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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](http://www.irs.gov/form990pf).

OMB No 1545-0052

2014

Open to Public Inspection

For calendar year 2014 or tax year beginning JUL 1, 2014, and ending JUN 30, 2015

Name of foundation <b>MARGOLIS FOUNDATION</b> <b>C/O LOREN D. HOSTEK, CPA</b>		A Employer identification number <b>91-1995329</b>
Number and street (or P.O. box number if mail is not delivered to street address) <b>4209 - 21ST AVE. WEST</b>	Room/suite <b>401</b>	B Telephone number <b>206-623-9395</b>
City or town, state or province, country, and ZIP or foreign postal code <b>SEATTLE, WA 98199</b>		C If exemption application is pending, check here <input type="checkbox"/>
G Check all that apply: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) <b>\$ 4232469.</b>	J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received	1204810.			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	111711.	111711.	111711.	STATEMENT 2
5a Gross rents	2751.	2751.	2751.	STATEMENT 3
b Net rental income or (loss)	2751.			
6a Net gain or (loss) from sale of assets not on line 10	88022.			STATEMENT 1
b Gross sales price for all assets on line 6a	1748515.			
7 Capital gain net income (from Part IV, line 2)		568138.		
8 Net short-term capital gain			N/A	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income	-9095.	-9095.	-9095.	STATEMENT 4
12 Total. Add lines 1 through 11	1398199.	673505.	105367.	
13 Compensation of officers, directors, trustees, etc.	0.	0.	0.	0.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees	4385.	0.	0.	4385.
c Other professional fees				
17 Interest	92.	92.	0.	0.
18 Taxes	717.	717.	0.	0.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses	12678.	172.	0.	12506.
24 Total operating and administrative expenses. Add lines 13 through 23	17872.	981.	0.	16891.
25 Contributions, gifts, grants paid	135550.			135550.
26 Total expenses and disbursements. Add lines 24 and 25	153422.	981.	0.	152441.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	1244777.			
b Net investment income (if negative, enter -0-)		672524.		
c Adjusted net income (if negative, enter -0-)			105367.	

423501 11-24-14 LHA For Paperwork Reduction Act Notice, see instructions.

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**Part II Balance Sheets**

Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
<b>Assets</b>	1 Cash - non-interest-bearing		-1.	-1.
	2 Savings and temporary cash investments	263811.	343035.	343035.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 10	2159112.	2822752.	3170581.
	c Investments - corporate bonds			
	11 Investments - land, buildings, and equipment: basis ▶			
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other STMT 11	121589.	612389.	714119.	
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶ MARGIN BALANCE)	3643.	4735.	4735.	
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	2548155.	3782910.	4232469.	
<b>Liabilities</b>	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			
	22 Other liabilities (describe ▶)			
23 Total liabilities (add lines 17 through 22)	0.	0.		
<b>Net Assets or Fund Balances</b>	Foundations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	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 ▶ <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds	0.	0.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund	0.	0.	
	29 Retained earnings, accumulated income, endowment, or other funds	2548155.	3782910.	
30 Total net assets or fund balances	2548155.	3782910.		
31 Total liabilities and net assets/fund balances	2548155.	3782910.		

**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	2548155.
2 Enter amount from Part I, line 27a	2	1244777.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	12178.
4 Add lines 1, 2, and 3	4	3805110.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 9	5	22200.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	3782910.

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**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b SEE ATTACHED STATEMENTS				
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 1748515.		1180377.	568138.	
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(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		
a				
b				
c				
d				
e			568138.	
2 Capital gain net income or (net capital loss)		2		568138.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8		3		-106505.

