,995,632.
PARTNERSHIP INVESTMENT - THE PINES RESORT	FMV	1,016,100.	1,016,100.
TOTAL TO FORM 990-PF, PART II, LINE 13		3,011,732.	3,011,732.

FORM 990-PF OTHER ASSETS STATEMENT 13

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
INCOME RECEIVABLE	5,663.	4,022.	4,022.
PREPAID EXCISE TAX	0.	930.	930.
TO FORM 990-PF, PART II, LINE 15	5,663.	4,952.	4,952.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 14

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
PAUL S. SCHULTE 200 E CARRILLO, STE 303 SANTA BARBARA, CA 93101	PRESIDENT 1.00	0.	0.	0.
PETER R. SCHULTE 200 E CARRILLO, STE 303 SANTA BARBARA, CA 93101	VICE PRESIDENT 1.00	0.	0.	0.
SYLVIA M. MOLONY 200 E CARRILLO, STE 303 SANTA BARBARA, CA 93101	ASSISTANT VP 1.00	175.	0.	0.
HENRY G. SCHULTE 200 E CARRILLO, STE 303 SANTA BARBARA, CA 93101	SECTRY / TRSR 1.00	380.	0.	0.
MARK M. AIJIAN 200 E CARRILLO, STE 303 SANTA BARBARA, CA 93101	DIRECTOR 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		555.	0.	0.

Rudi Schulte Family Foundation
FEIN 77-0452600
Tax Year 2012

BEVERLY HILLS WEALTH MANAGEMENT

Envelope 931009321

BEVERLY HILLS WEALTH MGMT
TAYLOR SCHULTE
9454 WILSHIRE BLVD, STE 710
BEVERLY HILLS CA 90212

Investment Report

December 1, 2012 - December 31, 2012

ID: G14166955

Online	Fidelity com
FAST(sm)-Automated Telephone	800-544-5555
Customer Service	800-544-6666

Your Client
RUDI SCHULTE FAMILY FOUNDATION
P O BOX 60921
SANTA BARBARA CA 93160-0921

Brokerage 649-135119 RUDI SCHULTE FAMILY FOUNDATION

Account Summary

Beginning value as of Dec 1	$4,275,229.27
Additions	6,318.98
Withdrawals	-14,000 00
Transfers between Fidelity accounts	18,777.62
Change in investment value	67,978 71
Ending value as of Dec 31	**$4,354,304.58**
Accrued Interest (AI)	$4,022 09
Change in AI from last statement	$881 26

Income Summary

	This Period	Year to Date
Taxable		
Dividends	$39,617 97	$92,951.08
St cap gain	5,683 27	5,683.27
Interest	1 55	5,298.35
U S Gov't interest	0.00	2,187 50
Lt cap gain	3,519 25	3,519 25
Total	**$48,822.04**	**$109,639.45**

Realized Gain/Loss from Sales

	This Period	Year to Date
Short-term gain	$0.00	$53.92
Long-term gain	$0.00	$22,531.50

Your Advisor is an independent organization and is not affiliated with Fidelity Investments Brokerage services provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC 800-544-6666 Brokerage Accounts carried with National Financial Services LLC, Member NYSE, SIPC

Holdings (Symbol) as of December 31, 2012

Holdings (Symbol) as of December 31, 2012	Quantity December 31, 2012	Price per Unit December 31, 2012	Total Cost Basis	Total Value December 1, 2012	Total Value December 31, 2012	Unrealized Gain (Loss) December 31, 2012
Stocks ***42% of holdings***						
AMERICAN ASSETS TRUST INC COM USD0 01 (AAT)	707 000	$27.930	$14,194 72t	$19,251.61	$19,746 51	$ 5,551.79

