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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

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

2015

Open to Public
Inspection

For calendar year 2015, or tax year beginning 01-01-2015 , and ending 12-31-2015

Name of foundation PRIORY FUND		A Employer identification number 27-4014193		
Number and street (or P O box number if mail is not delivered to street address) 1482 EAST VALLEY ROAD NO 678		B Telephone number (see instructions) (805) 565-1413		
City or town, state or province, country, and ZIP or foreign postal code MONTECITO, CA 93108		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 Final return Address change		Initial return of a former public charity Amended return Name change		
H Check type of organization Section 501(c)(3) exempt private foundation Section 4947(a)(1) nonexempt charitable trust		I Fair market value of all assets at end of year (from Part II, col (c), line 16) ► \$ 13,530,009 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))		Revenue and expenses per books (a)	Net investment income (b)	Adjusted net income (c)
1 Contributions, gifts, grants, etc, received (attach schedule)				
2 Check ► <input checked="" 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		28,491	22,570	
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10		7,663,127		
b Gross sales price for all assets on line 6a 9,319,173				
7 Capital gain net income (from Part IV, line 2)			7,663,127	
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)		520	520	
12 Total. Add lines 1 through 11		7,692,138	7,686,217	
13 Compensation of officers, directors, trustees, etc		0	0	0
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees (attach schedule)				
b Accounting fees (attach schedule)		17,703	8,852	8,851
c Other professional fees (attach schedule)		43,201	31,896	0
17 Interest				
18 Taxes (attach schedule) (see instructions)		22,010	0	160
19 Depreciation (attach schedule) and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses (attach schedule)				
24 Total operating and administrative expenses.				
Add lines 13 through 23		82,914	40,748	9,011
25 Contributions, gifts, grants paid		494,631		494,631
26 Total expenses and disbursements. Add lines 24 and 25		577,545	40,748	503,642
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements		7,114,593		
b Net investment income (if negative, enter -0-)			7,645,469	
c Adjusted net income (if negative, enter -0-)				

	Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	3,682,676	7,914,344	7,914,344
	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 schedule) ► _____			
	Less allowance for doubtful accounts ► _____			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	918,418	4,405,886	4,767,253
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ► _____			
Less accumulated depreciation (attach schedule) ► _____				
12 Investments—mortgage loans				
13 Investments—other (attach schedule)	1,244,849	537,921	848,412	
14 Land, buildings, and equipment basis ► _____				
Less accumulated depreciation (attach schedule) ► _____				
15 Other assets (describe ► _____)				
16 Total assets (to be completed by all filers—see the instructions Also, see page 1, item I)	5,845,943	12,858,151	13,530,009	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ► _____)	102,385	0	0
	23 Total liabilities (add lines 17 through 22)	102,385	0	0
Net Assets or Fund Balances	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	5,743,558	12,858,151	
	28 Paid-in or capital surplus, or land, bldg , and equipment fund	0	0	
	29 Retained earnings, accumulated income, endowment, or other funds	0	0	
	30 Total net assets or fund balances (see instructions)	5,743,558	12,858,151	
	31 Total liabilities and net assets/fund balances (see instructions)	5,845,943	12,858,151	

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	5,743,558
2	Enter amount from Part I, line 27a	2	7,114,593
3	Other increases not included in line 2 (itemize) ► _____	3	0
4	Add lines 1, 2, and 3	4	12,858,151
5	Decreases not included in line 2 (itemize) ► _____	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	12,858,151

Part IV Capital Gains and Losses for Tax on Investment Income

List and describe the kind(s) of property sold (e.g., real estate, (a) 2-story brick warehouse, or common stock, 200 shs MLC Co.)			How acquired (b) P—Purchase D—Donation	Date acquired (c) (mo., day, yr.)	Date sold (d) (mo., day, yr.)
1 a NET GAINS FROM PASSTHROUGH			D	2014-01-01	2015-12-31
b MERRILL LYNCH #2350			D	2009-06-30	2015-10-12
c FIDELITY #8714			D	2014-01-01	2015-12-24
d EJF DEBT OPPORTUNITIES OFFSHORE FUND			P	2011-12-01	2015-07-23
e CAPITAL GAINS DIVIDENDS			P		
(e) Gross sales price	Depreciation allowed (f) (or allowable)	Cost or other basis (g) plus expense of sale		Gain or (loss) (h) (e) plus (f) minus (g)	
a 259,959					259,959
b 7,625,444			594,816		7,030,628
c 216,744			61,230		155,514
d 1,188,987			1,000,000		188,987
e 28,039					28,039
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				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	Adjusted basis (j) as of 12/31/69	Excess of col (i) over col (j), if any (k)		(l)	
a					259,959
b					7,030,628
c					155,514
d					188,987
e					28,039
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	7,663,127
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)				3	
If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8					