**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))
2013	148510.	2816182.	.052735
2012	69520.	2038587.	.034102
2011	87509.	1319125.	.066339
2010	94377.	1302549.	.072456
2009	134290.	1252781.	.107194
2 Total of line 1, column (d)		2	.332826
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	.066565
4 Enter the net value of noncharitable-use assets for 2014 from Part X, line 5		4	3505882.
5 Multiply line 4 by line 3		5	233369.
6 Enter 1% of net investment income (1% of Part I, line 27b)		6	6725.
7 Add lines 5 and 6		7	240094.
8 Enter qualifying distributions from Part XII, line 4		8	152441.

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.

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**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 <input type="checkbox"/> 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 <input type="checkbox"/> and enter 1% of Part I, line 27b		1	13450.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	13450.
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	13450.
6 Credits/Payments:			
a 2014 estimated tax payments and 2013 overpayment credited to 2014	6a		
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7		0.
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		303.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed SEE STATEMENT 12	9		13753.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10		
11 Enter the amount of line 10 to be: Credited to 2015 estimated tax Refunded	11		

**Part VII-A Statements Regarding Activities**

	Yes	No
1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)? 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		X
c Did the foundation file Form 1120-POL for this year?		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		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		X
4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T		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?	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	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) WA		
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	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 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses STMT 13	X	

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

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	13	X	
14	The books are in care of ► <u>RON MARGOLIS</u> Telephone no. ► <u>206-985-4607</u> Located at ► <u>4615 EAST PALAIS PLAAACE, TUCSON, AZ</u> ZIP+4 ► <u>85718</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year 15	N/A		
16	At any time during calendar year 2014, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for FinCEN Form 114, (formerly TD F 90-22.1). If "Yes," enter the name of the foreign country ►	16	Yes	No
				X

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

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

	Yes	No
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?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
(6) Agree to pay money or property to a government official? (Exception Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	1b
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 2014?		1c
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 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? If "Yes," list the years ►	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.)	N/A	2b
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
b If "Yes," did it have excess business holdings in 2014 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 2014.)	N/A	3b
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		4a
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 2014?		4b
		X

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Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required (continued)

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

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?

☐ Yes

☒ No

(2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?

☐ Yes

☒ No

(3) Provide a grant to an individual for travel, study, or other similar purposes?

☐ Yes

☒ No

(4) Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (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)?

N/A

☒

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

N/A

☐ Yes

☐ No

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

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?

☐ Yes

☒ No

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

☐ Yes

☒ 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

Part VIII

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

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

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
RON MARGOLIS	PRESIDENT/TREASURER			
4615 EAST PALAIS PLACE				
TUCSON, AZ 85718	1.00	0.	0.	0.
KATHLEEN CASTALDI	SECRETARY/V.P.			
4615 EAST PALAIS PLACE				
TUCSON, AZ 85718	1.00	0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If none, enter "NONE."

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000

0

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**Part VIII****Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors** (continued)**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

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

0

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

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

Expenses

1	N/A	

**Part IX-B****Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.

Amount

1	N/A	

All other program-related investments. See instructions.

3		

Total. Add lines 1 through 3

0.

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
<b>a</b>	Average monthly fair market value of securities	<b>1a</b>	3237523.
<b>b</b>	Average of monthly cash balances	<b>1b</b>	321748.
<b>c</b>	Fair market value of all other assets	<b>1c</b>	
<b>d</b>	<b>Total</b> (add lines 1a, b, and c)	<b>1d</b>	3559271.
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	<b>1e</b>	0.
<b>2</b>	Acquisition indebtedness applicable to line 1 assets	<b>2</b>	0.
<b>3</b>	Subtract line 2 from line 1d	<b>3</b>	3559271.
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	<b>4</b>	53389.
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4	<b>5</b>	3505882.
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5	<b>6</b>	175294.