Rudi Schulte Family Foundation
FEIN 77-0452600
Tax Year 2012

Investment Report

December 1, 2012 - December 31, 2012

Brokerage 649-135119 RUDI SCHULTE FAMILY FOUNDATION

Holdings (Symbol) as of December 31, 2012	Quantity December 31, 2012	Price per Unit December 31, 2012	Total Cost Basis	Total Value December 1, 2012	Total Value December 31, 2012	Unrealized Gain (Loss) December 31, 2012
ISHARES GOLD TRUST ISHARES ISIN #US4642851053 SEDOL #B0SF3S5 (IAU)	7,996.000	16.279	96,552.65t	133,373.28	130,166.88	33,614.23
ISHARES CORE S&P MID-CAP ETF (IJH)	2,797.868	101.700	224,813 61t	278,519 82	284,543 17	59,729 56
VANGUARD INTL EQUITY INDEX FDS MSCI PAC ETF (VPL)	2,948.202	53.390	163,558.35t	150,038.02	157,404.50	- 6,153 85
VANGUARD INTL EQUITY INDEX FDS MSCI EUROPE ETF (VGK)	7,088.908	48.840	412,216 93t	331,912.00	346,222.26	- 65,994 67
VANGUARD INDEX FDS VANGUARD REIT ETF FORMERLY VANGUARD INDEX TR TO 05/24/01 REIT VIPER SHS (VNQ)	1,519 000	65.800	88,875.23t	97,534.99	99,950 20	11,074.97
VANGUARD INDEX FDS VANGUARD GROWTH VIPERS FORMERLY VANGUARD INDEX TR (VUG)	5,028 039	71 180	295,748.60t	357,610.54	357,895 81	62,147.21
VANGUARD INDEX FDS VANGUARD SMALL CAP VIPERS FORMERLY VANGUARD INDEX TR (VB)	2,209.371	80.900	143,329.13t	173,476.62	178,738.11	35,408.98
WISDOMTREE EMERG MKTS EQUITY INCOME FUND (DEM)	4,446 000	57 190	257,373.60t	236,793.96	254,266.74	- 3,106 86
Subtotal of Stocks			**1,696,662.82**		**1,828,934.18**	**132,271.36**
Bonds *5% of holdings*						
GENERAL ELEC CAP CORP MTN BE 5 450% 01/15/2013 FIXED COUPON MOODYS A1 S&P AA+ SEMIANNUALLY AI $2,513 06 EAI $2,725 00 CUSIP 36962GZY3	100,000 000	100.172	100,037.45Bt	100,576 00	100,172 10	134.65
JPMORGAN CHASE & CO SUB NT 5 12500% 09/15/2014 FIXED COUPON MOODYS A3 S&P A- SEMIANNUALLY AI $1,509 03 EAI $5,125 00 CUSIP· 46625HBV1	100,000 000	106 354	101,667.79Bt	106,699.00	106,354 00	4,686 21

Investment Report

December 1, 2012 - December 31, 2012

Brokerage 649-135119 RUDI SCHULTE FAMILY FOUNDATION

Holdings (Symbol) as of December 31, 2012	Quantity December 31, 2012	Price per Unit December 31, 2012	Total Cost Basis	Total Value December 1, 2012	Total Value December 31, 2012	Unrealized Gain (Loss) December 31, 2012
Subtotal of Bonds			**201,705.24**		**206,526.10**	**4,820.86**
Mutual Funds ***46% of holdings***						
DREYFUS INTERTNAT'L BOND FUND CL I (DIBRX)	6,962 944	17 320	115,586 53t	120,612.81	120,598.19	5,011 66
PALMER SQUARE SSI ALTERNATIVE INC FD I (PSCIX)	19,569.472	10.190	200,000.00	200,000.00	199,412.91	- 587.09
IVY HIGH INCOME CLASS I (IVHIX)	21,040.882	8.540	171,454 21t	178,155 37	179,689.13	8,234.92
JPMORGAN STRATEGIC INCOME OPPS - SELECT (JSOSX)	33,283 916	11.830	391,305.85t	391,975.12	393,748 72	2,442 87
PIMCO ALL ASSET ALL AUTHORITY-INSTIT CL (PAUIX)	36,349.053	11.090	391,591.75t	412,561.75	403,110.99	11,519.24
PIMCO UNCONSTRAINED BOND FUND CLASS P (PUCPX)	35,130 125	11.480	391,755 00t	409,838.32	403,293 83	11,538.83
PIMCO TOTAL RETURN FUND CL P (PTTPX)	15,974.587	11.240	174,971.80t	181,338.75	179,554.35	4,582.55
PIONEER MULTI-ASSET REAL RETURN FD CL Y (PMYRX)	9,573 650	12.140	103,144.24t	114,049.01	116,224.11	13,079.87
Subtotal of Mutual Funds			**1,939,809.38**		**1,995,632.23**	**55,822.85**
Other ***2% of holdings***						
APARTMENT INVT & MGMT CO (AIV)	678.000	27.060	14,269 46t	16,997.46	18,346 68	4,077 22
BIOMED RLTY TR INC (BMR)	829 000	19.330	14,298 34t	15,974.83	16,024 57	1,726 23
HOME PPTYS INC FORMERLY HOME PPTYS NY INC (HME)	264 000	61 310	14,311.07t	15,546 96	16,185 84	1,874 77
KIMCO REALTY CORP (MOVED FROM DELAWARE TO MARYLAND) (KIM)	931.000	19 320	14,287.50t	17,931.06	17,986.92	3,699 42
MID-AMER APT CMNTYS INC (MAA)	252 000	64 750	14,276 81t	15,704 64	16,317 00	2,040 19
SENIOR HOUSING PROP TRUST (SNH)	680.000	23 640	14,292 04t	15,198 00	16,075.20	1,783 16
Subtotal of Other			**85,735.22**		**100,936.21**	**15,200.99**
Core Account ***5% of holdings***						
CASH	222,275 860	1 000	not applicable	183,559.35	222,275 86	not applicable

