



See a Social Security Number? Say Something!  
Report Privacy Problems to <https://public.resource.org/privacy>  
Or call the IRS Identity Theft Hotline at 1-800-908-4490



**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 11/01, 2012, and ending 10/31, 2013

ERNEST GALLO FOUNDATION  
P.O. BOX 1130  
MODESTO, CA 95353

G Check all that apply       Initial return       Initial return of a former public charity  
 Final return       Amended return  
 Address change       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)      J Accounting method       Cash       Accrual  
 Other (specify) (Part I, column (d) must be on cash basis)      **\$ 55,964,458.**

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) (see instructions))		(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 (att sch)	2,000,000.			
	2 Ck <input type="checkbox"/> if the foundn is not req to att Sch B				
	3 Interest on savings and temporary cash investments	1,611.	1,611.	N/A	
	4 Dividends and interest from securities	396,995.	396,995.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on line 10	-927,341.			
	b Gross sales price for all assets on line 6a	11,408,744.			
	7 Capital gain net income (from Part IV, line 2)		0.		
	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/(loss) (att sch)					
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11	1,471,265.	398,606.	119,2014	101	
ADMINISTRATIVE OPERATING AND EXPENSES	13 Compensation of officers, directors, trustees, etc	0.			
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach sch) See St 1	31,661.	6,000.		
	c Other prof fees (attach sch)				
	17 Interest				
	18 Taxes (attach schedule)(see instrs) See Stm 2	18,238.	2,383.		
	19 Depreciation (attach sch) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) See Statement 3	84,917.	84,682.		
	24 Total operating and administrative expenses. Add lines 13 through 23	134,816.	93,065.		
25 Contributions, gifts, grants paid Part XV	1,865,000.			1,865,000.	
26 Total expenses and disbursements. Add lines 24 and 25	1,999,816.	93,065.		1,865,000.	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	-528,551.				
b Net investment income (if negative, enter -0-)		305,541.			
c Adjusted net income (if negative, enter -0-)					

JUN 10 2014

918,19 18

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				
	2 Savings and temporary cash investments		16,938,181.	13,785,399.	13,787,664.
	3 Accounts receivable	►			
	Less allowance for doubtful accounts	►	149,640.		
	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	►	1,000,000.		
	8 Inventories for sale or use				
	9 Prepaid expenses and deferred charges				
	10a Investments – U S and state government obligations (attach schedule)		100,593.		
	b Investments – corporate stock (attach schedule)		11,167,974.	18,715,872.	22,599,688.
	c Investments – corporate bonds (attach schedule)		1,013,190.	694,663.	693,704.
	11 Investments – land, buildings, and equipment basis	►			
	Less: accumulated depreciation (attach schedule)	►			
	12 Investments – mortgage loans				
	13 Investments – other (attach schedule)		18,700,000.	13,496,200.	17,034,509.
	14 Land, buildings, and equipment: basis	►			
	Less: accumulated depreciation (attach schedule)	►			
	15 Other assets (describe ► See Statement 4)			1,848,893.	1,848,893.
	16 Total assets (to be completed by all filers – see the instructions. Also, see page 1, item I)		49,069,578.	48,541,027.	55,964,458.
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 ►				
	23 Total liabilities (add lines 17 through 22)		0.	0.	
	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.	►	X		
	27 Capital stock, trust principal, or current funds		46,860,482.	46,860,482.	
	28 Paid-in or capital surplus, or land, building, and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds		2,209,096.	1,680,545.	
	30 Total net assets or fund balances (see instructions)		49,069,578.	48,541,027.	
	31 Total liabilities and net assets/fund balances (see instructions)		49,069,578.	48,541,027.	

## 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	49,069,578.
2 Enter amount from Part I, line 27a	2	-528,551.
3 Other increases not included in line 2 (itemize) ►	3	
4 Add lines 1, 2, and 3	4	48,541,027.
5 Decreases not included in line 2 (itemize) ►	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	48,541,027.