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)
If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

Yes No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see 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))
2014	263,824	10,358,279	0 025470
2013	127,917	5,775,728	0 022147
2012	201,250	3,917,756	0 051369
2011	93,928	3,513,866	0 026731
2010	6,461	1,609,586	0 004014
2 Total of line 1, column (d).			2 0 129731
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 025946
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5.			4 13,787,757
5 Multiply line 4 by line 3.			5 357,737
6 Enter 1% of net investment income (1% of Part I, line 27b).			6 76,455
7 Add lines 5 and 6.			7 434,192
8 Enter qualifying distributions from Part XII, line 4.			8 503,642

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 page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ► <input type="checkbox"/> and enter "N/A" on line 1	1	76,455
	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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b		
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	76,455
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	76,455
6	Credits/Payments		
a	2015 estimated tax payments and 2014 overpayment credited to 2015	6a	81,001
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	81,001
8	Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> If Form 2220 is attached	8	4
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed ►	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid ►	10	4,542
11	Enter the amount of line 10 to be Credited to 2015 estimated tax ► 4,542 Refunded ►	11	0

Part VII-A Statements Regarding Activities

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?		Yes	No
1a			Yes	No
1b	Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)?		Yes	No
	<i>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</i>			
1c	Did the foundation file Form 1120-POL for this year?		Yes	No
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? <i>If "Yes," attach a detailed description of the activities</i>		Yes	No
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? <i>If "Yes," attach a conformed copy of the changes</i>		Yes	No
4a	Did the foundation have unrelated business gross income of \$1,000 or more during the year?		Yes	No
b	If "Yes," has it filed a tax return on Form 990-T for this year?		Yes	No
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i>		Yes	No
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?		Yes	
7	Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i>		Yes	
8a	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? <i>If "No," attach explanation</i> .		Yes	
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 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>		Yes	No
10	Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i>		Yes	No

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	No
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	No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ►N/A	13	Yes
14	The books are in care of ►EDWARD MCKINLEY Located at ►1482 EAST VALLEY ROAD MONTECITO CA	Telephone no ►(805) 565-1413 ZIP+4 ►93108	
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 —Check here ► and enter the amount of tax-exempt interest received or accrued during the year. ► 15		
16	At any time during calendar year 2015, 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 instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country ►	16	Yes No

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? (2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?. (3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? (4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? (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. ►	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 2015?.	1c	No
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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015?.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If "Yes," list the years ► 20____, 20____, 20____, 20____		
b	Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement—see instructions)	2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here ► 20____, 20____, 20____, 20____		
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
b	If "Yes," did it have excess business holdings in 2015 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 2015)	3b	No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	No
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 2015?	4b	No

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		

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	8,196,315
b	Average of monthly cash balances.	1b	4,586,678
c	Fair market value of all other assets (see instructions).	1c	1,214,730
d	Total (add lines 1a, b, and c).	1d	13,997,723
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	13,997,723
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions).	4	209,966
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	13,787,757
6	Minimum investment return. Enter 5% of line 5.	6	689,388

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	689,388
2a	Tax on investment income for 2015 from Part VI, line 5.	2a	76,455
b	Income tax for 2015 (This does not include the tax from Part VI).	2b	
c	Add lines 2a and 2b.	2c	76,455
3	Distributable amount before adjustments Subtract line 2c from line 1.	3	612,933
4	Recoveries of amounts treated as qualifying distributions.	4	0
5	Add lines 3 and 4.	5	612,933
6	Deduction from distributable amount (see instructions).	6	0
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1.	7	612,933

