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Form 990-PF

Department of the Treasury
Internal Revenue ServiceReturn 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

MELVIN GARB FOUNDATION

Number and street (or P.O. box number if mail is not delivered to street address)

5348 CARROLL CANYON ROAD, SUITE 200

Room/suite

City or town, state, and ZIP code

SAN DIEGO, CA 92121-1733

G Check all that apply:

☐ Initial return☐ Initial return of a former public charity☐ Final return☐ Amended return☐ Address change☐ Name change

H Check type of organization:

☒ Section 501(c)(3) exempt private foundation☐ Section 4947(a)(1) nonexempt charitable trust☐ Other taxable private foundation

I Fair market value of all assets at end of year

(from Part II, col. (c), line 16)

\$ 17,174,950.

J Accounting method:

☒ Cash☐ Accrual☐ Other (specify)

(Part I, column (d) must be on cash basis)

A Employer identification number

93-1067365

B Telephone number

858-750-4200

C If exemption application is pending, check here ☐D 1 Foreign organizations, check here ☐2. Foreign organizations meeting the 85% test, check here and attach computation ☐E If private foundation status was terminated under section 507(b)(1)(A), check here ☐F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

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)

1 Contributions, gifts, grants, etc., received

2 Check ☒ if the foundation is not required to attach Sch. B

3 Interest on savings and temporary cash investments

27,835.

27,835.

27,835.

STATEMENT 1

4 Dividends and interest from securities

350,104.

350,104.

350,104.

STATEMENT 2

5a Gross rents

b Net rental income or (loss)

6a Net gain or (loss) from sale of assets not on line 10

846,754.

STATEMENT 3

b Gross sales price for all assets on line 6a

2,686,177.

7 Capital gain net income (from Part IV, line 2)

45,376.

STATEMENT 4

8 Net short-term capital gain

N/A

9 Income modifications

10a Gross sales less returns and allowances

b Less Cost of goods sold

c Gross profit or (loss)

11 Other income

30,491.

2,934.

30,491.

STATEMENT 5

12 Total. Add lines 1 through 11

1,255,184.

426,249.

408,430.

13 Compensation of officers, directors, trustees, etc.

79,500.

79,500.

0.

0.

14 Other employee salaries and wages

15 Pension plans, employee benefits

16a Legal fees

b Accounting fees

6,180.

3,090.

6,180.

0.

c Other professional fees

113,246.

113,246.

113,246.

0.

17 Interest

18 Taxes

11,853.

11,853.

11,853.

0.

19 Depreciation and depletion

20 Occupancy

21 Travel, conferences, and meetings

22 Printing and publications

23 Other expenses

STMT 9

17,812.

10,636.

17,812.

0.

24 Total operating and administrative expenses. Add lines 13 through 23

228,591.

218,325.

149,091.

0.

25 Contributions, gifts, grants paid

1,037,106.

1,037,106.

26 Total expenses and disbursements.

Add lines 24 and 25

1,265,697.

218,325.

149,091.

1,037,106.

27 Subtract line 26 from line 12:

a Excess of revenue over expenses and disbursements

-10,513.

b Net investment income (if negative, enter -0-)

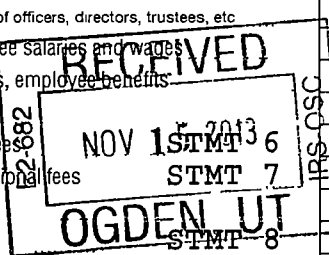
207,924.

c Adjusted net income (if negative, enter -0-)

259,339.

223501
12-05-12

LHA For Paperwork Reduction Act Notice, see instructions.



