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

2012

For calendar year 2012 or tax year beginning

JUN 1, 2012

, and ending

MAY 31, 2013

Name of foundation

## THE NICHOLSON FAMILY FOUNDATION

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

335 SPRECKELS DR. SUITE G

A Employer identification number

77-0444787

City or town, state, and ZIP code

APTOPS, CA 95003

G Check all that apply:

- Initial return
- Final return
- Address change
- Initial return of a former public charity
- Amended return
- 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) **\$ 5,457,792.** (Part I, column (d) must be on cash basis.)

J Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_

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	0.			
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B Interest on savings and temporary cash investments	253,537.	253,537.		STATEMENT 1
3		42,776.	42,776.		STATEMENT 2
4	Dividends and interest from securities				
5a	Gross rents				
b	Net rental income or (loss)	94,273.			
6a	Net gain or (loss) from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a	586,476.			
7	Capital gain net income (from Part IV, line 2)				
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	110.	110.	0.	STATEMENT 3
12	Total. Add lines 1 through 11	390,696.	390,696.	0.	
13	Compensation of officers, directors, trustees, etc.	0.	0.	0.	0.
14	Other employee salaries and wages				
15	Pension plans, employee benefits				
16a	Legal fees				
b	Accounting fees	1,870.	935.	0.	0.
c	Other professional fees	57,375.	37,935.	0.	19,440.
17	Interest				
18	Taxes	7,618.	778.	0.	0.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses	4,286.	2,011.	0.	1,225.
24	Total operating and administrative expenses. Add lines 13 through 23	71,149.	41,659.	0.	20,665.
25	Contributions, gifts, grants paid	210,150.			210,150.
26	Total expenses and disbursements. Add lines 24 and 25	281,299.	41,659.	0.	230,815.
27	Subtract line 26 from line 12:	109,397.			
a	Excess of revenue over expenses and disbursements				
b	Net investment income (if negative, enter -0-)	349,037.			
c	Adjusted net income (if negative, enter -0-)			0.	

223501  
12-05-12

LHA For Paperwork Reduction Act Notice, see instructions.

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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
	1 Cash - non-interest-bearing .....		15,409.	13,638.	13,638.
	2 Savings and temporary cash investments .....		10,592.	11,321.	11,321.
	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 .....				
	c Investments - corporate bonds .....				
	11 Investments - land, buildings, and equipment basis .....	►			
	Less accumulated depreciation .....	►			
	12 Investments - mortgage loans .....				
	13 Investments - other .....	STMT 8	4,783,409.	4,893,848.	5,432,833.
	14 Land, buildings, and equipment basis ►				
	Less accumulated depreciation .....	►			
	15 Other assets (describe ►) .....				
	16 Total assets (to be completed by all filers) .....		4,809,410.	4,918,807.	5,457,792.
	17 Accounts payable and accrued expenses .....				
	18 Grants payable .....				
	19 Deferred revenue .....				
	20 Loans from officers, directors, trustees, and other disqualified persons .....				
	21 Mortgages and other notes payable .....				
	22 Other liabilities (describe ►) .....				
	23 Total liabilities (add lines 17 through 22) .....		0.	0.	
	Foundations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.				
	24 Unrestricted .....		4,809,410.	4,918,807.	
	25 Temporarily restricted .....				
	26 Permanently restricted .....				
	Foundations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 27 through 31.				
	27 Capital stock, trust principal, or current funds .....				
	28 Paid-in or capital surplus, or land, bldg., and equipment fund .....				
	29 Retained earnings, accumulated income, endowment, or other funds .....				
	30 Total net assets or fund balances .....		4,809,410.	4,918,807.	
	31 Total liabilities and net assets/fund balances .....		4,809,410.	4,918,807.	

## 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	4,809,410.
2 Enter amount from Part I, line 27a .....	2	109,397.
3 Other increases not included in line 2 (itemize) ► .....	3	0.
4 Add lines 1, 2, and 3 .....	4	4,918,807.
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	4,918,807.

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## 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	<b>SEE ATTACHED STATEMENT</b>				
c					
d					
e					
	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a					
b					
c					
d					
e	<b>586,476.</b>		<b>492,203.</b>	<b>94,273.</b>	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69					
	(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
a					
b					
c					
d					
e				<b>94,273.</b>	
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	<b>94,273.</b>
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	<b>N/A</b>

## 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	<b>231,690.</b>	<b>4,957,934.</b>	<b>.046731</b>
2010	<b>246,680.</b>	<b>4,858,010.</b>	<b>.050778</b>
2009	<b>221,430.</b>	<b>4,559,769.</b>	<b>.048562</b>
2008	<b>254,878.</b>	<b>1,752,147.</b>	<b>.145466</b>
2007	<b>127,100.</b>	<b>2,108,255.</b>	<b>.060287</b>

2 Total of line 1, column (d) **2** **.351824**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** **.070365**4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5 **4** **5,142,960.**5 Multiply line 4 by line 3 **5** **361,884.**6 Enter 1% of net investment income (1% of Part I, line 27b) **6** **3,490.**7 Add lines 5 and 6 **7** **365,374.**8 Enter qualifying distributions from Part XII, line 4 **8** **230,815.**If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate.  
See the Part VI instructions.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1.	1	6,981.
b	Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		
c	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► <input type="checkbox"/> 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-) _____	2	0.
3	Add lines 1 and 2 _____	3	6,981.
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	6,981.
6	Credits/Payments:		
a	2012 estimated tax payments and 2011 overpayment credited to 2012 _____	6a	
b	Exempt foreign organizations - tax withheld at source _____	6b	
c	Tax paid with application for extension of time to file (Form 8868) _____	6c	
d	Backup withholding erroneously withheld _____	6d	
7	Total credits and payments. Add lines 6a through 6d _____	7	0.
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached _____	8	151.
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed _____ ►	9	7,132.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid _____ ►	10	
11	Enter the amount of line 10 to be Credited to 2013 estimated tax ►	11	Refunded ►

## Part VII-A Statements Regarding Activities

1a	Yes	No
1b	X	
1c	X	
2	X	
3	X	
4a	X	
4b		
5	X	
6	X	
7	X	
8b	X	
9	X	
10	X	

1a	Yes	No
1b	X	
1c	X	
2	X	
3	X	
4a	X	
4b		
5	X	
6	X	
7	X	
8b	X	
9	X	
10	X	

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? \_\_\_\_\_

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

1c Did the foundation file Form 1120-POL for this year? \_\_\_\_\_

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.

