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

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

ERNEST E. PESTANA
CHARITABLE FOUNDATION, INC.
360 KIELY BOULEVARD #240
SAN JOSE, CA 95129

A Employer identification number: 77-0891712

B Telephone number (see the instructions): 408-241-3300

C If exemption application is pending, check here ► ☐

D 1 Foreign organizations, check here ► ☐

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

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

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

G Check all that apply: ☐ 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) ► $ 940,446.

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

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).)*

	Line	Description	(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)	30,000.			
	2	Ck ► ☐ if the foundn is **not** req to att Sch B				
	3	Interest on savings and temporary cash investments	5.	5.	5.	
	4	Dividends and interest from securities	33,787.	33,787.	33,787.	
	5a	Gross rents				
	b	Net rental income or (loss)				
	6a	Net gain/(loss) from sale of assets not on line 10				
	b	Gross sales price for all assets on line 6a 185,223.				
	7	Capital gain net income (from Part IV, line 2)				
	8	Net short-term capital gain				
	9	Income modifications				
	10a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit/(loss) (att sch)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	63,792.	33,792.	33,792.	
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 sch)				
	c	Other prof fees (attach sch)				
	17	Interest				
	18	Taxes (attach schedule)(see instrs)				
	19	Depreciation (attach sch) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule) See Statement 1	6,566.	6,231.		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	6,566.	6,231.		
	25	Contributions, gifts, grants paid Part XV	49,000.			49,000.
	26	**Total expenses and disbursements.** Add lines 24 and 25	55,566.	6,231.	0.	49,000.
	27	Subtract line 26 from line 12:				
	a	**Excess of revenue over expenses and disbursements**	8,226.			
	b	**Net investment income** (if negative, enter -0-)		27,561.		
	c	**Adjusted net income** (if negative, enter -0-)			33,792.	

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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		11,350.	11,350.
	2 Savings and temporary cash investments	22,038.	13,203.	13,203.
	3 Accounts receivable ►			
	Less allowance for doubtful accounts ►			
	4 Pledges receivable ►			
	Less allowance for doubtful accounts ►			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach sch) ►			
	Less. allowance for doubtful accounts ►			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments – U.S. and state government obligations (attach schedule) Statement 2	456,803.	447,316.	422,182.
	b Investments – corporate stock (attach schedule)			
	c Investments – corporate bonds (attach schedule) Statement 3	520,454.	520,900.	493,633.
	11 Investments – land, buildings, and equipment: basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	12 Investments – mortgage loans			
	13 Investments – other (attach schedule)			
	14 Land, buildings, and equipment basis ►			
	Less: accumulated depreciation (attach schedule) ►			
	15 Other assets (describe ► See Statement 4)		78.	78.
	16 **Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)	999,295.	992,847.	940,446.
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 ►)	14,752.		
	23 **Total liabilities** (add lines 17 through 22)	14,752.	0.	
NET ASSETS OR FUND BALANCES	**Foundations that follow SFAS 117, check here ► [X] and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	984,543.	992,847.	
	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, building, and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see instructions)	984,543.	992,847.	
	31 **Total liabilities and net assets/fund balances** (see instructions)	999,295.	992,847.	

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	984,543.
2	Enter amount from Part I, line 27a	2	8,226.
3	Other increases not included in line 2 (itemize) ► See Statement 5	3	78.
4	Add lines 1, 2, and 3	4	992,847.
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	992,847.

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)
1a	See Statement 6			
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) 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				
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** 0.

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 (column (b) divided by column (c))
2012	47,787.	997,157.	0.047923
2011	38,785.	946,451.	0.040979
2010	34,448.	737,063.	0.046737
2009	26,495.	695,028.	0.038121
2008	16,500.	521,858.	0.031618

2	**Total** of line 1, column (d)	2	0.205378
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	0.041076
4	Enter the net value of noncharitable-use assets for 2013 from Part X, line 5	4	959,087.
5	Multiply line 4 by line 3	5	39,395.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	276.
7	Add lines 5 and 6	7	39,671.
8	Enter qualifying distributions from Part XII, line 4	8	49,000.

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 ► ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: _______ (attach copy of letter if necessary – see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here. ► [X] and enter 1% of Part I, line 27b		1	276.
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	276.
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	276.
6 Credits/Payments			
a 2013 estimated tax pmts and 2012 overpayment credited to 2013	6 a 78.		
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 1,000.		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments Add lines 6a through 6d		7	1,078.
8 Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached		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	802.
11 Enter the amount of line 10 to be **Credited to 2014 estimated tax** ►	802. **Refunded** ►	11	0.

