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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

2012

For calendar year 2012 or tax year beginning

, and ending

Name of foundation

SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE

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

10709 NE 30TH AVENUE

A Employer identification number

95-4525543

City or town, state, and ZIP code

VANCOUVER, WA 98686

G Check all that apply

<input type="checkbox"/> Initial return	<input type="checkbox"/> Initial return of a former public charity
<input type="checkbox"/> Final return	<input type="checkbox"/> Amended return
<input type="checkbox"/> Address change	<input type="checkbox"/> Name change

H Check type of organization

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

I Fair market value of all assets at end of year

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

► \$ 307,449

J Accounting method Cash Accrual Other (specify) _____

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

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

	(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	100.		N/A	
2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B Interest on savings and temporary cash investments				
3 Dividends and interest from securities	10,335.	10,335.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10 Gross sales price for all assets on line 6a	57,966.	4,564.		
7 Capital gain net income (from Part IV, line 2)		4,564.		
8 Net short-term capital gain				
9 Income modifications Gross sales less returns and allowances				
10a Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income	306.	0.		STATEMENT 2
12 Total Add lines 1 through 11	15,305.	14,899.		
13 Compensation of officers, directors, trustees, etc	0.	0.	0.	
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees	6,000.	3,000.	1,000.	
c Other professional fees				
17 Interest	294.	0.	0.	
18 Taxes				
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses	207.	116.	0.	
24 Total operating and administrative expenses. Add lines 13 through 23	6,501.	3,116.	1,000.	
25 Contributions, gifts, grants paid	55,320.		55,320.	
26 Total expenses and disbursements. Add lines 24 and 25	61,821.	3,116.	56,320.	
27 Subtract line 26 from line 12	<46,516.►			
a Excess of revenue over expenses and disbursements				
b Net investment income (if negative, enter -0-)		11,783.		
c Adjusted net income (if negative, enter -0-)			N/A	

SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE

95-4525543

Page 2

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	11,868.	10,150.	10,150.
	2	Savings and temporary cash investments	29,421.	30,634.	30,634.
	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			
	10a	Investments - U S and state government obligations			
	b	Investments - corporate stock	291,921.	266,665.	266,665.
	c	Investments - corporate bonds			
Liabilities	11	Investments - land, buildings, and equipment basis ►			
		Less accumulated depreciation ►			
	12	Investments - mortgage loans			
	13	Investments - other			
	14	Land, buildings, and equipment basis ►			
		Less accumulated depreciation ►			
	15	Other assets (describe ► ACCRUED INTEREST)	2.	0.	0.
	16	Total assets (to be completed by all filers)	333,212.	307,449.	307,449.
	17	Accounts payable and accrued expenses			
	18	Grants payable			
Net Assets or Fund Balances	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ►)			
	23	Total liabilities (add lines 17 through 22)	0.	0.	
	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
Net Assets or Fund Balances	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>				
	and complete lines 27 through 31				
	27	Capital stock, trust principal, or current funds	0.	0.	
	28	Paid-in or capital surplus, or land, bldg , and equipment fund	0.	0.	
	29	Retained earnings, accumulated income, endowment, or other funds	333,212.	307,449.	
	30	Total net assets or fund balances	333,212.	307,449.	
	31	Total liabilities and net assets/fund balances	333,212.	307,449.	

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	333,212.
2	Enter amount from Part I, line 27a	2	<46,516.>
3	Other increases not included in line 2 (itemize) ► UNREALIZED LOSS	3	20,753.
4	Add lines 1, 2, and 3	4	307,449.
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	307,449.

**SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE**

Form 990-PF (2012)

95-4525543

Page 3

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 PUBLICLY TRADED SECURITIES - MERRILL LYNCH			P	01/01/01	12/31/12
b PUBLICLY TRADED SECURITIES - LPL			P	01/01/01	12/31/12
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 20,099.		19,789.	310.		
b 37,867.		33,613.	4,254.		
c					
d					
e					
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) 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			310.		
b			4,254.		
c					
d					
e					
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2		4,564.
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	42,293.	335,507.	.126057
2010	19,230.	307,303.	.062577
2009			
2008			
2007			

2 Total of line 1, column (d)	2	.188634
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	.094317
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	318,369.
5 Multiply line 4 by line 3	5	30,028.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	118.
7 Add lines 5 and 6	7	30,146.
8 Enter qualifying distributions from Part XII, line 4	8	56,320.