**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.)

<b>1</b>	Minimum investment return from Part X, line 6	<b>1</b>	175294.
<b>2a</b>	Tax on investment income for 2014 from Part VI, line 5	<b>2a</b>	13450.
<b>b</b>	Income tax for 2014. (This does not include the tax from Part VI.)	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b	<b>2c</b>	13450.
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1	<b>3</b>	161844.
<b>4</b>	Recoveries of amounts treated as qualifying distributions	<b>4</b>	0.
<b>5</b>	Add lines 3 and 4	<b>5</b>	161844.
<b>6</b>	Deduction from distributable amount (see instructions)	<b>6</b>	0.
<b>7</b>	<b>Distributable amount as adjusted.</b> Subtract line 6 from line 5. Enter here and on Part XIII, line 1	<b>7</b>	161844.

**Part XII****Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
<b>a</b>	Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	<b>1a</b>	152441.
<b>b</b>	Program-related investments - total from Part IX-B	<b>1b</b>	0.
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the:		
<b>a</b>	Suitability test (prior IRS approval required)	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule)	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	<b>4</b>	152441.
<b>5</b>	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	<b>5</b>	0.
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4	<b>6</b>	152441.

**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 2013	(c) 2013	(d) 2014
<b>1</b> Distributable amount for 2014 from Part XI, line 7				161844.
<b>2</b> Undistributed income, if any, as of the end of 2014				
<b>a</b> Enter amount for 2013 only			0.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2014:				
<b>a</b> From 2009	65880.			
<b>b</b> From 2010	32636.			
<b>c</b> From 2011	23152.			
<b>d</b> From 2012				
<b>e</b> From 2013	29075.			
<b>f</b> Total of lines 3a through e	150743.			
<b>4</b> Qualifying distributions for 2014 from Part XII, line 4: ► \$ 152441.				
<b>a</b> Applied to 2013, but not more than line 2a			0.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2014 distributable amount				152441.
<b>e</b> Remaining amount distributed out of corpus	0.			
<b>5</b> Excess distributions carryover applied to 2014 (If an amount appears in column (d), the same amount must be shown in column (a))	9403.			9403.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	141340.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2013. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2014. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2015				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0.			
<b>8</b> Excess distributions carryover from 2009 not applied on line 5 or line 7	56477.			
<b>9</b> Excess distributions carryover to 2015. Subtract lines 7 and 8 from line 6a	84863.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 2010	32636.			
<b>b</b> Excess from 2011	23152.			
<b>c</b> Excess from 2012				
<b>d</b> Excess from 2013	29075.			
<b>e</b> Excess from 2014				

N/A

- ☐ 4942(j)(3) or ☐ 4942(j)(5)

- (4) Gross investment income**

[illegible]

2014.05050 MARGOLIS FOUNDATION C/O LOR 705389 1

## MARGOLIS FOUNDATION

Form 990-PF (2014)

C/O LOREN D. HOSTEK, CPA

91-1995329 Page 11

**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
<b>a Paid during the year</b>				
JEWISH FAMILY SERVICES		501(C)(3)	FURTHER CHARITABLE GOALS	7500.
HEBREW FREE BURIAL		501(C)(3)	FURTHER CHARITABLE GOALS	100.
EASTSIDE TORAH CENTER		501(C)(3)	FURTHER CHARITABLE GOALS	500.
CAMP GAN ISRAEL SEATTLE SEATTLE, WA		501(C)(3)	FURTHER CHARITABLE GOALS	1000.
CENTRAL ORGANIZTION FOR JEWISH EDUCATION		501(C)(3)	FURTHER CHARITABLE GOALS  FURTHER CHARITABLE GOALS	250.
<b>Total</b>	<b>SEE CONTINUATION SHEET(S)</b>			<b>135550.</b>
<b>b Approved for future payment</b>				
NONE				
<b>Total</b>				<b>0.</b>

## Enter gross amounts unless otherwise indicated.

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

423821  
11-24-14

Form **990-PF** (2014)



**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](http://www.irs.gov/form990).

OMB No 1545-0047

**2014**

Name of the organization

MARGOLIS FOUNDATION  
C/O LOREN D. HOSTEK, CPA

Employer identification number

91-1995329

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 foundationCheck 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, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions

**Special Rules**

- ☐ For an organization described in section 501(c)(3) 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), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions 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 an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled 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 totaling \$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).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2014)

Name of organization

MARGOLIS FOUNDATION

C/O LOREN D. HOSTEK, CPA

Employer identification number

91-1995329

**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	ESTATE OF ELIZABETH LEIBSON 4615 E PALAIS PL TUCSON, AZ 85718-1735	\$ 187224.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
2	ESTATE OF ELIZABETH LEIBSON 4615 E PALAIS PL TUCSON, AZ 85718-1735	\$ 1017586.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)



Name of organization

MARGOLIS FOUNDATION  
C/O LOREN D. HOSTEK, CPA

Employer identification number

91-1995329

**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
2	VARIOUS SECURITIES FROM MERRILL LYNCH ESTATE ACCOUNT 281-95181	\$ 1017586.	09/12/14
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Employer identification number

91-1995329

**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. 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 info once) ▶ \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed

423454 11-05-14

**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 STARBUCKS	P		
b STARBUCKS CALLS	P		
c ENERGY TRANSFER EQUITY LP-4000 UNITS	P	08/20/13	02/04/15
d SAN	P		
e EOG RESOURCES	P		
f FELCOR LODGING TRUST	P		
g SANTANDER FINANCE	P		
h DIGITAL REALTY TRUST	P		
i METLIFE INC PFD	P		
j MERRILL LYNCH CAP TR II	P		
k VERNADO REALTY TRUST	P		
l ALPS ETF TR ALERIAN	P		
m ARRIS GROUP INC	P		
n SEADRILL LTD	P		
o LINN CO	P		

(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 151747.			151747.
b 3192.			3192.
c 227134.		106404.	120730.
d 982.			982.
e 53743.		51218.	2525.
f 28250.		22977.	5273.
g 39135.		29590.	9545.
h 22718.		20505.	2213.
i 25498.		22850.	2648.
j 25202.		19187.	6015.
k 25259.		19580.	5679.
l 69129.		68723.	406.
m 26647.		32013.	-5366.
n 32036.		74441.	-42405.
o 23271.		48702.	-25431.

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			151747.
b			** 3192.
c			120730.
d			** 982.
e			2525.
f			5273.
g			9545.
h			2213.
i			2648.
j			6015.
k			5679.
l			** 406.
m			** -5366.
n			** -42405.
o			** -25431.

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 }

3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):  
If gain, also enter in Part I, line 8, column (c).  
If (loss), enter "-0-" in Part I, line 8

2

3

**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 KOMOS ENERGY	P		
b ELLINGTON FINANCIAL	P		
c KNOWLES CORP - ML	P		
d SEADRILL LTD - ML	P		
e SPECTRA ENERGY - ML	P		
f DOVER CORP - ML	P		
g VERITIV CORP - ML	P		
h MARATHON PETE CORP - ML	P		
i COMCAST CORP -ML	P		
j INT'L PAPER - ML	P		
k BANCO SANTANDER	P		
l PARAGON OFFSHORE PLC	P		
m PIMCO DYNMIC CR INC	P		
n NOBLE CORP	P		
o PRECISIONS CASTPARTS CORP	P		

(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 15775.		19841.	-4066.
b 20005.		21132.	-1127.
c 4752.			4752.
d 9720.			9720.
e 71919.			71919.
f 34655.			34655.
g 865.			865.
h 50798.			50798.
i 112293.			112293.
j 49214.			49214.
k 50196.		53350.	-3154.
l 6237.			6237.
m 68849.		71675.	-2826.
n 55238.		64922.	-9684.
o 24389.		25461.	-1072.

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			** -4066.
b			** -1127.
c			4752.
d			9720.
e			71919.
f			34655.
g			865.
h			50798.
i			112293.
j			49214.
k			** -3154.
l			** 6237.
m			** -2826.
n			** -9684.
o			** -1072.

