Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

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

OMB No 1545-0052

2012

Open to public inspection

For calendar year 2012 or tax year beginning JUN 1, 2012 **, and ending** MAY 31, 2013

Name of foundation: WILLIAM S. & INA LEVINE FOUNDATION INC

A Employer identification number: 86-0866703

Number and street (or P O box number if mail is not delivered to street address): 2201 EAST CAMELBACK ROAD

Room/suite: 650

B Telephone number: (602) 248-8181

City or town, state, and ZIP code: PHOENIX, AZ 85016

C If exemption application is pending, check here ▶ ☐

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

D 1. Foreign organizations, check here ▶ ☐

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

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

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

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 24,502,081.

J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify)
(Part I, column (d) must be on cash basis.)

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

Part I **Analysis of Revenue and Expenses** (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc., received	0.		N/A	
	2 Check ▶ ☒ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	72,851.	72,851.		STATEMENT 2
	4 Dividends and interest from securities	1,651,494.	1,380,315.		STATEMENT 3
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	3,527,914.			STATEMENT 1
	b Gross sales price for all assets on line 6a 3,528,474.				
	7 Capital gain net income (from Part IV, line 2)		3,526,963.		
	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	-24,008.	-16,345.		STATEMENT 4
	12 **Total.** Add lines 1 through 11	5,228,251.	4,963,784.		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	0.	0.		0.
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees STMT 5	350.	350.		0.
	b Accounting fees STMT 6	7,838.	7,838.		0.
	c Other professional fees				
	17 Interest	25,449.	0.		0.
	18 Taxes STMT 7	19,744.	0.		0.
	19 Depreciation and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses STMT 8	10,457.	10,328.		0.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	63,838.	18,516.		0.
	25 Contributions, gifts, grants paid	752,450.			752,450.
	26 **Total expenses and disbursements.** Add lines 24 and 25	816,288.	18,516.		752,450.
	27 Subtract line 26 from line 12:				
	a Excess of revenue over expenses and disbursements	4,411,963.			
	b **Net investment income** (if negative, enter -0-)		4,945,268.		
	c **Adjusted net income** (if negative, enter -0-)			N/A	

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12-05-12 LHA For Paperwork Reduction Act Notice, see instructions. Form **990-PF** (2012)

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Part II **Balance Sheets** Attached schedules and amounts in the description column should be for end-of-year amounts only

			Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing			
	2	Savings and temporary cash investments	102,990.	205,519.	205,519.
	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	0.	0.	102,792.
	10a	Investments - U.S. and state government obligations			
	b	Investments - corporate stock STMT 10	3,345,112.	4,233,874.	5,761,446.
	c	Investments - corporate bonds STMT 11	102,353.	102,353.	65,096.
	11	Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation ▶			
	12	Investments - mortgage loans STMT 12	5,409,093.	13,821,563.	13,946,672.
	13	Investments - other STMT 13	11,659,213.	8,107,050.	4,420,556.
	14	Land, buildings, and equipment: basis ▶ Less accumulated depreciation ▶			
	15	Other assets (describe ▶)			
	16	**Total assets** (to be completed by all filers)	20,618,761.	26,470,359.	24,502,081.
Liabilities	17	Accounts payable and accrued expenses	-1,200.	370,000.	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable	302,000.	998,837.	
	22	Other liabilities (describe ▶)			
	23	**Total liabilities** (add lines 17 through 22)	300,800.	1,368,837.	
Net Assets or Fund Balances		**Foundations that follow SFAS 117, check here ▶ ☐ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ▶ ☒ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds	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	20,317,961.	25,101,522.	
	30	**Total net assets or fund balances**	20,317,961.	25,101,522.	
	31	**Total liabilities and net assets/fund balances**	20,618,761.	26,470,359.	

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	20,317,961.
2	Enter amount from Part I, line 27a	2	4,411,963.
3	Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 9	3	371,598.
4	Add lines 1, 2, and 3	4	25,101,522.
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	25,101,522.

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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	HEALTHSOUTH CORP COM (MERLIN)	P	09/01/96	03/21/13
b	PARTNERSHIP SHORT TERM GAIN	P		12/31/12
c	PARTNERSHIP LONG TERM GAIN	P		12/31/12
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	8,897.		560.	8,337.
b	18,717.		394.	18,323.
c	3,500,860.		557.	3,500,303.
d				
e				

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				8,337.
b				18,323.
c				3,500,303.
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 3,526,963.