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

**SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE**

Form 990-PF (2012)

95-4525543

Page 4

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

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-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)

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

b Exempt foreign organizations - tax withheld at source

6b

c Tax paid with application for extension of time to file (Form 8868)

6c

400.

d Backup withholding erroneously withheld

6d

7 Total credits and payments Add lines 6a through 6d

7 400.

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

10 282.

11 Enter the amount of line 10 to be Credited to 2013 estimated tax ►

282.

Refunded ►

11 0.

Part VII-A Statements Regarding Activities

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?

Yes No

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?

1a

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

c Did the foundation file Form 1120-POL for this year?

1c

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?

2

If "Yes," attach a detailed description of the activities

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

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

4a

b If "Yes," has it filed a tax return on Form 990-T for this year?

4b

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

5

If "Yes," attach the statement required by General Instruction T

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either

6

• 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?

7

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.

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ►

CA

8b

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

9

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

10

10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses

Form 990-PF (2012)

**SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE**

Form 990-PF (2012)

95-4525543

Page 5

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 ► N/A	13	X
14	The books are in care of ► DON PEARSON Located at ► 10709 NE 30TH AVENUE, VANCOUVER, WA	Telephone no ► 360-571-4144 ZIP+4 ► 98686	
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
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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 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	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ►	2b	
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	
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	3b	
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?	4a	X
		4b	X

Form 990-PF (2012)

**SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE**

Form 990-PF (2012)

95-4525543

Page 6

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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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)? Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>		5b	X
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	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6b	X
b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	7b	
b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?	N/A		

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
DON PEARSON 10709 NE 30TH AVENUE VANCOUVER, WA 98686	PRESIDENT 3.00	0.	0.	0.
MARION GUBLER 1362 HIGHLAND AVENUE GLENDALE, CA 91202	VICE PRESIDENT 1.00	0.	0.	0.
DORIS GUBLER 1362 HIGHLAND AVENUE GLENDALE, CA 91202	VICE PRESIDENT 1.00	0.	0.	0.
ANN PEARSON 10709 NE 30TH AVENUE VANCOUVER, WA 98686	VICE PRESIDENT 3.00	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)

**SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE**

Form 990-PF (2012)

95-4525543

Page 7

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services

► 0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc		Expenses
1	N/A	
2		
3		
4		

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2		Amount
1	N/A	
2		
3		
Total. Add lines 1 through 3		► 0.

Form 990-PF (2012)

**SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE**

Form 990-PF (2012)

95-4525543 Page 8

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	1a	287,592.
a Average monthly fair market value of securities	1b	35,625.
b Average of monthly cash balances	1c	0.
c Fair market value of all other assets	1d	323,217.
d Total (add lines 1a, b, and c)		
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	323,217.
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	4,848.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	318,369.
6 Minimum investment return. Enter 5% of line 5	6	15,918.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (i)(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	15,918.
2a Tax on investment income for 2012 from Part VI, line 5	2a	118.
b Income tax for 2012 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	118.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	15,800.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	15,800.
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	15,800.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes	1a	56,320.
a Expenses, contributions, gifts, etc - total from Part I, column (d), line 26	1b	0.
b Program-related investments - total from Part IX-B	2	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	3a	
3 Amounts set aside for specific charitable projects that satisfy the	3b	
a Suitability test (prior IRS approval required)	4	56,320.
b Cash distribution test (attach the required schedule)	5	118.
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	6	56,202.
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		
6 Adjusted qualifying distributions. Subtract line 5 from line 4		

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)

**SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE**

Form 990-PF (2012)

