Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf.*

OMB No 1545-0052

2013

Open to Public Inspection

For calendar year 2013 or tax year beginning , 2013, and ending , 20

Name of foundation THE MICHAEL AND KAREN STONE FAMILY FOUNDATION INC.

A Employer identification number 05-0544633

Number and street (or P O box number if mail is not delivered to street address) FOUNDATION SOURCE 501 SILVERSIDE RD — Room/suite 123

B Telephone number (see instructions) (800) 839-1754

City or town, state or province, country, and ZIP or foreign postal code WILMINGTON, DE 19809-1377

C If exemption application is pending, check here ▶ ☐

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

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

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

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

I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ $ 13,646,642.

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

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

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (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 (attach schedule)	3,458,450.			
	2 Check ▶ ☐ if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments	7,494.	7,494.		
	4 Dividends and interest from securities	34,995.	34,995.		
	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	755,449.			
	b Gross sales price for all assets on line 6a 8,627,645.				
	7 Capital gain net income (from Part IV, line 2)		2,476,432.		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule) ATCH 1	342,441.	328,133.		
	12 **Total.** Add lines 1 through 11	4,598,829.	2,847,054.		
Operating and Administrative 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 schedule)				
	c Other professional fees (attach schedule) *	44,000.	4,000.		40,000.
	17 Interest				
	18 Taxes (attach schedule) (see instructions) ATCH 3	27,400.			
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses (attach schedule) ATCH 4	67,105.	19,609.		44,077.
	24 **Total operating and administrative expenses.** Add lines 13 through 23	138,505.	23,609.		84,077.
	25 Contributions, gifts, grants paid	344,252.			344,252.
	26 **Total expenses and disbursements** Add lines 24 and 25	482,757.	23,609.		428,329.
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	4,116,072.			
	b **Net investment income** (if negative, enter -0-)		2,823,445.		
	c **Adjusted net income** (if negative, enter -0-)				

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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 (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	585,103.	5,874,832.	5,874,832.
	3 Accounts receivable ▶ 3,529.			
	Less allowance for doubtful accounts ▶		3,529.	3,529.
	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 schedule) ▶ *		* 1,823,809.	ATCH 5
	Less allowance for doubtful accounts ▶	754,906.	1,823,809.	1,823,809.
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10 a Investments - U S and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule)	528,560.		
	c Investments - corporate bonds (attach schedule)			
	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans			
	13 Investments - other (attach schedule) ATCH 6	6,734,301.	5,016,772.	5,944,472.
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers - see the instructions Also, see page 1, item I)	8,602,870.	12,718,942.	13,646,642.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	0	0	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here** ▶ ☐ **and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, ▶ ☒ **check here and complete lines 27 through 31.**			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds	8,602,870.	12,718,942.	
	30 **Total net assets or fund balances** (see instructions)	8,602,870.	12,718,942.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	8,602,870.	12,718,942.	

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	8,602,870.
2	Enter amount from Part I, line 27a	2	4,116,072.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	12,718,942.
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	12,718,942.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1a	SEE PART IV SCHEDULE			
b				
c				
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				
b				
c				
d				
e				

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a				
b				
c				
d				
e				

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	2,476,432.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8		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 (col (b) divided by col (c))
2012	1,078,166.	9,601,782.	0.112288
2011	311,379.	7,108,429.	0.043804
2010	284,527.	5,893,708.	0.048276
2009	240,925.	4,028,543.	0.059805
2008	320,227.	6,796,988.	0.047113

2 Total of line 1, column (d)	2	0.311286
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	0.062257
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	11,794,222.
5 Multiply line 4 by line 3	5	734,273.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	28,234.
7 Add lines 5 and 6	7	762,507.
8 Enter qualifying distributions from Part XII, line 4	8	428,329.