**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)
<b>1 a</b>	<b>Various Publicly Traded Securities</b>	P	Various	Various
<b>b</b>	<b>Oxford Health Litigation</b>	P	Various	Various
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 11,408,685.		12,336,085.	-927,400.	
b 59.			59.	
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				
(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	(l) Gains (Column (h)) gain minus column (k), but not less than -0- or Losses (from column (h))	
a			-927,400.	
b			59.	
c				
d				
e				
2 Capital gain net income or (net capital loss)	If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7		2	-927,341.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):			3	-927,341.
If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8				

**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	1,370,000.	49,280,807.	0.027800
2010	1,490,000.	49,812,894.	0.029912
2009	1,115,000.	46,366,579.	0.024047
2008	4,166,451.	43,264,394.	0.096302
2007	5,303,638.	47,779,027.	0.111003

2 Total of line 1, column (d)	2	0.289064
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	0.057813
4 Enter the net value of noncharitable-use assets for 2012 from Part X, line 5	4	52,242,961.
5 Multiply line 4 by line 3	5	3,020,322.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	3,055.
7 Add lines 5 and 6	7	3,023,377.
8 Enter qualifying distributions from Part XII, line 4	8	1,865,000.

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)		
1 b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1 6,111.
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 6,111.
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 6,111.
6 Credits/Payments		
a	2012 estimated tax pmts and 2011 overpayment credited to 2012	6 a 16,000.
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 16,000.
8	Enter any <b>penalty</b> for underpayment of estimated tax Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8 8.
9	Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed	9 0.
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10 9,881.
11	Enter the amount of line 10 to be Credited to 2013 estimated tax	11 0.
		9,881. Refunded

**Part VII-A | Statements Regarding Activities**

1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

	Yes	No
1 a	X	

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

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.

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

1 c	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	

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

4 a	X	

b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?

4 b	N/A	

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

5	X	

If 'Yes,' attach the statement required by General Instruction T.

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

- By language in the governing instrument, or
- By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?

6	X	

7 Did the foundation have at least \$5,000 in assets at any time during the year? If 'Yes,' complete Part II, column (c), and Part XV

7	X	

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

8 a	X	

CA

b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If 'No,' attach explanation

8 b	X	

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

9	X	

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

10	X	

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

11		X
12		X
13	X	
14	The books are in care of ► <u>TAX &amp; FINANCIAL SERVICES</u> Telephone no ► <u>209-341-7573</u> Located at ► <u>PO BOX 1130 MODESTO CA</u> ZIP + 4 ► <u>95353</u>	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here N/A ► <u>15</u> N/A	
16	Yes	No
16	X	
See the instructions for exceptions and filing requirements for Form TD F 90-22 1. If 'Yes,' enter the name of the foreign country ►		

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

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

	Yes	No
<b>1 a</b> During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>1 b</b> If any answer is 'Yes' to 1a(1)-(6), did <b>any</b> of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		N/A
Organizations relying on a current notice regarding disaster assistance check here ► <input type="checkbox"/>		
<b>1 c</b> 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?		X
<b>2</b> 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))		
<b>a</b> 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 ► <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
<b>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
<b>c</b> If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here. ► <u>20__</u> , <u>20__</u> , <u>20__</u> , <u>20__</u>		
<b>3 a</b> 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>b</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)		
<b>3 b</b> N/A		
<b>4 a</b> Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
<b>b</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?		
<b>4 b</b> X		

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

5 a 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  Nob 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)?

5 b N/A

Organizations relying on a current notice regarding disaster assistance check here ► 

c If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant?

N/A  Yes  No

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

6 a 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?

6 b X

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

7 a 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 5		0.	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 VIII** | **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**
**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
None		
-----		
-----		
-----		
-----		
-----		
-----		
-----		
-----		
-----		
<b>Total number of others receiving over \$50,000 for professional services</b>		<b>0</b>

**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 (see instructions)**

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**

BAA

Form 990-PF (2012)

**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 37,348,196.
b	Average of monthly cash balances	1b 15,690,343.
c	Fair market value of all other assets (see instructions)	1c
d	<b>Total</b> (add lines 1a, b, and c)	1d 53,038,539.
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 53,038,539.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4 795,578.
5	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3 Enter here and on Part V, line 4	5 52,242,961.
6	<b>Minimum investment return.</b> Enter 5% of line 5	6 2,612,148.

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here □ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1 2,612,148.
2a	Tax on investment income for 2012 from Part VI, line 5	2a 6,111.
b	Income tax for 2012 (This does not include the tax from Part VI)	2b
c	Add lines 2a and 2b	2c 6,111.
3	Distributable amount before adjustments Subtract line 2c from line 1	3 2,606,037.
4	Recoveries of amounts treated as qualifying distributions	4
5	Add lines 3 and 4	5 2,606,037.
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 2,606,037.

**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 1,865,000.
b	Program-related investments – total from Part IX-B	1b
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	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 1,865,000.
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
6	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	6 1,865,000.