95-4525543 Page 9

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				15,800.
2 Undistributed income, if any, as of the end of 2012			0.	
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				
c From 2009				
d From 2010	4,020.			
e From 2011	25,696.			
f Total of lines 3a through e	29,716.			
4 Qualifying distributions for 2012 from Part XII, line 4 ► \$	56,320.		0.	
a Applied to 2011, but not more than line 2a				
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			15,800.	
e Remaining amount distributed out of corpus			0.	
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:		70,236.		
a Corpus Add lines 3f, 4c, and 4e Subtract line 5			0.	
b Prior years' undistributed income Subtract line 4b from line 2b			0.	
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed			0.	
d Subtract line 6c from line 6b Taxable amount - see instructions			0.	
e Undistributed income for 2011 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2012 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2013				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		70,236.		
10 Analysis of line 9				
a Excess from 2008				
b Excess from 2009				
c Excess from 2010	4,020.			
d Excess from 2011	25,696.			
e Excess from 2012	40,520.			

**SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE**

Form 990-PF (2012)

95-4525543

Page 10

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 ►

4942(j)(3) or 4942(j)(5)

	Prior 3 years				(e) Total
	(a) 2012	(b) 2011	(c) 2010	(d) 2009	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities					
Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV | Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year-see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

NONE

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ► if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or e-mail of the person to whom applications should be addressed

DON AND ANN PEARSON, 360-571-4144

10709 NE 30TH AVENUE, VANCOUVER, WA 98686

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

PLEASE SEE ATTACHED APPLICATION

c Any submission deadlines

NONE

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

AWARDED TO COLLEGE STUDENTS PRIMARILY FROM THE GLENDALE, CALIFORNIA AREA FOR USE TOWARDS TUITION OR EDUCATIONAL RELATED EXPENSES.

**SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE**

Form 990-PF (2012)

95-4525543 Page 11

Part XV Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
STUDENT - C/O BYU IDAHO 102 KIMBALL BUILDING #1610 REXBURG, ID 83460	NONE	N/A	EDUCATIONAL	1,735.
STUDENT - C/O BYU IDAHO 100 KIMBALL BUILDING #1610 REXBURG, ID 83460	NONE	N/A	EDUCATIONAL	868.
STUDENT - C/O BYU IDAHO 100 KIMBALL BUILDING #1610 REXBURG, ID 83460	NONE	N/A	EDUCATIONAL	1,680.
STUDENT - C/O BYU IDAHO 100 KIMBALL BUILDING #1610 REXBURG, ID 83460	NONE	N/A	EDUCATIONAL	1,725.
BRIGHAM YOUNG UNIVERSITY A-41 ASB PROVO, UT 84602	NONE	UNIVERSITY	EDUCATIONAL	17,790.
Total	SEE CONTINUATION SHEET(S)		► 3a	55,320.
b Approved for future payment				
NONE				
Total			► 3b	0.

223611
12-05-12

Form 990-PF (2012)

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514	(e) Related or exempt function income
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount
1	Program service revenue				
a					
b					
c					
d					
e					
f					
g	Fees and contracts from government agencies				
2	Membership dues and assessments				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities			14	10,335.
5	Net rental income or (loss) from real estate				
a	Debt-financed property				
b	Not debt-financed property				
6	Net rental income or (loss) from personal property				
7	Other investment income				
8	Gain or (loss) from sales of assets other than inventory			18	4,564.
9	Net income or (loss) from special events				
10	Gross profit or (loss) from sales of inventory				
11	Other revenue				
a	MISC INCOME			01	306.
b					
c					
d					
e					
12	Subtotal Add columns (b), (d), and (e)		0.		15,205.
13	Total. Add line 12, columns (b), (d), and (e)			13	15,205.
(See worksheet in line 13 instructions to verify calculations)					

