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
KAYNE FOUNDATION

A Employer identification number
95-4124379

Number and street (or P O. box number if mail is not delivered to street address) | Room/suite
1800 AVENUE OF THE STARS, 3RD FL.

B Telephone number
310-284-5560

City or town, state, and ZIP code
LOS ANGELES, CA 90067-4205

C If exemption application is pending, check here ▶☐

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

D 1. Foreign organizations, check here ▶☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶☐

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 28,492,618.

J Accounting method: ☐ Cash ☒ 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	9,476,893.		N/A	
	2 Check ▶☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	625,579.	625,579.		STATEMENT 1
	4 Dividends and interest from securities	263,394.	263,394.		STATEMENT 2
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	709,928.			STATEMENT 3
	b Gross sales price for all assets on line 6a 3,956,273.				
	7 Capital gain net income (from Part IV, line 2)		561,978.		
	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	167,471.	<70,391.>		STATEMENT 4
	12 **Total.** Add lines 1 through 11	11,243,265.	1,380,560.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 5	153.	0.		153.
	b Accounting fees STMT 6	25,000.	11,750.		11,750.
	c Other professional fees STMT 7	72,000.	0.		72,000.
	17 Interest				
	18 Taxes STMT 8	209,435.	0.		10.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 9	2,947.	50.		261.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	309,535.	11,800.		84,174.
	25 Contributions, gifts, grants paid	2,344,167.			3,330,357.
	26 **Total expenses and disbursements.** Add lines 24 and 25	2,653,702.	11,800.		3,414,531.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	8,589,563.			
	b **Net investment income** (if negative, enter -0-)		1,368,760.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

223501
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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	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	1,222,122.	403,240.	403,240.
	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 ▶			
		Less: allowance for doubtful accounts ▶			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges		78,987.	78,987.
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock STMT 11	3,493,079.	9,376,979.	9,376,979.
	c	Investments - corporate bonds STMT 12	4,432,818.	4,607,624.	4,607,624.
	11	Investments - land, buildings, and equipment: basis ▶			
		Less accumulated depreciation ▶			
	12	Investments - mortgage loans			
	13	Investments - other STMT 13	12,052,957.	13,909,459.	13,909,459.
	14	Land, buildings, and equipment: basis ▶			
		Less accumulated depreciation ▶			
	15	Other assets (describe ▶ STATEMENT 14)	27,840.	116,329.	116,329.
	16	**Total assets** (to be completed by all filers)	21,228,816.	28,492,618.	28,492,618.
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable	2,610,242.	1,624,124.	
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons	1,800,000.	39.	
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ▶ STATEMENT 15)	235,457.	165,960.	
	23	**Total liabilities** (add lines 17 through 22)	4,645,699.	1,790,123.	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☒ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	16,583,117.	26,702,495.	
	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**	16,583,117.	26,702,495.	
	31	**Total liabilities and net assets/fund balances**	21,228,816.	28,492,618.	

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	16,583,117.
2	Enter amount from Part I, line 27a	2	8,589,563.
3	Other increases not included in line 2 (itemize) ▶ NET UNREALIZED GAIN	3	1,529,815.
4	Add lines 1, 2, and 3	4	26,702,495.
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	26,702,495.

Form **990-PF** (2012)

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	3,956,273.		3,394,295.	561,978.

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
	(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				
b				
c				
d				
e				561,978.

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	561,978.
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	4,550,373.	17,229,107.	.264110
2010	1,634,284.	15,951,488.	.102453
2009	1,206,443.	15,728,793.	.076703
2008	386,834.	12,719,043.	.030414
2007	1,148,656.	15,142,982.	.075854

2 **Total** of line 1, column (d)	2	.549534
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	.109907
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	18,522,875.
5 Multiply line 4 by line 3	5	2,035,794.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	13,688.
7 Add lines 5 and 6	7	2,049,482.
8 Enter qualifying distributions from Part XII, line 4	8	3,414,531.

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	13,688.
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	13,688.
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	13,688.
6	Credits/Payments:			
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a 49,520.		
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	49,520.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☐ if Form 2220 is attached		8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	35,832.
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶ 35,832. **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)? *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.*	1b		X
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?	4b	X	
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

Form **990-PF** (2012)

223531
12-05-12

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 ▶ MARK MORSKI Telephone no. ▶310-282-7913

Located at ▶1800 AVENUE OF THE STARS, 3RD FL., LOS ANGELES, C ZIP+4 ▶90067

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

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

				Yes	No
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☒ Yes ☐ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☒ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☒ Yes ☐ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		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.)*	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

Form **990-PF** (2012)

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 16		0.	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

Form **990-PF** (2012)

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
JANIS MINTON CONSULTING - 2444 WILSHIRE BLVD., STE 622, SANTA MONICA, CA 90403	GRANTMAKING CONSULTING	72,000.
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	0.
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.