STMT 9

STMT 6

STMT 7

STMT 8

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	5,434.	2,504.	2,504.
2 Savings and temporary cash investments	104,961.	438,206.	438,206.
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			
7 Other notes and loans receivable ▶ 1,882,526.			
Less: allowance for doubtful accounts ▶ 0.	1,703,059.	1,882,526.	1,882,526.
8 Inventories for sale or use			
9 Prepaid expenses and deferred charges			
10a Investments - U.S. and state government obligations			
b Investments - corporate stock STMT 11	7,882,653.	7,234,034.	14,504,051.
c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis ▶			
Less accumulated depreciation ▶			
12 Investments - mortgage loans			
13 Investments - other STMT 12	-396,489.	122,811.	122,811.
14 Land, buildings, and equipment: basis ▶			
Less accumulated depreciation ▶			
15 Other assets (describe ▶ STATEMENT 13)	134,121.	224,852.	224,852.
16 Total assets (to be completed by all filers)	9,433,739.	9,904,933.	17,174,950.
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			
22 Other liabilities (describe ▶ STATEMENT 14)	-64.	-146.	
23 Total liabilities (add lines 17 through 22)	-64.	-146.	
Net Assets or Fund Balances			
Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
24 Unrestricted	9,433,803.	9,905,079.	
25 Temporarily restricted			
26 Permanently restricted			
Foundations that do not follow SFAS 117, check here <input type="checkbox"/> 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	9,433,803.	9,905,079.	
31 Total liabilities and net assets/fund balances	9,433,739.	9,904,933.	

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	9,433,803.
2 Enter amount from Part I, line 27a	2	-10,513.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 10	3	481,789.
4 Add lines 1, 2, and 3	4	9,905,079.
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	9,905,079.

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 SEE ATTACHED PRIVATE ASSET MANAGEMENT STATEMENT		P		
b SEE ATTACHED PRIVATE ASSET MANAGEMENT STATEMENT		P		
c INITIATE SYSTEMS, INC.		P		
d LONG TERM CAPITAL LOSS FROM PARTNERSHIPS				
e SHORT TERM CAPITAL LOSS FROM PARTNERSHIPS				
f INVESTMENT INCOME FROM DEBT-FINANCED PROPERTY		P		11/29/12
g				
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 10,514.		15.	10,499.
b 1,264,739.		1,277,982.	-13,243.
c 23,830.			23,830.
d			24,258.
e			32.
f			0.
g			
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

(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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			** 10,499.
b			-13,243.
c			23,830.
d			24,258.
e			** 32.
f			0.
g			
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

45,376.

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

10,531.

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 1,299,083.		1,277,997.	45,376.

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			45,376.

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	45,376.
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	10,531.

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	1,060,186.	15,075,377.	.070326
2010	1,281,736.	17,799,887.	.072008
2009	1,073,205.	17,229,136.	.062290
2008	973,000.	19,543,465.	.049786
2007	992,840.	22,692,682.	.043752

2 Total of line 1, column (d)	2	.298162
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	.059632
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	16,280,536.
5 Multiply line 4 by line 3	5	970,841.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	2,079.
7 Add lines 5 and 6	7	972,920.
8 Enter qualifying distributions from Part XII, line 4	8	1,037,106.

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 <input type="checkbox"/> 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 <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	2,079.
c	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).	2	0.
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	3	2,079.
3	Add lines 1 and 2	4	0.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	5	2,079.
5	Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-		
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	17,027.
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	17,027.
8	Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	14,948.
11	Enter the amount of line 10 to be: Credited to 2013 estimated tax <input checked="" type="checkbox"/> Refunded <input checked="" type="checkbox"/>	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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for 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
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. <input checked="" type="checkbox"/> \$ 0. (2) On foundation managers. <input checked="" type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. <input checked="" type="checkbox"/> \$ 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		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	
b If "Yes," has it filed a tax return on Form 990-T for this year?	X	
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) <input checked="" type="checkbox"/> CA		
b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? 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

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>MICHAEL BERLIN</u> Telephone no. ► <u>858-750-4200</u> Located at ► <u>5348 CARROLL CANYON ROAD, SUITE 200, SAN DIEGO, CA</u> ZIP+4 ► <u>92121-1733</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ► 15 <u>N/A</u>			
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>	1b	X
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? If "Yes," list the years ► _____, _____, _____	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	4b	X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?

☐ 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

6b

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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 15		79,500.	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

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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	14,109,798.
b Average of monthly cash balances	1b	228,011.
c Fair market value of all other assets	1c	2,190,654.
d Total (add lines 1a, b, and c)	1d	16,528,463.
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	16,528,463.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	247,927.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	16,280,536.
6 Minimum investment return. Enter 5% of line 5	6	814,027.