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

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

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1 . . . Date of ruling or determination letter ______________ (attach copy of letter if necessary - see instructions)			
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☐ and enter 1% of Part I, line 27b		1	56,469.
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)			
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	
3	Add lines 1 and 2		3	56,469.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-		5	56,469.
6	Credits/Payments			
a	2013 estimated tax payments and 2012 overpayment credited to 2013	6a 38,191.		
b	Exempt foreign organizations - tax withheld at source	6b		
c	Tax paid with application for extension of time to file (Form 8868)	6c 22,340.		
d	Backup withholding erroneously withheld	6d		
7	Total credits and payments Add lines 6a through 6d		7	60,531.
8	Enter any **penalty** for underpayment of estimated tax. Check here [X] if Form 2220 is attached		8	2.
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶		9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶		10	4,060.
11	Enter the amount of line 10 to be **Credited to 2014 estimated tax** ▶ 4,060. **Refunded** ▶		11	

Part VII-A Statements Regarding Activities

		Line	Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1b		X
	*If the answer is "Yes" to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ▶ $ ________ (2) On foundation managers ▶ $ ________			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ ________			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		X
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	X	
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	X	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col (c), and Part XV*	7	X	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ DE,			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If "No," attach explanation*	8b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (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* ATCH 7	10	X	

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	
	Website address ▶ N/A			
14	The books are in care of ▶ C/O FOUNDATION SOURCE Telephone no ▶ 800-839-1754			
	Located at ▶ 501 SILVERSIDE ROAD, SUITE 123 WILMINGTON, DE ZIP+4 ▶ 19809-1377			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here ▶ ☐			
	and enter the amount of tax-exempt interest received or accrued during the year ▶ 15			
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1 If "Yes," enter the name of the foreign country ▶			

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

			Yes	No
	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.			
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is "Yes" to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?	1c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013? ☐ Yes ☒ No			
	If "Yes," list the years ▶			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement - see instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☒ Yes ☐ No			
b	If "Yes," did it have excess business holdings in 2013 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 2013)*	3b		X
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?	4b		X

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

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

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

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

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

(4) Provide a grant to an organization other than a charitable, etc, organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (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)? **5b**

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

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

If "Yes," attach the statement required by Regulations section 53 4945-5(d)

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

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? . . . . **6b** No: X

If "Yes" to 6b, file Form 8870

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation (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
ATCH 8		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 . . . . . ▶

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

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 THE FOUNDATION PROVIDES FREE COUNSELING TO TERMINAL CANCER PATIENTS. THE PROGRAM'S GOAL IS CANCER PATIENT ADVOCACY TO ALLEVIATE EMOTIONAL AND PHYSICAL SUFFERING FOR THOSE VICTIMS	40,000.
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 NONE	
2	
All other program-related investments See instructions 3 NONE	
Total. Add lines 1 through 3 ▶	

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	354,390.
b	Average of monthly cash balances	1b	3,550,766.
c	Fair market value of all other assets (see instructions)	1c	8,068,673.
d	**Total** (add lines 1a, b, and c)	1d	11,973,829.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) 1e		
2	Acquisition indebtedness applicable to line 1 assets	2	
3	Subtract line 2 from line 1d	3	11,973,829.
4	Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions)	4	179,607.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	11,794,222.
6	**Minimum investment return.** Enter 5% of line 5	6	589,711.

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	589,711.
2a	Tax on investment income for 2013 from Part VI, line 5	2a	56,469.		
b	Income tax for 2013 (This does not include the tax from Part VI)	2b			
c	Add lines 2a and 2b			2c	56,469.
3	Distributable amount before adjustments Subtract line 2c from line 1			3	533,242.
4	Recoveries of amounts treated as qualifying distributions			4	
5	Add lines 3 and 4			5	533,242.
6	Deduction from distributable amount (see instructions)			6	
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1			7	533,242.

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	428,329.
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	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	428,329.
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	0
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	428,329.

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 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				533,242.
2 Undistributed income, if any, as of the end of 2013				
a Enter amount for 2012 only				
b Total for prior years 20 11 ,20 10 ,20 09				
3 Excess distributions carryover, if any, to 2013				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012 433,239.				
f Total of lines 3a through e	433,239.			
4 Qualifying distributions for 2013 from Part XII, line 4 ▶ $ 428,329.				
a Applied to 2012, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)				
c Treated as distributions out of corpus (Election required - see instructions)				
d Applied to 2013 distributable amount				428,329.
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2013 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	104,913.			104,913.
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	328,326.			
b Prior years' undistributed income Subtract line 4b from line 2b				
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				
d Subtract line 6c from line 6b Taxable amount - see instructions				
e Undistributed income for 2012 Subtract line 4a from line 2a Taxable amount - see instructions				
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)				
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)				
9 **Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a	328,326.			
10 Analysis of line 9				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012 328,326.				
e Excess from 2013				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9) NOT APPLICABLE