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 \_\_\_\_\_

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

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

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

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:

- 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 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

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 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(l)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? If "Yes," complete Part XIV \_\_\_\_\_

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

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

11		
12		X
13	X	
14	Telephone no. ► (831) 662-2550	
15	ZIP+4 ► 95003	
16	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).....

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).....

13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? .....

Website address ► **N/A**

14 The books are in care of ► **BRUCE NICHOLSON** Located at ► **335 SPRECKELS DR. SUITE G, APTOS, CA**

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 ►

## Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

	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)? .....		N/A
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? .....		
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? .....	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> 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
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? .....	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
b If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012) .....		N/A
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? .....		
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? .....		

## 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

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  Nob 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?  Yes  Nob If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?  N/A

5b

6b

X

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
BRUCE NICHOLSON 335 SPRECKELS DR., SUITE G APTOS, CA 95003	PRESIDENT 3.00	0.	0.	0.
MARTHA MCALISTER 335 SPRECKELS DR., SUITE G APTOS, CA 95003	SECRETARY/VICE PRESIDENT 1.00	0.	0.	0.
KATHLEEN HULL 335 SPRECKELS DR., SUITE G APTOS, CA 95003	DIRECTOR 1.00	0.	0.	0.
JOHN NICHOLSON 335 SPRECKELS DR., SUITE G APTOS, CA 95003	DIRECTOR 1.00	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

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**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
<b>NONE</b>		

**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
<b>1</b>		
<b>SEE STATEMENT 9</b>		<b>60,000.</b>
<b>2</b>		
<b>SEE STATEMENT 10</b>		<b>15,000.</b>
<b>3</b>		
<b>SEE STATEMENT 11</b>		<b>15,000.</b>
<b>4</b>		
<b>SEE STATEMENT 12</b>		<b>10,000.</b>

**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
<b>1</b>	<b>N/A</b>	
		<b>0.</b>
<b>2</b>		
<b>All other program-related investments. See instructions.</b>		
<b>3</b>		
<b>Total. Add lines 1 through 3</b>		► <b>0.</b>

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**Part X** Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities .....	1a	2,635,626.
b Average of monthly cash balances .....	1b	50,653.
c Fair market value of all other assets .....	1c	2,535,000.
d Total (add lines 1a, b, and c) .....	1d	5,221,279.
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	5,221,279.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions) .....	4	78,319.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4 .....	5	5,142,960.
6 Minimum investment return. Enter 5% of line 5 .....	6	257,148.

**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	257,148.
2a Tax on investment income for 2012 from Part VI, line 5 .....	2a	6,981.
b Income tax for 2012. (This does not include the tax from Part VI.) .....	2b	
c Add lines 2a and 2b .....	2c	6,981.
3 Distributable amount before adjustments. Subtract line 2c from line 1 .....	3	250,167.
4 Recoveries of amounts treated as qualifying distributions .....	4	0.
5 Add lines 3 and 4 .....	5	250,167.
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	250,167.

**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	230,815.
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	230,815.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b .....	5	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4 .....	6	230,815.

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 .....				250,167.
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 .....	27,839.			
b From 2008 .....	174,875.			
c From 2009 .....				
d From 2010 .....	10,114.			
e From 2011 .....				
f Total of lines 3a through e .....	212,828.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 230,815.			0.	
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 .....			230,815.	
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)) .....	19,352.			19,352.
6 Enter the net total of each column as indicated below:	193,476.			
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 .....	8,487.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a .....	184,989.			
10 Analysis of line 9:				
a Excess from 2008 .....	174,875.			
b Excess from 2009 .....				
c Excess from 2010 .....	10,114.			
d Excess from 2011 .....				
e Excess from 2012 .....				

**Part XIV** **Private Operating Foundations** (see instructions and Part VII-A, question 9)

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ► <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)					
2 a	Prior 3 years				2 b
	Tax year	(a) 2012	(b) 2011	(c) 2010	
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)(ii)					
(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).)

## BRUCE NICHOLSON

**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:

**BRUCE NICHOLSON. (831)662-2500**

335 SPRECKELS DR., SUITE G, APTOS, CA 95003

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

CONTACT BRUCE NICHOLSON FOR DETAIL INFORMATION

c Any submission deadlines:

/A

d An

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

N/A

## 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)				
<i>a Paid during the year</i>				
SEE STATEMENT B				210,150.
<b>Total</b>				► 3a 210,150.
<i>b Approved for future payment</i>				
NONE				
<b>Total</b>				► 3b 0.

## **Part XVI-A Analysis of Income-Producing Activities**

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) 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 .....					253,537.
4 Dividends and interest from securities .....		42,751.	14		42,776.
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 .....					110.
8 Gain or (loss) from sales of assets other than inventory .....			14		94,273.
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) .....		42,751.		0.	390,696.
13 Total. Add line 12, columns (b), (d), and (e) .....				13	433,447.
(See worksheet in line 13 instructions to verify calculations.)					