Investment Report

December 1, 2012 - December 31, 2012

Brokerage 649-135119 RUDI SCHULTE FAMILY FOUNDATION

Holdings (Symbol) as of December 31, 2012	Quantity December 31, 2012	Price per Unit December 31, 2012	Total Cost Basis	Total Value December 1, 2012	Total Value December 31, 2012	Unrealized Gain (Loss) December 31, 2012
Subtotal of Core Account					**222,275.86**	
Total			**$ 3,923,912.66**		**$4,354,304.58**	**$ 208,116.06**

All positions held in cash account unless indicated otherwise

B - See Cost Basis Information and Endnotes for important information about the adjusted cost basis information provided

t - Third-party provided

Cost Basis - the original amount paid for a security, including the amount of reinvested dividends and capital gains, plus or minus certain adjustments See last page of statement for details Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable.

-- not available

AI (Accrued Interest) - Presented for domestic fixed income securities and represents interest accumulated since the last coupon date, but not yet paid by the issuer or received by NFS. AI is calculated for the following securities fixed rate bonds and Certificates of Deposit (CDs) **There is no guarantee that AI will be paid by the issuer.** *AI for treasury and GNMA securities, however, is backed by the full faith and credit of the United States Government AI totals represent accruals for only those securities with listed AI in the Holdings section of this statement Please refer to the Help/Glossary section of Fidelity com for additional information.*

EAI (Estimated Annual Income) - An estimate of annual income for a specific fixed income security position over the next rolling 12 months EAI is calculated for the following securities· fixed rate bonds and Certificates of Deposit (CDs). **EAI is an estimate only and there is no guarantee that you will actually receive the income listed for any or all of the specific securities for which EAI is provided.** *Your actual income and yield may be higher or lower EAI should not be relied upon for making investment, trading or tax decisions There are circumstances in which EAI will not be calculated for a specific security Please refer to the Help/Glossary section of Fidelity com for additional information including specific calculations*

Rudi Schulte Family Foundation
FEIN 77-0452600
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Investment Report

December 1, 2012 - December 31, 2012

Income Summary

	This period	Year to Date
Taxable	$20,276.29	$99,960 30
Return of capital	0.00	12,692 95
Total	**$20,276.29**	**$112,653.25**

Your Portfolio Details

Brokerage 649-135275 RUDI SCHULTE FAMILY FOUNDATION
Separate Account Manager: Federated Investment Counseling - STRATEGIC VAL (MDCP)/WRAP

Account Summary

Beginning mkt value as of Dec 1	$2,108,648.56
Transaction costs, loads and fees	-1.08
Transfers between Fidelity accounts	-9,362.90
Change in investment value	-8,097.76
Change in credit balance	-0.02
Ending mkt value as of Dec 31	2,091,186.80
Credit balance	0 02
Ending Net Value	**$2,091,186.82**

Income Summary

	This Period	Year to Date
Taxable		
Dividends	$9,362.87	$46,999.92
Interest	0.40	7.19
Total	**$9,363.27**	**$47,007.11**

Realized Gain/Loss from Sales

	This Period	Year to Date
Short-term gain	$0.00	$2,545 96
Short-term loss	-15,908 85	-15,908 85
Net short	**- 15,908.85**	**- 13,362.89**
Long-term gain	$0.00	$74,350 46

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Holdings (Symbol) as of December 31, 2012	Quantity December 31, 2012	Price per Unit December 31, 2012	Total Cost Basis	Total Value December 1, 2012	Total Value December 31, 2012	Unrealized Gain (Loss) December 31, 2012
Stocks ***95% of holdings***						
AT&T INC COM (T)	2,025 000	$33.710	$55,152.61t	$69,113.25	$68,262 75	$ 13,110 14
ALTRIA GROUP INC (MO)	2,491 000	31 440	53,382 86t	84,220.71	78,317 04	24,934.18
AMERICAN ELEC PWR CO (AEP)	358 000	42.680	14,197 31	15,268.70	15,279 44	1,082 13
ASTRAZENECA ADR EACH REP 1 ORD USD0 25(MGT) (AZN)	1,951 000	47.270	93,552 05t	92,750.54	92,223.77	- 1,328 28
BCE INC COM NPV ISIN #CA05534B7604 SEDOL #B188TH2 (BCE)	1,810 000	42 940	50,954.09t	76,563 00	77,721 40	26,767.31
BRISTOL MYERS SQUIBB (BMY)	2,175 000	32 590	50,696.98t	70,970.25	70,883.25	20,186 27
CENTURYLINK INC (CTL)	1,927 000	39.120	69,424.52t	74,844.68	75,384 24	5,959 72