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2013, enter the date of the ruling ▶

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

	Tax year	Prior 3 years			
	(a) 2013	(b) 2012	(c) 2011	(d) 2010	(e) Total
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test - enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test- enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942 (j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

ATTACHMENT 9

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

N/A

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

Check here ▶ [X] 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 address of the person to whom applications should be addressed

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
ATCH 10				
Total . . . . . . ▶ **3a**				344,252.
b *Approved for future payment*				
Total . . . . . . ▶ **3b**				

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions.)
	(a) Business code	(b) Amount	(c) Exclusion 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	7,494.	
4 Dividends and interest from securities			14	34,995.	
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	525990	1,364.	18	754,085.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b ATCH 11		14,308.		328,133.	
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		15,672.		1,124,707.	

13 Total. Add line 12, columns (b), (d), and (e) . . . 13 1,140,379.

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

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

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

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

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

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

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

Sign Here

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

Signature of officer or trustee — Date: 11/14/2014 — Title: DIRECTOR/President

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
JEFFREY D HASKELL	JEFFREY D HASKELL	11/12/2014		P01345770

Firm's name ▶ FOUNDATION SOURCE — Firm's EIN ▶ 510398347

Firm's address ▶ ONE HOLLOW LN, STE 212, LAKE SUCCESS, NY 11042 — Phone no 8008391754

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

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at *www irs gov/form990.*

OMB No 1545-0047

2013

Name of the organization
THE MICHAEL AND KAREN STONE FAMILY FOUNDATION INC.

Employer identification number
05-0544633

Organization type (check one)

Filers of:	**Section:**
Form 990 or 990-EZ	☐ 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 its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization THE MICHAEL AND KAREN STONE FAMILY FOUNDATION INC.

Employer identification number 05-0544633

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

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	PTOLEMY CAPITAL, LLC 1250 PROSPECT STREET, STE 200 LA JOLLA, CA 92037	$ 3,458,450.	Person ☐ Payroll ☐ Noncash ☒ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions.)

Name of organization THE MICHAEL AND KAREN STONE FAMILY FOUNDATION INC.

Employer identification number 05-0544633

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
1	INVENSENSE, INC INVN, 75000 SH.	$ 1,457,625.	10/08/2013
1	INVENSENSE, INC INVN, 84000 SH.	$ 1,474,200.	09/25/2013
1	ARGAN, INC. AGX, 27500 SH.	$ 526,625.	09/10/2013
		$	
		$	
		$	

Name of organization THE MICHAEL AND KAREN STONE FAMILY FOUNDATION INC.

Employer identification number 05-0544633

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 **(e)** and the following line entry.

For organizations completing Part III, enter the 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

(a) No from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
----			

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
----			

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
----			

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
----			

(e) Transfer of gift

Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

Part I, Line 6a (990-PF) - Net Gain/(Loss) from Sales of Assets Not Included in Part IV

Name	Date Acquired	Acquisition Method	Date Sold	Gross Sales Price	Book Basis	Net Gain/(Loss)
Publicly-traded Securities				$ 5,592,783	$ 5,435,183	$ 157,600
Passthrough K-1 Capital Gain/(Loss) - non UBI						$ 71,529
Loss on collection of note receivable					$ 9,906	$ (9,906)
Park West Partners Limited	03/31/11	Purchase	01/01/13	$ 1,172,890	$ 1,000,000	$ 172,890
Rose Grove Offshore Fund I	Multiple	Purchase	01/01/13	$ 1,861,972	$ 1,500,000	$ 361,972
Total included in Part IV				$ 8,627,645	$ 7,945,089	$ 754,085
Passthrough K-1 Capital Gain/(Loss) - UBI						$ 1,364
Part I, Line 6a Total						$ 755,449

ATTACHMENT 1

FORM 990PF, PART I - OTHER INCOME

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME
K-1 INC/LOSS MIT PRIVATE EQUITY FUND IV,	1,522.	1,959.
K-1 INC/LOSS REO HOMES 3, LLC	-29,527.	-29,527.
K-1 INC/LOSS SOPHROSYNE TECHNOLOGY PARTN	316.	316.
K-1 INC/LOSS STX FILMWORKS, LLC	-108,979.	-108,979.
K-1 INC/LOSS TOP EQUITY II-A, L.P.	34,167.	29,783.
K-1 INC/LOSS TSL EQUITY PARTNERS, LP	64,807.	54,446.
NOTE RECEIVABLE ORIGINATION FEES	100,000.	100,000.
INTEREST INCOME FROM NOTES RECEIVABLE	280,135.	280,135.
TOTALS	342,441.	328,133.