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	503,642
b	Program-related investments—total from Part IX-B.	1b	0
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	3a	
a	Suitability test (prior IRS approval required).	3b	
b	Cash distribution test (attach the required schedule).	4	503,642
4	Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	5	
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).	6	76,455
6	Adjusted qualifying distributions. Subtract line 5 from line 4.	6	427,187
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 2014	(c) 2014	(d) 2015
1 Distributable amount for 2015 from Part XI, line 7				612,933
2 Undistributed income, if any, as of the end of 2015			493,935	
a Enter amount for 2014 only.		0		
b Total for prior years 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2015				
a From 2010.				
b From 2011.				
c From 2012.				
d From 2013.				
e From 2014.				
f Total of lines 3a through e.	0			
4 Qualifying distributions for 2015 from Part XII, line 4 ► \$ 503,642			493,935	
a Applied to 2014, but not more than line 2a				
b Applied to undistributed income of prior years (Election required—see instructions).		0		
c Treated as distributions out of corpus (Election required—see instructions).	0			
d Applied to 2015 distributable amount.				9,707
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2015 (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 2014 Subtract line 4a from line 2a Taxable amount—see instructions.	0			
f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015.				603,226
7 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			
8 Excess distributions carryover from 2010 not applied on line 5 or line 7 (see instructions).	0			
9 Excess distributions carryover to 2016. Subtract lines 7 and 8 from line 6a.	0			
10 Analysis of line 9				
a Excess from 2011.				
b Excess from 2012.				
c Excess from 2013.				
d Excess from 2014.				
e Excess from 2015.				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a	If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, enter the date of the ruling. . . . ►				
b	Check box to indicate whether the organization is a private operating foundation described in section	<input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)			
2a	Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed.				
b	85% of line 2a.				
c	Qualifying distributions from Part XII, line 4 for each year listed.				
d	Amounts included in line 2c not used directly for active conduct of exempt activities.				
e	Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c.				
3	Complete 3a, b, or c for the alternative test relied upon				
a	"Assets" alternative test—enter				
	(1) Value of all assets.				
	(2) Value of assets qualifying under section 4942(j)(3)(B)(i)				
b	"Endowment" alternative test—enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed.				
c	"Support" alternative test—enter				
	(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties).				
	(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii).				
	(3) Largest amount of support from an exempt organization				
	(4) Gross investment income				

Part XV Supplementary Information (Complete this part only if the organization 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))

See Additional Data Table

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

See Additional Data Table

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

Check here ► if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or email address of the person to whom applications should be addressed

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

c Any submission deadlines

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

Part XV Supplementary Information(continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> See Additional Data Table				
Total			► 3a	494,631
b <i>Approved for future payment</i>				
Total			► 3b	0

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.					
4 Dividends and interest from securities.			14	28,491	
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.		14	520		
8 Gain or (loss) from sales of assets other than inventory.			18	7,663,127	
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).		0		7,692,138	0
13 Total Add line 12, columns (b), (d), and (e).			13		7,692,138

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

Form 990PF Part XV Line 1a - 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).

KATHLEEN A LAVIDGE

EDWARD J MCKINLEY

Form 990PF Part XV Line 1b - 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.

KATHLEEN A LAVIDGE

EDWARD J MCKINLEY

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
BUSINESS & HUMAN RIGHTS RESOURCE CENTRE 630 NINTH AVENUE NEW YORK, NY 10036	NONE	PC	IN FURTHERANCE OF SECTION 501(C)(3) CHARITABLE PURPOSE	75,000
CHILD ABUSE LISTENING AND MEDIATION 1236 CHAPALA STREET SANTA BARBARA, CA 93101	NONE	PC	IN FURTHERANCE OF SECTION 501(C)(3) CHARITABLE PURPOSE	50,000
STANFORD UNIVERSITY PO BOX 20466 STANFORD, CA 943090466	NONE	PC	IN FURTHERANCE OF SECTION 501(C)(3) CHARITABLE PURPOSE	183,631
ASHOKA 1700 NORTH MOORE STREET ARLINGTON, VA 22209	NONE	PC	IN FURTHERANCE OF SECTION 501(C)(3) CHARITABLE PURPOSE	10,000
UNIVERSITY OF CALIFORNIA SANTA BARBARA OFFICE OF DEVELOPMENT SANTA BARBARA, CA 93106	NONE	PC	IN FURTHERANCE OF SECTION 501(C)(3) CHARITABLE PURPOSE	50,000
YALE UNIVERSITY PO BOX 2038 NEW HAVEN, CT 065212038	NONE	PC	IN FURTHERANCE OF SECTION 501(C)(3) CHARITABLE PURPOSE	25,000
HUMAN RIGHTS WATCH 350 FIFTH AVENUE 34TH FLOOR NEW YORK, NY 10118	NONE	PC	IN FURTHERANCE OF SECTION 501(C)(3) CHARITABLE PURPOSE	1,000
FUND FOR GLOBAL HUMAN RIGHTS 1301 CONNECTICUT AVENUE NW SUITE 400 WASHINGTON, DC 20036	NONE	PC	IN FURTHERANCE OF 501(C)(3) CHARITABLE PURPOSE	100,000
Total			► 3a	494,631

