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EXTENDED TO NOVEMBER 15, 2016

Return of Private Foundation

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

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OMB No 1545-0052

2015

Open to Public Inspection

Form 990-PF

Department of the Treasury
Internal Revenue Service

For calendar year 2015 or tax year beginning

, and ending

Name of foundation PAUL MARCIANO FOUNDATION		A Employer identification number 42-1745335
Number and street (or P.O. box number if mail is not delivered to street address) 144 S. BEVERLY DR. #600		B Telephone number (310) 246-1146
City or town, state or province, country, and ZIP or foreign postal code BEVERLY HILLS, CA 90212		C If exemption application is pending, check here ☐
G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☐ Address change ☐ Name change		D 1 Foreign organizations, check here ☐
H Check type of organization: ☒ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation		2 Foreign organizations meeting the 85% test check here and attach computation ☐
Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 57,207,741.		E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
J Accounting method: ☒ Cash ☐ Accrual ☐ Other (specify) _____		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))		(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				
2	Check ☒ if the foundation is not required to attach Sch. B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities	916,171.	916,171.		STATEMENT 1
5a	Gross rents				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	4,756,187.			
b	Gross sales price for all assets on line 6a	31,738,246.			
7	Capital gain net income (from Part IV, line 2)		4,756,187.		
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)				
11	Other income	142,190.	142,190.	0.	STATEMENT 2
12	Total. Add lines 1 through 11	5,814,548.	5,814,548.	0.	
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 STMT 3	2,483.	0.	0.	2,483.
b	Accounting fees STMT 4	30,927.	0.	0.	30,927.
c	Other professional fees STMT 5	77,505.	77,505.	0.	0.
17	Interest				
18	Taxes STMT 6	55,875.	4,693.	0.	309.
19	Depreciation and depletion				
20	Occupancy				
21	Travel, conferences, and meetings				
22	Printing and publications				
23	Other expenses				
24	Total operating and administrative expenses. Add lines 13 through 23	166,790.	82,198.	0.	33,719.
25	Contributions, gifts, grants paid	2,901,900.			2,901,900.
26	Total expenses and disbursements. Add lines 24 and 25	3,068,690.	82,198.	0.	2,935,619.
27	Subtract line 26 from line 12:				
a	Excess of revenue over expenses and disbursements	2,745,858.			
b	Net investment income (if negative, enter -0-)		5,732,350.		
c	Adjusted net income (if negative, enter -0-)			0.	

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
Assets	1 Cash - non-interest-bearing	876,997.	144,179.	144,179.
	2 Savings and temporary cash investments	3,830,757.	6,871,736.	6,871,736.
	3 Accounts receivable ▶ 12,554.			
	Less: allowance for doubtful accounts ▶	33,087.	12,554.	12,554.
	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 8	39,300,351.	39,758,791.	50,179,272.
	c Investments - corporate bonds			
	Liabilities	11 Investments - land, buildings, and equipment basis ▶		
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other				
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		44,041,192.	46,787,260.	57,207,741.
17 Accounts payable and accrued expenses				
18 Grants payable				
Liabilities	19 Deferred revenue			
	20 Loans from officers, directors, trustees and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ MISC PAYABLE)	0.	210.	
23 Total liabilities (add lines 17 through 22)	0.	210.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ ☐			
	and complete lines 24 through 26 and lines 30 and 31			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☒			
	and complete lines 27 through 31			
	27 Capital stock, trust principal, or current funds	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	44,041,192.	46,787,050.	
30 Total net assets or fund balances	44,041,192.	46,787,050.		
31 Total liabilities and net assets/fund balances	44,041,192.	46,787,260.		

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	44,041,192.
2 Enter amount from Part I, line 27a	2	2,745,858.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	46,787,050.
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	46,787,050.

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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 31,738,246.		26,982,059.	4,756,187.

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) 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			4,756,187.

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	4,756,187.
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	N/A

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))
2014	2,420,579.	59,634,318.	.040590
2013	3,003,592.	59,769,752.	.050253
2012	2,787,079.	51,855,549.	.053747
2011	2,161,166.	55,201,347.	.039151
2010	1,047,195.	45,296,158.	.023119

2 Total of line 1, column (d)	2	.206860
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	.041372
4 Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	58,036,671.
5 Multiply line 4 by line 3	5	2,401,093.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	57,324.
7 Add lines 5 and 6	7	2,458,417.
8 Enter qualifying distributions from Part XII, line 4	8	2,935,619.