## **Relationship of Activities to the Accomplishment of Exempt Purposes**

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

	Yes	No
1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a Transfers from the reporting foundation to a noncharitable exempt organization of:		
(1) Cash .....	1a(1)	X
(2) Other assets .....	1a(2)	X
b Other transactions:		
(1) Sales of assets to a noncharitable exempt organization .....	1b(1)	X
(2) Purchases of assets from a noncharitable exempt organization .....	1b(2)	X
(3) Rental of facilities, equipment, or other assets .....	1b(3)	X
(4) Reimbursement arrangements .....	1b(4)	X
(5) Loans or loan guarantees .....	1b(5)	X
(6) Performance of services or membership or fundraising solicitations .....	1b(6)	X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees .....	1c	X
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

**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

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

Sign Here	<p>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</p> <div style="display: flex; align-items: center; justify-content: space-between;"> <div style="flex: 1; text-align: center;">              Signature of officer or trustee         </div> <div style="flex: 1; text-align: center;"> <span style="border-bottom: 1px solid black; padding: 0 5px;">9/13/13</span> </div> <div style="flex: 1; text-align: center;"> <span style="border-bottom: 1px solid black; padding: 0 5px;">Prest</span> </div> </div>			<p>May the IRS discuss this return with the preparer shown below (see instr.)?</p> <div style="display: flex; align-items: center;"> <input checked="" type="checkbox"/> Yes         <input type="checkbox"/> No       </div>

## THE NICHOLSON FAMILY FOUNDATION

## 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.)
a LONG TERM CAP. GAIN & LOSS - STATEMENT A		P	VARIOUS	VARIOUS
b SHORT TERM CAP. GAIN & LOSS - STATEMENT A		P	VARIOUS	VARIOUS
c PROSHARES VIX S.T. FUTURES ETF27-2759594		P		
d US COMMODITY INDEX FUND 27-1987039		P		
e US OIL FUND, LP 20-2830691		P		
f CAPITAL GAINS DIVIDENDS				
g				
h				
i				
j				
k				
l				
m				
n				
o				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 514,625.		414,500.	100,125.	
b 57,733.		41,631.	16,102.	
c		33,962.	-33,962.	
d		1,792.	-1,792.	
e		318.	-318.	
f 14,118.			14,118.	
g				
h				
i				
j				
k				
l				
m				
n				
o				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) 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			100,125.	
b			16,102.	
c			-33,962.	
d			-1,792.	
e			-318.	
f			14,118.	
g				
h				
i				
j				
k				
l				
m				
n				
o				
2 Capital gain net income or (net capital loss) ... { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }			2	94,273.
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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THE NICHOLSON FAMILY FOUNDATION  
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STOCKS/FUNDS	DATE BOUGHT	NUMBER SHARES	DIV REIN SHARES	UNIT PRICE	CURR YR FEES	TOTAL	DATE SOLD	NUMBER SHARES	UNIT PRICE	FEES	TOTAL	GAIN / (LOSS)	
<b>BURKE PORTFOLIO:</b>													
LONG TERM:													
FAIRHOLME FUNDS	12/27/05	197.316	2.795	25.34	24.00	5,024.00	08/14/12	197.32	29.75	24.00	5,846.15	822.15	
FAIRHOLME FUNDS	12/15/06			29.33	0.00	61.97	08/14/12	2.80	29.75	0.00	83.15	1.18	
FAIRHOLME FUNDS	12/21/07			4.467	31.28	0.00	139.79	08/14/12	4.47	29.75	0.00	132.89	(6.90)
FAIRHOLME FUNDS	12/18/08			5.235	21.12	0.00	110.56	08/14/12	5.24	29.75	0.00	165.74	45.18
FAIRHOLME FUNDS	12/17/09			1.867	28.72	0.00	58.09	08/14/12	1.89	29.75	0.00	56.14	0.05
FAIRHOLME FUNDS	12/17/10			12.459	34.04	0.00	424.13	08/14/12	12.46	29.75	0.00	370.86	(53.47)
FAIRHOLME FUNDS	12/31/10			0.474	35.58	0.00	16.88	08/14/12	0.47	29.75	0.00	14.10	(2.78)
ICON ENERGY FUND	01/05/00	390.816		7.98	0.00	2,633.30	08/14/12	330.816	18.97	0.00	6,275.58	3,642.28	
ICON ENERGY FUND	12/19/00			78.547	13.15	0.00	1,032.89	08/14/12	78.547	18.97	0.00	1,490.04	457.15
ICON ENERGY FUND	12/18/01			1.415	12.43	0.00	17.59	08/14/12	1.415	18.97	0.00	26.84	9.25
ICON ENERGY FUND	03/23/04	112.876		17.75	0.00	2,000.00	08/14/12	112.876	18.97	0.00	2,137.46	137.46	
LITMAN INSTITUT (MASTERS)	12/27/05	322.185		15.62	24.00	5,024.00	08/14/12	322.185	13.24	24.00	4,241.46	(782.54)	
LITMAN INSTITUT (MASTERS)	12/06/06			19.976	16.76	0.00	314.83	08/14/12	19.976	13.24	0.00	284.48	(50.36)
LITMAN INSTITUT (MASTERS)	12/10/07			27.807	15.59	0.00	435.07	08/14/12	27.907	13.24	0.00	369.49	(65.68)
LITMAN INSTITUT (MASTERS)	11/06/08			26.298	8.30	0.00	218.28	08/14/12	26.298	13.24	0.00	348.16	129.90
LITMAN SM CO (MASTERS)	12/27/05	688.579		14.26	24.00	10,000.00	08/14/12	689.579	14.54	24.00	10,147.98	147.98	
LITMAN SM CO (MASTERS)	12/06/06			28.439	16.14	0.00	430.57	08/14/12	28.439	14.54	0.00	413.50	(17.07)
LITMAN SM CO (MASTERS)	12/10/07			85.023	13.73	0.00	1,304.87	08/14/12	95.023	14.54	0.00	1,381.63	76.98
LITMAN SM CO (MASTERS)	11/06/08			46.341	7.10	0.00	329.02	08/14/12	46.341	14.54	0.00	673.80	344.78
<b>LONG TERM SUBTOTAL:</b>													
BURKE PORTFOLIO:													
SHORT TERM:													
FAIRHOLME FUNDS	12/19/11			8,690	23.48	0.00	204.05	08/14/12	8.69	29.75	0.00	258.53	54.48
<b>SHORT TERM SUBTOTAL:</b>													
BURKE PORTFOLIO TOTAL:													
<b>SCHARE PORTFOLIO:</b>													
LONG TERM:													
AFLAC INC	10/27/08	107.000		37.51	3.00	4,016.57	11/27/12	107.000	51.61	9.07	5,513.28	1,496.69	
ABBOTT LABORATORIES	04/28/10	30.000		50.24	3.00	1,510.11	11/07/12	30.000	84.78	0.00	1,943.39	433.28	
ABBOTT LABORATORIES	05/14/10	385.000		48.30	15.00	19,082.39	11/07/12	395.000	84.78	9.57	25,578.37	6,485.98	
BARRICK GOLD CORP	02/14/11	445.000		48.49	8.95	21,584.91	04/12/13	445.000	22.89	8.52	10,177.33	(11,407.58)	
BARRICK GOLD CORP	05/13/11	545.000		45.09	8.95	24,584.74	04/12/13	545.000	22.89	0.00	12,476.03	(12,108.71)	
BARRICK GOLD CORP	03/22/12	131.000		43.04	8.95	5,847.57	04/12/13	131.000	22.89	0.00	2,998.83	(2,847.74)	
<b>34,429.15</b>													
<b>4,835.53</b>													
<b>29,593.62</b>													
<b>294.05</b>													
<b>29,797.67</b>													
<b>258.53</b>													
<b>54.48</b>													
<b>34,887.98</b>													
<b>4,890.01</b>													

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STOCKS/FUNDS	DATE BOUGHT	NUMBER SHARES	DIV REIN SHARES	UNIT PRICE	CURR YR FEES	TOTAL	DATE SOLD	NUMBER SHARES	UNIT PRICE	FEES	TOTAL	GAIN / (LOSS)
BERKSHIRE HATHAWAY CL B	08/11/11	65,000	72.28	2.00	4,668.71	04/04/13	85,000	104.51	9.10	6,783.91	2,085.20	
CANADIAN NATL RAILWAY	11/18/07	289,000	47.84	3.95	12,818.14	07/11/12	289,000	85.12	0.51	22,897.20	10,079.06	
INTL BUSINESS MACHINES	03/15/11	230,000	159.15	7.95	36,611.80	05/23/12	230,000	207.22	9.78	47,640.81	11,038.01	
KRAFT FOODS INC	03/08/10	845,000	29.14	15.00	18,811.85	09/13/12	845,000	40.08	5.00	25,847.50	7,035.65	
KRAFT FOODS INC	05/20/10	610,000	28.24	15.00	17,853.72	09/13/12	610,000	40.08	5.08	24,444.58	6,580.88	
LIFE TECHNOLOGIES CORP	08/08/11	150,000	50.78	3.00	7,620.37	01/18/13	150,000	60.76	9.15	9,105.42	1,485.05	
LIFE TECHNOLOGIES CORP	08/08/11	279,000	50.78	5.95	14,174.27	02/20/13	279,000	58.98	6.51	16,385.80	2,191.33	
LIFE TECHNOLOGIES CORP	08/19/11	144,000	35.97	8.95	5,188.82	02/20/13	144,000	58.98	3.00	8,447.12	3,258.50	
LOCKHEED CORP	04/29/11	287,000	79.24	4.50	23,538.96	01/10/13	287,000	93.95	9.58	27,884.02	4,355.08	
LOEWS CORPORATION	05/28/10	586,000	31.67	16.00	17,747.68	08/29/12	586,000	40.80	0.62	22,847.03	5,099.35	
LOEWS CORPORATION	06/01/10	4,000	32.16	0.00	128.65	08/29/12	4,000	40.80	0.00	163.20	34.55	
LOEWS CORPORATION	06/01/10	561,000	32.16	15.00	18,058.16	11/07/12	561,000	41.40	9.47	23,215.03	6,156.87	
MCDONALD'S CORP	02/23/09	76,000	64.40	5.00	4,139.80	05/23/12	76,000	101.05	9.80	7,689.70	3,530.10	
MCDONALD'S CORP	02/26/09	225,000	53.82	15.00	12,125.42	05/23/12	225,000	101.05	0.00	22,735.35	10,609.93	
MCDONALD'S CORP	07/29/08	110,000	56.42	15.00	6,221.01	05/23/12	110,000	101.05	0.00	11,115.06	4,894.05	
MCDONALD'S CORP	08/14/09	70,000	54.06	16.00	3,789.47	05/23/12	70,000	101.05	0.00	7,073.22	3,273.75	
NESTLE SA	08/30/08	387,000	45.04	38.01	17,487.17	11/28/12	387,000	65.04	50.34	25,121.15	7,853.98	
SANFORI ADR	08/10/11	110,000	31.86	2.00	3,484.96	10/23/12	110,000	43.03	9.08	4,724.10	1,239.14	
SANFORI ADR	08/10/11	132,000	31.86	2.00	4,181.56	04/17/13	132,000	52.49	9.11	6,911.53	2,729.97	
TERMO FISHER SCIENTIFIC	11/03/10	51.84	3.00	8,141.91	04/03/13	167,000	78.13	9.22	12,267.57	4,115.66		
TERMO FISHER SCIENTIFIC	11/03/10	243,000	51.84	5.95	12,603.12	04/18/13	243,000	80.89	8.00	19,849.76	7,046.64	
TOTAL SA ADR	05/21/10	278,000	47.02	11.00	13,130.50	08/29/12	278,000	44.90	0.28	12,526.61	(503.98)	
LONG TERM SUBTOTAL:					338,981.94					424,131.58	85,149.64	
SHARE PORTFOLIO:												
SHORT TERM:												
CANADIAN PAC RAILWAY	07/02/12	98,000	73.70	0.00	7,223.07	04/18/13	98,000	120.01	9.21	11,751.28	4,528.21	
CME GROUP INC	01/09/12	490,000	45.43	8.95	22,288.45	08/17/12	490,000	58.73	0.59	28,770.51	8,502.06	
HALLIBURTON CO HOLDING CO	08/28/12	185,000	28.38	0.00	5,250.39	04/05/13	185,000	38.58	9.11	7,128.23	1,877.84	
TERMO FISHER SCIENTIFIC	08/06/12	118,000	68.84	2.00	6,685.33	04/16/13	118,000	80.89	3.60	9,541.17	2,855.84	
SHORT TERM SUBTOTAL:					41,427.24					57,191.19	15,763.95	
SHARE PORTFOLIO TOTAL:					380,408.18					481,322.77	100,913.59	