**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				2,606,037.
2 Undistributed income, if any, as of the end of 2012			0.	
a Enter amount for 2011 only		0.		
b Total for prior years 20 20 20				
3 Excess distributions carryover, if any, to 2012				
a From 2007				
b From 2008 852,288.				
c From 2009				
d From 2010				
e From 2011				
f Total of lines 3a through e	852,288.			
4 Qualifying distributions for 2012 from Part XII, line 4: ► \$ 1,865,000.			0.	
a Applied to 2011, but not more than line 2a				
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2012 distributable amount				1,865,000.
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))	741,037.			741,037.
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e. Subtract line 5	111,251.			
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)	0.			
9 Excess distributions carryover to 2013. Subtract lines 7 and 8 from line 6a	111,251.			
10 Analysis of line 9.				
a Excess from 2008 111,251.				
b Excess from 2009				
c Excess from 2010				
d Excess from 2011				
e Excess from 2012				

BAA

Form 990-PF (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	<input type="checkbox"/> 4942(j)(3) or	<input checked="" type="checkbox"/> 4942(j)(5)
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)(ii)		
(3)	Largest amount of support from an exempt organization		
(4)	Gross investment income		

**Part XV** Supplementary Information (Complete this part only if the foundation had \$5,000 or more in assets at any time during the year – see instructions.)**1 Information Regarding Foundation Managers:**

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

JOSEPH E. GALLO

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	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
<i>a Paid during the year</i>				
STATEMENT ATTACHED			All contributions made during the year were for general use in carrying out charitable, religious, and educational activities.	1,865,000.
<b>Total</b>			► 3a	1,865,000.
<i>b Approved for future payment</i>				
<b>Total</b>			► 3b	
<b>BAA</b>	TEEA0501L	12/23/12		Form 990-PF (2012)

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

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions )
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	1,611.	
4 Dividends and interest from securities			14	396,995.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	-927,341.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)				-528,735.	
13 Total. Add line 12, columns (b), (d), and (e)					13 -528,735.

**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) (See instructions )
N/A	

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

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
- (2) Other assets

**b Other transactions:**

- (1) Sales of assets to a noncharitable exempt organization
- (2) Purchases of assets from a noncharitable exempt organization
- (3) Rental of facilities, equipment, or other assets
- (4) Reimbursement arrangements
- (5) Loans or loan guarantees
- (6) Performance of services or membership or fundraising solicitations

Sharing of facilities, equipment, mailing lists, other assets, or paid employees

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

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

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.

<b>Sign Here</b>	<i>Joseph Leppla</i>		6/2/14	►	President	May the IRS discuss this return with the preparer shown below (see instructions?)	
	Signature of officer or trustee		Date	Title	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<b>Paid</b> <b>Preparer</b> <b>Use Only</b>	Print/Type preparer's name		Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN	
	Kevin Leppla, CPA		Kevin Leppla, CPA	5/31/2014		P01468814	
	Firm's name ► TAX AND FINANCIAL SERVICES		Firm's EIN ► 94-1009696				
	Firm's address ► PO BOX 1130 MODESTO, CA 95353				Phone no	(209) 341-3395	

**BAA**

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

OMB No 1545-0047

**Schedule of Contributors**

► Attach to Form 990, Form 990-EZ, or Form 990-PF

**2012****Name of the organization****ERNEST GALLO FOUNDATION****Employer identification number****94-6061537****Organization type** (check one).**Filers of:**

Form 990 or 990-EZ

**Section:**

501(c)( \_\_\_\_ ) (enter number) organization  
 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation  
 527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation  
 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule****Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions**General Rule**

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

**Special Rules**

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

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

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

**Caution:** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF) but it **must** answer 'No' on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on Part I, line 2, of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990EZ, or 990-PF.****Schedule B** (Form 990, 990-EZ, or 990-PF) (2012)

**Name of organization**

**Employer identification number**

## ERNEST GALLO FOUNDATION

94-6061537

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

(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	E&J GALLO WINERY 600 YOSEMITE BLVD MODESTO, CA 95353	\$ 2,000,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
(Complete Part II if there is a noncash contribution.)			
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
(Complete Part II if there is a noncash contribution.)			
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
(Complete Part II if there is a noncash contribution.)			
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
(Complete Part II if there is a noncash contribution.)			
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
(Complete Part II if there is a noncash contribution.)			
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
(Complete Part II if there is a noncash contribution.)			
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
(Complete Part II if there is a noncash contribution.)			
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
(Complete Part II if there is a noncash contribution.)			
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
(Complete Part II if there is a noncash contribution.)			
(a) Number	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/>
(Complete Part II if there is a noncash contribution.)			