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
INVESTMENT MANAGEMENT SERVICES	4,000.	4,000.	
COUNSELING FOR TERMINALLY ILL	40,000.		40,000.
TOTALS	44,000.	4,000.	40,000.

ATTACHMENT 3

FORM 990PF, PART I - TAXES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS
990-PF ESTIMATED TAX FOR 2013	27,400.
TOTALS	27,400.

FORM 990PF, PART I - OTHER EXPENSES

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	CHARITABLE PURPOSES
ADMINISTRATIVE FEES	43,761.		43,761.
BANK CHARGES	30.	30.	
K-1 EXP MIT PRIVATE EQUITY FUN	3,198.	3,056.	
K-1 EXP REO HOMES 3, LLC	17.		
K-1 EXP SOPHROSYNE TECHNOLOGY	4,090.	4,090.	
K-1 EXP STX FILMWORKS, LLC	1,711.		
K-1 EXP TOP EQUITY II-A, L.P.	10,822.	9,273.	
K-1 EXP TSL EQUITY PARTNERS, L	3,160.	3,160.	
OFFICE SUPPLIES	291.		291.
STATE OR LOCAL FILING FEES	25.		25.
TOTALS	67,105.	19,609.	44,077.

FORM 990PF, PART II - OTHER NOTES AND LOANS RECEIVABLE

BORROWER:	TOURMALINE PROPERTIES, INC.
ORIGINAL AMOUNT:	1,250,000.
INTEREST RATE:	10.000000
DATE OF NOTE:	04/13/2012
MATURITY DATE:	06/30/2014
REPAYMENT TERMS:	PERIODIC PRINCIPAL/INTEREST
SECURITY PROVIDED:	LIENS
PURPOSE OF LOAN:	INVESTMENT
DESCRIPTION AND FMV OF CONSIDERATION:	CASH & NOTE 1,775,000.

BEGINNING BALANCE DUE	345,000.
ENDING BALANCE DUE	1,775,000.
ENDING FAIR MARKET VALUE	1,775,000.

BORROWER:	Z-ULTIMATE MARTIAL ARTS SUPPLY, LLC
ORIGINAL AMOUNT:	100,000.
INTEREST RATE:	40.000000
DATE OF NOTE:	06/11/2013
MATURITY DATE:	06/11/2014
REPAYMENT TERMS:	WEEKLY PAYMENTS PRINCIPAL/INTEREST
SECURITY PROVIDED:	RECEIVABLES/OTHER ASSETS
PURPOSE OF LOAN:	INVESTMENT
DESCRIPTION AND FMV OF CONSIDERATION:	CASH & NOTE 100,000.

ENDING BALANCE DUE	48,809.
ENDING FAIR MARKET VALUE	48,809.

ATTACHMENT 5 (CONT'D)

BORROWER: SATELLITE TRACKING OF PEOPLE LLC
ORIGINAL AMOUNT: 400,000.

BEGINNING BALANCE DUE	409,906.
ENDING BALANCE DUE	
ENDING FAIR MARKET VALUE	
TOTAL BEGINNING OTHER NOTES AND LOANS RECEIVABLE	754,906.
TOTAL ENDING BOOK - OTHER NOTES AND LOANS RECEIVABLE	1,823,809.
TOTAL ENDING FMV - OTHER NOTES AND LOANS RECEIVABLE	1,823,809.

ATTACHMENT 6

FORM 990PF, PART II - OTHER INVESTMENTS

DESCRIPTION	ENDING BOOK VALUE	ENDING FMV
ARC HUD 1, LLC	36,776.	144,000.
MIT PRIVATE EQUITY FUND IV, LP	83,813.	108,260.
MULLIGAN FUNDING LLC - NET ADV	1,675,000.	1,675,000.
REO HOMES 3, LLC	2,120,932.	2,625,000.
SOPHROSYNE TECHNOLOGY PARTNERS	4,794.	6,827.
STX FILMWORKS, LLC	203,499.	417,747.
TOP EQUITY II-A, L.P.	369,366.	423,745.
TSL EQUITY PARTNERS, LP	522,592.	543,893.
TOTALS	5,016,772.	5,944,472.

THE MICHAEL AND KAREN STONE FAMILY FOUNDATION 05-0544633

FORM 990-PF - PART IV
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		PUBLICLY-TRADED SECURITIES						
5,592,783.		3,712,836.					1,879,947.	
		PASSTHROUGH K1 CAPITAL GAIN						
							71,529.	
		PARK WEST PARTNERS LIMITED				P	03/31/2011	01/01/2013
1,172,890.		1,000,000.					172,890.	
		ROSE GROVE OFFSHORE FUND I, LTD				P	MULTIPLE	01/01/2013
1,861,972.		1,500,000.					361,972.	
		LOSS ON COLLECTION OF NOTE RECEIVABLE				P		
		9,906.					-9,906.	
TOTAL GAIN(LOSS)							2,476,432.	

FORM 990PF, PART VII-A, LINE 10 - NEW SUBSTANTIAL CONTRIBUTORS

ATTACHMENT 7

NAME AND ADDRESS

PTOLEMY CAPITAL, LLC
1250 PROSPECT STREET, STE 200
LA JOLLA, CA 92037

THE MICHAEL AND KAREN STONE FAMILY FOUNDATION 05-0544633

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES ATTACHMENT 8

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION
KAREN M STONE FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	DIR 1.00
MICHAEL R STONE FOUNDATION SOURCE 501 SILVERSIDE RD 123 WILMINGTON, DE 19809-1377	PRES / DIR / SEC 1.00

FORM 990PF, PART XV - INFORMATION REGARDING FOUNDATION MANAGERS

MICHAEL R. STONE
KAREN M. STONE

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 10

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
ARCH ACADEMY 9455 FARNHAM ST SAN DIEGO, CA 92123	N/A PC	GENERAL & UNRESTRICTED	750
BIG BROTHERS BIG SISTERS OF SAN DIEGO COUNTY INC 8515 ARJONS DR STE A SAN DIEGO, CA 92126	N/A PC	GENERAL & UNRESTRICTED	62,132.
BISHOP SCHOOL 7607 LA JOLLA BLVD LA JOLLA, CA 92037	N/A PC	GENERAL & UNRESTRICTED	6,000
BISHOP SCHOOL 7607 LA JOLLA BLVD LA JOLLA, CA 92037	N/A PC	ANNUAL GIVING PROGRAM	25,000.
DAKSHANA FOUNDATION 1220 ROOSEVELT, STE 200 IRVINE, CA 92620	N/A PC	GENERAL & UNRESTRICTED	17,000
DUKE UNIVERSITY, IRON DUKES PROGRAM ATTN· JACK WINTERS, BOX 90542 DURHAM, NC 27708	N/A PC	GENERAL & UNRESTRICTED	30,000

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 10 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
FRIENDS OF VISTA HILL FOUNDATION 8910 CLAIREMONT MESA BLVD SAN DIEGO, CA 92123	N/A PC	GENERAL & UNRESTRICTED	1,500
HARVARD BUSINESS SCHOOL TEELE HALL, SOLDIERS FIELD BOSTON, MA 02163	N/A PC	GENERAL & UNRESTRICTED	50,000
HOTCHKISS SCHOOL PO BOX 800 LAKEVILLE, CT 06039	N/A PC	GENERAL & UNRESTRICTED	15,000.
LA JOLLA YMCA 8355 CLIFFRIDGE AVE LA JOLLA, CA 92037	N/A PC	GENERAL & UNRESTRICTED	500
MUTTVILLE 1041 KANSAS ST SAN FRANCISCO, CA 94107	N/A PC	GENERAL & UNRESTRICTED	3,000.
NATIONAL MULTIPLE SCLEROSIS SOCIETY 8111 N STADIUM DR STE 100 HOUSTON, TX 77054	N/A PC	STEVE LOGAN - BP MS150 RIDE IN HOUSTON IN APRIL	1,000