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	814,027.
2a Tax on investment income for 2012 from Part VI, line 5	2a	2,079.
b Income tax for 2012. (This does not include the tax from Part VI.)	2b	27,958.
c Add lines 2a and 2b	2c	30,037.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	783,990.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	783,990.
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	783,990.

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	1,037,106.
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	1,037,106.
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	2,079.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,035,027.

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.

Form 990-PF (2012)

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				783,990.
2 Undistributed income, if any, as of the end of 2012				
a Enter amount for 2011 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007				
b From 2008	20,104.			
c From 2009	265,338.			
d From 2010	399,270.			
e From 2011	310,045.			
f Total of lines 3a through e	994,757.			
4 Qualifying distributions for 2012 from Part XII, line 4. ▶ \$ 1,037,106.				
a Applied to 2011, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2012 distributable amount				783,990.
e Remaining amount distributed out of corpus	253,116.			
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	1,247,873.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 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				0.
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	1,247,873.			
10 Analysis of line 9:				
a Excess from 2008	20,104.			
b Excess from 2009	265,338.			
c Excess from 2010	399,270.			
d Excess from 2011	310,045.			
e Excess from 2012	253,116.			

N/A

- b** Check box to indicate whether the foundation is a private operating foundation described in section

☐ 4942(j)(3) or ☐ 4942(j)(5)

- (4) Gross investment income

[illegible]

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.)
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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:

SEE STATEMENT 16

- 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:

Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- | | | |
|--|-------|-----|
| <p>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?</p> <p>a Transfers from the reporting foundation to a noncharitable exempt organization of:</p> <p>(1) Cash</p> <p>(2) Other assets</p> <p>b Other transactions:</p> <p>(1) Sales of assets to a noncharitable exempt organization</p> <p>(2) Purchases of assets from a noncharitable exempt organization</p> <p>(3) Rental of facilities, equipment, or other assets</p> <p>(4) Reimbursement arrangements</p> <p>(5) Loans or loan guarantees</p> <p>(6) Performance of services or membership or fundraising solicitations</p> <p>c Sharing of facilities, equipment, mailing lists, other assets, or paid employees</p> <p>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.</p> | | Yes |
| | 1a(1) | |
| | 1a(2) | |
| | 1b(1) | |
| | 1b(2) | |
| | 1b(3) | |
| | 1b(4) | |
| | 1b(5) | |
| | 1b(6) | |
| | 1c | |

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

[illegible]

- 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		

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.

☒ Yes ☐ No

Date _____

Title

PTIN

Rand Galt CPA NOV 07 2013

P00647562

Firm's EIN ► 33-0690020

Phone no. (858) 455-1200

FORM 990-PF	INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS	STATEMENT	1
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SOURCE	AMOUNT
INTEREST FROM PARTNERSHIPS	57.
INTEREST INCOME	27,778.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	27,835.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	2
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDEND FROM PARTNERSHIPS	1.	0.	1.
DIVIDEND INCOME	350,103.	0.	350,103.
TOTAL TO FM 990-PF, PART I, LN 4	350,104.	0.	350,104.

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 3

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
SEE ATTACHED PRIVATE ASSET MANAGEMENT STATEMENT	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
10,514.	15.	0.	0.	10,499.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
SEE ATTACHED PRIVATE ASSET MANAGEMENT STATEMENT	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,264,739.	1,277,982.	0.	0.	-13,243.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
INITIATE SYSTEMS, INC.	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
23,830.	0.	0.	0.	23,830.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
LONG TERM CAPITAL LOSS FROM PARTNERSHIPS	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	0.	0.	0.	24,258.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
SHORT TERM CAPITAL LOSS FROM PARTNERSHIPS	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	0.	0.	0.	32.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
SALE OF PARTNERSHIP PROPERTY	PURCHASED			11/29/12
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,387,094.	585,801.	0.	0.	801,293.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED		DATE SOLD
SALE OF PARNTERSHIP PROPERTY		PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS	
0.	0.	0.	0.	85.	

NET GAIN OR LOSS FROM SALE OF ASSETS	846,754.
CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	846,754.