Rudi Schulte Family Foundation
FEIN 77-0452600
Tax Year 2012

Investment Report

December 1, 2012 - December 31, 2012

Brokerage 649-135275 RUDI SCHULTE FAMILY FOUNDATION

Separate Account Manager: Federated Investment Counseling - STRATEGIC VAL (MDCP)/WRAP

Holdings (Symbol) as of December 31, 2012	Quantity December 31, 2012	Price per Unit December 31, 2012	Total Cost Basis	Total Value December 1, 2012	Total Value December 31, 2012	Unrealized Gain (Loss) December 31, 2012
CHEVRON CORP NEW (CVX)	187 000	108 140	14,504.13t	19,764 03	20,222 18	5,718 05
COCA COLA CO (KO)	582.000	36.250	16,429.86t	22,069.44	21,097 50	4,667 64
CONOCOPHILLIPS (COP)	1,337 000	57 990	61,261.43t	76,128 78	77,532 63	16,271 20
DOMINION RESOURCES INC VA NEW (D)	429.000	51 800	16,463.97t	21,926.19	22,222.20	5,758.23
DUKE ENERGY CORP COM USD0.001 ISIN #US26441C2044 SEDOL #B7JZSK0 (DUK)	1,206 000	63.800	61,399 79t	76,966.92	76,942.80	15,543.01
GLAXOSMITHKLINE ADR EACH CNV INTO 2 ORD GBP0 25 (GSK)	1,992.000	43.470	82,351.88t	85,675.92	86,592.24	4,240.36
HEINZ H J CO (HNZ)	1,474 000	57.680	60,837.71t	86,170.04	85,020.32	24,182.61
JOHNSON & JOHNSON (JNJ)	835.000	70.100	51,211.91t	58,224.55	58,533.50	7,321.59
KIMBERLY CLARK CORP (KMB)	539.000	84.430	34,537.34t	46,203.08	45,507.77	10,970.43
KRAFT FOODS GROUP INC COM NPV (KRFT)	1,285.000	45 470	60,017.88	41,620.80	58,428 95	- 1,588.93
LILLY ELI & CO (LLY)	1,292.000	49 320	46,636 83t	63,359 68	63,721.44	17,084.61
LORILLARD INC COM (LO)	197 000	116.670	15,473.25t	23,868 52	22,983.99	7,510 74
MCDONALDS CORP (MCD)	532 000	88.210	40,916.35t	19,845.12	46,927.72	6,011 37
MERCK & CO INC NEW COM (MRK)	1,724 000	40 940	65,881.97t	76,373.20	70,580 56	4,698 59
NATIONAL GRID NEW ADR EACH REPR 5 ORD GBP0 11395 (NGG)	1,671.000	57.440	80,259 32t	94,645.44	95,982.24	15,722.92
PPL CORP (PPL)	1,544 000	28.630	42,857 00t	45,316 40	44,204 72	1,347 72
PEPSICO INC (PEP)	314.000	68.430	19,774 43t	22,045.94	21,487 02	1,712.59
PHILIP MORRIS INTL INC COM (PM)	394.000	83 640	19,650.08t	35,412 72	32,954 16	13,304 08
PROCTER & GAMBLE CO (PG)	346 000	67.890	21,240 25t	24,161.18	23,489 94	2,249 69
REYNOLDS AMERN INC (RAI)	1,727 000	41 430	46,797 34t	75,504 44	71,549.61	24,752 27
ROYAL DUTCH SHELL ADR EA REP 2 CL B EUR0 07 (RDSB)	1,278 000	70 890	75,214.66t	88,284 24	90,597 42	15,382.76
SOUTHERN CO (SO)	1,872 000	42.810	59,583 97t	81,525 60	80,140 32	20,556.35
TOTAL SPON ADR EA REP 1 ORD SHS (TOT)	1,748 000	52 010	97,457 40t	87,679 68	90,913 48	- 6,543 92
UNILEVER PLC ADS-EA REPR 1 ORD GPB0.03111 (UL)	592 000	38 720	17,176 47t	22,703.20	22,922 24	5,745 77
VERIZON COMMUNICATIONS (VZ)	1,884.000	43 270	54,610.15t	83,122.08	81,520 68	26,910.53