TY 2015 Accounting Fees Schedule

Name: PRIORY FUND**EIN:** 27-4014193

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING	17,703	8,852		8,851

TY 2015 Distribution from Corpus Election

Name: PRIORY FUND

EIN: 27-4014193

Election: SECTION 49(H)(2) ELECTION AS TO THE TREATMENT OF
QUALIFYING DISTRIBUTIONS: PURSUANT TO IRC SECTION 4942(H)
(2) AND REGULATION 53.4942(A)-3(D)(2), THE FOUNDATION
HEREBY ELECTS TO TREAT CURRENT YEAR QUALIFYING
DISTRIBUTIONS IN EXCESS OF THE IMMEDIATELY PRECEDING TAX
YEAR'S UNDISTRIBUTED INCOME AS BEING MADE OUT OF
CORPUS. SIGNED:

TY 2015 Investments Corporate Stock Schedule**Name:** PRIORY FUND**EIN:** 27-4014193

Name of Stock	End of Year Book Value	End of Year Fair Market Value
CLOVIS ONCOLOGY INC	5,075	612,500
LIBERTY GLOBAL PLC CL C	127,959	118,233
WELLS FARGO ABSOLUTE ADVANTAGE	2,550,589	2,367,719
AON PLC COM	103,965	101,431
ALIBABA GROUP HLDG LTD	41,992	40,635
ALPHABET INC CAP STK CL C	122,421	129,010
AMAZON.COM INC	87,620	94,625
ANADARKO PETE CORP	21,326	14,574
BANK OF AMERICA CORP	39,764	38,709
BERKLEY W R CORP	33,431	32,850
BERKSHIRE HATHAWAY INC DEL CL B	141,424	135,341
CITIGROUP INC COM	102,891	98,325
DISCOVERY COMMUNICATIONS INC	20,411	17,654
DISH NETWORK CORP CL A	84,018	74,334
ECOLAB INC	81,727	77,207
GOLDMAN SACHS GROUP INC	43,129	40,552
JPMORGAN CHASE & CO	92,517	92,442
MICROSOFT CORP	119,611	122,056
MONDELEZ INTL INC COM	60,273	58,292
MORGAN STANLEY	20,114	19,086
ORACLE CORP	144,555	131,508
PEPSICO INC	60,611	59,952
STARWOOD HOTELS & RESORTS WORLDWIDE	20,527	20,784
THERMO FISHER SCIENTIFIC INC	40,319	42,555
TWENTY-FIRST CENTURY FOX INC CL B	109,833	95,305
UNITEDHEALTH GROUP	70,731	70,584
VALEANT PHARMACEUTICALS INTL	59,053	60,990

TY 2015 Investments - Other Schedule**Name:** PRIORY FUND**EIN:** 27-4014193

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
LAPIS OPPORTUNITIES FUND III LP	AT COST	0	234,180
LAPIS OPPORTUNITIES FUND II LP	AT COST	0	74,350
LAPIS MUNICIPAL OPPORTUNITIES FUND	AT COST	512,979	514,377
WP XIII PARTNERS, L.P.	AT COST	24,942	25,505

TY 2015 Other Income Schedule

Name: PRIORY FUND**EIN:** 27-4014193

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
OTHER INCOME	520	520	520

TY 2015 Other Liabilities Schedule

Name: PRIORY FUND

EIN: 27-4014193

Description	Beginning of Year - Book Value	End of Year - Book Value
LAPIS OPPORTUNITIES FUND II LP - NEGATIVE INVESTMENT CAPITAL	102,385	0

TY 2015 Other Professional Fees Schedule

Name: PRIORY FUND

EIN: 27-4014193

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LAPIS FUNDS PORTFOLIO DEDUCTIONS	27,687	16,382		0
INVESTMENT FEES	15,514	15,514		0

TY 2015 Taxes Schedule

Name: PRIORY FUND

EIN: 27-4014193

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
CALIFORNIA FTB FILING FEE	10	0		10
ATTORNEY GENERAL FILING FEE	150	0		150
FEDERAL TAXES	21,850	0		0