Part VII-A Statements Regarding Activities

		Yes	No
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?	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? *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, 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) ► 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 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*	10		X

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

		Line	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 ► MICHAEL J. KELLY, JR. CPA, CFP Telephone no. ► 408-241-3300

Located at ► 360 KIELY BOULEVARD, SUITE 240 SAN JOSE CA ZIP + 4 ► 95129

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** – Check here N/A ► ☐

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

		Line	Yes	No
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

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

			Line	Yes	No
1 a	During the year did the foundation (either directly or indirectly):				
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	☐ 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)?		1 b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here	► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?		1 c		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? If 'Yes,' list the years ► 20__ , 20__ , 20__ , 20__ .	☐ Yes ☒ No			
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.)		2 b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ► 20__ , 20__ , 20__ , 20__				
3 a	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.)*		3 b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4 a		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?		4 b		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** N/A

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

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

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

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

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

If 'Yes' to 6b, file Form 8870

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation (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
IRENE A. PESTANA 360 KIELY BOULEVARD, SUITE 240 SAN JOSE, CA 95129	President 0	0.	0.	0.
MICHAEL J. KELLY, JR., CPA,CFP 360 KIELY BOULEVARD, SUITE 240 SAN JOSE, CA 95129	Vice Preside 0	0.	0.	0.
LINDA PESTANA 1505 GOLDEN HILLS ROAD COLORADO SPRINGS, CO 80919	Vice Preside 0	0.	0.	0.
CAROLYN GUIDO 2760 GARDENDALE DRIVE SAN JOSE, CA 95125	Vice Preside 0	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		
Total number of others receiving over $50,000 for professional services ►		0

Part IX-A **Summary of Direct Charitable Activities**

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

Part IX-B **Summary of Program-Related Investments** (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 ►	0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes		
a	Average monthly fair market value of securities	1a	935,024.
b	Average of monthly cash balances	1b	38,668.
c	Fair market value of all other assets (see instructions)	1c	
d	**Total** (add lines 1a, b, and c)	1d	973,692.
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	973,692.
4	Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	14,605.
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4	5	959,087.
6	**Minimum investment return.** Enter 5% of line 5	6	47,954.

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	47,954.
2a	Tax on investment income for 2013 from Part VI, line 5 — 2a: 276.		
b	Income tax for 2013. (This does not include the tax from Part VI.) — 2b:		
c	Add lines 2a and 2b	2c	276.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	47,678.
4	Recoveries of amounts treated as qualifying distributions	4	
5	Add lines 3 and 4	5	47,678.
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	47,678.

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	49,000.
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	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	49,000.
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	276.
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	48,724.

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				47,678.
2 Undistributed income, if any, as of the end of 2013:				
a Enter amount for 2012 only			46,715.	
b Total for prior years: 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2013:				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012				
f **Total** of lines 3a through e	0.			
4 Qualifying distributions for 2013 from Part XII, line 4 ► $ 49,000.				
a Applied to 2012, but not more than line 2a			46,715.	
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 2013 distributable amount				2,285.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2013 *(If an amount appears in column (d), the same amount must be shown in column (a).)*	0.			0.
6 **Enter the net total of each column as indicated below:**				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2012 Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2013 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2014				45,393.
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 2008 not applied on line 5 or line 7 (see instructions)	0.			
9 **Excess distributions carryover to 2014.** Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9.				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

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

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

1 **Information Regarding Foundation Managers:**

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

None

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

None

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

Check here ► [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 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*				
See Statement 7				
Total			► 3a	49,000.
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	5.	
4 Dividends and interest from securities			14	33,787.	
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					
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)				33,792.	

13 **Total.** Add line 12, columns (b), (d), and (e) 13 33,792.

(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)
N/A	

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	1 a (1)		X
(2) Other assets	1 a (2)		X
b Other transactions			
(1) Sales of assets to a noncharitable exempt organization	1 b (1)		X
(2) Purchases of assets from a noncharitable exempt organization	1 b (2)		X
(3) Rental of facilities, equipment, or other assets	1 b (3)		X
(4) Reimbursement arrangements	1 b (4)		X
(5) Loans or loan guarantees	1 b (5)		X
(6) Performance of services or membership or fundraising solicitations	1 b (6)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1 c		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			

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

b If 'Yes,' complete the following schedule

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

Sign Here

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

Michael J. Kelly Jr. | 11/17/14 | Treasurer

Signature of officer or trustee | Date | Title

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
MICHAEL J. KELLY, JR. CPA, CFP	MICHAEL J. KELLY, JR. CPA	11/17/14	X	P00697735

Firm's name ► Kelly & Associates — Firm's EIN ► 77-0159132

Firm's address ► 360 Kiely Boulevard, Suite 240, San Jose, CA 95129 — Phone no (408) 241-3300

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, 990-PF) and its instructions is at *www.irs.gov/form990*.**

OMB No 1545-0047

2013

Name of the organization	Employer identification number
ERNEST E. PESTANA CHARITABLE FOUNDATION, INC.	77-0891712

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	Employer identification number
ERNEST E. PESTANA	77-0891712

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	ERNEST E. PESTANA SEPARATE PROP. TR 360 KIELY BOULEVARD, SUITE 240 SAN JOSE, CA 95129	$ 30,000.	Person [X] 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	Employer identification number
ERNEST E. PESTANA	77-0891712

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
		$	

Name of organization: ERNEST E. PESTANA

Employer identification number: 77-0891712

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 total of *exclusively* religious, charitable, etc., contributions of **$1,000 or less** for the year. (Enter this information once. See instructions.) ► $ N/A

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
	N/A		

(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

Statement 1
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ATTORNEY GEN REGISTRY OF CHAR TRUST FEE	$ 50.			
BANK SERVICE CHARGE	60.			
FEDERAL TAX	200.			
INVESTMENT MANAGEMENT FEES	6,231.	$ 6,231.		
STATE FILING FEE	25.			
Total	$ 6,566.	$ 6,231.	$ 0.	$ 0.

Statement 2
Form 990-PF, Part II, Line 10a
Investments - U.S. and State Government Obligations

U.S. Government Obligations	Valuation Method	Book Value	Fair Market Value
PERSHING, LLC-SEE ATTACHED PERSHING STMT	Cost	$ 447,316.	$ 422,182.
		$ 447,316.	$ 422,182.
	Total	$ 447,316.	$ 422,182.

Statement 3
Form 990-PF, Part II, Line 10c
Investments - Corporate Bonds

Corporate Bonds	Valuation Method	Book Value	Fair Market Value
PERSHING, LLC-SEE ATTACHED PERSHING STMT	Cost	$ 520,900.	$ 493,633.
	Total	$ 520,900.	$ 493,633.

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

	Book Value	Fair Market Value
PREPAID FEDERAL TAXES	$ 78.	$ 78.
Total	$ 78.	$ 78.

Statement 5
Form 990-PF, Part III, Line 3
Other Increases

PRIOR PERIOD ADJUSTMENTS	$ 78.
Total	$ 78.

Statement 6
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	20,000.00 UNITED STATES TREAS NTS	Purchased	12/08/2011	1/03/2013
2	20,000.00 FEDERAL NATL MTG ASS K NTS 4.375%	Purchased	12/08/2011	3/15/2013
3	10,000.00 ORACLE CORP NT 4.950 %	Purchased	12/09/2011	4/15/2013
4	10,000.00 UNITED STATES TREAS NTS	Purchased	12/08/2011	5/07/2013
5	45,000,00 FEDERAL HOME LN MTG ENCE NOTE 4.500%	Purchased	12/08/2011	6/28/2013
6	40,000.00 3M CO MEDIUM TERM NT S MEDIUM	Purchased	12/08/2011	8/15/2013
7	26,000.00 UNITED STATES TREAS NTS	Purchased	12/08/2011	9/05/2013
8	14,000.00 UNITED STATES TREAS NTS	Purchased	12/08/2011	9/30/2013

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i)-(j)	(l) Gain (Loss)
1	20,092.		20,084.	8.				$ 8.
2	20,000.		20,000.	0.				0.
3	10,000.		10,000.	0.				0.
4	10,002.		10,002.	0.				0.
5	45,077.		45,075.	2.				2.
6	40,000.		40,000.	0.				0.
7	26,052.		26,062.	-10.				-10.
8	14,000.		14,000.	0.				0.
							Total	$ 0.

Statement 7
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
AMERICAN HEART ASSOCIATION 1400 N. DUTTON AVENUE, SUITE 20 SANTA ROSA, CA 95401	NONE	501(C)(3)	CONTRIBUTION TO THE AMERICAN HEART ASSOCIATION FOR THE PREVENTION OF HEART DISEASE.	$ 3,000.

Statement 7 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
SHRINERS HOSPITAL FOR CHILDREN 2900 ROCKY POINT DR TAMPA, FL 33607	NONE	501(C)(3)	THIS IS A CHILDREN'S HOSPITAL THAT PROVIDES MEDICAL CARE TO CHILDREN IN NEED.	$ 3,000.
ST. JUDE CHILDREN'S RES. HOSP 501 ST. JUDE PLACE MEMPHIS, TN 38105	NONE	501(C)(3)	THIS IS A CHILDREN'S HOSPITAL THAT PROVIDES MEDICAL CARE TO CHILDREN IN NEED.	5,000.
MAYO CLINIC FOUNDATION 13400 EAST SHEA BOULEVARD SCOTTSDALE, AZ 85259	NONE	501(C)(3)	THE PURPOSE OF THE GRANT WAS TO PROVIDE THE MAYO CLINIC WITH FUNDS TO BE UTILIZED IN THEIR CAMPAIGN AGAINST ALZHEIMER DISEASE AND MELANOMA RESEARCH EFFORTS.	1,000.
AMERICAN CANCER SOCIETY PO BOX 22718 OKLAHOMA CITY, OK 73123	NONE	501(C)(3)	CONTRIBUTION TO THE AMERICAN CANCER SOCIETY TO HELP AIDE IN THE TREATMENT OF CANCER PATIENTS.	5,000.
ALZHEIMER'S DISEASE RESEARCH 22512 GATEWAY CENTER DRIVE CLARKSBURG, MD 20871	NONE	501(C)(3)	CONTRIBUTION TO ALZHEIMER'S DISEASE RESEARCH TO AIDE IN THE TREATMENT OF ALZHEIMER'S DISEASE.	5,000.
SHEPERD'S GATE 1600 PORTOLA AVENUE LIVERMORE, CA 94551	NONE	501(C)(3)	CONTRIBUTION TO SHEPERD'S GATE TO HELP PROVIDE BASIC NEEDS FOR WOMEN AND CHILDREN.	5,000.

Statement 7 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
HUMANE SOCIETY SILICON VALLEY 901 AMES AVENUE MILPITAS, CA 95035	NONE	501(C)(3)	CONTRIBUTION TO THE HUMANE SOCIETY TO PROVIDE FOR THE CARE OF FOSTER ANIMALS.	$ 5,000.
SUSAN G. KOMEN FOR THE CURE 5005 LBJ FREEWAY, SUITE 250 DALLAS, TX 75244	NONE	501(C)(3)	CONTRIBUTION TO SUSAN G. KOMEN FOR THE CURE TO AIDE IN CANCER RESEARCH.	3,000.
ARCHBISHOP MITTY HIGH SCHOOL 5000 MITTY AVENUE SAN JOSE, CA 95129	NONE	501(C)(3)	CONTRIBUTION TO ARCHBISHOP MITTY HIGH SCHOOL FOR SUPPORT FOR YOUTH FOUNDATIONS.	2,000.
NIKE ANIMAL RESCUE FOUNDATION P.O. BOX 26587 SAN JOSE, CA 95159	NONE	501(C)(3)	CONTRIBUTION TO THE NIKE ANIMAL RESCUE FOUNDATION TO PROVIDE FOR THE CARE OF FOSTER ANIMALS.	5,000.
J.W. HOUSE 3850 HOMESTEAD ROAD SANTA CLARA, CA 95051	NONE	501(C)(3)	CONTRIBUTION TO J.W. HOUSE TO PROVIDE SUPPORT TO FAMILIES UNDERGOING MEDICAL CRISIS.	5,000.
BELLARMINE COLLEGE PREPATORY 960 WEST HEDDING STREET SAN JOSE, CA 95126	NONE	501(C)(3)	CONTRIBUTION TO BELLARMINE COLLEGE PREPARATORY FOR SUPPORT FOR YOUTH FOUNDATIONS.	2,000.
			Total	$ 49,000.

MICHAEL J. KELLY, JR. IS AN OFFICER AND DIRECTOR OF ERNEST E. PESTANA CHARITABLE FOUNDATION, INC. MICHAEL IS ALSO A CERTIFIED FINANCIAL PLANNER AND INVESTMENT ADVISOR ASSOCIATE THROUGH CENTAURUS FINANCIAL, INC. DURING THE CALENDAR YEAR, MICHAEL RECEIVED $2,921 OF INVESTMENT ADVISORY FEES FROM THE FOUNDATION FOR SERVICES RENDERED IN CONNECTION WITH PORTFOLIO MANAGEMENT.

Form **8868**
(Rev January 2014)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

► File a separate application for each return.
► Information about Form 8868 and its instructions is at *www.irs.gov/form8868*.

OMB No 1545-1709

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

Type or print File by the due date for filing your return See instructions	Name of exempt organization or other filer, see instructions ERNEST E. PESTANA CHARITABLE FOUNDATION, INC.	Employer identification number (EIN) or 77-0891712
	Number, street, and room or suite number If a P O box, see instructions 360 KIELY BOULEVARD #240	Social security number (SSN)
	City, town or post office, state, and ZIP code For a foreign address, see instructions SAN JOSE, CA 95129	

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 (other than individual)	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 ► MICHAEL J. KELLY, JR. CPA, CFP

  Telephone No ► 408-241-3300 Fax No ► (408) 241-8072
- 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 8/15, 20 14, to file the exempt organization return for the organization named above The extension is for the organization's return for
► [X] calendar year 20 13 or
► [ ] tax year beginning ________, 20 ___, and ending ________, 20 ___

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 Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	**3a**	$ 1,078.
b If this application is for Forms 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**	$ 78.
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**	$ 1,000.

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions

- If you are filing for an **Additional (Not Automatic) 3-Month Extension, complete only Part II** and check this box ► [X]

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1)

Part II | **Additional (Not Automatic) 3-Month Extension of Time.** Only file the original (no copies needed).

Enter filer's identifying number, see instructions

Type or print	Name of exempt organization or other filer, see instructions ERNEST E. PESTANA CHARITABLE FOUNDATION, INC.	Employer identification number (EIN) or 77-0891712
File by the extended due date for filing your return See instructions	Number, street, and room or suite number If a P O box, see instructions Kelly & Associates 360 Kiely Boulevard, Suite 240	Social security number (SSN)
	City, town or post office, state, and ZIP code For a foreign address, see instructions San Jose, CA 95129	

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-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	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

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in care of ► MICHAEL J. KELLY, JR. CPA, CFP
  Telephone No ► 408-241-3300 Fax No ► (408) 241-8072
- 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

4 I request an additional 3-month extension of time until 11/15 , 20 14

5 For calendar year 2013 , or other tax year beginning ______ , 20 __ , and ending ______ , 20 __

6 If the tax year entered in line 5 is for less than 12 months, check reason [ ] Initial return [ ] Final return [ ] Change in accounting period

7 State in detail why you need the extension TAXPAYER RESPECTFULLY REQUESTS ADDITIONAL TIME TO FILE THE EXEMPT ORGANIZATION TAX RETURNS IN ORDER TO OBTAIN INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE TAX RETURN.

8 a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions	**8 a**	$ 78.
b If this application is for Forms 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 and any amount paid previously with Form 8868	**8 b**	$ 78.
c Balance due. Subtract line 8b from line 8a Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	**8 c**	$ 0.

Signature and Verification must be completed for Part II only.

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ► Michael J. Kelly Jr. CPA, CFP Title ► Treasurer Date ► 8/14/14

2300 Katella Avenue, Suite 200
Anaheim, CA 92806
Tel (714) 456-1790
Fax (714) 456-9277

Brokerage
Account Statement

Statement Period: 12/01/2013 - 12/31/2013

Schedule of Realized Gains and Losses Year-to-Date *(continued)*

When you report your cost basis on your tax return, it should be verified using all of your own records. In particular, there may be other adjustments which you need to make, but are not required to be made by Pershing as it relates to H R 1424. You should consult with your tax advisor in order to properly report your gain or loss for tax purposes. Pershing shall not be responsible for and makes no representations or warranties with respect to the accuracy of any information that you report to the IRS or other taxing authorities, and, accordingly, disclaims any and all liability that may arise with respect to your use and reliance on the information provided herein for such reporting

Cost Basis on fixed income securities is adjusted for amortization, accretion or principal paydowns. The method of calculation is based upon the type of fixed income security and certain attributes, obtained from sources believed to be reliable In the event, one or more of these attributes is changed, there may be a temporary incorrect adjusted cost basis reflected until the portfolio system is amended to reflect this change These calculations will not be performed under certain circumstances, including those involving continuously callable bonds, foreign bonds, variable rates, bonds in default, index-linked bonds, bonds sold short or bonds that have a negative yield. This information is meant as a general guide and you should consult your tax advisor in the preparation of your tax returns

Please refer to the Your Account Information Section in your brokerage account statement for your account's existing tax-lot disposition method. The disposition method is the method which you have selected to use in the disposal of each tax lot of the securities held in your account. If you do not select a method, your account will be defaulted to First In, First Out (FIFO) Your account's selected tax lot method will be used to determine the cost basis for calculating gain and/or loss, unless another method was selected at the time of the security disposal, and this may be reported on the IRS Form 1099-B.

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Portfolio Holdings

Opening Date	Quantity	Account Number	Activity Ending	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-Day Yield	Current Yield
Cash, Money Funds, and Bank Deposits 1.00% of Portfolio									
Money Market									
FEDERATED CAPITAL RESERVES									
11/30/13	12,634 860	0002076160	12/31/13	41,747 36	12,634 86	0 00	0 07	0 00%	0 00%
Total Money Market				**$41,747.36**	**$12,634.86**	**$0.00**	**$0.07**		
Total Cash, Money Funds, and Bank Deposits				**$41,747.36**	**$12,634.86**	**$0.00**	**$0.07**		

Date Acquired	Quantity	Unit Cost	Adjusted Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
Fixed Income 99.00% of Portfolio *(In CUSIP Sequence)*									
U.S.Treasury Securities									
UNITED STATES TREAS NTS			**Security Identifier: 912828CT5**						
4 250% 08/15/14 B/E DTD 08/15/04									
1ST CPN DTE 02/15/05 CPN PMT SEMI ANNUALON FEB 15 AND AUG 15									
Moody Rating AAA									
12/08/11 *	45,000 000	102 4410	46,098 46	102 5470	46,146 15	47 69	717 19	1,912 50	4 14%
		Original Cost Basis $49,718 12							

[redacted]

Portfolio Holdings *(continued)*

Date Acquired	Quantity	Unit Cost	Adjusted Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
Fixed Income *(continued)*									
U.S.Treasury Securities *(continued)*									
UNITED STATES TREAS NTS			**Security Identifier: 912828EW6**						
4 500% 02/15/16 B/E DTD 02/15/06									
1ST CPN DTE 08/15/06 CPN PMT SEMI ANNUALON FEB 15 AND AUG 15									
Moody Rating AAA									
12/08/11 *	45,000 000	108 1600	48,672 04	108 6480	48,891 60	219 56	759 38	2,025 00	4 14%
			Original Cost Basis $52,187 85						
UNITED STATES TREAS NTS			**Security Identifier: 912828JR2**						
3 750% 11/15/18 B/E DTD 11/15/08									
1ST CPN DTE 05/15/09 CPN PMT SEMI ANNUALON MAY 15 AND NOV 15									
Moody Rating AAA									
11/08/12 *	30,000 000	113 8580	34,157 28	109 7420	32,922 60	-1,234 68	142 96	1,125 00	3 41%
			Original Cost Basis $35,107 15						
UNITED STATES TREAS NOTES			**Security Identifier: 912828KQ2**						
3 125% 05/15/19 B/E DTD 05/15/09									
1ST CPN DTE 11/15/09 CPN PMT SEMI ANNUALON MAY 15 AND NOV 15									
Moody Rating AAA									
12/08/11 *	25,000 000	108 4390	27,109 75	106 5630	26,640 75	-469 00	99 27	781 25	2 93%
			Original Cost Basis $27,875 10						
UNITED STATES TREAS NTS			**Security Identifier: 912828MP2**						
3 625% 02/15/20 B/E DTD 02/15/10									
1ST CPN DTE 08/15/10 CPN PMT SEMI ANNUALON FEB 15 AND AUG 15									
Moody Rating AAA									
12/08/11 *	12,000 000	111 5830	13,389 99	108 8440	13,061 28	-328 71	163 13	435 00	3 33%
			Original Cost Basis $13,827 24						
07/26/12 *	18,000 000	115 5840	20,805 17	108 8440	19,591 92	-1,213 25	244 69	652 50	3 33%
			Original Cost Basis $21,436 24						
08/24/12 *	5,000 000	114 3770	5,718 87	108 8440	5,442 20	-276 67	67 97	181 25	3 33%
			Original Cost Basis $5,869 94						
10/11/12 *	5,000 000	114 5040	5,725 19	108 8440	5,442 20	-282 99	67 97	181 25	3 33%
			Original Cost Basis $5,863 50						
06/07/13 *	10,000 000	112 8550	11,285 46	108 8440	10,884 40	-401 06	135 93	362 50	3 33%
			Original Cost Basis $11,397 31						
Total Noncovered	**50,000.000**		**56,924.68**		**54,422.00**	**-2,502.68**	**679.69**	**1,812.50**	
Total	**50,000.000**		**$56,924.68**		**$54,422.00**	**-$2,502.68**	**$679.69**	**$1,812.50**	

centaurus financial inc
2300 Katella Avenue, Suite 200
Anaheim, CA 92806
Tel (714) 456-1790
Fax (714) 456-9277

Brokerage
Account Statement

Statement Period: 12/01/2013 - 12/31/2013

Portfolio Holdings *(continued)*

Date Acquired	Quantity	Unit Cost	Adjusted Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
Fixed Income *(continued)*									
U.S.Treasury Securities *(continued)*									
UNITED STATES TREAS NTS			**Security Identifier: 912828PC8**						
2 625% 11/15/20 B/E DTD 11/15/10									
1ST CPN DTE 05/15/11 CPN PMT SEMI ANNUALON MAY 15 AND NOV 15									
Moody Rating AAA									
12/08/11 *	30,000 000	105.1950	31,558 36	101 6250	30,487 50	-1,070 86	100 07	787.50	2 58%
			Original Cost Basis $31,988.79						
UNITED STATES TREAS NTS			**Security Identifier: 912828SF8**						
2 000% 02/15/22 B/E DTD 02/15/12									
1ST CPN DTE 08/15/12 CPN PMT SEMI ANNUALON FEB 15 AND AUG 15									
Moody Rating AAA									
06/28/13 *	33,000 000	97.7580	32,260 21	94 8980	31,316 34	-943 87	247 50	660.00	2 10%
			Original Cost Basis $32,260 21						
UNITED STATES TREAS NTS			**Security Identifier: 912828VS6**						
2 500% 08/15/23 B/E DTD 08/15/13									
1ST CPN DTE 02/15/14 CPN PMT SEMI ANNUALON FEB 15 AND AUG 15									
Moody Rating AAA									
09/05/13 *	50,000 000	95.9320	47,966 09	96 0310	48,015 50	49 41	468 75	1,250 00	2 60%
			Original Cost Basis $47,910 36						
Total U.S. Treasury Securities	**308,000.000**		**$324,746.87**		**$318,842.44**	**-$5,904.43**	**$3,214.81**	**$10,353.75**	
U.S. Government Bonds									
FEDERAL NATL MTG ASSN BENCHMARK NOTES			**Security Identifier: 31359MWJ8**						
4 625% 10/15/14 B/E DTD 09/17/04									
1ST CPN DTE 10/15/04 CPN PMT SEMI ANNUALON APR 15 AND OCT 15									
Moody Rating AAA S & P Rating AA+									
12/08/11 *	45,000 000	103.1800	46,430 89	103 4940	46,572 30	141 41	439 38	2,081 25	4 46%
			Original Cost Basis. $50,119 70						

[redacted]

Portfolio Holdings *(continued)*

Date Acquired	Quantity	Unit Cost	Adjusted Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
Fixed Income *(continued)*									
U.S. Government Bonds *(continued)*									
FEDERAL HOME LN MTG CORP REFERENCE NTS			**Security Identifier: 3137EACM9**						
FED REFERENCE NOTE 1 750% 09/10/15 B/E DTD 09/10/10 1ST CPN DTE 03/10/11CPN PMT SEMI ANNUAL ON MAR 10 AND SEP 10 Moody Rating AAA S & P Rating AA+									
05/07/13 *	10,000 000	102 4370	10,243 74	102 3320	10,233 20	-10 54	53 96	175 00	1 71%
			Original Cost Basis $10,336 12						
FEDERAL HOME LN MTG CORP REFERENCE NTS			**Security Identifier: 3137EACW7**						
FED REFERENCE NOTE 2 000% 08/25/16 B/E DTD 07/08/11 1ST CPN DTE 08/25/11CPN PMT SEMI ANNUAL ON FEB 25 AND AUG 25 Moody Rating AAA S & P Rating AA+									
07/26/12 *	5,000 000	103 6130	5,180 64	103 4110	5,170 55	-10 09	35 00	100 00	1 93%
			Original Cost Basis $5,275 90						
10/11/12 *	15,000 000	103 7890	15,568 37	103 4110	15,511 65	-56 72	105 00	300 00	1 93%
			Original Cost Basis $15,823 90						
01/03/13 *	25,000 000	103 7430	25,935 74	103 4110	25,852 75	-82 99	175 00	500 00	1 93%
			Original Cost Basis $26,277 05						
Total Noncovered	**45,000.000**		**46,684.75**		**46,534.95**	**-149.80**	**315.00**	**900.00**	
Total	**45,000.000**		**$46,684.75**		**$46,534.95**	**-$149.80**	**$315.00**	**$900.00**	
Total U.S. Government Bonds	**100,000.000**		**$103,359.38**		**$103,340.45**	**-$18.93**	**$808.34**	**$3,156.25**	
Corporate Bonds									
ALLSTATE CORP SR NT SER A			**Security Identifier: 020002AW1**						
6 200% 05/16/14 B/E DTD 05/13/09 1ST CPN DTE 11/16/09 CPN PMT SEMI ANNUALON MAY 16 AND NOV 16 Moody Rating A3 S & P Rating A-									
12/08/11 *	40,000 000	101 9380	40,775 26	102 1100	40,844 00	68 74	310 00	2,480 00	6 07%
			Original Cost Basis $44,923 20						
BERKSHIRE HATHAWAY FIN CORP GTD SR NT			**Security Identifier: 084664AT8**						
4 850% 01/15/15 B/E DTD 01/11/05 CALLABLE 1ST CPN DTE 07/15/05CPN PMT SEMI ANNUAL ON JAN 15 AND JUL 15 Moody Rating AA2 S & P Rating AA									
12/09/11 *	40,000 000	103 9430	41,577 39	104 6720	41,868 80	291 41	894 56	1,940 00	4 63%
			Original Cost Basis $44,624 00						

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Brokerage Account Statement

Statement Period: 12/01/2013 - 12/31/2013

Portfolio Holdings *(continued)*

Date Acquired	Quantity	Unit Cost	Adjusted Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
Fixed Income *(continued)*									
Corporate Bonds *(continued)*									
CATERPILLAR INC FIXED RT SR NT 3 900% 05/27/21 B/E DTD 05/27/11 1ST CPN DTE 11/27/11 CPN PMT SEMI ANNUALON MAY 27 AND NOV 27 Moody Rating A2 S & P Rating A			**Security Identifier: 149123BV2**						
04/05/12 *	35,000.000	109 1460	38,201 03 Original Cost Basis $38,537 45	103 8700	36,354 50	-1,846 53	128 92	1,365 00	3 75%
CISCO SYS INC SR NT 5.500% 02/22/16 B/E DTD 02/22/06 1ST CPN DTE 08/22/06 CPN PMT SEMI ANNUAL ON FEB 22 AND AUG 22Moody Rating A1 S & P Rating AA-			**Security Identifier: 17275RAC6**						
12/09/11 *	40,000 000	108 3480	43,339 34 Original Cost Basis $46,422.00	110 0130	44,005 20	665 86	788 33	2,200 00	4 99%
CONOCOPHILLIPS GTD NT 4 600% 01/15/15 B/E DTD 05/21/09 CALLABLE 1ST CPN DTE 01/15/10CPN PMT SEMI ANNUAL ON JAN 01 AND JUL 01 Moody Rating A1 S & P Rating A			**Security Identifier: 20825CAT1**						
12/09/11 *	40,000 000	103 7670	41,506 74 Original Cost Basis $44,420.40	104 2380	41,695 20	188 46	848 44	1,840 00	4 41%
DEERE & CO SR NT 2.600% 06/08/22 B/E DTD 06/08/12 CALLABLE 03/08/22 @ 100 000 1ST CPN DTE 12/08/12CPN PMT SEMI ANNUAL ON JUN 08 AND DEC 08 Moody Rating A2 S & P Rating A			**Security Identifier: 244199BE4**						
08/15/12 *	10,000 000	101 5260	10,152 60 Original Cost Basis $10,175.20	93 5070	9,350 70	-801 90	16 61	260 00	2 78%
06/07/13 *	15,000 000	99 1600	14,874 05 Original Cost Basis $14,866 80	93 5070	14,026 05	-848 00	24 92	390 00	2 78%
Total Noncovered	**25,000.000**		**25,026.65**		**23,376.75**	**-1,649.90**	**41.53**	**650.00**	
Total	**25,000.000**		**$25,026.65**		**$23,376.75**	**-$1,649.90**	**$41.53**	**$650.00**	

Portfolio Holdings *(continued)*

Date Acquired	Quantity	Unit Cost	Adjusted Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
Fixed Income *(continued)*									
Corporate Bonds *(continued)*									
DU PONT E I DE NEMOURS & CO FIXED RATE NT 3 250% 01/15/15 B/E DTD 11/09/09 1ST CPN DTE 07/15/10CPN PMT SEMI ANNUAL ON JAN 15 AND JUL 15 Moody Rating A2 S & P Rating A			**Security Identifier: 263534BY4**						
12/09/11 *	40,000 000	102 3420	40,936 65	102 8690	41,147 60	210 95	599 44	1,300 00	3 15%
			Original Cost Basis $42,747 20						
EBAY INC NT 1.350% 07/15/17 B/E DTD 07/24/12 CALLABLE 1ST CPN DTE 01/15/13 CPN PMT SEMI ANNUALON JAN 15 AND JUL 15 Moody Rating A2 S & P Rating A			**Security Identifier: 278642AG8**						
11/14/12 *	46,000 000	101 1350	46,521 90	99 4300	45,737 80	-784 10	286 35	621 00	1 35%
			Original Cost Basis $46,682 18						
INTEL CORP SR NT 1.950% 10/01/16 B/E DTD 09/19/11 CALLABLE 1ST CPN DTE 04/01/12 CPN PMT SEMI ANNUALON APR 01 AND OCT 01 Moody Rating A1 S & P Rating A+			**Security Identifier: 458140AH3**						
12/09/11 *	40,000 000	101 1100	40,443 88	102 8000	41,120 00	676 12	195 00	780 00	1 89%
			Original Cost Basis $40,761 60						
JPMORGAN CHASE & CO FIXED RATE 3 700% 01/20/15 B/E DTD 09/18/09 1ST CPN DTE 01/20/10 CPN PMT SEMI ANNUALON JAN 20 AND JUL 20 Moody Rating A3 S & P Rating A			**Security Identifier: 46625HHP8**						
12/09/11 *	40,000 000	101 0070	40,402 96	103 1200	41,248 00	845 04	661 89	1,480 00	3 58%
			Original Cost Basis $41,151 20						
ORACLE CORP / OZARK HLDG INC NT 5 250% 01/15/16 B/E DTD 01/13/06 1ST CPN DTE 07/15/06 CPN PMT SEMI ANNUALON JAN 15 AND JUL 15 Moody Rating A1 S & P Rating A+			**Security Identifier: 68402LAC8**						
08/16/13 *	30,000 000	108 9020	32,670 46	109 1600	32,748 00	77 54	726 25	1,575 00	4 80%
			Original Cost Basis $33,134 40						
U S BANCORP MEDIUM TERM NTS 4 200% 05/15/14 B/E DTD 05/14/09 1ST CPN DTE 11/15/09 CPN PMT SEMI ANNUALON MAY 15 AND NOV 15 Moody Rating A1 S & P Rating A+			**Security Identifier: 91159HGR5**						
12/08/11 *	40,000 000	101.0990	40,439 65	101 4090	40,563 60	123 95	214 67	1,680 00	4 14%
			Original Cost Basis $42,803 60						

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Brokerage Account Statement

Statement Period: 12/01/2013 - 12/31/2013

Portfolio Holdings *(continued)*

Date Acquired	Quantity	Unit Cost	Adjusted Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
Fixed Income *(continued)*									
Corporate Bonds *(continued)*									
WELLS FARGO & CO NEW SR UNSECD NT 5 625% 12/11/17 B/E DTD 12/10/07 1ST CPN DTE 06/11/08 CPN PMT SEMI ANNUALON JUN 11 AND DEC 11 Moody Rating A2 S & P Rating A+			**Security Identifier: 949746NX5**						
08/24/12 *	20,000 000	114 7120	22,942 47 Original Cost Basis: $23,893 00	114.6200	22,924 00	-18 47	62 50	1,125 00	4 90%
Total Corporate Bonds	**476,000.000**		**$494,784.38**		**$493,633.45**	**-$1,150.93**	**$5,757.88**	**$19,036.00**	
Total Fixed Income	**884,000.000**		**$922,890.63**		**$915,816.34**	**-$7,074.29**	**$9,781.03**	**$32,546.00**	

	Cost Basis	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income
Total Portfolio Holdings	**$935,525.49**	**$928,451.20**	**-$7,074.29**	**$9,781.03**	**$32,546.07**

* Noncovered under the cost basis rules as defined below.

Securities acquired before 2011 are generally not subject to the new cost basis reporting rules set forth in the Internal Revenue Code of 1986, as amended ("IRC") (incorporating amendments enacted by P.L 110-343, the Emergency Economic Stabilization Act of 2008) and are, therefore, considered " noncovered," under the new cost basis reporting rules, and marked or denoted as such All other securities in this section are securities which are "covered" under the new cost basis reporting rules. Securities which are "covered" under the new cost basis reporting rules are defined as securities which have been acquired on or after their "applicable date(s)" at which they are subject to the cost basis reporting rules and the adjusted basis will be reported to the IRS on form 1099-B for the applicable tax year in which the security is disposed

Reporting requirements generally will be phased in over a three-year period, as follows:

- Stock in a corporation acquired on or after January 1, 2011
- Mutual funds and dividend reinvestment plan (DRP) shares acquired on or after January 1, 2012
- Other securities, principally debt securities and options, acquired on or after January 1, 2013, or later, as determined by the Secretary of the Treasury

Cost Basis on fixed income securities is adjusted for amortization, accretion or principal paydowns. The method of calculation is based upon the type of fixed income security and certain attributes, obtained from sources believed to be reliable. In the event, one or more of these attributes is changed, there may be a temporary incorrect adjusted cost basis reflected until the portfolio system is amended to reflect this change. These calculations will not be performed under certain circumstances, including those involving continuously callable bonds, foreign bonds, variable rates, bonds in default, index-linked bonds, bonds sold short or bonds that have a negative yield This information is meant as a general guide and you should consult your tax advisor in the preparation of your tax returns.