FORM 990-PF DEBT-FINANCED CAPITAL GAIN OR (LOSS) STATEMENT 4
INCLUDED IN NET INVESTMENT INCOME

(A) DESCRIPTION OF PROPERTY SOLD		(B) MANNER ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
SALE OF PARTNERSHIP PROPERTY		PURCHASED		11/29/12
(E) GROSS SALES PRICE	(F) DEPRECIATION	(G) COST OR OTHER BASIS	(H) EXPENSE OF SALE	(I) GAIN (LOSS)
1,387,094.	0.	585,801.	0.	801,293.
(J) AVERAGE ACQUISITION DEBT	(K) AVERAGE ADJUSTED BASIS	(L) DEBT/BASIS PERCENTAGE	(M) DEBT-FINANCED GAIN (LOSS) COL I X COL L	(N) NET INVESTMENT GAIN (LOSS) COL I - COL M
585,801.	585,801.	100%	801,293.	0.

NET GAINS (OR LOSSES) FROM DEBT-FINANCED PROPERTY 0.

OTHER NET CAPITAL GAIN (OR LOSS) FROM PAGE 3, PART IV 45,376.

CAPITAL GAIN NET INCOME TO FORM 990-PF, PAGE 1, PART I, LINE 7 45,376.

FORM 990-PF OTHER INCOME STATEMENT 5

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OTHER INVESTMENT INCOME	2,934.	2,934.	2,934.
OTHER INCOME FROM PARTNERSHIPS	27,557.	0.	27,557.
TOTAL TO FORM 990-PF, PART I, LINE 11	30,491.	2,934.	30,491.

FORM 990-PF	ACCOUNTING FEES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
ACCOUNTING FEES	6,180.	3,090.	6,180.	0.	
TO FORM 990-PF, PG 1, LN 16B	6,180.	3,090.	6,180.	0.	

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
MANAGEMENT FEES	113,246.	113,246.	113,246.	0.	
TO FORM 990-PF, PG 1, LN 16C	113,246.	113,246.	113,246.	0.	

FORM 990-PF	TAXES			STATEMENT	8
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
PAYROLL TAXES	7,174.	7,174.	7,174.	0.	
PROPERTY TAXES	4,679.	4,679.	4,679.	0.	
TO FORM 990-PF, PG 1, LN 18	11,853.	11,853.	11,853.	0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	9
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
REPAIR & MAINTENANCE	7,176.	0.	7,176.	0.	
DUES	845.	845.	845.	0.	
INSURANCE	3,092.	3,092.	3,092.	0.	
MISCELLANEOUS	4,711.	4,711.	4,711.	0.	
PORTFOLIO DEDUCTIONS FROM PARTNERSHIP	1,988.	1,988.	1,988.	0.	
TO FORM 990-PF, PG 1, LN 23	17,812.	10,636.	17,812.	0.	

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	10
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DESCRIPTION	AMOUNT
PRIOR PERIOD ADJUSTMENT WITH NO TAX EFFECT	481,789.
TOTAL TO FORM 990-PF, PART III, LINE 3	481,789.

FORM 990-PF	CORPORATE STOCK	STATEMENT	11
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
STOCK	7,234,034.	14,504,051.
TOTAL TO FORM 990-PF, PART II, LINE 10B	7,234,034.	14,504,051.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	12
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
PARTNERSHIP INTERESTS	COST	122,811.	122,811.
TOTAL TO FORM 990-PF, PART II, LINE 13		122,811.	122,811.

FORM 990-PF	OTHER ASSETS	STATEMENT	13
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DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
REMAINDER INTEREST - RESIDENCE	94,585.	94,585.	94,585.
PREPAID TAX - FEDERAL	17,027.	17,027.	17,027.
PREPAID TAX - CALIFORNIA	22,509.	22,509.	22,509.
DISTRIBUTION RECEIVABLE	0.	90,731.	90,731.
TO FORM 990-PF, PART II, LINE 15	134,121.	224,852.	224,852.

FORM 990-PF	OTHER LIABILITIES	STATEMENT 14
DESCRIPTION	BOY AMOUNT	EOY AMOUNT
PAYROLL LIABILITIES	-64.	-146.
TOTAL TO FORM 990-PF, PART II, LINE 22	-64.	-146.