Relationship of Activities to the Accomplishment of Exempt Purposes

**SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE**

95-4525543

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
STUDENT - C/O PASADENA CITY COLLEGE 1570 E COLORADO BLVD PASADENA, CA 91106	NONE	N/A	EDUCATIONAL	2,752.
STUDENT - C/O BYU IDAHO 100 KIMBALL BUILDING #1610 REXBURG, ID 83460	NONE	N/A	EDUCATIONAL	1,735.
STUDENT - C/O LDS BUSINESS COLLEGE 95 N 300 W SALT LAKE CITY, UT 94101	NONE	N/A	EDUCATIONAL	3,060.
STUDENT - C/O BYU A-41 ASB PROVO, UT 84602	NONE	N/A	EDUCATIONAL	5,410.
STUDENT - C/O BYU IDAHO 100 KIMBALL BUILDING #1610 REXBURG, ID 83460	NONE	N/A	EDUCATIONAL	1,735.
STUDENT - C/O BYU IDAHO 100 KIMBALL BUILDING #1610 REXBURG, ID 83460	NONE	N/A	EDUCATIONAL	1,735.
STUDENT - C/O BYU A-41 ASB PROVO, UT 84602	NONE	N/A	EDUCATIONAL	2,355.
STUDENT - C/O BYU IDAHO 100 KIMBALL BUILDING #1610 REXBURG, ID 83460	NONE	N/A	EDUCATIONAL	1,785.
STUDENT - C/O ARIZONA STATE UNIVERSITY 411 N CENTRAL AVENUE PHOENIX, AZ 85004	NONE	N/A	EDUCATIONAL	4,710.
STUDENT - C/O BYU IDAHO 102 KIMBALL BUILDING #1610 REXBURG, ID 83460	NONE	N/A	EDUCATIONAL	1,785.
Total from continuation sheets				31,522.

SCHOLARSHIP FOUNDATION FOR EDUCATIONAL
EXCELLENCE

95-4525543

Part XV **Supplementary Information**

3 Grants and Contributions Paid During the Year (Continuation)

223631
05-01-12

FORM 990-PF

DIVIDENDS AND INTEREST FROM SECURITIES

STATEMENT 1

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
LPL	8,009.	0.	8,009.
MERRILL LYNCH	2,326.	0.	2,326.
TOTAL TO FM 990-PF, PART I, LN 4	10,335.	0.	10,335.

FORM 990-PF

OTHER INCOME

STATEMENT 2

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
MISC INCOME	306.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	306.	0.	

FORM 990-PF

ACCOUNTING FEES

STATEMENT 3

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	6,000.	3,000.		1,000.
TO FORM 990-PF, PG 1, LN 16B	6,000.	3,000.		1,000.

FORM 990-PF

TAXES

STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FEDERAL INCOME TAX	294.	0.		0.
TO FORM 990-PF, PG 1, LN 18	294.	0.		0.

SCHOLARSHIP FOUNDATION FOR EDUCATIONAL E

95-4525543

FORM 990-PF

OTHER EXPENSES

STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BANK CHARGES	116.	116.		0.
FEES AND DUES	91.	0.		0.
TO FORM 990-PF, PG 1, LN 23	207.	116.		0.

FORM 990-PF

CORPORATE STOCK

STATEMENT 6

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	266,665.	266,665.
TOTAL TO FORM 990-PF, PART II, LINE 10B	266,665.	266,665.

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only Part II and check this box

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

- If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1).

Part II Additional (Not Automatic) 3-Month Extension of Time. Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions	Name of exempt organization or other filer, see instructions SCHOLARSHIP FOUNDATION FOR EDUCATIONAL EXCELLENCE	Employer identification number (EIN) or 95-4525543
	Number, street, and room or suite no. If a P.O. box, see instructions. 10709 NE 30TH AVENUE	Social security number (SSN)
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. VANCOUVER, WA 98686	

Enter the Return code for the return that this application is for (file a separate application for each return)

0 4

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01		
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

DON PEARSON

- The books are in the care of ► **10709 NE 30TH AVENUE – VANCOUVER, WA 98686**

Telephone No ► **360-571-4144** FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box

- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . If this is for the whole group, check this box ► . If it is for part of the group, check this box ► and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **NOVEMBER 15, 2013**.