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 10 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
NIGHT TRAIN SWIMMERS INC 1550-G TIBURON BLVD 607 TIBURON, CA 94920	N/A PC	GENERAL & UNRESTRICTED	2,500
NORMAN B LEVENTHAL MAP CENTER INC 700 BOYLSTON ST BOSTON, MA 02116	N/A PC	GENERAL & UNRESTRICTED	2,500
OUTSIDE THE LENS 8171 EL PASEO GRANDE LA JOLLA, CA 92037	N/A PC	GENERAL & UNRESTRICTED	1,000.
PAWS SAN DIEGO COUNTY INC 6160 FAIRMOUNT AVE SAN DIEGO, CA 92120	N/A PC	GENERAL & UNRESTRICTED	3,000
PRO KIDS GOLF ACADEMY INC 4085 52ND ST SAN DIEGO, CA 92105	N/A PC	GENERAL & UNRESTRICTED	2,500
RESCUE HOUSE PO BOX 231336 ENCINITAS, CA 92023	N/A PC	GENERAL & UNRESTRICTED	4,000

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 10 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
SAN DIEGO MUSEUM OF ART 1450 EL PRADO SAN DIEGO, CA 92101	N/A PC	GENERAL & UNRESTRICTED	10,000
SAN DIEGO PUBLIC LIBRARY FOUNDATION 820 E ST SAN DIEGO, CA 92101	N/A PC	GENERAL & UNRESTRICTED	250.
SAN DIEGO STATE UNIVERSITY - FINANCIAL AID OFFICE 5500 CAMPANILE DR SAN DIEGO, CA 92182	N/A PC	ATHLETIC DEPARTMENT SCHOLARSHIP FUND	10,000
SEAL-NAVAL SPECIAL WARFARE FOUNDATION-SAN DIEGO 4320 LA JOLLA VILLAGE DR STE 250 SAN DIEGO, CA 92122	N/A PC	GENERAL & UNRESTRICTED	2,500
SHELBURNE MUSEUM INCORPORATED PO BOX 10 SHELBURNE, VT 05482	N/A PC	GENERAL & UNRESTRICTED	5,000
SILVER HILL HOSPITAL INC 208 VALLEY RD NEW CANAAN, CT 06840	N/A PC	GENERAL & UNRESTRICTED	1,000

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 10 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
TENDER LOVING CANINES ASSISTANCE DOGS PO BOX 1244 SOLANA BEACH, CA 92075	N/A PC	GENERAL & UNRESTRICTED	250
THE GILLISPIE SCHOOL 7380 GIRARD AVE LA JOLLA, CA 92037	N/A PC	GENERAL & UNRESTRICTED	40,700.
THE GILLISPIE SCHOOL 7380 GIRARD AVE LA JOLLA, CA 92037	N/A PC	ANNUAL FUND	25,000.
THE NEW CHILDREN'S MUSEUM 200 W ISLAND AVE SAN DIEGO, CA 92101	N/A PC	GENERAL & UNRESTRICTED	2,670
UC SAN DIEGO FOUNDATION 9500 GILMAN DR MC 0553 LA JOLLA, CA 92093	N/A PC	GENERAL & UNRESTRICTED	10,000
UC SAN DIEGO FOUNDATION 9500 GILMAN DR MC 0553 LA JOLLA, CA 92093	N/A PC	RADY SCHOOL GOLF CLASSIC	2,500

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

ATTACHMENT 10 (CONT'D)

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
VOICES FOR CHILDREN 2851 MEADOW LARK DR SAN DIEGO, CA 92123	N/A PC	GENERAL & UNRESTRICTED	5,000
WHATS IMPORTANT NOW 6747 KATELLA AVE CYPRESS, CA 90630	N/A PC	GENERAL & UNRESTRICTED	2,000
		TOTAL CONTRIBUTIONS PAID	344,252.

THE MICHAEL AND KAREN STONE FAMILY FOUNDATION 05-0544633

FORM 990-PF, PART XVI-A - ANALYSIS OF OTHER REVENUE

ATTACHMENT 11

DESCRIPTION	BUSINESS CODE	AMOUNT	EXCLUSION CODE	AMOUNT	RELATED OR EXEMPT FUNCTION INCOME
K-1 INC/LOSS	525990	14,308.	14	-52,002.	
INTEREST INCOME FROM NOTES RECEIVABLE			14	280,135.	
NOTE RECEIVABLE ORIGINATION FEES			14	100,000.	
TOTALS		14,308.		328,133.	