FORM 990-PF	PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS	STATEMENT 15
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
STEPHEN J. COHEN 5348 CARROLL CANYON ROAD, SUITE 200 SAN DIEGO, CA 921211733	DIRECTOR 20.00	27,000.	0.	0.
MICHAEL BERLIN 5348 CARROLL CANYON ROAD, SUITE 200 SAN DIEGO, CA 921211733	DIRECTOR 20.00	27,000.	0.	0.
DAVID J. WINKLER 5348 CARROLL CANYON ROAD, SUITE 200 SAN DIEGO, CA 921211733	DIRECTOR 20.00	8,500.	0.	0.
HOWARD COHEN 5348 CARROLL CANYON ROAD, SUITE 200 SAN DIEGO, CA 921211733	DIRECTOR 20.00	8,500.	0.	0.
ESTEE AARONSON 5348 CARROLL CANYON ROAD, SUITE 200 SAN DIEGO, CA 921211733	DIRECTOR 20.00	8,500.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		79,500.	0.	0.

FORM 990-PF	GRANT APPLICATION SUBMISSION INFORMATION	STATEMENT 16
	PART XV, LINES 2A THROUGH 2D	

NAME AND ADDRESS OF PERSON TO WHOM APPLICATIONS SHOULD BE SUBMITTED

MICHAEL BERLIN / STEPHEN J. COHEN
5348 CARROLL CANYON ROAD, SUITE 200
SAN DIEGO, CA 92121-1733

TELEPHONE NUMBER

858-750-4200

FORM AND CONTENT OF APPLICATIONS

GRANT APPLICATION REQUEST FORM SHOULD BE COMPLETED AND SUBMITTED.
APPLICATIONS ARE AVAILABLE BY REQUEST AND REQUIRE INFORMATION ABOUT THE
ORGANIZATAION, THE PROPOSAL, THE ORGANIZATION'S BUDGET, A COPY OF 501(C)(3)
LETTER FROM INTERNAL REVENUE SERVICE AND SELECTED OTHER INFORMATION.

ANY SUBMISSION DEADLINES

N/A

RESTRICTIONS AND LIMITATIONS ON AWARDS

N/A

Attachment To Form 990-PF, Part XV, Line 3a

Name and Address	Donee/Recipient Relationship	Purpose of Grant/Contribution	Amount
JCC of San Diego 4126 Executive Drive La Jolla, CA 92037-1348	None	JCC Programs	135,000
San Diego Food Bank 9850 Distribution Ave San Diego, CA 92121	None	Feeding the Hungry	60,500
Jewish Campus Hillel Centers 5742 Montezuma Road San Diego, CA 92115	None	Building Fund Camp, Scholarship	500,000
Jewish Family Services 3715 Fifth Ave San Diego, CA 92103	None	Social Services to Those in Need	50,000
Burn Institute 8825 Aero Drive San Diego, CA 92123-2269	None	Fire Prevention Education, Burn Research & Treatment, Survivor Support	10,000
ADL 7851 Mission Center Court, Suite 320 San Diego, CA 92108-1328	None	Fighting Discrimination	65,000
Mama's Kitchen 3960 Home Avenue San Diego, CA 92105	None	Provide Food to People Who Are Affected by AIDS or Cancer	5,000
San Diego Hebrew Homes 211 Saxony Road Encinitas, CA 92024	None	Housing for the Aged	100,000
Women's Resource Center 1963 Apple Street Oceanside, CA 92054	None	Counseling, Shelter, and Education for Domestic Violence and Sexual Assault	41,000
Monarch School Project 808 West Cedar Street San Diego, CA 92101-2411	None	Education for Homeless Children	15,000
North County Community Services 1557 Grand Avenue, Suite C San Marcos, CA 92078	None	Neighborhood Support Services	13,106
Meals on Wheels 2254 San Diego Ave, #200 San Diego, CA 92110	None	Independence and Well-Being of Seniors	25,000
Taking Control of Your Diabetes 1110 Camino Del Mar, Suite B Del Mar, CA 92014	None	Caring for People with Diabetes	10,000
San Diego Young Artists Music Academy 4125 Alpha St, Suite A&B San Diego, CA 92113	None	Enhance Lives of Children through Music, Dance, and Education	2,500
American Diabetes Association 5060 Shoreham Place, Suite 100 San Diego, California 92122	None	Diabetes Related Research	5,000
			<u>1,037,106</u>

Melvin Garb Foundation
93-1067365
Schedule A
December 31, 2012

Quantity	Security	Unit Cost	Total Cost	Price	Market Value
1,000	3M COMPANY	73 51	73,509 95	81 73	81,730 00
12,000	ALCOA INC	16 91	202,914 00	8 65	103,800 00
3,000	AMGEN INC	58 88	176,640 60	64 21	192,630 00
10,000	APPLIED MATERIALS INC	20 76	207,648 70	10 71	107,100 00
40,000	BANK OF AMERICA CORP	17 94	717,781 74	5 56	222,400 00
8,000	BOSTON SCIENTIFIC CORP	15 95	127,610 85	5 34	42,720 00
5,000	BP PLC - ADR	36 68	183,416 40	42 74	213,700 00
12,500	BRISTOL MYERS SQUIBB	24 67	308,410 62	35 24	440,500 00
10,000	CHEVRONTXACO CORP	31 56	315,616 25	106 40	1,064,000 00
10,000	CISCO SYS INC	20 05	200,521 05	18 08	180,800 00
700	CITIGROUP INC	36 35	25,447 90	26 31	18,417 00
2,000	COLGATE-PALMOTIVE	49 75	99,509 95	92 39	184,780 00
1,500	COMPLETE PRODUCTION SERVICES	28 55	42,818 80	33 56	50,340 00
2,000	COSTCO WHOLESALE CORP	34 65	69,310 00	83 32	166,640 00
15,000	EMC CORP MASS	12 81	192,220 85	21 54	323,100 00
6,000	EDISON INTERNATIONAL	21 58	129,457 00	41 40	248,400 00
15,000	EL PASO CORP	9 58	143,737 40	26 57	398,550 00
300	EL PASO PIPELINE PTNRS LP	32 60	9,780 40	34 62	10,386 00
5,000	EXXON MOBIL CORP	30 41	152,060 00	84 76	423,800 00
25,000	GENERAL ELECTRIC CO	22 79	569,656 76	17 91	447,750 00
5,000	HOME DEPOT INC	29 76	148,797 20	42 04	210,200 00
15,000	INTEL CORP	6 83	102,485 12	24 25	363,750 00
5,000	INTERMEC INC	20 14	100,723 33	6 86	34,300 00
6,000	INTERNATIONAL BUSINESS MACHINES	29 12	174,718 50	183 88	1,103,280 00
4,000	ITRON INC	37 43	149,739 25	35 77	143,080 00
3,000	ITT INDUSTRIES INC	11 67	35,013 27	19 33	57,990 00
25,000	JP MORGAN CHASE & CO	4 29	107,247 22	33 25	831,250 00
2,000	JOHNSON & JOHNSON	50 89	101,778 75	65 58	131,160 00
3,000	MEDTRONIC INC	42 02	126,067 00	38 25	114,750 00
18,920	MERCK & CO INC	34 06	644,391 36	37 70	713,284 00
5,000	MICROSOFT CORP	28 06	140,300 00	25 96	129,800 00
15,000	ORACLE CORPORATION	16 92	253,776 25	25 65	384,750 00
5,000	P G & E CORPORATION	24 06	120,285 00	41 22	206,100 00
3,000	PENN WEST ENERGY TRUST	15 90	47,706 67	19 80	59,400 00
8,000	PENTAIR	31 84	254,753 85	33 29	266,320 00
18,000	PFIZER INC	25 47	458,480 86	21 64	389,520 00
43,500	QUALCOMM INC	2 06	89,818 15	54 70	2,379,450 00
3,000	ROYAL DUTCH SHEL ADR A	48 66	145,992 00	73 09	219,270 00
18,000	SYMANTEC CORP	18 18	327,322 02	15 65	281,700 00
500	TRANSOCEAN INC	47 20	23,598 95	38 39	19,195 00
10,000	VALE	20 24	202,381 30	21 45	214,500 00
300	WALMART STORES INC	48 32	14,496 65	59 76	17,928 00
6,000	XYLEM INC	17 56	105,332 48	25 69	154,140 00
3,000	GUGGENHEIM S&P GLOBAL WTR INDEX	25 19	75,575 36	22 24	66,708 00
TOTALS			<u>7,898,849 76</u>		<u>13,413,368 00</u>