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STOCKS/FUNDS	DATE BOUGHT	NUMBER SHARED	DIV REIN SHARED	UNIT PRICE	CURR YR FEES	TOTAL	DATE SOLD	NUMBER SHARES	UNIT PRICE	FEES	TOTAL	GAIN / (LOSS)
<b>OKLO PORTFOLIO</b>												
LONG TERM:												
PIMCO EMERG MKTS	10/05/10	621,475		11.47	0.00	7,128.32	04/01/13	621,475	12.20	0.00	7,582.00	453.88
VANGUARD REIT INDEX	10/05/10	51,825		20.32	2.00	1,055.23	07/12/12	51,825	24.93	24.00	1,268.00	212.77
VANGUARD REIT INDEX	10/05/10	32,773		20.32	0.00	688.04	04/02/13	32,773	26.78	24.00	853.00	186.98
VANGUARD HIGH YIELD CAP	10/05/10	987,926		5.72	6.00	5,656.84	04/02/13	987,926	6.13	24.00	6,032.00	375.08
VANGUARD INFL PROTECTED	10/05/10	218,273		13.40	6.00	2,830.86	10/10/12	218,273	14.94	24.00	3,237.00	306.14
VANGUARD STOCK MKT INDEX	10/05/10	22,046		27.89	1.00	617.25	10/11/12	22,046	34.44	24.00	737.00	119.75
VANGUARD STOCK MKT INDEX	10/05/10	39,053		27.89	2.00	1,091.19	04/02/13	39,053	37.82	24.00	1,453.00	361.81
VANGUARD INTL STK INDEX	10/05/10	125,574		16.27	2.00	1,919.51	04/02/13	125,574	16.25	24.00	1,891.00	(28.51)
<b>LONG TERM SUBTOTAL:</b>						<b>21,086.34</b>					<b>23,083.00</b>	<b>1,987.68</b>
<b>OKLO PORTFOLIO</b>												
SHORT TERM:												
SHORT OPTIONS PROSHARES	04/12/13	100,000				04/12/13	100,000	2.84		10.77	283.21	283.21
<b>SHORT TERM SUBTOTAL:</b>						<b>0.00</b>					<b>283.21</b>	<b>283.21</b>
<b>OKLO PORTFOLIO TOTAL:</b>												
						<b>21,086.34</b>					<b>23,386.21</b>	<b>2,200.87</b>
<b>BURKE 2 PORTFOLIO</b>												
LONG TERM:												
PAX MCSI NORTH AM EST	09/22/11	954,000		24.85	0.98	23,716.78	03/22/13	954,000	33.01	0.00	31,492.88	7,776.09
PAX MCSI NORTH AM EST	09/22/11	46,000		24.82	0.00	1,141.81	03/22/13	46,000	33.01	0.00	1,618.52	376.71
<b>LONG TERM SUBTOTAL:</b>						<b>24,858.60</b>					<b>33,011.40</b>	<b>8,182.80</b>
<b>BURKE 2 PORTFOLIO</b>												
SHORT TERM:												
SHORT TERM SUBTOTAL:						<b>0.00</b>					<b>0.00</b>	<b>0.00</b>
<b>BURKE 2 PORTFOLIO TOTAL:</b>												
						<b>24,858.60</b>					<b>0.00</b>	<b>0.00</b>
<b>THE NICHOLSON FAMILY FOUNDATION:</b>												
LONG TERM TOTAL:												
SHORT TERM TOTAL:												
GRAND TOTAL:												
<b>EIN: 77-0444787</b>												
Tax Year: 6/1/12 – 5/31/13												