---

**Name of organization**

## ERNEST GALLO FOUNDATION

**Employer identification number**

94-6061537

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

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
	N/A		
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

BAA

**Schedule B (Form 990, 990-EZ, or 990-PF) (2012)**

**Name of organization**

NAME OF ORGANIZATION  
**ERNEST GALLO FOUNDATION**

**Employer identification number**

Employer Identification  
94-6061537

**Part III** Exclusively religious, charitable, etc, individual contributions to section 501(c)(7), (8) or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (c) and the following questions.

**organizations that total more than \$1,000 for the year.** Complete columns (a) through (e) and the following line entry:  
For contributions made during Part III, enter total of cash, stock, pledges, charitable etc.

For organizations completing Part III, enter total of *exclusively* religious, charitable, etc, contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) Use duplicate copies of Part III if additional space is needed.

► \$ N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held			
N/A						
	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held			
	(b) Purpose of gift	(e) Transfer of gift	(d) Relationship of transferor to transferee			
	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held			
	(b) Purpose of gift	(e) Transfer of gift	(d) Relationship of transferor to transferee			
	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held			
	(b) Purpose of gift	(e) Transfer of gift	(d) Relationship of transferor to transferee			

## ERNEST GALLO FOUNDATION

94-6061537

**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 & Bookkeeping	\$ 31,661.	\$ 6,000.		
Total	<u>\$ 31,661.</u>	<u>\$ 6,000.</u>		\$ 0.

**Statement 2**  
**Form 990-PF, Part I, Line 18**  
**Taxes**

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Federal Taxes	\$ 15,855.			
Foreign Taxes	2,383.	\$ 2,383.		
Total	<u>\$ 18,238.</u>	<u>\$ 2,383.</u>		\$ 0.

**Statement 3**  
**Form 990-PF, Part I, Line 23**  
**Other Expenses**

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Filing & registration fees	\$ 235.			
Investment fees.	84,682.	\$ 84,682.		
Total	<u>\$ 84,917.</u>	<u>\$ 84,682.</u>		\$ 0.

**Statement 4**  
**Form 990-PF, Part II, Line 15**  
**Other Assets**

	Book Value	Fair Market Value
Unsettled Sale of Stocks at Year End	\$ 1,848,893.	\$ 1,848,893.
Total	<u>\$ 1,848,893.</u>	<u>\$ 1,848,893.</u>

## ERNEST GALLO FOUNDATION

94-6061537

**Statement 5**  
**Form 990-PF, Part VIII, Line 1**  
**List of Officers, Directors, Trustees, and Key Employees**

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contri-bution to EBP & DC	Expense Account/Other
JOSEPH E. GALLO P.O. BOX 1130 MODESTO, CA 95353	President 0	\$ 0.	\$ 0.	\$ 0.
RICHARD M. BEAL P.O. BOX 1130 MODESTO, CA 95353	Secretary 0	0.	0.	0.
MARY I. GALLO P.O. BOX 1130 MODESTO, CA 95353	Treasurer 0	0.	0.	0.
ERNEST J. GALLO P.O. BOX 1130 MODESTO, CA 95353	Vice President 0	0.	0.	0.
CHRISTOPHER D. GALLO P.O. BOX 1130 MODESTO, CA 95353	Vice President 0	0.	0.	0.
Total	\$ 0.	\$ 0.	\$ 0.	\$ 0.

ERNEST GALLO FOUNDATION  
F.Y.E. 10/31/13

94-6061537

FORM 990-PF, PART XV, LINE 3(a), GRANTS AND CONTRIBUTIONS PAID  
DURING THE YEAR

- ALL CONTRIBUTIONS MADE DURING THE YEAR WERE FOR GENERAL USE IN CARRYING OUT CHARITABLE, RELIGIOUS AND EDUCATIONAL ACTIVITIES
- NONE OF THE RECIPIENTS ARE RELATED IN ANY WAY TO A FOUNDATION MANAGER OR SUBSTANTIAL CONTRIBUTOR.
- NONE OF THE RECIPIENTS ARE PRIVATE FOUNDATIONS