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	281,890.	19,163,641.	.014710
2010	539,008.	8,637,005.	.062407
2009	625,830.	8,845,113.	.070754
2008	970,586.	9,141,102.	.106178
2007	1,707,988.	11,007,560.	.155165

2	Total of line 1, column (d)	2	.409214
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	.081843
4	Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	23,176,083.
5	Multiply line 4 by line 3	5	1,896,800.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	49,453.
7	Add lines 5 and 6	7	1,946,253.
8	Enter qualifying distributions from Part XII, line 4	8	752,450.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter: ______ (attach copy of letter if necessary-see instructions)				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b			1	98,905.
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	98,905.
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	98,905.
6	Credits/Payments:				
a	2012 estimated tax payments and 2011 overpayment credited to 2012	6a	32,299.		
b	Exempt foreign organizations - tax withheld at source	6b			
c	Tax paid with application for extension of time to file (Form 8868)	6c	73,904.		
d	Backup withholding erroneously withheld	6d			
7	Total credits and payments. Add lines 6a through 6d			7	106,203.
8	Enter any **penalty** for underpayment of estimated tax. Check here ☒ if Form 2220 is attached			8	982.
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	6,316.
11	Enter the amount of line 10 to be: **Credited to 2013 estimated tax** ▶	6,316.	**Refunded** ▶	11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?	1b		X
	If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ $ 0. (2) On foundation managers. ▶ $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	X	
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ AZ			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2012 or the taxable year beginning in 2012 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses STMT 14	10	X	

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ▶ NO WEB SITE

14 The books are in care of ▶ WILLIAM S. & INA LEVINE FOUNDATION Telephone no. ▶ (602) 248-8181

Located at ▶ 2201 EAST CAMELBACK ROAD SUITE 650, PHOENIX, AZ ZIP+4 ▶ 85016

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

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

			Yes	No
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country ▶			

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

				Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.				
1a	During the year did the foundation (either directly or indirectly):				
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	☐ Yes ☒ No			
	(6) *Agree to pay money or property to a government official?* (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	N/A	1b		
	Organizations relying on a current notice regarding disaster assistance check here	▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?		1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):				
a	At the end of tax year 2012, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2012?	☐ Yes ☒ No			
	If "Yes," list the years ▶ ______, ______, ______, ______				
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions.)	N/A	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ▶ ______, ______, ______, ______				
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No			
b	If "Yes," did it have excess business holdings in 2012 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2012.)*	N/A	3b		
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2012?		4b		X

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

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? ☐ Yes ☒ No

(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? N/A 5b

Organizations relying on a current notice regarding disaster assistance check here ▶☐

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? N/A ☐ Yes ☐ No

If "Yes," attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? 6b X

If "Yes" to 6b, file Form 8870.

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction? N/A 7b

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

1 List all officers, directors, trustees, foundation managers and their compensation.

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
WILLIAM S. LEVINE 2201 EAST CAMELBACK ROAD SUITE 650 PHOENIX, AZ 85016	PRESIDENT/DIRECTOR 0.25	0.	0.	0.
JAY DAVID LEVINE 2201 EAST CAMELBACK ROAD SUITE 650 PHOENIX, AZ 85016	DIRECTOR 0.10	0.	0.	0.
JONATHAN LEVINE 2201 EAST CAMELBACK ROAD SUITE 650 PHOENIX, AZ 85016	DIRECTOR 0.10	0.	0.	0.
JULIE SCHOEN 2201 EAST CAMELBACK ROAD SUITE 650 PHOENIX, AZ 85016	DIRECTOR 0.10	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
NONE		

Total number of others receiving over $50,000 for professional services ▶ 0

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments

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

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:				
a	Average monthly fair market value of securities			1a	4,394,981.
b	Average of monthly cash balances			1b	614,174.
c	Fair market value of all other assets			1c	18,519,863.
d	**Total** (add lines 1a, b, and c)			1d	23,529,018.
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	23,529,018.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)			4	352,935.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4			5	23,176,083.
6	**Minimum investment return.** Enter 5% of line 5			6	1,158,804.

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	1,158,804.
2a	Tax on investment income for 2012 from Part VI, line 5	2a	98,905.		
b	*Income tax for 2012. (This does not include the tax from Part VI.)*	2b	71,435.		
c	Add lines 2a and 2b			2c	170,340.
3	Distributable amount before adjustments. Subtract line 2c from line 1			3	988,464.
4	Recoveries of amounts treated as qualifying distributions			4	0.
5	Add lines 3 and 4			5	988,464.
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	988,464.