**THE NICHOLSON FAMILY FOUNDATION  
GRANTS AND CONTRIBUTIONS  
PAID DURING THE YEAR 2012/2013**

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RECIPIENT STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>RECIPIENT RELATIONSHIP</u>	<u>AMOUNT</u>
APOTOS HIGH SCHOOL 100 MARINER WAY APOTOS, CA 95003	PUBLIC EXEMPT ORG	SCHOLARSHIP PROGRAM	N/A	2,650.
BAYVIEW OPERA HOUSE 4705 THIRD STREET SAN FRANCISCO, CA 94124	PUBLIC EXEMPT ORG	DARE TO DREAM ARTS PROGRAM	N/A	10,000.
CLAUSEN HOUSE 88 VERNON AVE OAKLAND, CA 94610	PUBLIC EXEMPT ORG	OPERATIONAL SUPPORT FOR PROGRAMS	N/A	15,000.
COMMUNITY MUSIC CENTER 544 CAPP STREET SAN FRANCISCO, CA 94110	PUBLIC EXEMPT ORG	YOUNG MUSICIAN PROGRAM	N/A	10,000.
GEORGE MARK CHILDREN'S HOUSE 2121 GEORGE MARK LANE SAN LEANDRO, CA 94578	PUBLIC EXEMPT ORG	DEBT PRINCIPAL REDUCTION	N/A	60,000.
LOAVES AND FISHES 150 2 <sup>ND</sup> STREET WATSONVILLE, CA 95076	PUBLIC EXEMPT ORG	HOLIDAY FOOD & GIFT PROGRAMS	N/A	2,000.
LOVED TWICE 4123 BROADWAY, ST 815 OAKLAND, CA 94611	PUBLIC EXEMPT ORG	RECYCLED CLOTHING DONATION PROGRAM FOR NEW FAMILIES	N/A	7,500.
MOSAIC PROJECT 580 GRAND AVE, ST 303 OAKLAND, CA 94610	PUBLIC EXEMPT ORG	DIVERSITY AID TO PEACE MAKING CAMP	N/A	15,000.
NORTH OAKLAND COMMUNITY CHARTER SCHOOL 1000 – 42 <sup>ND</sup> STREET OAKLAND, CA 94608	PUBLIC EXEMPT ORG	SUPPORT FOR PEACE MAKING INITIATIVE CURRICULUM	N/A	10,000.
O'NEILL SEA ODYSSEY 2222 EAST CLIFF DRIVE #222 SANTA CRUZ, CA 95060	PUBLIC EXEMPT ORG	MARINE SCIENCE ENRICHMENT PROGRAM	N/A	7,500.
PAJARO VALLEY UNIFIED SCHOOL DISTRICT 294 GREEN VALLEY ROAD WATSONVILLE, CA 95076	PUBLIC EXEMPT ORG	SCIENCE FAIR COORDINATOR	N/A	500.

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THE NICHOLSON FAMILY FOUNDATION  
 GRANTS AND CONTRIBUTIONS  
 PAGE 2

<u>RECIPIENT NAME AND ADDRESS</u>	<u>RECIPIENT STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>RECIPIENT RELATIONSHIP</u>	<u>AMOUNT</u>
PIEDMONT COMMUNITY CHURCH 400 HIGHLAND AVENUE PIEDMONT, CA 94611	PUBLIC EXEMPT ORG	TO ASSIST FOOD & GIFT HOLIDAY PROGRAMS	N/A	2,000.
PIE RANCH PO BOX 363 PESCADERO, CA 94060	PUBLIC EXEMPT ORG	HOME SLICE YOUTH LEADERSHIP PROGRAM	N/A	10,000.
SACRED HEART SCHOOLS 150 VALPARAISO AVENUE ATHERTON, CA 94027	PUBLIC EXEMPT ORG	TO ASSIST FOOD & GIFT HOLIDAY PROGRAMS	N/A	1,000.
SANTA CRUZ MUSEUM OF ART AND HISTORY 705 FRONT STREET SANTA CRUZ, CA 95060	PUBLIC EXEMPT ORG	FAMILY SATURDAYS PROGRAMMING	N/A	10,000.
SHARED ADVENTURES PO BOX 396 SANTA CRUZ, CA 95061	PUBLIC EXEMPT ORG	YOUNG ARTIST STUDIO PROGRAM FOR ABLE AND DISABLED YOUTH	N/A	5,000.
SOUTHERN EXPOSURE 3030 - 20TH STREET SAN FRANCISCO, CA 94110	PUBLIC EXEMPT ORG	ARTIST IN EDUCATION PROGRAM	N/A	10,000.
SECOND HARVEST FOOD BANK P.O. BOX 990 WATSONVILLE, CA 95077	PUBLIC EXEMPT ORG	TO ASSIST FOOD & GIFT HOLIDAY PROGRAMS	N/A	2,000.
TRITON MUSEUM OF ART 1505 WARBURTON AVE SANTA CLARA, CA 95050	PUBLIC EXEMPT ORG	KID STUDIO PRE K ARTS PROGRAM	N/A	7,000.
VALLEY CHURCHES UNITED P.O. BOX 367 BEN LOMAND, CA 95005	PUBLIC EXEMPT ORG	OPERATIONAL SUPPORT AND FOOD & GIFT HOLIDAY PROGRAMS	N/A	12,000.
VOLUNTEER CENTER OF SANTA CRUZ COUNTY 1010 EMELINE AVENUE SANTA CRUZ, CA 95060	PUBLIC EXEMPT ORG	TO ASSIST FOOD & GIFT HOLIDAY PROGRAMS	N/A	1000.

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THE NICHOLSON FAMILY FOUNDATION  
GRANTS AND CONTRIBUTIONS  
PAGE 3

WATSONVILLE WETLANDS WATCH PO BOX 1239 FREEDOM, CA 95109	PUBLIC EXEMPT ORG	SEE PROJECT AND WETLANDS STEWARDS PROGRAMS	N/A	10,000.
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**THE NICHOLSON FAMILY FOUNDATION**  
Fiscal Year Ending May 31, 2013

**GRANTS MADE**

1.	Aptos High School 100 Mariner Way Aptos, CA 95003	\$2,650.00
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This is part of a multi-year matching grant to total \$10,000 that helped with scholarships for high school students to be able to participate in the Olympic Park Institute Science Trip and the Catalina Marine Institute Science Trip.

2.	Bayview Opera House Ruth Williams Memorial Theatre 4705 Third Street San Francisco, CA 94124	\$10,000.00
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This grant supports their Dare to Dream Arts Program that enables neighborhood youth to be enriched through creative afterschool and summer programs.

3.	Clausen House (2/2) 88 Vernon Street Oakland, CA 94610	\$15,000.00
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This is the second and final installment of a two-year grant to total \$30,000. This grant went towards operational costs for their numerous programs creating opportunities for adults with developmental disabilities.

4.	Community Music Center 544 Capp Street San Francisco, CA 94110	\$10,000.00
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This grant support Community Music Center's Young Musicians Program; an entirely free program that offers music education and diversity outreach to low income students in San Francisco.

5.	George Mark Children's House 2121 George Mark Lane San Leandro, CA 94578	\$60,000.00
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A grant of \$50,000.00 went towards debt principal reduction for the George Mark Children's House. There was an additional donation of \$10,000.00 towards the Fall Gala fundraiser with NO exchange of gifts or services.

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Tax Year: 6/1/12 – 5/31/13

The Nicholson Family Foundation  
Grants Made 2012/2013  
Page 2

6.	Loved Twice 4123 Broadway Suite 815 Oakland, CA 94611	\$7,500.00
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Loved Twice provides boxes of quality recycled baby clothes for a child's first year to families in need with social service agency partners through out Alameda, San Francisco, Santa Clara, and San Mateo counties. Our grant helped them distribute over 800 boxes of recycled baby clothes.

7.	Mosaic Project (1/2) 580 Grand Avenue, Suite 303 Oakland, CA 94610	\$15,000.00
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This is the first of two payments of a \$30,000.00 multi-year grant. The Mosaic Project brings students of diverse socio-economic backgrounds into a rural camp environment during the school year to teach peace making skills through leadership, empathy, and community building practices.

8.	North Oakland Community Charter School (NOCCS) (3/3) 1000 – 42 <sup>nd</sup> Street Oakland, CA 94608	\$10,000.00
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This grant is the third and final award of a three-year commitment for a total of \$30,000.00 that goes towards their Peace Making Initiative within the NOCCS curriculum.

9.	O'Neill Sea Odyssey 2222 East Cliff Drive #222 Santa Cruz, CA 95062	\$7,500.00
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In support of O'Neill Sea Odyssey's youth educational programming on the Monterey Bay that enhances navigation, sailing, conservation and marine science understanding and skills for 4th - 6th graders in Santa Cruz County.

10.	Pajaro Valley Unified School District 294 Green Valley Road Watsonville, CA 95076	\$500.00
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This grant continues to help support the Science Fair Coordinators within the Pajaro Valley Unified School District in conjunction with MAIA (Migration and Adaptation in the Americas) and is the fourth and final matching grant.

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The Nicholson Family Foundation  
Grants Made 2012/2013  
Page 3

11. Pie Ranch \$10,000.00  
PO Box 363  
Pescadero, CA 94060

Pie Ranch engages underserved youth from the Bay Area in farming practices that support healthy relationship based food systems. This grant gave scholarships to youth leaders in the Home Slice internship program.

12. Santa Cruz Museum of Art and History \$10,000.00  
705 Front Street  
Santa Cruz, CA 95060

This grant supported the expansion of Family Saturdays at the Museum programming which provides hands on learning opportunities and interactive experiences for museum guests.

13. Shared Adventures \$5,000.00  
PO Box 396  
Santa Cruz, CA 95061

This was our first grant to this organization to support the Young Artist Studio (YAS) Program that provides art enrichment for Santa Cruz County able bodied and disabled youth while working side by side.

14. Southern Exposure \$10,000.00  
3030 20th Street  
San Francisco, CA 94110

This grant helped support the Artist in Education (AIE) programs that serves local youth annually through four major projects: Mission Summer Voices, Youth Advisory Board, One-on-One Mentorship Program, and Workshops in Alameda and San Francisco Juvenile Centers.

15. Triton Museum of Art \$7,000.00  
1505 Warburton Ave.  
Santa Clara, CA 95050

The Triton Museum created a KidStudio Pre-K program to give hands on art making experience to youth in the 3-5 year old age range and their caregivers. The grant went to help support this program.

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The Nicholson Family Foundation  
Grants Made 2012/2013  
Page 4

16. Valley Churches United (2/3) \$10,000.00  
P.O. Box 367  
Ben Lomond, CA 95005

This was the second payment of a three-year multi-year grant towards their operating expenses involved in youth programs such as their Backpack Program and other ways they assist youth in need throughout Northern Santa Cruz County.

17. Watsonville Wetlands Watch (1/3) \$10,000.00  
PO Box 1239  
Freedom, CA 95019-1239

This is the first installment of a three-year multi-year grant that will go towards their educational outreach programs that serve youth in Santa Cruz County with the SEE Project (Slough Environmental Education) and leadership opportunities with the Wetlands Stewards program that partners high school students with younger youth in after school classrooms.

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Grants Made 2012/2013  
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18. A series of small grants were made to organizations in November and December to assist with food and gift programs for the needy during the holiday season. This has become an annual policy, although for the fiscal year 2012/2013 we doubled our regular amounts as a one-time gesture. The grants were made to:

A.	Loaves and Fishes 150 2nd Street Watsonville, CA 95076	\$2,000.00
B.	Piedmont Community Church 400 Highland Avenue Piedmont, CA 94611	\$2,000.00
C.	Valley Churches United P.O. Box 367 Ben Lomond, CA 95005	\$2,000.00
D.	Sacred Heart Schools 150 Valparaiso Avenue Atherton, CA 94027	\$1,000.00
E.	Second Harvest Food Bank P.O. Box 990 Watsonville, CA 95077	\$2,000.00
F.	Volunteer Center of Santa Cruz County Watsonville Volunteer Center 1010 Emeline Avenue, Building C Santa Cruz, CA 95060	\$1000.00

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

SOURCE	AMOUNT
OTHER INTEREST INCOME	37.
THE NICHOLSON FAMILY PARTNERSHIP	253,500.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	253,537.

## FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
BURKE 2 INVESTMENT	2,875.	0.	2,875.
BURKE INVESTMENT	13,216.	9,380.	3,836.
OKLO INVESTMENT	5,972.	495.	5,477.
PROSHARES VIX S.T. FUTURES			
ETF27-2759594	15.	0.	15.
SCHARF INVESTMENT	22,782.	0.	22,782.
SCHWAB INVESTMENT	12,025.	4,243.	7,782.
US COMMODITY INDEX FD 27-1987039	8.	0.	8.
US OIL FUND, LP 20-2830691	1.	0.	1.
TOTAL TO FM 990-PF, PART I, LN 4	56,894.	14,118.	42,776.

## FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
REFUNDS/DISTRIBUTIONS	239.	239.	0.
US COMMODITY INDEX FUND 27-1987039	-106.	-106.	0.
US OIL FUND, LP 20-2830691	-23.	-23.	0.
TOTAL TO FORM 990-PF, PART I, LINE 11	110.	110.	0.

## FORM 990-PF

## ACCOUNTING FEES

## STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEE	1,870.	935.	0.	0.
TO FORM 990-PF, PG 1, LN 16B	1,870.	935.	0.	0.

## FORM 990-PF

## OTHER PROFESSIONAL FEES

## STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT ADVISOR FEES	24,751.	24,751.	0.	0.
OTHER PROFESSIONAL EXPENSES	32,400.	12,960.	0.	19,440.
PROSHARES VIX S.T. FUTURE ETF	224.	224.	0.	0.
TO FORM 990-PF, PG 1, LN 16C	57,375.	37,935.	0.	19,440.

## FORM 990-PF

## TAXES

## STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STATE INCOME TAXES	10.	0.	0.	0.
FEDERAL EXCISE TAXES	6,830.	0.	0.	0.
FOREIGN TAX PAID	778.	778.	0.	0.
TO FORM 990-PF, PG 1, LN 18	7,618.	778.	0.	0.

FORM 990-PF	OTHER EXPENSES	STATEMENT	7
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FILING FEES AND LICENSES	75.	0.	0.	0.
DUES	1,225.	0.	0.	1,225.
CONFERENCE EXPENSE	2,011.	2,011.	0.	0.
OUTSIDE SERVICES	975.	0.	0.	0.
TO FORM 990-PF, PG 1, LN 23	4,286.	2,011.	0.	1,225.

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	8
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
BURKE INVESTMENT	FMV	385,043.	456,172.
CHARLES SCHWAB PORTFOLIO	FMV	357,389.	451,019.
SCHARF INVESTMENT	FMV	1,085,527.	1,409,897.
OKLO FINANCIAL LLC	FMV	155,943.	165,749.
NOTES RECEIVABLE	COST	2,535,000.	2,535,000.
BURKE2 INVESTMENT	COST	374,946.	414,996.
TOTAL TO FORM 990-PF, PART II, LINE 13		4,893,848.	5,432,833.

FORM 990-PF	SUMMARY OF DIRECT CHARITABLE ACTIVITIES	STATEMENT	9
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## ACTIVITY ONE

GEORGE MARK CHILDREN'S HOUSE - THIS GRANT WENT TOWARDS DEBT PRINCIPAL REDUCTION IN ORDER TO HELP GMCH BE ABLE TO CONTINUE ITS MISSION TO PROVIDE PEDIATRIC PALLIATIVE CARE AND END OF LIFE SERVICE TO CHILDREN AND FAMILY.

EXPENSES
TO FORM 990-PF, PART IX-A, LINE 1

FORM 990-PF

SUMMARY OF DIRECT CHARITABLE ACTIVITIES

STATEMENT 10

## ACTIVITY TWO

CLAUSEN HOUSE, \$15,000 OF THIS GRANT IS THE FIRST PART OF A \$30,000 TWO-YEAR COMMITMENT. THIS GRANT WENT TOWARDS OPERATIONAL COSTS FOR THEIR NUMEROUS PROGRAMS CREATING OPPORTUNITIES FOR ADULTS WITH DEVELOPMENTAL DISABILITIES.

	EXPENSES
TO FORM 990-PF, PART IX-A, LINE 2	15,000.

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FORM 990-PF	SUMMARY OF DIRECT CHARITABLE ACTIVITIES	STATEMENT 11
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## ACTIVITY THREE

MOSAIC PROJECT, THIS GRANT IS THE FIRST OF TWO PAYMENTS OF A \$30,000.00 MULTI-YEAR GRANT. THE MOSAIC PROJECT BRINGS STUDENTS OF DIVERSE SOCIO-ECONOMIC BACKGROUNDS INTO A RURAL CAMP ENVIRONMENT DURING THE SCHOOL YEAR TO TEACH PEACE MAKING SKILLS THROUGH LEADERSHIP, EMPATHY, AND COMMUNITY BUILDING PRACTICES.

	EXPENSES
TO FORM 990-PF, PART IX-A, LINE 3	15,000.

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FORM 990-PF	SUMMARY OF DIRECT CHARITABLE ACTIVITIES	STATEMENT 12
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## ACTIVITY FOUR

NORTH OAKLAND COMMUNITY CHARTER SCHOOL(NOCCS), THIS GRANT IS THE SECOND AWARD OF A THREE-YEAR COMMITMENT FOR A TOTAL OF \$30,000.00 THAT GOES TOWARDS THEIR PEACE MAKING INITIATIVE WITHIN THE NOCCS CURRICULUM.

	EXPENSES
TO FORM 990-PF, PART IX-A, LINE 4	10,000.