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

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

1a Exempt operating foundations described in section 4940(d)(2), check here ☐ and enter "N/A" on line 1. Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)		1	57,324.
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ☒ and enter 1% of Part I, line 27b		2	0.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).		3	57,324.
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
3 Add lines 1 and 2		5	57,324.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		6a	64,872.
5 Tax based on investment income Subtract line 4 from line 3. If zero or less, enter -0-		6b	
6 Credits/Payments:		6c	
a 2015 estimated tax payments and 2014 overpayment credited to 2015		6d	
b Exempt foreign organizations - tax withheld at source		7	64,872.
c Tax paid with application for extension of time to file (Form 8868)		8	
d Backup withholding erroneously withheld		9	
7 Total credits and payments. Add lines 6a through 6d		10	7,548.
8 Enter any penalty for underpayment of estimated tax. Check here ☒ if Form 2220 is attached		11	0.
9 Tax due If the total of lines 5 and 8 is more than line 7, enter amount owed			
10 Overpayment If line 7 is more than the total of lines 5 and 8, enter the amount overpaid			
11 Enter the amount of line 10 to be: Credited to 2016 estimated tax ☒ 7,548. Refunded ☐			

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
1b 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
1c 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) ☒ NV, 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	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 2015 or the taxable year beginning in 2015 (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		X

N/A

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Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)		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)		X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>N/A</u>	X	
14 The books are in care of ► <u>JENNIFER GROSS</u> Telephone no. ► <u>(310) 246-1146</u> Located at ► <u>144 S. BEVERLY DR. #600, BEVERLY HILLS, CA</u> ZIP+4 ► <u>90212</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		
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 the instructions for exceptions and filing requirements for FinCEN Form 114. If "Yes," enter the name of the foreign country ►		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?	☐ 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)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
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?		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 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? If "Yes," list the years ►	☐ 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.)	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. ►		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	☐ Yes ☒ No	
b If "Yes," did it have excess business holdings in 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)	N/A	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		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 2015?		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)?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? **SEE STATEMENT 9** ☒ 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? ☐ Yes ☒ No

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
PAUL MARCIANO, DIRECTOR AND PRESIDENT 144 S. BEVERLY DR. #600 BEVERLY HILLS, CA 90212	PRESIDENT 0.00	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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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."

[illegible]

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

Part IX-A	Summary of Direct Charitable Activities
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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.

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
-----------	--

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

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.

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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	48,505,914.
b	Average of monthly cash balances	1b	10,414,564.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	58,920,478.
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	58,920,478.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	883,807.
5	Net value of noncharitable-use assets Subtract line 4 from line 3. Enter here and on Part V, line 4	5	58,036,671.
6	Minimum investment return. Enter 5% of line 5	6	2,901,834.

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

1	Minimum investment return from Part X, line 6	1	2,901,834.
2a	Tax on investment income for 2015 from Part VI, line 5	2a	57,324.
b	Income tax for 2015 (This does not include the tax from Part VI.)	2b	
c	Add lines 2a and 2b	2c	57,324.
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	2,844,510.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	2,844,510.
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	2,844,510.

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	2,935,619.
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:		
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	2,935,619.
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	5	57,324.
6	Adjusted qualifying distributions Subtract line 5 from line 4	6	2,878,295.

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.

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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				2,844,510.
2 Undistributed income, if any, as of the end of 2015				
a Enter amount for 2014 only			2,815,082.	
b Total for prior years:		0.		
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: ► \$ 2,935,619.				
a Applied to 2014, but not more than line 2a			2,815,082.	
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				120,537.
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 instr.			0.	
f Undistributed income for 2015: Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				2,723,973.
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	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 XV Supplementary Information (continued)**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
TEMPLE BETH AM 1039 S. LA CIENEGA BLVD. LOS ANGELES, CA 90035	NO RELATIONSHIP	EXEMPT ORGANIZATION	RELIGIOUS PROGRAMS	75,000.
VIOLENCE INTERVENTION PROGRAM 1721 GRIFFIN AVE. LOS ANGELES, CA 90031	NO RELATIONSHIP	EXEMPT ORGANIZATION	EDUCATIONAL PROGRAMS	50,000.
BAIS NOCHUM 151 S. DETROIT ST. LOS ANGELES, CA 90036	NO RELATIONSHIP	EXEMPT ORGANIZATION	RELIGIOUS PROGRAMS	36,000.
CEDARS-SINAI MEDICAL CENTER 8700 BEVERLY BLVD. STE 2416 LOS ANGELES, CA 90048	NO RELATIONSHIP	EXEMPT ORGANIZATION	EDUCATIONAL PROGRAMS	49,400.
EN HABANIM SEPHARDIC CONGREGATION 5850 LAUREL CANYON BLVD. NORTH HOLLYWOOD, CA 91607	NO RELATIONSHIP	EXEMPT ORGANIZATION	RELIGIOUS PROGRAMS	1,000.
Total SEE CONTINUATION SHEET(S) ▶ 3a				2,901,900.
b Approved for future payment				
NONE				
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
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			14	916,171.	
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			41	142,190.	
8 Gain or (loss) from sales of assets other than inventory			18	4,756,187.	
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.		5,814,548.	0.
13 Total. Add line 12, columns (b), (d), and (e)					13 5,814,548.

(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).

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 | 1a(1) | X |
| | (2) Other assets | 1a(2) | X |
| b | Other transactions: | | |
| | (1) Sales of assets to a noncharitable exempt organization | 1b(1) | X |
| | (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | X |
| | (3) Rental of facilities, equipment, or other assets | 1b(3) | X |
| | (4) Reimbursement arrangements | 1b(4) | X |
| | (5) Loans or loan guarantees | 1b(5) | X |
| | (6) Performance of services or membership or fundraising solicitations | 1b(6) | X |
| c | Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | X |
| d | If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | |

[illegible]

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

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

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

Sign Here  Signature of officer or trustee  Date  Title  **DIRECTOR & DIRECTOR**

May the IRS discuss this return with the preparer shown below (see instr. 7)? ☒ Yes ☐ No

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	MARK SILAH	<i>Mark Lin CPA</i>	11/9/16		P01277888
	Firm's name ▶ NKSFB, LLC			Firm's EIN ▶ 46-3670776	
	Firm's address ▶ 10960 WILSHIRE BL, 5TH FL LOS ANGELES, CA 90024			Phone no. (310) 277-4657	

PAUL MARCIANO FOUNDATION

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	JP MORGAN (STMT A)	P	VARIOUS	12/31/15
b	JP MORGAN (STMT A)	P	VARIOUS	12/31/15
c	JP MORGAN (STMT A)	P	VARIOUS	12/31/15
d	US BANK #121 (STMT B)	P	VARIOUS	12/31/15
e	US BANK #121 (STMT B)	P	VARIOUS	12/31/15
f	US BANK #121 (STMT B)	P	VARIOUS	12/31/15
g	US BANK #121 (STMT B)	P	VARIOUS	12/31/15
h	US BANK #120 (STMT C)	P	VARIOUS	12/31/15
i	US BANK #120 (STMT C)	P	VARIOUS	12/31/15
j	US BANK #120 (STMT C)	P	VARIOUS	12/31/15
k	US BANK #120 (STMT C)	P	VARIOUS	12/31/15
l	125000 SHS GUESS?	P	08/09/96	01/07/15
m	COMMON SENSE LONG-BIASED OFFSHORE	P	05/01/12	12/31/15
n	SALE OF INV-GS LSV	P	11/30/07	12/31/15
o	SALE OF INV-GS WILLIAM BLAIR	P	11/30/07	12/31/15

(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 5,698,113.		5,865,788.	-167,675.
b 5,274,575.		4,224,574.	1,050,001.
c 199,339.		125,312.	74,027.
d 469,186.		473,917.	-4,731.
e 997,983.		1,005,431.	-7,448.
f 247,118.		219,928.	27,190.
g 226,754.		209,120.	17,634.
h 338,531.		367,644.	-29,113.
i 357,607.		373,287.	-15,680.
j 141,953.		124,751.	17,202.
k 175,295.		147,001.	28,294.
l 2,625,791.		3,200.	2,622,591.
m 40,458.			40,458.
n 2,689,320.		2,673,504.	15,816.
o 2,542,250.		1,556,530.	985,720.

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			-167,675.
b			1,050,001.
c			74,027.
d			-4,731.
e			-7,448.
f			27,190.
g			17,634.
h			-29,113.
i			-15,680.
j			17,202.
k			28,294.
l			2,622,591.
m			40,458.
n			15,816.
o			985,720.

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

PAUL MARCIANO FOUNDATION

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	523737.717 SHS DIMENSIONAL GLOBAL ALL	P	VARIOUS	01/29/15
b	8154.222 SHS DODGE & COX STOCK	P	VARIOUS	05/08/15
c	CAPITAL GAINS DIVIDENDS			
d				
e				
f				
g				
h				
i				
j				
k				
l				
m				
n				
o				

(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 8,212,207.		8,160,964.	51,243.
b 1,490,755.		1,451,108.	39,647.
c 11,011.			11,011.
d			
e			
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Losses (from col. (h)) Gains (excess of col. (h) gain over col. (k), but not less than "-0-")
(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			51,243.
b			39,647.
c			11,011.
d			
e			
f			
g			
h			
i			
j			
k			
l			
m			
n			
o			