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	752,450.
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	752,450.
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	752,450.

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					988,464.
2 Undistributed income, if any, as of the end of 2012.					
a Enter amount for 2011 only				0.	
b Total for prior years: ______ , ______ , ______			0.		
3 Excess distributions carryover, if any, to 2012:					
a From 2007	1,215,505.				
b From 2008	521,392.				
c From 2009	213,773.				
d From 2010	539,008.				
e From 2011	643,877.				
f Total of lines 3a through e		3,133,555.			
4 Qualifying distributions for 2012 from Part XII, line 4: ▶ $	752,450.				
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					752,450.
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).)		236,014.			236,014.
6 **Enter the net total of each column as indicated below:**					
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		2,897,541.			
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		979,491.			
9 **Excess distributions carryover to 2013.** Subtract lines 7 and 8 from line 6a		1,918,050.			
10 Analysis of line 9:					
a Excess from 2008	521,392.				
b Excess from 2009	213,773.				
c Excess from 2010	539,008.				
d Excess from 2011	643,877.				
e Excess from 2012					

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2012, enter the date of the ruling ▶

b Check box to indicate whether the foundation is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

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

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

1 **Information Regarding Foundation Managers:**

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

NONE

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

NONE

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

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

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

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

c Any submission deadlines:

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
AIEF AMERICAN ISRAEL EDUCATION FOUNDATION 251 H STREET NW WASHINGTON, DC 20001	NONE	PUBLIC CHARITY	SUPPORT	40,000.
AMERICAN JEWISH COMMITTEE 165 E. 56TH STREET NEW YORK, NY 10022	NONE	PUBLIC CHARITY	SUPPORT	5,000.
AMERICAN JEWISH HISTORICAL SOCIETY 4710 N. 16TH STREET, #201 PHOENIX, AZ 85016	NONE	PUBLIC CHARITY	SUPPORT	250.
ANTI DEFAMATION LEAGUE 823 UNITED NATIONS PLAZA NEW YORK, NY 10017	NONE	PUBLIC CHARITY	SUPPORT	10,000.
B'NAIL B'RITH INTERNATIONAL 2020 K. ST. NW, 7TH FLOOR WASHINGTON, DC 20006	NONE	PUBLIC CHARITY	SUPPORT	200.
Total SEE CONTINUATION SHEET(S)			▶ 3a	752,450.
b Approved for future payment				
NONE				
Total			▶ 3b	0.

Form **990-PF** (2012)

223611
12-05-12

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	(e) Related or exempt function income
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	72,851.	
4 Dividends and interest from securities	900099	2,987.	14	1,648,507.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property			16	-21,599.	
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory	900099	951.	14	3,526,963.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a PARTNERSHIP INCOME -					
b OTHER	900099	-4.	14	-2,405.	
c					
d					
e					
12 Subtotal. Add columns (b), (d), and (e)		3,934.		5,224,317.	0.

13 **Total.** Add line 12, columns (b), (d), and (e) 13 5,228,251.

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

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

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

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

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

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

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

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

b If "Yes," complete the following schedule.

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

Sign Here

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

Signature of officer or trustee

Date 4/14/14

Title PRESIDENT

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JESSICA A. DUFF	Jessica A. Duff	4-11-14		P00179255