RECIPIENT	ADDRESS	AMOUNT
<b><u>CHARITABLE CONTRIBUTIONS</u></b>		
MODESTO SYMPHONY	MODESTO, CA	20,000
THE PANETTA INSTITUTE FOR PUBLIC POLICY	SEASIDE, CA	50,000
<b>TOTAL CHARITABLE CONTRIBUTIONS</b>		<b><u>70,000</u></b>
<b><u>RELIGIOUS CONTRIBUTIONS</u></b>		
CHURCH FOR TOMORROW (DIOCESE OF STOCKTON)	STOCKTON, CA	100,000
DIOCESE OF STOCKTON	STOCKTON, CA	10,000
<b>TOTAL RELIGIOUS CONTRIBUTIONS</b>		<b><u>110,000</u></b>
<b><u>EDUCATIONAL CONTRIBUTIONS</u></b>		
UNIVERSITY OF IOWA	IOWA CITY, IA	700,000
UNIVERSITY OF NOTRE DAME	NOTRE DAME, IN	1,010,000
REFUND -CENTRAL CALIFORNIA SCHOOL OF ITALIAN LANGUAGE	STOCKTON, CA	(45,000)
CENTRAL CATHOLIC HIGH SCHOOL	MODESTO, CA	20,000
<b>TOTAL EDUCATIONAL CONTRIBUTION</b>		<b><u>1,685,000</u></b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>		<b><u>1,865,000</u></b>

ERNEST GALLO FOUNDATION  
F.Y.E. 10/31/2012

94-6061537

FORM 990-PF, PART II, LINES 10(a) AND 10(C), INVESTMENTS - BONDS

<u>How Acquired</u>	<u>MATURITY DATE</u>	<u>FACE VALUE</u>	<u>COST</u>	<u>FMV</u>
<u>P</u> -Purch				
<u>D</u> -Donated				
<b>US GOVERNMENT BONDS - LINE 10a</b>				
P PURCHASED	Various			
TOTAL US GOVERNMENT BONDS		<u>0</u>	<u>0</u>	<u>0</u>
<b>CORPORATE BONDS - LINE 10c</b>				
P AT&T INC	3/1/2013	250,000	257,727	257,185
P COCA-COLA CO	6/13/2013	100,000	102,837	103,022
P HOME DEPOT INC	5/16/2013	100,000	111,022	110,669
P LOWES COMPANIES INC	8/8/2013	100,000	112,912	112,933
P VERIZON COMMUNICATIONS	8/8/2013	100,000	110,165	109,895
TOTAL CORPORATE BONDS		<u>650,000</u>	<u>694,663</u>	<u>693,704</u>