2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter "-0-" in Part I, line 7 }	2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 }	3	

**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	FREEPORT MCMORAN	P		
b	BLACKSTONE GROUP LP	P		
c	CHEVRON CORP	P		
d	METLIFE INC	P		
e	OCCIDENTAL PETRO	P		
f	STATOIL	P		
g	YIELDSHARES HIGH INC ETF	P		
h	CABOT OIL & GAS	P		
i	BIOGEN	P		
j	GENERAL ELECTRIC-ML	P		
k	ENERGY TRANSFER EQUITY LP K-1	P		
l	OAKTREE CAPITAL GROUP LP-L-1	P		
m	OAKTREE CAPITAL GROUP LP-K-1	P		
n	ELLINGTON FIN'L -K-1	P		
o	BLACKSTONE GROUP LP-K-1	P		

(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	52438.	55355.	-2917.
b	29772.	33034.	-3262.
c	39654.	42074.	-2420.
d	34931.	37397.	-2466.
e	45848.	47977.	-2129.
f	24377.	25952.	-1575.
g	56494.	60157.	-3663.
h	31147.	34895.	-3748.
i	64128.	64513.	-385.
j	37183.		37183.
k	3226.	6452.	-3226.
l	11.		11.
m	95.		95.
n	19.		19.
o	344.		344.

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) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
a			** -2917.
b			** -3262.
c			** -2420.
d			** -2466.
e			** -2129.
f			** -1575.
g			** -3663.
h			** -3748.
i			** -385.
j			37183.
k			-3226.
l			** 11.
m			95.
n			** 19.
o			** 344.

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	568138.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter "-0-" in Part I, line 8 }	3	-106505.

91-1995329

3	Grants and Contributions Paid During the Year (Continuation)
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423831  
05-01-14

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

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
STARBUCKS	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
151747.	77190.	0.	0.	74557.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
STARBUCKS CALLS	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
3192.	0.	0.	0.	3192.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
ENERGY TRANSFER EQUITY LP-4000 UNITS	PURCHASED		08/20/13	02/04/15
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
227134.	106404.	0.	0.	120730.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
SAN	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
982.	0.	0.	0.	982.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
EOG RESOURCES	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
53743.	51218.	0.	0.	2525.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
FELCOR LODGING TRUST	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
28250.	22977.	0.	0.	5273.

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED		DATE ACQUIRED	DATE SOLD
SANTANDER FINANCE	PURCHASED			
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
39135.	29590.	0.	0.	9545.



(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	(E) DEPREC.	DATE ACQUIRED	DATE SOLD
DIGITAL REALTY TRUST	22718.	20505.	0.		0.		2213.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	(E) DEPREC.	DATE ACQUIRED	DATE SOLD
METLIFE INC PFD	25498.	22850.	0.		0.		2648.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	(E) DEPREC.	DATE ACQUIRED	DATE SOLD
MERRILL LYNCH CAP TR II	25202.	19187.	0.		0.		6015.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	(E) DEPREC.	DATE ACQUIRED	DATE SOLD
VERNADO REALTY TRUST	25259.	19580.	0.		0.		5679.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
ALPS ETF TR ALERIAN	69129.	68723.	0.	0.	406.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
ARRIS GROUP INC	26647.	32013.	0.	0.	-5366.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
SEADRILL LTD	32036.	74441.	0.	0.	-42405.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
LINN CO	23271.	48702.	0.	0.	-25431.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
KOMOS ENERGY	15775.	19841.	0.		0.	-4066.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
ELLINGTON FINANCIAL	20005.	21132.	0.		0.	-1127.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
KNOWLES CORP - ML	4752.	7645.	0.		0.	-2893.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
SEADRILL LTD - ML	9720.	25656.	0.		0.	-15936.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
SPECTRA ENERGY - ML	71919.	79740.	0.		0.	-7821.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
DOVER CORP - ML	34655.	43165.	0.		0.	-8510.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
VERITIV CORP - ML	865.	870.	0.		0.	-5.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
MARATHON PETE CORP - ML	50798.	43868.	0.		0.	6930.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
COMCAST CORP -ML				PURCHASED		
	112293.	113300.	0.	0.	-1007.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
INT'L PAPER - ML				PURCHASED		
	49214.	49855.	0.	0.	-641.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
BANCO SANTANDER				PURCHASED		
	50196.	53350.	0.	0.	-3154.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
PARAGON OFFSHORE PLC				PURCHASED		
	6237.	0.	0.	0.	6237.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
PIMCO DYNMIC CR INC	68849.	71675.	0.		0.	-2826.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
NOBLE CORP	55238.	64922.	0.		0.	-9684.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
PRECISIONS CASTPARTS CORP	24389.	25461.	0.		0.	-1072.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
FREEPORT MCMORAN	52438.	55355.	0.		0.	-2917.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	DATE SOLD
BLACKSTONE GROUP LP	29772.	33034.	0.		0.	-3262.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	DATE SOLD
CHEVRON CORP	39654.	42074.	0.		0.	-2420.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	DATE SOLD
METLIFE INC	34931.	37397.	0.		0.	-2466.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	DATE SOLD
OCCIDENTAL PETRO	45848.	47977.	0.		0.	-2129.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
STATOIL	24377.	25952.	0.		0.	-1575.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
YIELDSHARES HIGH INC ETF	56494.	60157.	0.		0.	-3663.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
CABOT OIL & GAS	31147.	34895.	0.		0.	-3748.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED PURCHASED	DATE ACQUIRED	(F) GAIN OR LOSS
BIOGEN	64128.	64513.	0.		0.	-385.



(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
GENERAL ELECTRIC-ML				PURCHASED		
	37183.	38827.	0.	0.	-1644.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
ENERGY TRANSFER EQUITY LP K-1				PURCHASED		
	3226.	6452.	0.	0.	-3226.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
OAKTREE CAPITAL GROUP LP-L-1				PURCHASED		
	11.	0.	0.	0.	11.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	MANNER ACQUIRED (E) DEPREC.	DATE ACQUIRED (F) GAIN OR LOSS	DATE SOLD
OAKTREE CAPITAL GROUP LP-K-1				PURCHASED		
	95.	0.	0.	0.	95.	

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
ELLINGTON FIN'L -K-1	19.	0.	0.	0.	19.

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.	(F) GAIN OR LOSS
BLACKSTONE GROUP LP-K-1	344.	0.	0.	0.	344.

CAPITAL GAINS DIVIDENDS FROM PART IV 0.

TOTAL TO FORM 990-PF, PART I, LINE 6A 88022.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
BLACKSTONE GROUP LP	238.	0.	238.	238.	238.
E*TRADE - DIVIDENDS	97475.	0.	97475.	97475.	97475.
E*TRADE - INTEREST	2397.	0.	2397.	2397.	2397.
ELLINGTON FINANCIAL	4.	0.	4.	4.	4.
ENERGY TRANSFER EQUITY LP	942.	0.	942.	942.	942.
MERRILL LYNCH	10450.	0.	10450.	10450.	10450.
OAKTREE CAPITAL GROUP LLC	205.	0.	205.	205.	205.
TO PART I, LINE 4	111711.	0.	111711.	111711.	111711.

FORM 990-PF	RENTAL INCOME	STATEMENT	3
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KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
WINDERMERE APTS K-1	1	2719.
ENERGY TRANSFER EQUITY LP	2	20.
BLACKSTONE GROUP LP -RENT/ROYALTY	3	12.
TOTAL TO FORM 990-PF, PART I, LINE 5A		2751.

FORM 990-PF	OTHER INCOME	STATEMENT	4
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DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
OAKTREE CAPITAL GROUP	18.	18.	18.
ENERGY TRANSFER EQUITY LP	-9338.	-9338.	-9338.
BLACKSTONE GROUP	64.	64.	64.
ELLINGTON FIN'L	161.	161.	161.
TOTAL TO FORM 990-PF, PART I, LINE 11	-9095.	-9095.	-9095.