Rudi Schulte Family Foundation
FEIN 77-0452600
Tax Year 2012

Investment Report

December 1, 2012 - December 31, 2012

Brokerage 649-135275 RUDI SCHULTE FAMILY FOUNDATION

Separate Account Manager: Federated Investment Counseling - STRATEGIC VAL (MDCP)/WRAP

Holdings (Symbol) as of December 31, 2012	Quantity December 31, 2012	Price per Unit December 31, 2012	Total Cost Basis	Total Value December 1, 2012	Total Value December 31, 2012	Unrealized Gain (Loss) December 31, 2012
VODAFONE GROUP SPON ADR REP 10 ORD USD0 11428571 (VOD)	3,150.000	25.190	74,352 28t	81,254.25	79,348.50	4,996 22
WINDSTREAM CORP COM (WIN)	1,643.000	8.280	16,262.72t	13,768 34	13,604 04	- 2,658.68
Subtotal of Stocks			**1,640,520.79**		**1,983,100.06**	**342,579.27**
Other ***3% of holdings***						
HCP INC COM (HCP)	648.000	45.160	24,437.38t	29,192.40	29,263 68	4,826 30
HEALTH CARE REIT INC (HCN)	602.000	61.290	24,051.60t	35,451.78	36,896.58	12,844.98
Subtotal of Other			**48,488.98**		**66,160.26**	**17,671.28**
Core Account ***2% of holdings***						
CASH	41,926.480	1.000	not applicable	36,941.57	41,926.48	not applicable
Subtotal of Core Account					**41,926.48**	
Total			**1,689,009.77**		**2,091,186.80**	**360,250.55**
Credit balance				0.00	0.02	
Total Net Value					**$2,091,186.82**	

All positions held in cash account unless indicated otherwise

t - Third-party provided

Cost Basis - the original amount paid for a security, including the amount of reinvested dividends and capital gains, plus or minus certain adjustments See last page of statement for details Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable

Transaction Details

(for holdings with activity this period)

Rudi Schulte Family Foundation
FEIN 77-0452600
Tax Year 2012

Investment Report

December 1, 2012 - December 31, 2012

Brokerage 649-135178 RUDI SCHULTE FAMILY FOUNDATION

Separate Account Manager: Miller Howard Investments Inc. - INCOME EQUITY

Account Summary

Beginning mkt value as of Dec 1	$2,106,597 40
Transaction costs, loads and fees	2.42
Transfers between Fidelity accounts	-9,414.72
Change in investment value	2,606.76
Change in credit balance	-1,498.02
Ending mkt value as of Dec 31	2,098,293 84
Credit balance	1,498 02
Ending Net Value	**$2,099,791.86**

Income Summary

	This Period	Year to Date
Taxable		
Dividends	$10,912 68	$37,308 85
Interest	0.34	5.33
Return of capital	**0.00**	**12,692.95**
Total	**$10,913.02**	**$50,007.13**

Realized Gain/Loss from Sales

	This Period	Year to Date
Short-term loss	$0 00	-$6,522 53
Long-term gain	$5,251.62	$34,010.08
Long-term loss	-3,491 78	-22,951.57
Net long	**1,759.84**	**11,058.51**

This may not reflect all of your gains/losses because of incomplete cost basis

Your Advisor is an independent organization and is not affiliated with Fidelity Investments Brokerage services provided by Fidelity Brokerage Services LLC, Member NYSE, SIPC 800-544-6666 Brokerage Accounts carried with National Financial Services LLC, Member NYSE, SIPC