5 For calendar year **2012**, or other tax year beginning , and ending .

6 If the tax year entered in line 5 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

7 State in detail why you need the extension

AN ATTEMPT TO OBTAIN INFORMATION NECESSARY FOR FILING A RETURN WAS REQUESTED IN A TIMELY FASHION, BUT THE INFORMATION WAS NOT FURNISHED IN SUFFICIENT TIME TO PERMIT THE TIMELY FILING OF THE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a \$ 172.
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b \$ 0.
c Balance due. Subtract line 8b from line 8a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c \$ 172.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ►

Title ► **CPA**

Date ►

Form 8868 (Rev. 1-2013)

Account Holdings as of December 31, 2012

CASH AND CASH EQUIVALENTS						
<i>Description</i>		<i>Current Balance</i>				
Money Market Funds		\$10,150.40				
TOTAL CASH AND CASH EQUIVALENTS		\$10,150.40				
MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS						
<i>Date Acquired</i>	<i>Description/Security ID</i>	<i>Quantity</i>	<i>Price</i>	<i>Market Value</i>	<i>Unit Cost</i>	<i>Cost Basis/ Purchase Cost¹</i>
04/24/09* Transfers	AM INVESTOR R FECX	729	\$33.11	\$24,137.19	\$24.80	\$18,076.98
04/24/09* Transfers	BLACKROCK HEALTH R SCIENCES INVESTOR CL C SH5CX	899	29.22	26,268.77	20.10	18,073.53
08/12/09* Purchases		156,578		4,575.21	27.47	4,300.78
Total		1,055,578		30,843.98	21.20	22,374.31
12/10/08* Transfers	FIDELITY ADVISOR R CONSUMER STAPLES CL C FDGDX	681.02	78.40	53,391.96	49.23	33,523.37
12/15/08* Purchases		66,345		5,201.45	67.95	4,508.25
Total		747,365		58,593.41	50.89	38,031.62
MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS continue on page 4						

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¹ Purchase Cost equals Cost Basis less any reinvested dividends and interest.

² Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated.

Account Holdings as of December 31, 2012

MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS (continued)

Date Acquired	Description/Security ID	Quantity	Price	Market Value	Unit Cost	Purchase Cost ¹	Cost Basis ¹	Unrealized Gain or Loss	Annual Income ^a	Estimated 30-Day Yield ^a
11/19/09	LOOMIS SAYLES R INVESTMENT GRADE BOND CL C LGBCX	1,979	12.52	24,777.06	11.69	23,134.50	—	1,642.56	1,015	4.10%
12/04/09*	Purchases	582.41	7,291.79	12.11	7,052.37	—	239.42	272		
Total		2,561.41		32,068.85	11.79	30,186.87		1,881.98	1,287	
06/17/11	MFS EMERGING R MARKETS DEBT CL C MEDCX	1,017	16.41	16,638.96	14.74	14,990.58	—	1,698.38	667	4.00%
06/30/11*	Purchases	73,667	1,208.88	15.29	1,126.72	—	82.16	28		
Total		1,090,667		17,897.84	14.78	16,117.30		1,780.54	695	
11/19/09	OPPENHEIMER R INTL BOND CL C OIBCX	4,600	6.56	30,175.95	6.64	30,544.00	—	-368.05	1,333	4.42%
11/30/09*	Purchases	803,155	5,268.74	6.44	5,168.41	—	100.33	207		
Total		5,403,155		35,444.69	6.61	35,712.41		-267.72	1,540	
12/09/08*	OPPENHEIMER R DEVELOPING MARKETS CL C ODVCX	515	33.84	17,427.60	14.59	7,514.83	—	9,912.77	176	1.02%

MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS continue on page 5

¹ Purchase Cost equals Cost Basis less any reinvested dividends and interest.