ERNEST GALLO FOUNDATION  
F.Y.E. 10/31/2013

94-6061537

FORM 990-PF, PART II, LINE 10(b), INVESTMENTS - CORPORATE STOCK

How Acquired P-Purch D-Donated	NAME OF STOCK	SHARES	COST	CURRENT FMV - STOCK
P	ABBVIE INC	510	13,562	24,709
P	ABBVIE INC	1,480	56,092	71,706
P	ACE LTD	340	15,207	32,450
P	ACTAVIS PLC	410	59,040	63,378
P	ADOBE SYSTEMS INC	2,297	92,837	124,543
P	ADT CORP	827	31,806	35,867
P	ALASKA AIR GROUP INC	900	39,143	63,594
P	ALLIANCE RESOURCE PARTNERS LP	820	62,165	62,246
P	AMER EXPRESS CO	780	37,513	63,804
P	AMERICAN INTERNATIONAL GROUP INC	773	26,064	39,925
P	AMERICAN INTERNATIONAL GROUP INC	1,659	54,993	85,687
P	AMERICAN WATER WORKS CO INC	1,455	45,339	62,376
P	AMETEK INC	1,330	43,431	63,614
P	AMGEN INC	203	11,914	23,576
P	AMGEN INC	690	37,554	80,137
P	AMGEN INC	535	48,795	62,135
P	AOL INC	1,750	65,479	63,420
P	APPLE INC	120	62,919	62,724
P	ARGONAUT GOLD INC	160,000	1,384,433	881,600
P	ASHLAND INC	723	53,247	66,914
P	AT&T	1,960	64,883	70,952
P	AUTOLIV INC	840	58,209	74,953
P	AVERY DENNISON CORP	1,350	54,802	63,612
P	AVON PRODUCTS INC	2,945	65,127	51,538
P	BANK OF AMERICA CORP	57,000	499,513	796,290
P	BANK OF AMERICA CORP	4,660	54,572	65,100
P	BAYTEX ENERGY CORP	1,405	64,887	58,743
P	BIOGEN IDEC INC	247	46,556	60,315
P	BOEING COMPANY	480	50,141	62,640
P	BORG WARNER INC	610	60,083	62,909
P	CALPINE CORP	1,654	26,719	33,361
P	CAMERON INTL CORP	291	14,928	15,964
P	CANADIAN OIL SANDS LTD	2,440	62,172	47,600
P	CAPITAL ONE FINANCIAL CORP	538	29,684	36,944
P	CARMAX INC	1,295	66,491	60,852
P	CBS CORP	1,523	22,504	90,070
P	CELGENE CORP	403	43,944	59,841
P	CHEVRON	170	13,540	20,393
P	CHEVRON	530	57,564	63,579
P	CHUBB CORP	690	58,056	63,535
P	CINEMARK HOLDINGS INC	1,030	20,003	33,794
P	CINN FINANCIAL CORP	1,445	52,482	72,322
P	CINTAS CORP	1,347	53,622	72,428
P	CITIGROUP INC	1,344	69,541	65,560
P	COACH INC	2,027	100,674	102,728
P	COCA-COLA ENTERPRISES INC	1,520	64,682	63,430
P	COLGATE PALMOLIVE CO	1,060	47,933	68,614
P	COMCAST CORP NEW SPECIAL CL A	960	25,149	44,448
P	CONOCOPHILLIPS	930	53,675	68,197
P	CONVERGYS CORP	3,255	55,710	64,254
P	COOPER COMPANIES INC	490	40,277	63,313
P	CORELOGIC INC	1,910	45,947	63,546
P	CORRECTIONS CORP OF AMERICA	1,965	68,199	72,705
P	COSTCO WHOLESALE CORP	1,054	110,140	124,372
P	COVIDIEN PLC	477	17,463	30,580
P	CROWN CASTLE INTERNATIONAL CORP	1,646	117,205	125,129
P	CVS CAREMARK CORP	640	22,581	39,846
P	CVS CAREMARK CORP	1,055	37,794	65,684
P	CVS CAREMARK CORP	1,973	110,854	122,839
P	DIEBOLD INC	1,485	45,296	44,491
P	DISCOVER FINANCIAL SERVICES	1,220	58,386	63,294
P	DOW CHEMICAL	1,855	60,692	73,217
P	DRESSER RAND GROUP INC	220	11,896	13,370
P	DRIL-QUIP INC	620	56,045	72,801
P	DU PONT DE NEMOURS	1,405	71,565	85,986
P	EATON CORP	915	47,264	64,562
P	EMC CORP MASS	1,092	26,603	26,285