Holdings (Symbol) as of December 31, 2012

Holdings (Symbol) as of December 31, 2012	Quantity December 31, 2012	Price per Unit December 31, 2012	Total Cost Basis	Total Value December 1, 2012	Total Value December 31, 2012	Unrealized Gain (Loss) December 31, 2012
Stocks *92% of holdings*						
SEADRILL LTD USD2 (SDRL)	1,852.000	$36.800	$60,705.70t	$71,357.56	$68,153 60	$ 7,447.90
AT&T INC COM (T)	1,715 000	33 710	45,994.18t	58,532.95	57,812.65	11,818.47
ABBOTT LABORATORIES (ABT)	1,290.000	65.500	62,651.31t	83,850.00	84,495 00	21,843 69
AMERICAN WTR WKS CO INC NEW COM (AWK)	2,170.000	37.130	45,682.15t	82,828 90	80,572.10	34,889.95
BCE INC COM NPV ISIN #CA05534B7604 SEDOL #B188TH2 (BCE)	350 000	42.940	9,032.37t	14,805.00	15,029 00	5,996 63
BANK OF MONTREAL COM NPV ISIN #CA0636711016 SEDOL #2076009 (BMO)	440.000	61.300	21,578 87t	26,413.20	26,972.00	5,393 13
BAXTER INTL INC (BAX)	725 000	66.660	43,092 83	48,045 75	48,328 50	5,235.67
CME GROUP INC (CME)	735 000	50 670	41,831 00t	40,623 45	37,242 45	- 4,588 55
CA INC COM (CA)	1,579 000	21 980	40,404 82	34,990 64	34,706 42	- 5,698 40
CINCINNATI FINL CORP (CINF)	1,170 000	39 160	30,602.41t	47,408 40	45,817 20	15,214 79
DONNELLEY R R & SONS (RRD)	2,010.000	8 990	44,294 60t	18,894 00	18,069 90	- 26,224 70
ENERGY TRANSFER PARTNERS LP UT LTD PARTNERSHIP INT (ETP)	1,874 000	42.930	83,071.48t	84,707 70	80,450 82	- 2,620 66

Investment Report

December 1, 2012 - December 31, 2012

Brokerage 649-135178 RUDI SCHULTE FAMILY FOUNDATION

Separate Account Manager: Miller Howard Investments Inc. - INCOME EQUITY

Holdings (Symbol) as of December 31, 2012	Quantity December 31, 2012	Price per Unit December 31, 2012	Total Cost Basis	Total Value December 1, 2012	Total Value December 31, 2012	Unrealized Gain (Loss) December 31, 2012
ENERGY TRANSFER EQUITY L P COM UNIT LTD PARTNERSHIP (ETE)	520 000	45 480	20,955 12t	23,644 40	23,649 60	2,694 48
ENTERPRISE PRODUCTS PPTNS LP (EPD)	2,194 000	50 080	63,054.55t	113,715.02	109,875 52	46,820.97
GENERAL ELECTRIC CO (GE)	3,541 000	20.990	58,257.03t	77,082 24	74,325 59	16,068 56
GLAXOSMITHKLINE ADR EACH CNV INTO 2 ORD GBP0 25 (GSK)	1,358.000	43 470	52,038.63t	58,407 58	59,032 26	6,993 63
HEINZ H J CO (HNZ)	720.000	57.680	32,331 32t	42,091.20	41,529 60	9,198 28
INTEL CORP (INTC)	2,585.000	20.620	53,301.54t	50,575.52	53,302 70	1.16
INTL PAPER CO (IP)	1,335.000	39.840	39,219.76t	49,581.90	53,186.40	13,966.64
JOHNSON & JOHNSON (JNJ)	868.000	70.100	53,315.87t	60,525.64	60,846.80	7,530.93
KINDER MORGAN ENERGY PARTNERS L P (KMP)	1,172 000	79 790	64,941.58t	95,529.72	93,513 88	28,572.30
LILLY ELI & CO (LLY)	930.000	49 320	33,697.03t	48,059 20	45,867.60	12,170 57
MAXIM INTEGRATED PRODS INC (MXIM)	1,470.000	29.400	33,840.87t	42,909 30	43,218.00	9,377 13
MERCK & CO INC NEW COM (MRK)	949.000	40.940	35,010.80t	42,040.70	38,852.06	3,841 26
MICROCHIP TECH INC (MCHP)	1,035.000	32.590	24,523.07t	31,484.70	33,730.65	9,207.58
NATIONAL GRID NEW ADR EACH REPR 5 ORD GBP0 11395 (NGG)	1,140.000	57.440	51,238 47t	64,569.60	65,481.60	14,243.13
NISOURCE INC (NI)	4,410.000	24 890	70,094 18t	106,589.70	109,764.90	39,670.72
ONEOK PARTNERS L P UNIT LTD PARTNERSHIP (OKS)	1,058 000	53.990	29,355 66t	64,075.00	57,121 42	27,765.76
PFIZER INC (PFE)	1,700.000	25 079	31,213 36t	42,534 00	42,634.30	11,420.94
PLAINS ALL AMERICAN PIPELINE LP (PAA)	1,230 000	45 240	40,138 82t	59,622.40	55,645 20	15,506.38
SPECTRA ENERGY CORP COM (SE)	1,000.000	27.380	19,193.40t	27,950.00	27,380.00	8,186.60
STATOIL ASA SPON ADR EACH REP 1 ORD NOK2 50 LVL111 (STO)	2,120 000	25 040	45,801 75t	53,170 20	53,084 80	7,283 05
TOTAL SPON ADR EA REP 1 ORD SHS (TOT)	911 000	52 010	40,289.66	45,695 76	47,381 11	7,091 45
VALLEY NATL BANCORP (VLY)	2,195 000	9 300	unknown	20,940 30	20,413 50	unknown
VODAFONE GROUP SPON ADR REP 10 ORD USD0 11428571 (VOD)	1,335 000	25 190	36,754 42t	34,436 32	33,628.65	- 3,125 77
WILLIAMS COS INC (WMB)	2,829 000	32.740	80,524 69t	72,445 04	92,621 46	12,096.77

Rudi Schulte Family Foundation
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Investment Report

December 1, 2012 - December 31, 2012

Brokerage 649-135178 RUDI SCHULTE FAMILY FOUNDATION

Separate Account Manager: Miller Howard Investments Inc. - INCOME EQUITY

Holdings (Symbol) as of December 31, 2012	Quantity December 31, 2012	Price per Unit December 31, 2012	Total Cost Basis	Total Value December 1, 2012	Total Value December 31, 2012	Unrealized Gain (Loss) December 31, 2012
Subtotal of Stocks			**1,538,033.30**		**1,933,737.24**	**375,290.44**
Other *6% of holdings*						
DIGITAL RLTY TR INC COM (DLR)	644 000	67 890	32,531.54*t*	44,209 90	43,721 16	11,189.62
HCP INC COM (HCP)	970 000	45.160	30,123 77*t*	45,500.50	43,805.20	13,681.43
OMEGA HEALTHCARE INVS INC (OHI)	934 000	23.850	21,164.06	21,407.28	22,275 90	1,111 84
SENIOR HOUSING PROP TRUST (SNH)	913 000	23 640	20,090.10	20,405.55	21,583 32	1,493 22
Subtotal of Other			**103,909.47**		**131,385.58**	**27,476.11**
Core Account *2% of holdings*						
CASH	33,171.020	1.000	not applicable	12,524 68	33,171.02	not applicable
Subtotal of Core Account					**33,171.02**	
Total			**1,641,942.77**		**2,098,293.84**	**402,766.55**u
Credit balance				0.00	1,498.02	
Total Net Value					**$2,099,791.86**	

All positions held in cash account unless indicated otherwise.

t - Third-party provided

u - This may not reflect all of your gains/losses because of incomplete cost basis

Cost Basis - the original amount paid for a security, including the amount of reinvested dividends and capital gains, plus or minus certain adjustments. See last page of statement for details Total Cost Basis does not include the cost basis on core, money market or other positions where cost basis is unknown or not applicable.

Transaction Details

(for holdings with activity this period)

Rudi Schulte Family Foundation
FEIN 77-0452600
Tax Year 2012

MORGAN STANELY ACCTS	Proceeds	FMV 12/31/2010	Cost	Gain/(Loss) Book	Gain/(Loss) Tax
#94629					
Hartford	62,211 27	60,659 52	63,198 07	1,551 75	(986 80)
Invesco	241,347 05	214,372 08	250,271 22	26,974 97	(8,924 17)
Janus	51,551 78	50,609 00	51,634 89	942 78	(83 11)
Pimco	32,418.41	31,919 21	32,183 52	499 20	234 89
SPDR	254,626.76	242,899.83	225,550.30	11,726 93	29,076 46
Vanguard	108,320 11	98,890 00	99,757 91	9,430 11	8,562 20
	750,475.38	699,349 64	722,595 91	51,125 74	27,879 47
#00303					
Cincinnati	20,283 17	18,671.98	15,950.38	1,611 19	4,332 79
Cons Edison	34,724 57	35,977.40	25,258.09	(1,252 83)	9,466 48
Dominion	26,211 12	26,752.32	18,275.04	(541.20)	7,936 08
McDonalds	27,396 62	27,590.75	17,484.50	(194 13)	9,912 12
Philip Morris	10,499 01	9,496.08	5,810.42	1,002 93	4,688 59
Phillips 66	12,090 95	9,329.81	9,329.81	2,761.14	2,761 14
Procter & Gamble	10,446 89	10,406.76	9,123.79	40.13	1,323 10
Telefonica	32,146 93	44,161.11	66,541.20	(12,014 18)	(34,394 27)
	173,799 26	182,386 21	167,773 23	(8,586.95)	6,026 03
#00304					
Acco Brands	4,603.09	4,016.40	4,016 40	586 69	586 69
American Water Works	10,796.42	10,035 90	6,324 32	760 52	4,472.10
Cinemark Holdings	16,710 51	15,069.35	12,741 80	1,641 16	3,968 71
HCP	13,067 67	13,050.45	8,731 33	17 22	4,336 34
Limited Brands Inc	21,008 06	18,762 75	20,120.50	2,245 31	887 56
Nustar Energy LP	16,607 33	16,431.40	15,356 60	175 93	1,250 73
Telefonica	27,028.37	31,217.04	36,692 38	(4,188 67)	(9,664 01)
WPX Energy	7,145 63	6,714 70	6,714.70	430 93	430 93
YPF Sociedad	20,310.68	21,848.40	22,596.08	(1,537 72)	(2,285 40)
	137,277.76	137,146 39	133,294.11	131 37	3,983 65
MORGAN STANLEY TOTALS	1,061,552 40	1,018,882 24	1,023,663.25	42,670 16	37,889 15
FIDELITY ACCTS					
#119					
Telefonica	404.00	350 84	350 84	53 16	53 16
Fidelity Advisor	104,082 27	100,941 42	100,000.00	3,140 85	4,082 27
United States Treas	100,000 00	102,633.00	100,000.00	(2,633 00)	-
Vanguard Index Fds	100,241.36	89,038.26	81,792.13	11,203 10	18,449 23
	304,727.63	292,963.52	282,142 97	11,764 11	22,584 66
#275					
Duke Energy Corp	45 96	-	-	45 96	45 96
Exelon Corp	48,169 62	64,078.47	64,078 47	(15,908 85)	(15,908 85)
Ventas	22,972 16	20,472.16	20,472 16	2,500 00	2,500 00
Abbott Laboratories	63,172.22	53,249 81	46,915 60	9,922 41	16,256 62
AT&T	25,043 50	21,561 09	19,467 91	3,482 41	5,575 59
Centurylink	5,436 86	5,170 80	4,670 40	266 06	766 46
Kimberly Clark Corp	48,292 43	42,444 12	34,834 48	5,848 31	13,457 95
Lilly Eli	30,669 95	24,478 84	19,511 17	6,191 11	11,158 78
Philip Morris	42,209 64	37,278 00	23,356 91	4,931 64	18,852 73
Telefonica	810 69	810 69	810 69	-	-
Unilever	26,829 87	24,503 12	21,322.19	2,326 75	5,507 68
Verizon	7,527 84	6,740 16	4,753.19	787 68	2,774 65
	321,180.74	300,787 26	260,193.17	20,393 48	60,987 57

Rudi Schulte Family Foundation
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#178				-	-
Telefonica	13,186.27	18,548.01	19,708.80	(5,361 74)	(6,522 53)
Abbott Laboratories	24,620 63	22,492 00	19,949.71	2,128 63	4,670 92
American Wtr Wks	1,730 51	1,624 86	1,033.16	105 65	697 35
Digital Rlty	2,697 94	2,733 47	2,072.44	(35.53)	625 50
Energy Transfer Partners	2,437 94	2,567 60	2,391.14	(129 66)	46 80
Enerplus Corp	25,733.97	50,893 20	45,193.76	(25,159 23)	(19,459 79)
Enterprise Products Ptns	2,001 88	1,901.58	1,150.02	100 30	851 86
General Electric Co	2,230.90	1,916 37	1,600.14	314 53	630 76
Glaxosmithkline	3,346.50	3,376 62	2,832.64	(30 12)	513 86
HCP Inc	1,800.55	1,657 20	1,100.14	143 35	700 41
Johnson & Johnson	4,904 22	5,049 66	4,722.10	(145 44)	182 12
Kinder Morgan	7,822 42	8,749 85	5,571.48	(927 43)	2,250 94
Eli Lilly	2,452.19	2,078 00	1,803 55	374 19	648 64
Meadwest	37,245 73	37,886 75	32,560 79	(641 02)	4,684 94
Merck	17,806 98	15,306 20	13,048 03	2,500 78	4,758 95
National Grid	4,358.98	4,120.80	3,686 86	238 18	672 12
Northeast Utilities	23,099 17	20,920.60	13,638.41	2,178 57	9,460 76
Oneok Partners	2,424.18	2,425 08	1,093.79	(0 90)	1,330 39
Plains All American	2,325.44	3,672 50	1,196.00	(1,347 06)	1,129 44
Statoil	1,450.62	1,536.60	1,296.28	(85 98)	154 34
Windstream	22,976 74	31,404 50	26,468.52	(8,427.76)	(3,491 78)
Valley Natl Bancorp	1,007.66	1,007 66	1,007.66	-	-
	207,661 42	241,869.11	203,125.42	(34,207 69)	4,536 00
Grand Total	1,895,122.19	1,854,502 13	1,769,124.81	40,620 06	125,997 38