^a Refer to the statement message titled ESTIMATED ANNUAL INCOME (EA) AND ESTIMATED YIELD (EY) for information on how this figure is calculated

Account Holdings as of December 31, 2012

MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS (continued)

Date Acquired	Description/Security ID	Quantity	Price	Market Value	Unit Cost	Purchase Cost ¹	Cost Basis/ Purchase Cost ¹	Unrealized Gain or Loss	Annual Income ²	Estimated 30-Day Yield ³
08/07/09	OPPENHEIMER (continued)	346	11,708.64	23.95	8,286.69	—	3,421.95	—	11.9	
Transfers										
Total		861	29,136.24	18.35	15,801.52	13,334.72	—	295		
08/26/11	PIMICO TOTAL RETURN R CL C PTTDX	2,751	11.24	30,921.21	10.97	30,178.47	742.74	649	2.10%	
Transfers										
07/03/12*	Purchases	117,223		1,317.61	11.36	1,332.20	—	-14.59	22	
Total		2,868,223	32,238.82	10.99	31,510.67	728.15	—	671		
11/19/09	TEMPLETON GLOBAL R OPPORTUNITIES CL C TEGPX	326,448	18.40	6,006.64	16.51	5,389.65	616.99	50	0.85%	
Transfers										
12/17/09*	Purchases	16,157		297.29	16.45	265.78	31.51	—		
Total		342,605	6,303.93	16.51	5,655.43	648.50	—	50		
TOTAL MUTUAL FUNDS, ETFs AND CLOSED-END FUNDS			\$266,664.95		\$213,467.11	\$53,197.84		\$4,947		

* Date of Earliest Acquisition

¹ Purchase Cost equals Cost Basis less any reinvested dividends and interest.

² Dividends and/or capital gains distributed by this security will be reinvested.

³ Refer to the statement message titled ESTIMATED ANNUAL INCOME (EAI) AND ESTIMATED YIELD (EY) for information on how this figure is calculated.

Account Holdings as of December 31, 2012

CERTIFICATES OF DEPOSIT						
Date Acquired	Description/Security ID	Quantity	Price	Market Value	Unit Cost	Cost Basis
06/16/11	STATE BANK OF INDIA NEW YORK NY CD FDIC SEMI CPN 1.750% DUE 06/29/15 DTD 06/28/11 FC 12/28/11 856284Z16	30,000	\$102.113	\$30,633.90	\$100.0000	\$30,000.00
TOTAL CERTIFICATES OF DEPOSIT						
				\$30,633.90	\$30,000.00	\$633.90
Value of Your LPL Financial Account						
				Market Value	Cost Basis/ Purchase Cost²	Unrealized Gain or Loss
				\$307,449.25	\$253,617.51	\$53,831.74
					\$10,150.40	\$5,472

² Purchase Cost equals Cost Basis less any reinvested dividends, interest, Fixed Income and Alternative Investments

SCHOLARSHIP FOUNDATION FOR EDUCATIONAL EXCELLENCE GRANT APPLICATION

The Foundation has been funded by donors in Glendale, California. It is limited in the number of scholarships it can award each year. It is hoped that, after graduation and as circumstances permit, scholarship recipients will contribute back to Scholarship Foundation for Educational Excellence part or all of the amount of scholarship assistance given to them in order to permit the granting of future awards to other students.

Blanks may be filled in on this sheet or questions may be answered on a separate sheet or via email

Name _____ Date of Birth _____

Address _____

Phone _____ Email _____

Ward or Church Affiliation if any _____

Have you applied for the school program you are interested in? _____ Accepted? _____
Which school? _____ Which semester? _____

What are your educational goals? _____

Describe your educational achievements (include high school and college classes and grades). **Please send a transcript from most recently attended institution.**

What would be your costs for a semester? _____

What are your financial resources—including potential jobs, parental help, scholarships? _____

What are your other financial obligations? _____

Have you made application for other scholarships? _____ Status of those applications: _____

Grants are made on a preferential basis to freshmen and sophomores. We expect students to pursue scholarship and grant opportunities available through their universities. Check with the Aid Office to explore all possibilities early in the year for the next school year.

**Please return this completed form to donandannpearson@gmail.com OR to
Don and Ann Pearson, 10709 NE 30th Ave., Vancouver, WA 98686
818-823-0910 or 360-571-4144**