Firm's name ▶ DELOITTE TAX LLP

Firm's EIN ▶ 86-1065772

Firm's address ▶ 2901 N. CENTRAL AVENUE, SUITE 1200
PHOENIX, AZ 85012-2799

Phone no. 602-234-5100

Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
BALDWINSVILLE VOLUNTEER CENTER 44 OSWEGO ST BALDWINSVILLE, NY 13027	NONE	PUBLIC CHARITY	SUPPORT	5,000.
BETH JACOB HIGH SCHOOL 5100 W. 14TH AVENUE DENVER, CO 80204-1004	NONE	PUBLIC CHARITY	SUPPORT	1,500.
BETH JOSEPH CONGREGATION 515 E. BETHANY HOME RD. PHOENIX, AZ 85012	NONE	PUBLIC CHARITY	SUPPORT	7,500.
BROPHY COLLEGE PREP 4701 N. CENTRAL AVE PHOENIX, AZ 85012	NONE	PUBLIC CHARITY	SUPPORT	10,000.
BUREAU OF JEWISH EDUCATION PASSOVER FUND 12701 N. SCOTTSDALEL RD SUITE 206 SCOTTSDALE, AZ 85254	NONE	PUBLIC CHARITY	SUPPORT	7,500.
BUREAU OF JEWISH EDUCATION 12701 N. SCOTTSDALEL RD SUITE 206 SCOTTSDALE, AZ 85254	NONE	PUBLIC CHARITY	SUPPORT	11,000.
CAREER CONCEPTS FOR YOUTH INC P.O. BOX 32864 PHOENIX, AZ 85064	NONE	PUBLIC CHARITY	SUPPORT	7,000.
CHABAD LUBAVITCH OF ARIZONA 2110 E. LINCOLN DRIVE PHOENIX, AZ 85016	NONE	PUBLIC CHARITY	SUPPORT	20,000.
CHABAD OF MESA 941 S. MAPLE MESA, AZ 85206	NONE	PUBLIC CHARITY	SUPPORT	5,000.
CHABAD OF SCOTTSDALE 10215 N. SCOTTSDALE RD. SCOTTSDALE, AZ 85253	NONE	PUBLIC CHARITY	SUPPORT	10,000.
Total from continuation sheets				697,000.

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Part XV **Supplementary Information**

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
CHAI INSTITUTE 808 MONTGOMERY ST. BROOKLYN, NY 11213	NONE	PUBLIC CHARITY	SUPPORT	2,000.
CHAI LIFE LINE 151 WEST 30TH STREET, NEW YORK, NY 10001	NONE	PUBLIC CHARITY	SUPPORT	1,000.
CIRCLE THE CITY 333 W INDIAN SCHOOL RD PHOENIX, AZ 85013	NONE	PUBLIC CHARITY	SUPPORT	5,000.
DESERT BOTANICAL GARDENS 1201 N GALVIN PARKWAY PHOENIX, AZ 85008	NONE	PUBLIC CHARITY	SUPPORT	1,000.
FIDF - FRIENDS OF THE IDF 1430 BROADWAY SUITE 1301 NEW YORK , NY 10018	NONE	PUBLIC CHARITY	SUPPORT	2,000.
FOCOS USA P.O. BOX 665 LENNOX HILL STATION NEW YORK, NY 10021	NONE	PUBLIC CHARITY	SUPPORT	5,000.
HAR ZION CONGREGATION 6140 E. THUNDERBIRD RD SCOTTSDALE, AZ 85254	NONE	PUBLIC CHARITY	SUPPORT	5,000.
HOSPICE OF THE VALLEY 1510 E. FLOWER ST. PHOENIX, AZ 85014	NONE	PUBLIC CHARITY	SUPPORT	3,500.
JEWISH ARIZONAN'S ON CAMPUS 6740 E VOLTAIRE SCOTTSDALE, AZ 85254	NONE	PUBLIC CHARITY	SUPPORT	7,500.
JEWISH COMMUNITY ASSOCIATION 12701 NORTH SCOTTSDALE ROAD, SUITE 201 SCOTTSDALE, AZ 85254	NONE	PUBLIC CHARITY	SUPPORT	465,000.
Total from continuation sheets				

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Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
JEWISH FREE LOAN 3443 N. CENTRAL AVE. SUITE 707 PHOENIX, AZ 85012-2208	NONE	PUBLIC CHARITY	SUPPORT	1,000.
JEWISH GENETIC DISEASE CENTER 12701 N. SCOTTSDALE RD SUITE 201 SCOTTSDALE, AZ 85254	NONE	PUBLIC CHARITY	SUPPORT	1,000.
JEWISH NATIONAL FUND 1645 E. MISSOURI AVE., SUITE 110 PHOENIX, AZ 85016	NONE	PUBLIC CHARITY	SUPPORT	5,000.
PHOENIX ART MUSEUM 1625 N. CENTRAL AVENUE PHOENIX, AZ 85004-1685	NONE	PUBLIC CHARITY	SUPPORT	15,000.
REMEMBER US 1112 MONTANA AVE #182 SANTA MONICA, CA 90403	NONE	PUBLIC CHARITY	SUPPORT	10,000.
ROBERT GOTTSCHALK MEMORIAL FUND 12701 N. SCOTTSDALE RD SUITE 203 SCOTTSDALE, AZ 85254	NONE	PUBLIC CHARITY	SUPPORT	500.
SHAKTI RISING P.O. BOX 4428 SAN DIEGO, CA 92164-4428	NONE	PUBLIC CHARITY	SUPPORT	1,000.
SUN DEVIL CLUB - SUN ANGEL FOUNDATION P.O. BOX 872205 TEMPE, AZ 85286	NONE	PUBLIC CHARITY	SUPPORT	1,800.
TEMPLE SOLEL 6805 E MCDONALD DR PARADISE VALLEY, AZ 85253	NONE	PUBLIC CHARITY	SUPPORT	3,000.
THE JUSTIN GIMELSTOB CHILDRENS FUND 103 EISENHOWER PARKWAY ROSELAND, NJ 07068-1085	NONE	PUBLIC CHARITY	SUPPORT	1,000.
Total from continuation sheets				

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Part XV Supplementary Information

3 Grants and Contributions Paid During the Year (Continuation)

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
TZEDAKAH FUND INC PO BOX 9806, PHOENIX PHOENIX, AZ 85068	NONE	PUBLIC CHARITY	SUPPORT	200.
UNITED STATES HOLOCAUST MUSEUM 100 RAOUL WALLENBERG PLACE SW WASHINGTON, DC 20024-2150	NONE	PUBLIC CHARITY	SUPPORT	45,000.
URJ CAMP NEWMAN 711 GRANDVIEW #280 SAN RAFAEL, CA 94901	NONE	PUBLIC CHARITY	SUPPORT	1,000.
YAHAD-IN-UNUM 25 WEST 45TH ST #1405 NEW YORK, NY 94901	NONE	PUBLIC CHARITY	SUPPORT	25,000.
YESHIVA OF FLATBUSH 919 E 10TH STREET BROOKLYN, NY 11230	NONE	PUBLIC CHARITY	SUPPORT	5,000.
Total from continuation sheets				

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

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
HEALTHSOUTH CORP COM (MERLIN)	PURCHASED	09/01/96	03/21/13

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
8,897.	560.	0.	0.	8,337.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PARTNERSHIP SHORT TERM GAIN	PURCHASED		12/31/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
18,717.	0.	0.	0.	18,717.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
PARTNERSHIP LONG TERM GAIN	PURCHASED		12/31/12

(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
3,500,860.	0.	0.	0.	3,500,860.

CAPITAL GAINS DIVIDENDS FROM PART IV	0.
TOTAL TO FORM 990-PF, PART I, LINE 6A	3,527,914.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 2

SOURCE	AMOUNT
BANK ACCOUNTS	72,851.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	72,851.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 3

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DEEDS OF TRUST	1,607,865.	0.	1,607,865.
PARTNERSHIP DIVIDEND INCOME	3,151.	0.	3,151.
PARTNERSHIP INTEREST INCOME	40,478.	0.	40,478.
TOTAL TO FM 990-PF, PART I, LN 4	1,651,494.	0.	1,651,494.

FORM 990-PF OTHER INCOME STATEMENT 4

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME
PARTNERSHIP INCOME RENTAL REAL ESTATE	-5,254.	0.	
PARTNERSHIP SEC 1231 LOSS	-16,345.	-16,345.	
PARTNERSHIP INCOME - OTHER	-2,409.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-24,008.	-16,345.	

FORM 990-PF LEGAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST-MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	350.	350.		0.
TO FM 990-PF, PG 1, LN 16A	350.	350.		0.

FORM 990-PF ACCOUNTING FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	4,238.	4,238.		0.
TAX PREPARATION FEES	3,600.	3,600.		0.
TO FORM 990-PF, PG 1, LN 16B	7,838.	7,838.		0.

FORM 990-PF TAXES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
STATE INCOME TAX	19,744.	0.		0.
TO FORM 990-PF, PG 1, LN 18	19,744.	0.		0.

FORM 990-PF OTHER EXPENSES STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OFFICE SUPPLIES & EXPENSES	618.	618.		0.
PARTNERSHIP DEDUCTIONS	9,613.	9,484.		0.
PARTNERSHIP FOREIGN TAXES	226.	226.		0.
TO FORM 990-PF, PG 1, LN 23	10,457.	10,328.		0.

FORM 990-PF OTHER INCREASES IN NET ASSETS OR FUND BALANCES STATEMENT 9

DESCRIPTION	AMOUNT
UNREALIZED LOSS	27.
BOOK - TAX DIFFERENCES	371,571.
TOTAL TO FORM 990-PF, PART III, LINE 3	371,598.

FORM 990-PF CORPORATE STOCK STATEMENT 10

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
AMERISOURCEBERGEN CORP	115,946.	135,957.
BARRICK GOLD CORP	43,585.	30,025.
ANALOG DEVICES INC	89,538.	125,113.
AES CORP	93,850.	49,459.
AIRGAS INC	37,254.	89,411.
AVALONBAY COMMUNITIES INC.	49,240.	50,013.
BANK OF AMERICA CORPORATION	52,496.	13,865.
BARD C R INC COM	114,965.	139,893.
BAKER HUGHES INC	36,658.	22,785.
BP AMOCO P L C SPONS ADR	136,543.	89,424.
BLYTH INDUSTRIES INC	10,086.	13,338.
CITIGROUP INC	3,657.	3,691.
CHUBB CORP	24,274.	40,589.
CBS	76,082.	122,364.
COMCAST CORP CLA A	43,460.	41,611.
CAMPBELL SOUP CO	23,864.	26,371.
CSS INDS INC	21,312.	17,696.
QUEST DIAGNOSTICS INC	17,060.	19,912.
D.R.HORTON INC	29,463.	26,552.
DISNEY (WALT) CO	6,542.	12,048.
DISCOVERY COMM INC CMN A	4,232.	23,424.
DISCOVERY HOLDINGS CORP	4,206.	20,781.
DEUTSCHE TELEKOM AG SPON ADR	90,527.	58,450.
DIRECTV GROUP INC	37,545.	72,633.
FRESENIUS MEDICAL CARE ADR	25,326.	36,493.
CORNING INC	37,973.	28,127.
GENIE ENERGY LTD (WAS IDT)	7,543.	9,607.
HUNTINGTON INGALLS INDUSTRIES	2,701.	4,086.
HEALTHSOUTH CORP HLS	0.	0.
HEALTH MGMT ASSOC INC HMA	46,431.	31,510.
IDT CORP CL B	7,798.	20,625.
JDS UNIPHASE CORP	13,796.	10,474.
JP MORGAN CHASE	21,786.	25,439.
KIMBERLY-CLARK CORP	1,598.	2,324.
COCA-COLA CO	23,585.	38,630.
LIBERTY GLOBAL CL A	8,205.	21,520.
LIBERTY GLOBAL	8,087.	20,332.
LIBERTY MEDIA HOLDING (WAS LCAPA)	32,655.	33,383.
LIBERTY MEDIA CORP	33,591.	49,944.
LIBERTY VENTURES	0.	8,075.
MICROSOFT CORP	16,102.	19,404.
NORTHROP GRUMMAN COR	29,873.	36,664.
REALTY INCOME CORP	895,960.	909,000.
PETSMART INC	9,255.	21,128.
PROCTER & GAMBLE CO	32,712.	39,301.
ROVI CORPORATION	7,592.	7,482.
BOSTON BEER COMPANY INC. A	66,610.	277,252.

SEALED AIR CORP NEW	62,175.	23,732.
STARZ-SER A LIB CAP COM	0.	9,232.
AT & T CORP	26,018.	26,243.
THERMO ELECTRON CORP	11,848.	23,135.
RTS/TEJON RANCH	1,190.	211,120.
TRAVELERS COS	2,549.	4,102.
UNIVERSAL HLTH SVCS	224,008.	280,985.
US BANCORP NEW	118,358.	121,869.
VALEANT PHARMACEUTICALS	305,480.	692,421.
WELLS FARGO & CO NEW	53,879.	61,717.
WAL-MART STORES INC	47,425.	76,412.
VIACOM CLASS B	889,380.	1,334,273.
TOTAL TO FORM 990-PF, PART II, LINE 10B	4,233,874.	5,761,446.

FORM 990-PF CORPORATE BONDS STATEMENT 11

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
PUTNUM HIGH YIELD TRUST FUND	102,353.	65,096.
TOTAL TO FORM 990-PF, PART II, LINE 10C	102,353.	65,096.

FORM 990-PF MORTGAGE LOANS STATEMENT 12

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BRIDGE FINANCE LLC - SEAN DAYANI	350,000.	350,000.
FRENKEL #11-LINE OF CREDIT	937.	937.
DYNATECH/MAZON	19,585.	19,585.
MARBUCK	76,636.	76,636.
MARBUCK -MKT CONTRA	-58,313.	-58,313.
DESERT SKY#3	15,834.	15,834.
DESERTSKY#3/CASA 42, LLC -MKT CON	-6,389.	-6,389.
DAVIDSON-7TH ST. & THUNDERBIRD	-2,687.	-2,687.
DAVIDSON-7TH ST. & THUNDERBIRD -M	2,687.	2,687.
MERITAGE ALGERS	0.	0.
MERITAGE ALGERS -MKT CONTRA	0.	0.
DAVIDSON BELL AND DYSART	3,140.	3,140.
YORKSHIRE DEVELOPMENT # 4	937.	937.
JOHN & DEBORAH ROUWENHORST	3,342.	3,342.
STEELE FOUNDATION - ABCDW, LLC	68,377.	68,377.
STEELE FOUNDATION - ABCDW, LLC -M	-30,514.	-30,514.
STEELE - VANDERBILT #13	297,443.	297,443.
STEELE-VANDERBILT #13 -MKT CONTRA	-169,685.	-169,685.
STEELE-VANDERBILT MARICOPA MIDWAY	80,797.	80,797.

STEELE-VANDERBILT MARICOPA MIDWAY	-80,797.	-80,797.
VANDY VINEYARD TOWN CENTER	3,697.	3,697.
HIGH DESERT LAND	300.	25,509.
HIGH DESERT LAND -MKT CONTRA	0.	-24,306.
VANDY-PALM CREEK GOLF & RV	0.	0.
VANDY-PALM CREEK GOLF & RV -MKT C	0.	0.
FH RESORT DEVELOPERS, LLC	6,526.	6,526.
VANDY-HARQUAHALA 2	6,639.	6,639.
AMERICAN OUTDOOR 101/202	0.	0.
VANDERBILT-BPH-QCS, LLC	0.	0.
VANDERBILT-BPH-QCS, LLC -MKT CONT	0.	0.
PORTER 20, LLC	27,667.	27,667.
PORTER 20, LLC -MKT CONTRA	-5,875.	-5,875.
SPURLOCK	148,823.	148,823.
SPURLOCK -MKT CONTRA	-34,911.	-34,911.
VESTAR DRM SOLAR	7,135.	7,135.
JAMEL GREENWAY, LLC	148,335.	148,335.
JAMEL GREENWAY, LLC MKT CONTRA	-6,429.	-6,429.
GOULD-1105 F AVE CORONADO	0.	0.
GOULD-1105 F AVE CORONADO MKT CON	0.	0.
JEFF MINOR	50,000.	50,000.
LARRY GUNNING	0.	0.
LARRY GUNNING MKT CONTRA	0.	0.
ROBSON HOLDINGS LLC	378,600.	378,600.
HAMID-4410 N. 153RD	10,379.	10,379.
BETHANY CORE	1,234.	1,234.
BETHANY CORE MKT CONTRA	-1,234.	-1,234.
LARRY GUNNING 2	0.	0.
MADIA - CANAL/JOHNSON/CAR WASH	5,501.	5,501.
BALON BLEU HOLDINGS, LLC	65.	65.
BALON BLEU HOLDINGS, LLC MKT CONT	-5,000.	0.
JEFF MINOR 2	55,291.	55,291.
JEFF MINOR 2 MKT CONTRA	0.	-5,000.
TIM FITZGERALD	50,000.	50,000.
RISI - 6201 E. EXETER	0.	0.
RISI - 6201 E. EXETER MKT CONTRA	0.	0.
BOND INTEREST	9,449.	9,449.
BELLA VIEW APARTMENTS LLLP	0.	0.
THE MARK	245,421.	245,421.
SCOTTSDALE INN	94,200.	94,200.
BEERNADETTE WOLFSWINKEL	0.	0.
GRAYSON, LLC	0.	0.
AZ OPP TAHITI LLLP	0.	0.
1105 F AVE CORONADO #2	0.	0.
ADLC GROUP 4	0.	0.
MADIA-CASA BLANCA M&M LLC	33,397.	33,397.
ASANTE VILLAGE MESA	0.	0.
JORDE STANFIELD LLC - I8	22,349.	22,349.
KROUGH - 5743 E. EXETER	0.	0.
1003 OLIVE CORONADO	0.	0.
MASTER RST, LLC	0.	0.
MADIA-5301 NORTH 68TH PLACE	0.	0.
HANSEN TRUST - STONE CANYON	306,300.	306,300.
PIATIELLI-14628 E. WILDCAT DR	0.	0.

AZ OPP CONDO	103,150.	103,150.
VESTAR CHARMING CHARLIES	33,438.	33,438.
MADIA-WRIGHT-16117 E SHOOTING STA	20,000.	20,000.
GOULD-1004G-CORONADO	456,348.	456,348.
MADIA-ISAOA-EQUITABLE HOME MTG	15,000.	15,000.
FRENKEL 2501 N HAYDEN	5,602.	5,602.
RISI-AM WEST 401K-LAGUNA BEACH	18,399.	18,399.
SIR-BILTMIR, LLC	0.	0.
MADIA-OCTOBER 5 LLC-5045 N 38TH P	0.	0.
GRAYSON #2	108,950.	108,950.
INTL CENTER FOR VACETOMY REVERSAL	48,090.	48,090.
RISI-CLOUD 10-VAN BUREN	116,500.	116,500.
DOVE VALLEY SCOTTSDALE	2,188,500.	2,188,500.
SIR-THREE FOUNTAINS PLAZA	185,000.	185,000.
GOULD-3025 N. 32DN STREET	570,000.	570,000.
MADIA-KIGG LLC-FOUNTAIN HILLS	130,000.	130,000.
SIR-LX HOLDINGS LP	2,105,249.	2,105,249.
ADLC INVESTMENTS #6	19,671.	19,671.
GOULD-10006 N. 58TH STREET	75,000.	75,000.
ARTEMIS-MARIBELA	1,801,299.	1,801,299.
ARTEMIS-VILLA DE LA PAZ	811,299.	811,299.
SIR-VSCK INVESTMENTS #2	82,500.	82,500.
MADIA-PRIMESTAR LENDING #3	264,000.	264,000.
VANDY-STANFIELD 325, LLC	400,000.	400,000.
ARTEMIS-5712 GLENDALE LA MESA VIL	456,299.	456,299.
ARTEMIS-VILLA DE SONORA	100,000.	100,000.
SIR-VSCK INVESTMENTS #3	75,000.	75,000.
LARRY GUNNING #3	40,000.	40,000.
MADIA-BFMM-4636 E. MOONLIGHT	400,000.	400,000.
AZCAN COLORADO LLC	340,000.	340,000.
SIR PASADENA #2	53,080.	53,080.
ARTEMIS-ARLINGTON TX	250,000.	250,000.
MADIA-BRENNAN-EXETER	25,000.	25,000.
BELL COTTON, LLC	70,000.	70,000.
ARTEMIS-SIEGAL SUITES	190,000.	190,000.
VANDY-GEORGETOWN HOLDINGS LLC	85,000.	85,000.
MADIA-IYENGAR-6361 W DEER VALLEY	50,000.	50,000.
BLACK MARLIN LLC - E THOMAS	0.	36,784.
BLACK MARLIN LLC - E THOMAS	0.	-22,266.
MARINA COVES	0.	448,179.
MARINA COVES -MKT CONTRA	0.	-338,491.
TOTAL TO FORM 990-PF, PART II, LINE 12	13,821,563.	13,946,672.

FORM 990-PF OTHER INVESTMENTS STATEMENT 13

DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
POST LTD TERM HIGH YIELD FUND LP	COST	621,191.	572,010.
STEEL CANYON PARTNER LP	COST	366,871.	347,155.
PACIFIC PROVING LLC	COST	6,977,270.	3,501,391.
PACIFIC BLACK MARLIN	COST	33,056.	0.
PACIFIC MARINA COVES LLC	COST	107,759.	0.
PACIFIC HIGH DESERT LLC	COST	903.	0.
PACIFIC CASA, LLC	COST	0.	0.
TOTAL TO FORM 990-PF, PART II, LINE 13		8,107,050.	4,420,556.

FORM 990-PF LIST OF SUBSTANTIAL CONTRIBUTORS STATEMENT 14
PART VII-A, LINE 10

NAME OF CONTRIBUTOR	ADDRESS
LEVINE INVESTMENTS LIMITED PARTNERSHIP	2201 EAST CAMELBACK ROAD SUITE 650 PHOENIX, AZ 85016