Form **990-PF** (2012)

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12-05-12

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	4,124,714.
b	Average of monthly cash balances	1b	532,120.
c	Fair market value of all other assets	1c	14,148,115.
d	**Total** (add lines 1a, b, and c)	1d	18,804,949.
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	18,804,949.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	282,074.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4	5	18,522,875.
6	**Minimum investment return.** Enter 5% of line 5	6	926,144.

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	926,144.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	13,688.		
b	Income tax for 2012. (This does not include the tax from Part VI.)	2b	56,256.		
c	Add lines 2a and 2b			2c	69,944.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	856,200.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	856,200.
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	856,200.

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	3,414,531.
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	3,414,531.
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	13,688.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	3,400,843.

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					856,200.
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	423,710.				
b From 2008					
c From 2009	420,812.				
d From 2010	868,850.				
e From 2011	3,924,103.				
f Total of lines 3a through e		5,637,475.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $ 3,414,531.					
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					856,200.
e Remaining amount distributed out of corpus		2,558,331.			
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		8,195,806.			
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		423,710.			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a		7,772,096.			
10 Analysis of line 9:					
a Excess from 2008					
b Excess from 2009	420,812.				
c Excess from 2010	868,850.				
d Excess from 2011	3,924,103.				
e Excess from 2012	2,558,331.				

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).)

RICHARD A. KAYNE

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				
EL CAMINO NUEVO CHARTER ACADEMY 3435 WEST TEMPLE STREET LOS ANGELES, CA 90026	NONE	PUBLIC CHARITY	GENERAL	733,336.
EXCEPTIONAL CHILDREN'S FOUNDATION 8740 WASHINGTON BOULEVARD CULVER CITY, CA 90232	NONE	PUBLIC CHARITY	GENERAL	294,525.
CENTER FOR EARLY EDUCATION 563 N. ALFRED STREET WEST HOLLYWOOD, CA 90048	NONE	PUBLIC CHARITY	GENERAL	993,500.
HAMMER MUSEUM 10899 WILSHIRE BOULEVARD LOS ANGELES, CA 90024	NONE	PUBLIC CHARITY	GENERAL	98,999.
AID STILL REQUIRED PO BOX 7353 SANTA MONICA, CA 90406	NONE	PUBLIC CHARITY	GENERAL	2,000.
Total SEE CONTINUATION SHEET(S)			▶ 3a	3,330,357.
b Approved for future payment				
HIGH MOUNTAIN INSTITUTE POST OFFICE BOX 970 LEADVILLE, CO 80461	NONE	PUBLIC CHARITY	GENERAL	14,000.
Total			▶ 3b	14,000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income (a) Business code	Unrelated business income (b) Amount	Excluded by section 512, 513, or 514 (c) Exclusion code	Excluded by section 512, 513, or 514 (d) Amount	(e) Related or exempt function income
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			14	625,579.	
4 Dividends and interest from securities			14	263,394.	
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	525990	237,862.	14	<70,391.>	
8 Gain or (loss) from sales of assets other than inventory	525990	73.	18	709,855.	
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)		237,935.		1,528,437.	0.

13 Total. Add line 12, columns (b), (d), and (e) 13 1,766,372.

(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).

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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

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

Signature of officer or trustee: x

Date: 11-14-13

Title: TREASURER

Paid Preparer Use Only

Print/Type preparer's name LISA DONN SERGI	Preparer's signature	Date 11/13/13	Check ☐ if self-employed	PTIN P01467471
Firm's name ▶ ROTHSTEIN KASS			Firm's EIN ▶ 22-2131009	
Firm's address ▶ 9171 WILSHIRE BOULEVARD, 5TH FLOOR BEVERLY HILLS, CA 90210			Phone no. 310-273-2770	

Schedule B
(Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**

OMB No 1545-0047

2012

Name of the organization

KAYNE FOUNDATION

Employer identification number

95-4124379

Organization type (check one).

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☒ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☒ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☐ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year ▶ $ ____________

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization	Employer identification number
KAYNE FOUNDATION	95-4124379

Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	RICHARD A. KAYNE 1800 AVENUE OF THE STARS, 3RD FLOOR LOS ANGELES, CA 90067	$ 1,315,107.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
2	RICHARD A. KAYNE 1800 AVENUE OF THE STARS, 3RD FLOOR LOS ANGELES, CA 90067	$ 575,500.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
3	RICHARD A. KAYNE 1800 AVENUE OF THE STARS, 3RD FLOOR LOS ANGELES, CA 90067	$ 7,486,286.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II if there is a noncash contribution.)
4	RICHARD A. KAYNE 1800 AVENUE OF THE STARS, 3RD FLOOR LOS ANGELES, CA 90067	$ 100,000.	Person ☒ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II if there is a noncash contribution.)