ERNEST GALLO FOUNDATION  
F.Y.E. 10/31/2013

94-6061537

FORM 990-PF, PART II, LINE 10(b), INVESTMENTS - CORPORATE STOCK

How Acquired P-Purch D-Donated	NAME OF STOCK	SHARES	COST	CURRENT FMV - STOCK
P	EMC CORP MASS	4,673	110,774	112,484
P	ENDURO RTY TR	2,455	43,263	32,431
P	EXELIS INC	2,780	30,042	45,842
P	EXPRESS SCRIPTS INC	369	19,979	23,070
P	EXPRESS SCRIPTS INC	1,864	109,769	116,537
P	EXXON MOBIL CORP	27,682	1,602,495	2,480,861
P	EXXON MOBIL CORP	705	44,495	63,182
P	FIRST EAGLE GLOBAL FUND	29,694	1,500,000	1,630,813
P	FEDERATED INVESTORS INC	1,850	44,285	50,172
P	FMC TECHNOLOGIES INC	1,195	65,791	60,407
P	FNB CORP	4,855	49,178	60,736
P	FORD MOTOR CO COMMON NEW	2,178	24,316	37,266
P	FORD MOTOR CO COMMON NEW	3,720	51,386	63,649
P	GARMIN LTD	950	35,679	44,412
P	GENTEX CORP	2,245	55,897	66,127
P	GENTEX CORP	2,120	49,930	62,445
P	GIANT INTERACTIVE GROUP INC	2,685	24,453	23,762
P	GILEAD SCIENCES INC	1,305	24,909	92,883
P	GILEAD SCIENCES INC	911	44,926	64,840
P	GLAXO SMITHKLINE PLC ADR	1,130	51,194	59,472
P	GOLDMAN SACHS GROUP INC	193	28,096	31,046
P	GOLDMAN SACHS GROUP INC	392	56,308	63,057
P	H & R BLOCK INC	865	14,874	24,601
P	HCC INSURANCE HOLDINGS INC	1,455	64,723	66,421
P	HALLIBURTON CO	649	23,439	34,416
P	HALLIBURTON CO	1,470	57,776	77,954
P	HASBRO INC	480	17,027	24,792
P	HELMERICH & PAYNE INC	820	42,148	63,591
P	HEWLETT PACKARD CO	2,600	66,048	63,362
P	HOME DEPOT INC	820	36,435	63,870
P	HONEYWELL INTL INC	326	19,993	28,274
P	HOSPITALITY PROPERTIES TRUST	2,040	46,602	59,935
P	HUGOTON ROYALTY TRUST	40,500	301,824	285,525
P	INFORMATICA CORP	1,728	66,026	66,701
P	INGERSOLL-RAND PLC	1,100	57,354	74,283
P	INTEL CORP	2,815	62,518	68,883
P	INTL RECTIFIER CORP	2,765	60,281	72,001
P	JDS UNIPHASE CORP	4,345	64,401	56,876
P	JP MORGAN CHASE & CO	731	32,004	37,676
P	JOHNSON & JOHNSON	680	49,530	62,975
P	JOHNSON & JOHNSON	1,347	112,347	124,746
P	KANSAS CITY STHN NEW	720	26,376	87,494
P	KAR AUCTION SVCS INC	391	11,194	11,621
P	KIMBERLY CLARK CORP	590	53,355	63,720
P	KINDER MORGAN INC	631	18,422	22,281
P	KROGER COMPANY	1,480	38,425	63,403
P	LAUDER ESTEE COS CL A	1,689	111,264	119,851
P	LEGGETT & PLATT INC	965	22,939	28,699
P	LOCKHEED MARTIN CORP	555	45,390	74,004
P	LOWES COMPANIES INC	425	12,450	21,157
P	LYONDELLBASELL INDUSTRIES	930	46,873	69,378
P	MASTERCARD INC CL A	110	48,163	78,881
P	MASTERCARD INC CL A	29	6,850	20,796
P	MCKESSON CORP	400	30,123	62,536
P	MERCK & CO INC	1,550	53,562	69,889
P	METLIFE INC	796	31,217	37,659
P	MICROCHIP TECHNOLOGY INC	1,760	59,804	75,610
P	MONDELEZ INTERNATIONAL INC	3,713	108,768	124,942
P	MOODY'S CORP	1,195	36,921	84,439
P	NATIONAL CINEMEDIA INC	1,930	30,165	33,775
P	NATL-OILWELLVARCO INC	780	58,023	63,320
P	NETAPP INC	1,630	57,292	63,260
P	NIKE INC	1,645	95,108	124,625
P	NORDSTROM INC	1,978	111,582	119,610
P	NUCOR CORP	1,370	45,714	70,925
P	OMNICARE INC	1,150	42,353	63,423
P	ORACLE CORP	630	14,253	21,105