FORM 990-PF	ACCOUNTING FEES	STATEMENT	5
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LOREN D. HOSTEK, CPA	4385.	0.	0.	4385.
TO FORM 990-PF, PG 1, LN 16B	4385.	0.	0.	4385.

FORM 990-PF	TAXES			STATEMENT	6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FOREIGN TAX PAID	717.	717.	0.	0.	
TO FORM 990-PF, PG 1, LN 18	717.	717.	0.	0.	

FORM 990-PF	OTHER EXPENSES			STATEMENT	7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
FILING FEES	25.	0.	0.	25.	
PORTFOLIO EXP-ELLINGTON FIN'L	1.	1.	0.	0.	
CONSULTANT/LA ART MUSEUM	12481.	0.	0.	12481.	
PORTFOLIO EXP-BLACKSTONE	6.	6.	0.	0.	
PORTFOLIO EXP-OAKTREE	15.	15.	0.	0.	
MERRILL LYNCH FEES	150.	150.	0.	0.	
TO FORM 990-PF, PG 1, LN 23	12678.	172.	0.	12506.	

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES			STATEMENT	8
DESCRIPTION	AMOUNT				
ADJUSTMENT TO ACTUAL INVESTMENT COSTS	12178.				
TOTAL TO FORM 990-PF, PART III, LINE 3	12178.				

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FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT	9
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DESCRIPTION	AMOUNT
PAYMENT OF PRIOR YEAR TAXES	21874.
NONDEDUCTIBLES K-1 ETQ	12.
ADJUSTMENT OAKTREE CAPITAL	314.
TOTAL TO FORM 990-PF, PART III, LINE 5	22200.

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FORM 990-PF	CORPORATE STOCK	STATEMENT	10
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
E*TRADE INVESTMENTS	2539722.	2580816.
STARBUCKS CORP	283030.	589765.
TOTAL TO FORM 990-PF, PART II, LINE 10B	2822752.	3170581.

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FORM 990-PF	OTHER INVESTMENTS	STATEMENT	11
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DESCRIPTION	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
WINDEMERE APTS. ASSOC	FMV	-2272.	0.
ENERGY TRANSFER EQUITY	FMV	0.	0.
E*TRADE INVESTMENTS (FROM ML)	COST	614661.	714119.
TOTAL TO FORM 990-PF, PART II, LINE 13		612389.	714119.

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FORM 990-PF	INTEREST AND PENALTIES	STATEMENT	12
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TAX DUE FROM FORM 990-PF, PART VI	13450.
UNDERPAYMENT PENALTY	303.
LATE PAYMENT INTEREST	102.
LATE PAYMENT PENALTY	202.
TOTAL AMOUNT DUE	14057.

FORM 990-PF LIST OF SUBSTANTIAL CONTRIBUTORS STATEMENT 13  
PART VII-A, LINE 10

NAME OF CONTRIBUTOR	ADDRESS
ESTATE OF ELIZABETH LEIBSON	4615 E PALAIS PL TUCSON, AZ 85718

FORM 990-PF LATE PAYMENT PENALTY STATEMENT 14

DESCRIPTION	DATE	AMOUNT	BALANCE	MONTHS	PENALTY
TAX DUE	11/15/15	13450.	13450.	3	202.
DATE FILED	02/15/16		13450.		
TOTAL LATE PAYMENT PENALTY					202.

FORM 990-PF LATE PAYMENT INTEREST STATEMENT 15

DESCRIPTION	DATE	AMOUNT	BALANCE	RATE	DAYS	INTEREST
TAX DUE	11/15/15	13450.	13450.	.0300	92	102.
DATE FILED	02/15/16		13552.			
TOTAL LATE PAYMENT INTEREST						102.