Name of organization	Employer identification number
KAYNE FOUNDATION	95-4124379

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	43,684 SH. OF KYN.	$ 1,315,107.	12/20/12
2	20,000 SH. OF KMF.	$ 575,500.	12/20/12
3	283,502 SH. OF KYE & 23,800 SH. IN KED.	$ 7,486,286.	12/27/12
		$	
		$	
		$	

Name of organization	Employer identification number
KAYNE FOUNDATION	95-4124379

Part III *Exclusively* religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than $1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of $1,000 or less for the year. (Enter this information once) ▶ $________

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

KAYNE FOUNDATION

CONTINUATION FOR 990-PF, PART IV
95-4124379 PAGE 1 OF 1

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	JP MORGAN 58,000 SH. KYE	D	12/28/11	VARIOUS
b	20,000 SH. OF KMF	P	VARIOUS	07/31/12
c	14,000 SH. OF KYN	P	VARIOUS	07/31/12
d	24,800 SH. OF KYN	P	VARIOUS	05/29/12
e	3,170 SH. OF KYN	P	VARIOUS	11/07/12
f	9,900 SH. OF KYN	P	VARIOUS	12/21/12
g	FROM PARTNERSHIP ST	P	VARIOUS	VARIOUS
h	FROM PARTNERSHIP LT	P	VARIOUS	VARIOUS
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	1,521,049.		1,273,935.	247,114.
b	557,400.		557,400.	0.
c	436,100.		436,100.	0.
d	733,336.		733,336.	0.
e	98,999.		98,999.	0.
f	294,525.		294,525.	0.
g	3,400.			3,400.
h	311,464.			311,464.
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				247,114.
b				0.
c				0.
d				0.
e				0.
f				0.
g				3,400.
h				311,464.
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	561,978.
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

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05-01-12

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
ALEX'S LEMONADE STAND FOUNDATION 333 E. LANCASTER AVENUE #414 WYNNEWOOD, PA 19096	NONE	PUBLIC CHARITY	GENERAL	2,500.
ALLIANCE COLLEGE READY PUBLIC SCHOOLS 1940 S. FIGUEROA STREET LOS ANGELES, CA 90007	NONE	PUBLIC CHARITY	GENERAL	5,000.
ALZHEIMER'S ASSOCIATION 5900 WILSHIRE BOULEVARD SUITE 1100 LOS ANGELES, CA 90036	NONE	PUBLIC CHARITY	GENERAL	5,000.
AMERICA SUPPORTING AMERICANS PO BOX 574 PACIFIC PALISADES, CA 90272	NONE	PUBLIC CHARITY	GENERAL	3,000.
AMERICAN CANCER SOCIETY SAD 555 11TH NW, SUITE 300 WASHINGTON, DC 20004	NONE	PUBLIC CHARITY	GENERAL	1,000.
AMERICAN ENTERPRISE INSTITUTE OF PUBLIC P 1150 SEVENTEENTH ST. NW WASHINGTON, DC 20036	NONE	PUBLIC CHARITY	GENERAL	25,000.
AMERICAN FRIENDS OF THE ISRAEL MUSEUM 315 SOUTH BEVERLY DRIVE SUITE 214 BEVERLY HILLS, CA 90212	NONE	PUBLIC CHARITY	GENERAL	10,000.
AVIVA FAMILY AND CHILDREN'S SERVICES 7120 FRANKLIN AVENUE LOS ANGELES, CA 90046	NONE	PUBLIC CHARITY	GENERAL	2,500.
BALLROOM MARFA 108 E. SAN ANTONIO ST. MARFA, TX 79843	NONE	PUBLIC CHARITY	GENERAL	2,000.
BEST FRIENDS ANIMAL SOCIETY, PO BOX 315 KANAB, UT 84741	NONE	PUBLIC CHARITY	GENERAL	2,500.
Total from continuation sheets				1,207,997.

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
BOGART PEDIATRIC CANCER RESEARCH PROGRAM 9903 SANTA MONICA BLVD. SUITE 830 BEVERLY HILLS, CA 90212	NONE	PUBLIC CHARITY	GENERAL	2,500.
CALIFORNIA COMMUNITY FOUNDATION 445 S. FIGUEROA ST. SUITE 3400 LOS ANGELES, CA 90071	NONE	PUBLIC CHARITY	GENERAL	17,500.
CALIFORNIA LITERARY AND PROLOGUE SOCIETY 10877 WILSHIRE BOULEVARD SUITE 100 LOS ANGELES, CA 90024	NONE	PUBLIC CHARITY	GENERAL	350.
CAMINO NUEVO CHARTER ACADEMY PUEBLO NUEVO DEVELOPMENT 3435 W. TEMPLE STREET LOS ANGELES, CA 90026	NONE	PUBLIC CHARITY	GENERAL	4,370.
CEDARS-SINAI MEDICAL CENTER 8700 BEVERLY BLVD. SUITE 2416 LOS ANGELES, CA 90048	NONE	PUBLIC CHARITY	GENERAL	10,000.
CENTER FOR EARLY EDUCATION 563 N. ALFRED STREET WEST HOLLYWOOD, CA 90048	NONE	PUBLIC CHARITY	GENERAL	25,000.
CENTER FOR JEWISH MINDFULNESS 432 W. GRANT PLACE #2E CHICAGO, IL 60614	NONE	PUBLIC CHARITY	GENERAL	0.
CENTRAL PARK CONSERVANCY 14 EAST 60TH STREET NEW YORK, NY 10022	NONE	PUBLIC CHARITY	GENERAL	5,000.
CHILDREN'S BURN FOUNDATION 5000 VAN NUYS BOULEVARD SUITE 450 SHERMAN OAKS, CA 91403	NONE	PUBLIC CHARITY	GENERAL	11,000.
CHILDREN'S DEFENSE FUND - CA 3333 WILSHIRE BLVD.,SUITE 550 LOS ANGELES, CA 90010	NONE	PUBLIC CHARITY	GENERAL	10,000.
Total from continuation sheets				

223631
05-01-12

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
CHILDREN'S INSTITUTE, INC. C/O THE COLLEAGUES, 3312 PICO BLVD. SANTA MONICA, CA 90405	NONE	PUBLIC CHARITY	GENERAL	1,000.
CITY OF HOPE/BRC MARATHON 1500 EAST DUARTE ROAD DUARTE, CA 91010	NONE	PUBLIC CHARITY	GENERAL	10,000.
COLLEGE AND COMMUNITY FELLOWSHIP 475 RIVERSIDE DRIVE, SUITE 1626 NEW YORK, NY 10115	NONE	PUBLIC CHARITY	GENERAL	5,000.
COMMUNITY PARTNERS FBO BABY2BABY 6435 WILSHIRE BLVD. LOS ANGELES, CA 90048	NONE	PUBLIC CHARITY	GENERAL	66,500.
CORPORATION OF THE FINE ARTS MUSEUMS 50 HAGIWARA TEA GARDEN DRIVE SAN FRANCISCO, CA 94118	NONE	PUBLIC CHARITY	GENERAL	1,500.
CROSSROADS SCHOOL 1714 21ST STREET SANTA MONICA, CA 90404	NONE	PUBLIC CHARITY	GENERAL	10,000.
DESERT COMMUNITY FOUNDATION 75-105 MERLE ST. SUITE 300 PALM DESERT, CA 92211	NONE	PUBLIC CHARITY	GENERAL	3,000.
DIAN FOSSEY GORILLA FUND 800 CHEROKEE AVE ATLANTA, GA 30315	NONE	PUBLIC CHARITY	GENERAL	1,000.
DIDI HIRSCH MENTAL HEALTH SERVICES C/O ONE EVENT MANAGEMENT POST OFFICE BOX 17018 BEVERLY HILLS, CA 90209	NONE	PUBLIC CHARITY	GENERAL	5,000.
EARTHSPARK INTERNATIONAL 1616 H STREET, SUITE 900 WASHINGTON, DC 20006	NONE	PUBLIC CHARITY	GENERAL	25,000.
Total from continuation sheets				

223631
05-01-12

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
EVERYCHILD FOUNDATION P.O. BOX 1808 PACIFIC PALISADES, CA 90272	NONE	PUBLIC CHARITY	GENERAL	15,000.
FIRST BAPTIST CHURCH OF SAN LUIS OBISPO 2075 JOHNSON AVENUE SAN LUIS OBISPO, CA 93401	NONE	PUBLIC CHARITY	GENERAL	2,000.
FIT FOUNDATION 236 W. 27TH STREET, A-100 STOREFRONT NEW YORK, CA 10001	NONE	PUBLIC CHARITY	GENERAL	1,000.
FRIENDS OF KHMER CULTURE, INC. P.O. BOX 164 NORFOLK, CT 06058	NONE	PUBLIC CHARITY	GENERAL	1,000.
FRIENDS OF ROBINSON GARDEN 1008 ELDEN WAY BEVERLY HILLS, CA 90210	NONE	PUBLIC CHARITY	GENERAL	2,500.
GEORGETOWN UNIVERSITY CENTER FOR CHILD AND HUMAN DEVELOPMENT BOX 571485 WASHINGTON, DC 20057	NONE	PUBLIC CHARITY	GENERAL	10,000.
HAMMER MUSEUM 10899 WILSHIRE BLVD. LOS ANGELES, CA 90024	NONE	PUBLIC CHARITY	GENERAL	135,000.
HIGH MOUNTAIN INSTITUTE POST OFFICE BOX 970 LEADVILLE, CO 80461	NONE	PUBLIC CHARITY	GENERAL	7,000.
HILLEL AT UCLA 574 HILGARD AVENUE LOS ANGELES, CA 90024	NONE	PUBLIC CHARITY	GENERAL	2,500.
HOMEBOY INDUSTRIES 130 W. BRUNO STREET LOS ANGELES, CA 90012	NONE	PUBLIC CHARITY	GENERAL	5,000.
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
HUMAN RESOURCES LA 587 CYPRESS AVENUE LOS ANGELES, CA 90065	NONE	PUBLIC CHARITY	GENERAL	10,000.
HUMAN RIGHTS WATCH C/O MTA EVENTS 13636 VENTURA BOULEVARD, SUITE 445 SHERMAN OAKS, CA 91423	NONE	PUBLIC CHARITY	GENERAL	5,000.
INSTITUTE FOR JEWISH SPIRITUALITY 135 EAST 29TH STREET, SUITE 1103 NEW YORK, NY 10001	NONE	PUBLIC CHARITY	GENERAL	10,000.
INTERNATIONAL MEDICAL CORP 1919 SANTA MONICA BLVD. SUITE 400 SANTA MONICA, CA 90404	NONE	PUBLIC CHARITY	GENERAL	5,000.
JEWISH FAMILY SERVICE 3580 WILSHIRE BLVD., 7TH FLOOR LOS ANGELES, CA 90067	NONE	PUBLIC CHARITY	GENERAL	100,000.
JEWISH VOCATIONAL SERVICE 6505 WILSHIRE BLVD. SUITE 200 LOS ANGELES, CA 90048	NONE	PUBLIC CHARITY	GENERAL	5,000.
KIPP LA SCHOOLS 4545 DOZIER STREET LOS ANGELES, CA 90022	NONE	PUBLIC CHARITY	GENERAL	10,000.
LA BIOMED 1124 WEST CARSON ST. TORRANCE, CA 90502	NONE	PUBLIC CHARITY	GENERAL	2,500.
LACE 6522 HOLLYWOOD BOULEVARD LOS ANGELES, CA 90028	NONE	PUBLIC CHARITY	GENERAL	5,000.
LIBRARY FOUNDATION OF LOS ANGELES 630 W. FIFTH STREET LOS ANGELES, CA 90071	NONE	PUBLIC CHARITY	GENERAL	7,500.
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
LOLLIPOP THEATER NETWORK 10351 SANTA MONICA BLVD., SUITE 200 LOS ANGELES, CA 90025	NONE	PUBLIC CHARITY	GENERAL	1,000.
LOS ANGELES CONSERVANCY 523 WEST SIXTH STREET, SUITE 826 LOS ANGELES, CA 90014	NONE	PUBLIC CHARITY	GENERAL	2,500.
LOS ANGELES COUNTY MUSEUM OF ART 5905 WILSHIRE BOULEVARD LOS ANGELES, CA 90036	NONE	PUBLIC CHARITY	GENERAL	235,000.
LOS ANGELES PARKS FOUNDATION 11973 SAN VICENTE BLVD., SUITE 200 LOS ANGELES, CA 90049	NONE	PUBLIC CHARITY	GENERAL	1,000.
LOS ANGELES PHILHARMONIC ASSOCIATION 151 SOUTH GRAND AVENUE LOS ANGELES, CA 90012	NONE	PUBLIC CHARITY	GENERAL	10,000.
LOUISBURG COLLEGE OFFICE OF INSTITUTIONAL ADVANCEMENT 501 NORTH MAIN STREET LOUISBURG, NC 27549	NONE	PUBLIC CHARITY	GENERAL	5,000.
MUSEUM OF CONTEMPORARY ART 250 SOUTH GRAND AVENUE LOS ANGELES, CA 90012	NONE	PUBLIC CHARITY	GENERAL	1,500.
MUSIC CENTER 135 NORTH GRAND AVENUE LOS ANGELES, CA 90012	NONE	PUBLIC CHARITY	GENERAL	9,000.
MYASTHENIA GRAVIS FOUNDATION OF AMERICA 355 LEXINGTON AVENUE, 15TH FLOOR NEW YORK, NY 10017	NONE	PUBLIC CHARITY	GENERAL	2,000.
NATIONAL BREAST CANCER COALITION FUND THE ALLISON JACKSON COMPANY 137 NORTH LARCHMONT BLVD., #158 LOS ANGELES, CA 90004	NONE	PUBLIC CHARITY	GENERAL	2,500.
Total from continuation sheets				

223631
05-01-12

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 COALITION FOR HOMELESS VETERANS 333 1/2 PENNSYLVANIA AVENUE, SE WASHINGTON, DC 20003	NONE	PUBLIC CHARITY	GENERAL	2,000.
NEW YORK STEM CELL FOUNDATION 1995 BROADWAY, SUITE 600 NEW YORK, NY 10023	NONE	PUBLIC CHARITY	GENERAL	10,000.
NYU FACES 223 EAST 34TH STREET NEW YORK, NY 10016	NONE	PUBLIC CHARITY	GENERAL	5,000.
P.S. ARTS 1728 ABBOT KINNEY BLVD., SUITE 101 VENICE, CA 90291	NONE	PUBLIC CHARITY	GENERAL	700.
PALM SPRINGS ART MUSEUM P.O. BOX 2310 PALM SPRINGS, CA 92263	NONE	PUBLIC CHARITY	GENERAL	10,150.
PEN CENTER USA P.O. BOX 6037 BEVERLY HILLS, CA 90212	NONE	PUBLIC CHARITY	GENERAL	2,000.
PLANNED PARENTHOOD LOS ANGELES PO BOX 60677 LOS ANGELES, CA 90060	NONE	PUBLIC CHARITY	GENERAL	5,000.
RICE UNIVERSITY OFFICE OF DEVELOPMENT - MS 81 P.O. BOX 1892 HOUSTON, TX 77251	NONE	PUBLIC CHARITY	GENERAL	5,000.
SANTA MONICA BAY AUXILIARY/CHLA 12814 DEWEY STREET LOS ANGELES, CA 90066	NONE	PUBLIC CHARITY	GENERAL	500.
SANTA MONICA MUSEUM OF ART/BERGAMOT STATION G1 2525 MICHIGAN AVENUE SANTA MONICA, CA 90404	NONE	PUBLIC CHARITY	GENERAL	3,000.
Total from continuation sheets				

223631
05-01-12

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
SAVING SPOT! 534 N. LA CIENEGA BLVD. LOS ANGELES, CA 90048	NONE	PUBLIC CHARITY	GENERAL	225.
SKIRBALL CULTURAL CENTER 2701 NORTH SEPULVEDA BLVD. LOS ANGELES, CA 90049	NONE	PUBLIC CHARITY	GENERAL	10,000.
SOUTHERN CALIFORNIA GRANTMAKERS 1000 NORTH ALAMEDA STREET, SUITE 230 LOS ANGELES, CA 90012	NONE	PUBLIC CHARITY	GENERAL	9,280.
SSG/FRIENDS OF THE FOOD COALITION 10818 ROCHESTER AVENUE LOS ANGELES, CA 90024	NONE	PUBLIC CHARITY	GENERAL	2,500.
TEACH FOR AMERICA 606 S. OLIVE STREET, SUITE 300 LOS ANGELES, CA 90014	NONE	PUBLIC CHARITY	GENERAL	10,000.
THE CENTER FOR EARLY EDUCATION AFD 563 N. ALFRED STREET WEST HOLLYWOOD, CA 90048	NONE	PUBLIC CHARITY	GENERAL	3,000.
THE CHRONICLE OF PHILANTHROPY P.O. BOX 16359 NORTH HOLLYWOOD, CA 91615	NONE	PUBLIC CHARITY	GENERAL	72.
THE COLLEAGUES 3312 PICO BOULEVARD SANTA MONICA, CA 90405	NONE	PUBLIC CHARITY	GENERAL	5,000.
THE FUND FOR PARK AVENUE 445 PARK AVENUE, SUITE 1000 NEW YORK, NY 10022	NONE	PUBLIC CHARITY	GENERAL	1,000.
THE GARDEN CONSERVANCY PO BOX 219 COLD SPRING, NY 10516	NONE	PUBLIC CHARITY	GENERAL	16,000.
Total from continuation sheets				

223631
05-01-12

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 GARDEN SCHOOL FOUNDATION 2187 W. 24TH STREET LOS ANGELES, CA 90018	NONE	PUBLIC CHARITY	GENERAL	2,000.
THE GEORGE WASHINGTON FOUNDATION 1201 WASHINGTON AVENUE FREDERICKSBURG, VA 22401	NONE	PUBLIC CHARITY	GENERAL	5,000.
THE METROPOLITAN MUSEUM OF ART 1000 FIFTH AVENUE NEW YORK, NY 10028	NONE	PUBLIC CHARITY	GENERAL	1,000.
THE MUSEUM OF MODERN ART 11 WEST 53 STREET NEW YORK, NY 10019	NONE	PUBLIC CHARITY	GENERAL	1,500.
THE NEW YORK STEM CELL FOUNDATION 1995 BROADWAY, SUITE 600 NEW YORK, NY 10023	NONE	PUBLIC CHARITY	GENERAL	10,000.
THE RAPE FOUNDATION 1223 WILSHIRE BOULEVARD, NO. 410 SANTA MONICA, CA 90403	NONE	PUBLIC CHARITY	GENERAL	10,000.
THE TREVOR PROJECT 8704 SANTA MONICA BLVD., STE. 200 WEST HOLLYWOOD, CA 90069	NONE	PUBLIC CHARITY	GENERAL	1,000.
THE UCLA FOUNDATION/GRANT ASSOCIATES 5670 WILSHIRE BOULEVARD, SUITE 830 LOS ANGELES, CA 90036	NONE	PUBLIC CHARITY	GENERAL	67,000.
TREEPEOPLE 12601 MULHOLLAND DRIVE BEVERLY HILLS, CA 90210	NONE	PUBLIC CHARITY	GENERAL	10,000.
UNITED FRIENDS OF THE CHILDREN C/O 5B EVENTS 10536 CULVER BOULEVARD CULVER CITY, CA 90232	NONE	PUBLIC CHARITY	GENERAL	5,000.
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
UNIVERSITY OF CALIFORNIA RIVERSIDE HMNSS 3415 900 UNIVERSITY AVE. RIVERSIDE, CA 92521	NONE	PUBLIC CHARITY	GENERAL	1,000.
WILSHIRE BOULEVARD TEMPLE 3663 WILSHIRE BOULEVARD LOS ANGELES, CA 90013	NONE	PUBLIC CHARITY	GENERAL	1,200.
WOMEN'S GUILD/CEDARS-SINAI MEDICAL CENTER 8700 BEVERLY BOULEVARD, SUITE 2416 LOS ANGELES, CA 90048	NONE	PUBLIC CHARITY	GENERAL	150.
WORLD MONUMENTS FUND 350 FIFTH AVENUE, SUITE 2412 NEW YORK, NY 10118	NONE	PUBLIC CHARITY	GENERAL	10,000.
THE UCLA FOUNDATION/GRANT ASSOCIATES 5670 WILSHIRE BOULEVARD, SUITE 830 LOS ANGELES, CA 90036	NONE	PUBLIC CHARITY	GENERAL	100,000.
Total from continuation sheets				