ERNEST GALLO FOUNDATION  
F.Y.E. 10/31/2013

94-6061637

FORM 990-PF, PART II, LINE 10(b), INVESTMENTS - CORPORATE STOCK

How Acquired P-Purch D-Donated	NAME OF STOCK	SHARES	CURRENT FMV - STOCK	
			COST	
P	ORACLE CORP	3,411	118,056	114,268
P	PACIFIC GROWTH FUND	111,088	4,410,039	5,298,908
P	PEOPLE'S UNITED FINANCIAL INC	4,550	55,286	65,679
P	PLUM CREEK TIMBER CO INC REIT	415	16,631	18,841
P	POTASH CORP SASK INC CANADA	1,505	47,911	46,805
P	PRAXAIR INC	134	9,440	16,711
P	PRICELINE COM INC	60	43,315	63,230
P	PROGRESS SOFTWARE CORP	2,445	63,922	63,497
P	QUALCOMM INC	1,810	118,170	125,777
P	RAYTHEON CO	995	51,417	81,958
P	REALOGY HOLDINGS CORP	507	22,023	20,858
P	RESMED INC	1,230	41,571	63,640
P	ROCK-TENN COMPANY	590	53,211	63,136
P	ROCKWELL AUTOMATION INC	580	56,604	64,038
P	RYMAN HOSPITALITY PPTYS INC	1,925	69,041	71,052
P	SANDISK CORP	940	50,969	65,325
P	SANDISK CORP	910	53,915	63,240
P	SCRIPPS NETWORKS INTERACT INC	940	57,855	75,670
P	SEAGATE TECHNOLOGY PLC SHS	1,050	28,961	51,124
P	SENSATA TECHNOLOGIES HOLDINGS	520	18,758	19,568
P	SMUCKER J M CO	585	60,017	65,058
P	SONOCO PRODUCTS CO	1,905	64,703	77,419
P	STAPLES INC	4,395	65,364	70,887
P	STARBUCKS CORP	790	56,272	64,030
P	SUBURBAN PROPANE PARTNERS LP	935	38,747	44,581
P	TARGET CORP	10,000	516,096	647,900
P	THERMO FISHER SCIENTIFIC INC	321	15,343	31,387
P	THOMSON REUTERS CORP	1,435	46,976	53,913
P	TRAVELERS COS INC/THE	730	50,195	62,999
P	TRONOX LTD	950	20,151	21,936
P	TYCO INTL LTD	900	23,244	32,895
P	UNITED HEALTH GROUP INC	424	12,546	28,942
P	UNTD TECHNOLOGIES CORP	230	17,404	24,438
P	UNTD TECHNOLOGIES CORP	621	57,926	65,981
P	US BANCORP DEL	1,690	51,980	63,138
P	VALERO ENERGY CORP	1,540	57,115	63,402
P	VERISK ANALYTICS INC	960	46,624	65,779
P	VERMILION ENERGY INC	415	23,254	22,846
P	VMWARE INC	780	67,030	63,398
P	WABCO HOLDINGS INC	169	6,900	14,480
P	WABTEC INC	980	41,693	63,886
P	WALT DISNEY CO	1,804	102,910	123,736
P	WEATHERFORD INTL LTD	1,861	26,199	30,595
P	WELLPOINT INC	136	10,114	11,533
P	WELLS FARGO & CO	740	16,855	31,591
P	WHIRLPOOL CORP	430	51,431	62,784
P	WHOLE FOODS MARKET INC	1,927	87,195	121,652
P	WSTN DIGITAL CORP	880	52,011	61,274
P	WYNDHAM WORLDWIDE	508	15,795	33,731
TOTAL CORPORATE STOCKS		18,715,872	22,599,686	

**ERNEST GALLO FOUNDATION  
F.Y.E. 10/31/2012**

**94-6061537**

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

INVESTMENT	PURCHASE PRICE	FMV
ALKEON GROWTH OFFSHORE FUND	2,450,000	3,498,529
BLACK DIAMOND	4,750,000	6,058,070
BRAESIDE CAPITAL	1,000,000	986,126
MAPLE LEAF OFFSHORE	46,200	46,200
O'CONNOR GLOBAL MULTI STRATEGY FUNDS	3,500,000	4,080,001
ROBERTSON OFFSHORE FUND	1,750,000	2,365,583
 TOTAL HEDGE FUNDS	 <u>13,496,200</u>	 <u>17,034,509</u>

Application for Extension of Time To File an  
Exempt Organization Return

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box

- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Do not complete Part II unless** you have already been granted an automatic 3-month extention on a previously filed Form 8868

**Electronic filing (e-file).** You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension – check this box and complete Part I only

*All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

Enter filer's identifying number, see instructions

<b>Type or print</b>  File by the due date for filing your return. See instructions	Name of exempt organization or other filer, see instructions  <b>ERNEST GALLO FOUNDATION</b>	Employer identification number (EIN) or  <b>94-6061537</b>
	Number, street, and room or suite number If a P O box, see instructions  <b>P.O. BOX 1130</b>	Social security number (SSN)
	City, town or post office, state, and ZIP code For a foreign address, see instructions  <b>MODESTO, CA 95353</b>	

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

**04**

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (section 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► TAX & FINANCIAL SERVICES

Telephone No ► 209-341-7573 FAX No ►

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

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

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time

until 6/15, 20 14, to file the exempt organization return for the organization named above.

The extension is for the organization's return for:

- calendar year 20        or
- tax year beginning 11/01, 20 12, and ending 10/31, 20 13

2 If the tax year entered in line 1 is for less than 12 months, check reason  Initial return  Final return

Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a \$ <b>16,000.</b>
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b \$ <b>16,000.</b>
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c \$ <b>0.</b>

**Caution.** If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions