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

**2012**

Department of the Treasury  
Internal Revenue Service

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

For calendar year 2012, or tax year beginning 6/01, 2012, and ending 5/31, 2013

**PADI FOUNDATION**  
9150 WILSHIRE BLVD #300  
BEVERLY HILLS, CA 90212-3430

**A** Employer identification number  
**95-4326850**

**B** Telephone number (see the instructions)  
**(310) 281-3200**

**C** If exemption application is pending, check here

**D** 1 Foreign organizations, check here   
2 Foreign organizations meeting the 85% test, check here and attach computation

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

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

**G** Check all that apply.

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

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

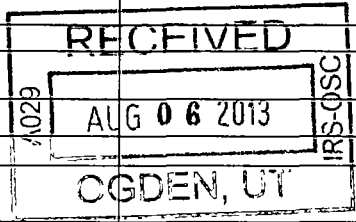
**I** Fair market value of all assets at end of year (from Part II, column (c), line 16)  
\$ **3,944,234.**

**J** Accounting method  Cash  Accrual  
 Other (specify) \_\_\_\_\_  
(Part I, column (d) must be on cash basis)

<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>1</b>	Contributions, gifts, grants, etc. received (att sch)	100,000.			
<b>2</b>	Chk <input checked="" type="checkbox"/> if the foundn is <b>not</b> req to att Sch B				
<b>3</b>	Interest on savings and temporary cash investments	25,995.	25,995.	25,995.	
<b>4</b>	Dividends and interest from securities	116,187.	116,187.	116,187.	
<b>5a</b>	Gross rents				
<b>b</b>	Net rental income or (loss)				
<b>6a</b>	Net gain/(loss) from sale of assets not on line 10	89,180.			
<b>b</b>	Gross sales price for all assets on line 6a <b>199,874.</b>				
<b>7</b>	Capital gain net income (from Part IV, line 2)		89,180.		
<b>8</b>	Net short-term capital gain				
<b>9</b>	Income modifications				
<b>10a</b>	Gross sales less returns and allowances				
<b>b</b>	Less Cost of goods sold				
<b>c</b>	Gross profit/(loss) (att sch)				
<b>11</b>	Other income (attach schedule)				
<b>12</b>	<b>Total.</b> Add lines 1 through 11	331,362.	231,362.	142,182.	
<b>13</b>	Compensation of officers, directors, trustees, etc	25,000.	6,250.	6,250.	12,500.
<b>14</b>	Other employee salaries and wages				
<b>15</b>	Pension plans, employee benefits				
<b>16a</b>	Legal fees (attach schedule)				
<b>b</b>	Accounting fees (attach sch) <b>SEE ST 1</b>	4,797.	1,199.	1,199.	2,399.
<b>c</b>	Other prof fees (attach sch) <b>SEE ST 2</b>	5,000.	1,250.	1,250.	2,500.
<b>17</b>	Interest				
<b>18</b>	Taxes (attach schedule)(see instrs) <b>SEE STM 3</b>	60.	16.	14.	30.
<b>19</b>	Depreciation (attach sch) and depletion				
<b>20</b>	Occupancy				
<b>21</b>	Travel, conferences, and meetings	2,234.	559.	558.	1,117.
<b>22</b>	Printing and publications				
<b>23</b>	Other expenses (attach schedule) <b>SEE STATEMENT 4</b>	13,085.	3,272.	3,271.	6,542.
<b>24</b>	<b>Total operating and administrative expenses.</b> Add lines 13 through 23	50,176.	12,546.	12,542.	25,088.
<b>25</b>	Contributions, gifts, grants paid <b>STMT 5</b>	273,777.			273,777.
<b>26</b>	<b>Total expenses and disbursements.</b> Add lines 24 and 25	323,953.	12,546.	12,542.	298,865.
<b>27</b>	Subtract line 26 from line 12:				
<b>a</b>	<b>Excess of revenue over expenses and disbursements</b>	7,409.			
<b>b</b>	<b>Net investment income</b> (if negative, enter 0)		218,816.		
<b>c</b>	<b>Adjusted net income</b> (if negative, enter 0)			129,640.	

SCANNED AUG 21 2013

ADMINISTRATIVE EXPENSES



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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end of year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash – non-interest-bearing		16,259.	16,797.	16,797.
	2	Savings and temporary cash investments		44,075.	46,082.	46,082.
	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 (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach sch.)				
		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 (attach schedule)				
	b	Investments – corporate stock (attach schedule) STATEMENT 6	2,464,212.	2,557,623.	3,201,622.	
	c	Investments – corporate bonds (attach schedule) STATEMENT 7	255,600.	255,600.	282,553.	
	11	Investments – land, buildings, and equipment basis				
	Less accumulated depreciation (attach schedule)					
12	Investments – mortgage loans					
13	Investments – other (attach schedule) STATEMENT 8	470,000.	380,000.	389,182.		
14	Land, buildings, and equipment basis					
	Less accumulated depreciation (attach schedule)					
15	Other assets (describe SEE STATEMENT 9)	9,338.	7,998.	7,998.		
16	<b>Total assets</b> (to be completed by all filers – see the instructions. Also, see page 1, item I)	3,259,484.	3,264,100.	3,944,234.		
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe SEE STATEMENT 10)	2,794.	2,344.		
	23	<b>Total liabilities</b> (add lines 17 through 22)	2,794.	2,344.		
	NET ASSETS OR FUND BALANCES	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input type="checkbox"/>				
24		Unrestricted				
25		Temporarily restricted				
26		Permanently restricted				
Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>						
27		Capital stock, trust principal, or current funds				
28		Paid-in or capital surplus, or land, building, and equipment fund				
29		Retained earnings, accumulated income, endowment, or other funds	3,256,690.	3,261,756.		
30		<b>Total net assets or fund balances</b> (see instructions)	3,256,690.	3,261,756.		
31		<b>Total liabilities and net assets/fund balances</b> (see instructions)	3,259,484.	3,264,100.		

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	3,256,690.
2	Enter amount from Part I, line 27a	2	7,409.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	3,264,099.
5	Decreases not included in line 2 (itemize) SEE STATEMENT 11	5	2,343.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	3,261,756.

**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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1 a 2000 VERIZON COMMUNICATIONS	P	10/25/05	4/11/13
b 2000 VERIZON COMMUNICATIONS	P	7/17/09	4/11/13
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 99,937.		55,064.	44,873.
b 99,937.		55,630.	44,307.
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			44,873.
b			44,307.
c			
d			
e			

2 Capital gain net income or (net capital loss). <span style="float:right">[ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ]</span>	2	89,180.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) <span style="float:right">[ If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8 ]</span>	3	0.

**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 (column (b) divided by column (c))
2011	245,084.	3,676,453.	0.066663
2010	228,936.	3,575,022.	0.064038
2009	222,637.	3,059,650.	0.072766
2008	208,806.	2,684,031.	0.077796
2007	210,414.	3,198,336.	0.065789
2 Total of line 1, column (d)			0.347052
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			0.069410
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5			3,943,360.
5 Multiply line 4 by line 3			273,709.
6 Enter 1% of net investment income (1% of Part I, line 27b)			2,188.
7 Add lines 5 and 6			275,897.
8 Enter qualifying distributions from Part XII, line 4			298,865.

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)**

1 a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary – see instrs)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b	1	2,188.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (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	2,188.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	5	2,188.
6	Credits/Payments.		
a	2012 estimated tax pmts and 2011 overpayment credited to 2012	6 a	
b	Exempt foreign organizations – tax withheld at source	6 b	
c	Tax paid with application for extension of time to file (Form 8868)	6 c	
d	Backup withholding erroneously withheld	6 d	
7	Total credits and payments. Add lines 6a through 6d	7	0.
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	33.
9	<b>Tax due</b> If the total of lines 5 and 8 is more than line 7, enter amount owed	9	2,221.
10	<b>Overpayment.</b> 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 <input type="checkbox"/> Refunded <input type="checkbox"/>	11	

**Part VII-A Statements Regarding Activities**

	Yes	No
1 a		X
1 b		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.		
1 c		X
d		
e		
2		X
3		X
4 a		X
4 b		N/A
5		X
6	X	
7	X	
8 a		
8 b	X	
9		X
10		X

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <b>WWW.PADIFOUNDATION.ORG</b>	13	X	
14	The books are in care of <b>CHARLES P RETTIG</b> Telephone no. <b>(310) 281-3200</b> Located at <b>9150 WILSHIRE BLVD STE 300 BEVERLY HILLS CA</b> ZIP + 4 <b>90212-3430</b>			
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	N/A		
16	At any time during calendar year 2012, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country	16		X

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

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

		Yes	No
1 a	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? ( <b>Exception.</b> 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		
1 b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	N/A	
1 c	Did the foundation engage in a prior year in any of the acts described in 1 a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2012?		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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <b>20 __ , 20 __ , 20 __ , 20 __</b>		
b	Are there any years listed in 2a for which the foundation is <b>not</b> 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. <b>20 __ , 20 __ , 20 __ , 20 __</b>		
3 a	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	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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?		X

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

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

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?  Yes  No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?  Yes  No
- (3) Provide a grant to an individual for travel, study, or other similar purposes?  Yes  No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions)  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)?

Organizations relying on a current notice regarding disaster assistance check here

5 b N/A

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

6 b X

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

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

Yes  No

b If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7 b

**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 (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 12		25,000.	0.	0.
-----				
-----				
-----				
-----				
-----				
-----				

2 Compensation of five highest-paid employees (other than those included on line 1 – see instructions). 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



**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	1 a	3,825,240.
b	Average of monthly cash balances	1 b	178,171.
c	Fair market value of all other assets (see instructions)	1 c	
d	<b>Total</b> (add lines 1a, b, and c)	1 d	4,003,411.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2	Acquisition indebtedness applicable to line 1 assets	2	0.
3	Subtract line 2 from line 1d	3	4,003,411.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	60,051.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	5	3,943,360.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6	197,168.

**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	197,168.
2a	Tax on investment income for 2012 from Part VI, line 5	2 a	2,188.
b	Income tax for 2012. (This does not include the tax from Part VI.)	2 b	
c	Add lines 2a and 2b	2 c	2,188.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	194,980.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	194,980.
6	Deduction from distributable amount (see instructions)	6	
7	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	194,980.

**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	1 a	298,865.
b	Program-related investments — total from Part IX-B	1 b	
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)	3 a	
b	Cash distribution test (attach the required schedule)	3 b	
4	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	298,865.
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 (see instructions)	5	2,188.
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6	296,677.

**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				194,980.
2 Undistributed income, if any, as of the end of 2012:				
a Enter amount for 2011 only			0.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2012:				
a From 2007	53,035.			
b From 2008	76,722.			
c From 2009	71,397.			
d From 2010	52,516.			
e From 2011	64,011.			
f Total of lines 3a through e	317,681.			
4 Qualifying distributions for 2012 from Part XII, line 4 ▶ \$ 298,865.				
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				194,980.
e Remaining amount distributed out of corpus	103,885.			
5 Excess distributions carryover applied to 2012 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	421,566.			
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 instructions			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) (see instructions)	0.			
8 Excess distributions carryover from 2007 not applied on line 5 or line 7 (see instructions)	53,035.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	368,531.			
10 Analysis of line 9:				
a Excess from 2008	76,722.			
b Excess from 2009	71,397.			
c Excess from 2010	52,516.			
d Excess from 2011	64,011.			
e Excess from 2012	103,885.			

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

SEE STATEMENT 13

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

SEE STATEMENT FOR LINE 2A

**c** Any submission deadlines.

SEE STATEMENT FOR LINE 2A

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

SEE STATEMENT FOR LINE 2A

**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				
<b>Total</b>				▶ 3 a
b Approved for future payment				
<b>Total</b>				▶ 3 b





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**STATEMENT 1**  
**FORM 990-PF, PART I, LINE 16B**  
**ACCOUNTING FEES**

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING FEES	\$ 4,797.	\$ 1,199.	\$ 1,199.	\$ 2,399.
<b>TOTAL</b>	<b>\$ 4,797.</b>	<b>\$ 1,199.</b>	<b>\$ 1,199.</b>	<b>\$ 2,399.</b>

**STATEMENT 2**  
**FORM 990-PF, PART I, LINE 16C**  
**OTHER PROFESSIONAL FEES**

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CONSULTANT	\$ 5,000.	\$ 1,250.	\$ 1,250.	\$ 2,500.
<b>TOTAL</b>	<b>\$ 5,000.</b>	<b>\$ 1,250.</b>	<b>\$ 1,250.</b>	<b>\$ 2,500.</b>

**STATEMENT 3**  
**FORM 990-PF, PART I, LINE 18**  
**TAXES**

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ATTORNEY GENERAL	\$ 50.	\$ 13.	\$ 12.	\$ 25.
FRANCHISE TAX BOARD	10.	3.	2.	5.
<b>TOTAL</b>	<b>\$ 60.</b>	<b>\$ 16.</b>	<b>\$ 14.</b>	<b>\$ 30.</b>

**STATEMENT 4**  
**FORM 990-PF, PART I, LINE 23**  
**OTHER EXPENSES**

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADMINISTRATIVE	\$ 11,810.	\$ 2,953.	\$ 2,952.	\$ 5,905.
BANK AND WIRE FEES	1,275.	319.	319.	637.
<b>TOTAL</b>	<b>\$ 13,085.</b>	<b>\$ 3,272.</b>	<b>\$ 3,271.</b>	<b>\$ 6,542.</b>

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**STATEMENT 5**  
**FORM 990-PF, PART I, LINE 25**  
**CONTRIBUTIONS, GIFTS, AND GRANTS**

CASH GRANTS AND ALLOCATIONS

CLASS OF ACTIVITY:

DONEE'S NAME:

RECIPIENT SCH ONLINE @ FNDTN WEBSITE

DONEE'S ADDRESS:

RELATIONSHIP OF DONEE:

ORGANIZATIONAL STATUS OF DONEE:

AMOUNT GIVEN:

\$ 273,777.

TOTAL \$ 273,777.

**STATEMENT 6**  
**FORM 990-PF, PART II, LINE 10B**  
**INVESTMENTS - CORPORATE STOCKS**

<u>CORPORATE STOCKS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
ABBOTT LABS (1,750 SHS)	COST	\$ 64,890.	\$ 138,880.
AT&T (4,000 SHS)	COST	95,818.	139,960.
BANK OF AMERICA (1,700 SHS)	COST	78,503.	23,222.
COHEN & STEERS REIT (5,000 SHS)	COST	128,487.	87,750.
GANNETT CO (1,000 SHS)	COST	72,822.	21,500.
GENERAL ELECTRIC (2,400 SHS)	COST	35,171.	55,968.
HEWLETT PACKARD (3,000 SHS)	COST	61,428.	73,260.
HOSPIRA INC (175 SHS)	COST	4,305.	6,069.
IBM (1,000 SHS)	COST	92,466.	208,020.
JOHNSON AND JOHNSON (1,100 SHS)	COST	55,011.	92,598.
MICROSOFT (2,500 SHS)	COST	75,898.	87,250.
PEPISCO (1,650 SHS)	COST	72,909.	133,271.
PFIZER (4,300 SHS)	COST	149,208.	117,089.
PROCTER & GAMBLE (1,600 SHS)	COST	51,739.	122,816.
UNITED TECHS (2,000 SHS)	COST	59,545.	189,800.
US BANCORP (2,600 SHS)	COST	74,707.	91,156.
VERIZON COMMUNICATIONS (4,000 SHS)	COST	0.	0.
ORACLE (5,000 SHS)	COST	48,667.	168,900.
CALOMOS STRATEGIC (15,000 SHS)	COST	211,819.	160,800.
NFJ DIV INT PREM STRAT (14,000 SHS)	COST	255,224.	238,000.
CONOCOPHILLIPS (1,000 SHS)	COST	48,224.	61,340.
COMCAST CRP NEW CL A SPL (2,500 SHS)	COST	59,880.	97,075.
TEMPLETON GLOBAL BOND FD (19,985 SHS)	COST	408,773.	412,326.
BAXTER INTERNTL INC (2,000 SHS)	COST	83,905.	140,660.
EXXON MOBIL CORP (1,000 SHS)	COST	58,243.	90,470.
PHILLIPS 66 SHS (500 SHS)	COST	14,331.	33,285.
ALPS SECTOR DIVIDEND DOGS	COST	98,490.	114,589.
VODAFONE GROU PLC SP ADR (3,300 SHS)	COST	97,160.	95,568.
TOTAL		\$ <u>2,557,623.</u>	\$ <u>3,201,622.</u>

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**STATEMENT 7**  
**FORM 990-PF, PART II, LINE 10C**  
**INVESTMENTS - CORPORATE BONDS**

<u>CORPORATE BONDS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
BANK OF AMERICA CORP (120,000)	COST	\$ 105,600.	\$ 120,965.
GE ELEC CAP CORP (150,000)	COST	150,000.	161,588.
	TOTAL	<u>\$ 255,600.</u>	<u>\$ 282,553.</u>

**STATEMENT 8**  
**FORM 990-PF, PART II, LINE 13**  
**INVESTMENTS - OTHER**

<u>OTHER INVESTMENTS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
CD CAPMARK BANK (90,000)	COST	\$ 0.	\$ 0.
CD M & T BANK (90,000)	COST	90,000.	90,621.
CD GOLDMAN SACHS BK USA (90,000)	COST	90,000.	96,646.
CD ALLY BANK (200,000)	COST	200,000.	201,915.
	TOTAL	<u>\$ 380,000.</u>	<u>\$ 389,182.</u>

**STATEMENT 9**  
**FORM 990-PF, PART II, LINE 15**  
**OTHER ASSETS**

	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
INTEREST RECEIVABLE	\$ 7,998.	\$ 7,998.
	TOTAL <u>\$ 7,998.</u>	TOTAL <u>\$ 7,998.</u>

**STATEMENT 10**  
**FORM 990-PF, PART II, LINE 22**  
**OTHER LIABILITIES**

FEDERAL INCOME TAX PAYABLE	\$ 2,344.
	TOTAL <u>\$ 2,344.</u>

**STATEMENT 11**  
**FORM 990-PF, PART III, LINE 5**  
**OTHER DECREASES**

FEDERAL TAX	\$ 2,343.
	TOTAL <u>\$ 2,343.</u>

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**STATEMENT 12**  
**FORM 990-PF, PART VIII, LINE 1**  
**LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES**

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN- SATION</u>	<u>CONTRI- BUTION TO EBP &amp; DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
CHARLES RETTIG 9150 WILSHIRE BLVD. #300 BEVERLY HILLS, CA 90212	PRESIDENT 0	\$ 4,000.	\$ 0.	\$ 0.
DANIEL HANES 9150 WILSHIRE BLVD. #300 BEVERLY HILLS, CA 90212	DIRECTOR 0	6,500.	0.	0.
ANDREW SAXON 9150 WILSHIRE BLVD. #300 BEVERLY HILLS, CA 90212	DIRECTOR 0	4,000.	0.	0.
PAUL DAYTON 9150 WILSHIRE BLVD. #300 BEVERLY HILLS, CA 90212	DIRECTOR 0	6,500.	0.	0.
JEFF NADLER 9150 WILSHIRE BLVD. #300 BEVERLY HILLS, CA 90212	DIRECTOR 0	4,000.	0.	0.
		<u>TOTAL \$ 25,000.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

**STATEMENT 13**  
**FORM 990-PF, PART XV, LINE 2A-D**  
**APPLICATION SUBMISSION INFORMATION**

NAME OF GRANT PROGRAM:  
NAME: CHARLES RETTIG, PRESIDENT  
CARE OF:  
STREET ADDRESS: 9150 WILSHIRE BLVD., SUITE 300  
CITY, STATE, ZIP CODE: BEVERLY HILLS, CA 90212-3430  
TELEPHONE: (310) 281-3200  
E-MAIL ADDRESS:  
FORM AND CONTENT: COMMON GRANT APPLICATION AVAILABLE ONLINE AT  
WWW.PADIFOUNDATION.ORG.  
SUBMISSION DEADLINES: NOVEMBER 1 THROUGH JANUARY 31  
RESTRICTIONS ON AWARDS: NOVEMBER 1 THROUGH JANUARY 31

PADI FOUNDATION GRANTS (JUNE 1ST, 2012 - MAY 31, 2013)

CGA #	Last Name	First Name	Amt.	Approve Program Name
7731	Mahoney	Brenna	3,211	Examine the link between algal habitat and fish predation on invertebrate prey associated with the algal hab
7738	Macken	Sidney	5,000	aid in the preservation and archiving of films produced by film maker, Stan Waterman
7759	Escobar	Ofelia	8,020	Trophic Transfer of Hg in Batoids from the Gulf of California
7769	Sauthoff	Wilson	1,685	Coral calcification in bamboo corals of the equatorial Atlantic
7783	Espinoza	Mario	7,500	Movements, habitat use and trophic ecology of sharks in coral reef ecosyste
7805	Dougherty	Lindsey	4,600	Does the bivalve mollusk Ctenoides ales reflective mantle edge photic display act to attract phototaxic prey, juveniles for settlement, or is aposematic.
7811	Gil	Damian Ga:	2,550	Food web structure of kelp beds ecosystems in Patagonia, Argentina
7813	Bezy	Vanessa	6,038	Sea turtle embryo mortality as a function of the nest microbial community
7821	Benjamin	Cecilie	4,000	Marine Environment Education Program
7826	Galea	Horia	2,665	New species, new records and life cycle studies on Caribbean hydroids
7830	Pfaller	Joseph	4,920	Hitchhiking the High Seas: Global Genetics of Rafting Crabs
7831	Balazik	Matthew	10,400	Atlantic sturgeon restoration and Education Outreach
7842	Stewart	Joshua	7,150	Population Dynamics and Conservation of Oceanic Manta Rays
7843	Castro Sanguino	Carolina	3,430	Research funding: Halimeda dynamics in a changing ecosystem
7844	Nourisson	Coralie	3,500	Manatee pedigree in Mexico analysis continuity
7849	Kelsey	Emma	2,000	Using miniature data loggers implanted in artificial eggs, to evaluate the incubation behavior of seabirds in d
7853	Weisz	Jeremy	5,572	Sponges as bioindicators of estuarine nitrogen pollution
7854	Mutone	Yoann	2,000	Lost fishnets: a disaster
7857	Doo	Steve	7,000	resiliency of LBFs by assessing short and long term physiological and molecular responses to ocean warming acidification, and the potential for recovery after these stresses.
7860	Arkin	Udi	5,000	Roman And Crusader Era Maritime Installations At Dor
7865	Moore	Paula	10,000	PADI Internships in Marine Science Research
7872	Dean	Angela	1,450	CoralWatch - improving our understanding of coral bleaching
7875	Osman	Gail	3,700	The Marine Education Project (MEP)
7886	Giddens	Jonatha	6,000	Test the effects of introduced species on coral-reef ecosystem resilience
7888	Mullarney	Julia	2,500	Research funds - Going with the flow: How do kelp move to resist breakage?
7891	de Groot	Laurens	5,000	The Black Fish
7894	Haught	Daniel	2,500	Fraser River hydroacoustic sediment monitoring
7904	Wickes	Leslie	4,000	How deep coral ecosystems will endure ocean acidification globally
7916	Thomson	Jordan	2,920	Research funds: a novel approach to sea turtle foraging ecology
7919	Trevathan-Tacke	Stacey	6,000	Dynamics of Sedimentary Carbon in Seagrass Meadows in Australia
7924	O'Connell	Craig	5,000	Determine if a magnetic barrier can manipulate the swimming behavior of tiger sharks and provide a safe alternative solution to beach nets.
7931	Chak	Tin Chi Solc	2,792	Chasing the decline of social shrimps in the Caribbean

7966 Chacon -ChaverrDidiher	5,000 Hands-on education for kids through sea turtle conservation
7967 Nowicki Robert	5,284 Do healthy shark populations increase resilience of seagrass ecosystems?
7981 Padua Andre	3,000 Population dynamics of invasive sponge species in Rio de Janeiro, Brazil
7982 Abeare Shane	9,300 Coral reef fisheries assessment, Bay of Ranobe, Madagascar
7998 Lauretta Daniel	7,250 Sea anemones, corals and octocorals from Argentinean deep sea
8013 Aguilar Glenn	1,500 GIS of Fiji Islands Mangrove Areas
8018 DeAngelis Bryan	3,000 A Preliminary Investigation into the Protection Afforded to Shark Nurseries by a Marine Protected Area
8033 Arias Adrian	4,593 Enhance conserving through understanding fishers' compliance with marine protected areas (MPAs) in Co: Rica and estimating the environmental effect of illegal fishing within MPAs.
8037 Rocker Melissa	8,000 Understanding the Impacts of Poor Water Quality on Coral Health
8038 George Douglas	3,200 Quantifying Coastal Headland Transport
8053 McClure Megan	2,200 Introduction of whale watching in a fishing community in Northern Norway as a means of cetacean conserva
8064 Knowles Heather	4,000 In Sight and In Mind: Marine Debris Documentation in SBNMS
8069 Mota Ellori	2,820 Ecology and conservation of Cassis tuberosa in a Brazilian marine reserve
8074 Quinones Shakira	2,500 Community monitoring of bottlenose dolphins
8083 Hutchinson Melanie	6,996 Conservation genetics of the silky shark, Carcharhinus falciformis
8084 Wilson MacKenzie	9,000 PADI Foundation Ocean Leaders Scholarship: Developing diverse marine scien
8088 Piontek Steve	2,500 Replace mooring lines in St Eustatius Marine Park
8090 Boudreau William	3,204 Ecological consequences of cheliped autotomy in a heavily exploited crab
8106 Roberts Lynnea	6,892 Snorkel to Stewardship
8120 Bassos-Hull Kimbrough	3,800 Spotted Eagle Ray Conservation Program
8121 Ryan Carly	3,000 Quantify the relationship between temperature, body size and reproductive mode in a globally invasive sea
8125 Tarnowski Marie	5,796 Assess the potential impacts of nutrients produced by offshore fish farming facilities on coral reef ecosystem
8130 Ellis Robert	4,000 Ecological interactions of the red grouper and spiny lobster in Florida Bay
8140 Speare Kelly	2,000 Effects of Sponges on Coral Larvae Settlement
8158 Sziklay Jamie	2,610 Investigate coral disease progression dynamics through changes in natural fluorescence of coral
8166 Verdote Diana Mari.	3,800 Fishing to the brink of extinction: Manta and Mobulas conservation project
8167 Matterson Kenan	5,152 Understanding Patterns of Growth of an Aggressive Tunicate Species