223631
05-01-12

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
CITY NATIONAL SECURITIES-8716	11.
GLACIER WATER INTEREST	304,295.
GW SERVICES LLC OID	321,273.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	625,579.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CITY NATIONAL SECURITIES-8716	89,195.	0.	89,195.
THE WALKING COMPANY HOLDINGS INC	174,199.	0.	174,199.
TOTAL TO FM 990-PF, PART I, LN 4	263,394.	0.	263,394.

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

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
JP MORGAN 58,000 SH. KYE	DONATED	12/28/11	VARIOUS

(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
1,521,049.	1,467,980.	0.	0.	53,069.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
20,000 SH. OF KMF	PURCHASED	VARIOUS	07/31/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
557,400.	500,000.	0.	0.	57,400.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
14,000 SH. OF KYN	PURCHASED	VARIOUS	07/31/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
436,100.	362,659.	0.	0.	73,441.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
24,800 SH. OF KYN	PURCHASED	VARIOUS	05/29/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
733,336.	642,424.	0.	0.	90,912.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
3,170 SH. OF KYN	PURCHASED	VARIOUS	11/07/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
98,999.	82,116.	0.	0.	16,883.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
9,900 SH. OF KYN	PURCHASED	VARIOUS	12/21/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
294,525.	191,239.	0.	0.	103,286.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FROM PARTNERSHIP ST	PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
3,400.	0.	0.	0.	3,400.

(A) DESCRIPTION OF PROPERTY		MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FROM PARTNERSHIP LT		PURCHASED	VARIOUS	VARIOUS

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
311,464.	0.	0.	0.	311,464.

(A) DESCRIPTION OF PROPERTY		MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
FROM PARTNERSHIP LT		PURCHASED		

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
0.	<73.>	0.	0.	73.

NET GAIN OR LOSS FROM SALE OF ASSETS	709,928.
CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	709,928.

FORM 990-PF OTHER INCOME STATEMENT 4

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
ORDINARY INCOME FROM PASS-THROUGH ENTITY	167,471.	<70,391.>	
TOTAL TO FORM 990-PF, PART I, LINE 11	167,471.	<70,391.>	

FORM 990-PF LEGAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	153.	0.		153.
TO FM 990-PF, PG 1, LN 16A	153.	0.		153.

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	25,000.	11,750.		11,750.
TO FORM 990-PF, PG 1, LN 16B	25,000.	11,750.		11,750.

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
GRANTMAKING CONSULTING AND ADMINISTRATIVE	72,000.	0.		72,000.
TO FORM 990-PF, PG 1, LN 16C	72,000.	0.		72,000.

FORM 990-PF TAXES STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STATE TAXES	10.	0.		10.
STATE COMPOSITE TAXES	27,367.	0.		0.
EXCISE TAX - CURRENT & DEFERRED	182,058.	0.		0.
TO FORM 990-PF, PG 1, LN 18	209,435.	0.		10.

FORM 990-PF OTHER EXPENSES STATEMENT 9

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK FEES	50.	50.		0.
MISC EXPENSE	111.	0.		111.
NON-DEDUCTIBLE FROM FLOW-THRU	2,636.	0.		0.
LICENSES AND REGISTRATION	150.	0.		150.
TO FORM 990-PF, PG 1, LN 23	2,947.	50.		261.

FOOTNOTES STATEMENT 10

FORM 990-PF, PART VII-B, QUESTION 1(A)(2) AND 1(B):

THE ORGANIZATION BORROWED $1,800,000 ON A SHORT TERM BASIS IN LATE 2011 FROM RICHARD KAYNE, A DISQUALIFIED PERSON. THE LOAN WAS WITHOUT INTEREST AND REPAID IN EARLY 2012.

THE ORGANIZATION BELIEVES SUCH TRANSACTION IS AN EXCEPTION TO AN ACT OF SELF-DEALING PURSUANT TO IRC 4941(D)(2)(B) AND REGULATION 53.4941(D)(2)(C)(2).

FORM 990-PF, PART VII-B, QUESTION 1(A)(3):

FACILITIES, CERTAIN GOODS AND SERVICES ARE PROVIDED BY DISQUALIFIED PARTIES WITHOUT CHARGE.

FORM 990-PF, PART VII-B, QUESTION 1(A)(4) AND 1(B):

THE ORGANIZATION HAS INVESTED IN SEVERAL INVESTMENT FUNDS IN WHICH THE INVESTMENT MANAGER OF SUCH FUNDS ARE DISQUALIFIED PARTIES. THE INVESTMENT MANAGERS RECEIVE AN ASSET BASED MANAGEMENT FEE AS WELL AS A PERFORMANCE ALLOCATION FOR SOME OF THESE FUNDS. THE ORGANIZATION BELIEVES SUCH TRANSACTIONS ARE AN EXCEPTION TO AN ACT OF SELF-DEALING PURSUANT TO IRC 4941(D)(2)(E) AND REGULATION 53.4941(D)(3)(C).

FORM 990-PF, PART VIII:

DURING THE YEAR, THE ORGANIZATION UTILIZED THE SERVICES OF JANIS MINTON CONSULTING (THE "COMPANY") FOR GRANTMAKING

SERVICES. ONE OF THE OWNERS OF THE COMPANY IS AN OFFICER/ DIRECTOR OF THE ORGANIZATION. SEE PART VIII, ITEM 3 FOR MORE DETAILS.

FORM 990-PF CORPORATE STOCK STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
KAYNE ANDERSON MLP INVST CO	1,134,477.	1,134,477.
KAYNE ANDERSON MDSTM ENERGY FD COM	575,800.	575,800.
GLACIER WATER SUPPLY	113,716.	113,716.
KAYNE ANDERSON ENRGY TTL RT FD COM	6,971,314.	6,971,314.
KAYNE ANDERSON ENERGY DEV CO COM	581,672.	581,672.
TOTAL TO FORM 990-PF, PART II, LINE 10B	9,376,979.	9,376,979.

FORM 990-PF CORPORATE BONDS STATEMENT 12

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BIG DOG HOLDINGS (THE WALKING COMPANY INC.)	2,074,304.	2,074,304.
GLACIER WATER SUPPLY	2,533,320.	2,533,320.
TOTAL TO FORM 990-PF, PART II, LINE 10C	4,607,624.	4,607,624.

FORM 990-PF OTHER INVESTMENTS STATEMENT 13

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
KAYNE ANDERSON NON-TRADITIONAL INVESTMENTS, LP	FMV	953,967.	953,967.
KAYNE ANDERSON PRIVATE INVESTORS, LP	FMV	395,721.	395,721.
KAYNE ANDERSON PRIVATE INVESTORS II (QP), LP	FMV	321,060.	321,060.
KAYNE ANDERSON PRIVATE INVESTORS MEZZANINE LP	FMV	274,093.	274,093.
KAYNE ANDERSON ENERGY FUND III (Q.P.) L.P.	FMV	765,733.	765,733.
KAFU HOLDINGS	FMV	9,770,547.	9,770,547.
KAYNE ANDERSON ENERGY FUND IV (Q.P.) L.P.	FMV	1,428,338.	1,428,338.
TOTAL TO FORM 990-PF, PART II, LINE 13		13,909,459.	13,909,459.

FORM 990-PF OTHER ASSETS STATEMENT 14

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
DISTRIBUTIONS RECEIVABLE	27,840.	0.	0.
INTEREST AND DIVIDEND RECEIVABLE	0.	116,329.	116,329.
TO FORM 990-PF, PART II, LINE 15	27,840.	116,329.	116,329.

FORM 990-PF OTHER LIABILITIES STATEMENT 15

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
DEFERRED TAX LIABILITY	103,174.	165,960.
TAXES PAYABLE	132,283.	0.
TOTAL TO FORM 990-PF, PART II, LINE 22	235,457.	165,960.

FORM 990-PF PART VIII - LIST OF OFFICERS, DIRECTORS TRUSTEES AND FOUNDATION MANAGERS STATEMENT 16

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
SUZANNE L. KAYNE 1800 AVENUE OF THE STARS, 3RD FLOOR LOS ANGELES, CA 90067	PRESIDENT 1.00	0.	0.	0.
RICHARD A. KAYNE 1800 AVENUE OF THE STARS, 3RD FLOOR LOS ANGELES, CA 90067	DIRECTOR 1.00	0.	0.	0.
HOWARD ZELIKOW 1800 AVENUE OF THE STARS, 3RD FLOOR LOS ANGELES, CA 90067	TREASURER 1.00	0.	0.	0.
JANIS MINTON (SEE FOOTNOTE) 1800 AVENUE OF THE STARS, 3RD FLOOR LOS ANGELES, CA 90067	SECRETARY 1.00	0.	0.	0.
MAGGIE KAYNE 1800 AVENUE OF THE STARS, 3RD FLOOR LOS ANGELES, CA 90067	DIRECTOR 1.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.