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	4,756,187.
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	N/A

Part XV Supplementary Information**3 Grants and Contributions Paid During the Year (Continuation)**

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
FRIENDS OF THE ISRAEL DEFENSE FORCES 6505 WILSHIRE BLVD., STE 625 LOS ANGELES, CA 90048	NO RELATIONSHIP	EXEMPT ORGANIZATION	RELIGIOUS PROGRAMS	1,000,000.
WEST COAST TORAH CENTER 322 N FOOTHILL RD. BEVERLY HILLS, CA 90210	NO RELATIONSHIP	EXEMPT ORGANIZATION	RELIGIOUS PROGRAMS	100,000.
HARKHAM GAON 5870 W. OLYMPIC BLVD. LOS ANGELES, CA 90036	NO RELATIONSHIP	EXEMPT ORGANIZATION	RELIGIOUS PROGRAMS	100,000.
ST. HELENA HOSPITAL FOUNDATION 10 WOODLAND RD. ST HELENA, CA 94574	NO RELATIONSHIP	EXEMPT ORGANIZATION	WELFARE PROGRAMS	60,000.
THE CENTER FOR EARLY EDUCATION 563 N. ALFRED STREET WEST HOLLYWOOD, CA 90048	NO RELATIONSHIP	EXEMPT ORGANIZATION	EDUCATIONAL PROGRAMS	208,000.
MIGDADL OHR 1560 BROADWAY STE 807 NEW YORK, NY 10036	NO RELATIONSHIP	EXEMPT ORGANIZATION	RELIGIOUS PROGRAMS	5,000.
MAYOR'S FUND 200 N. SPRING ST. RM 305 LOS ANGELES, CA 90012	NO RELATIONSHIP	EXEMPT ORGANIZATION	EDUCATIONAL PROGRAMS	200,000.
CHALLENGED ATHLETES FOUNDATION 9591 WAPLES ST. SAN DIEGO, CA 92121	NO RELATIONSHIP	EXEMPT ORGANIZATION	EDUCATIONAL PROGRAMS	2,500.
CAREYES FOUNDATION 10850 WILSHIRE BLVD., STE 100 LOS ANGELES, CA 90024	NO RELATIONSHIP	EXEMPT ORGANIZATION	RELIEF PROGRAMS	10,000.
WORLD OF CHILDREN 11501 DUBLIN BLVD STE 200 DUBLIN, CA 94568	NO RELATIONSHIP	EXEMPT ORGANIZATION	RELIEF PROGRAMS	5,000.
Total from continuation sheets				2,690,500.

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES				STATEMENT	1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	
CHARLES SCHWAB-INTEREST	19.	0.	19.	19.	19.	
DEUTSCHE BANK-INTEREST	3.	0.	3.	3.	3.	
FIDELITY INVESTMENT-DIVIDEN S	17,853.	11,008.	6,845.	6,845.	6,845.	
FIDELITY INVESTMENT-INTERES	32.	0.	32.	32.	32.	
GOLDMAN SACHS-INTEREST	273.	0.	273.	273.	273.	
JP MORGAN-DIVIDENDS	874,324.	3.	874,321.	874,321.	874,321.	
JP MORGAN-MUNI DIVIDENDS	949.	0.	949.	949.	949.	
US BANK #120	20,095.	0.	20,095.	20,095.	20,095.	
US BANK #121	13,634.	0.	13,634.	13,634.	13,634.	
TO PART I, LINE 4	927,182.	11,011.	916,171.	916,171.	916,171.	

FORM 990-PF	OTHER INCOME		STATEMENT	2
DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	
INV-GS LSV	60,730.	60,730.	0.	
INV-GS WILLIAM BLAIR	46,119.	46,119.	0.	
INV-AMERICAN INFRASTRUCTURE MLP FUND II	-23,667.	-23,667.	0.	
INV-AIM AG INFRA	-33,274.	-33,274.	0.	
US BANK #120	334.	334.	0.	
INV-AMERICAN INFRASTRUCTURE MLP FUND II	91,948.	91,948.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	142,190.	142,190.	0.	

FORM 990-PF	LEGAL FEES			STATEMENT 3
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	2,483.	0.	0.	2,483.
TO FM 990-PF, PG 1, LN 16A	2,483.	0.	0.	2,483.

FORM 990-PF	ACCOUNTING FEES			STATEMENT 4
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	30,927.	0.	0.	30,927.
TO FORM 990-PF, PG 1, LN 16B	30,927.	0.	0.	30,927.

FORM 990-PF	OTHER PROFESSIONAL FEES			STATEMENT 5
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
INVESTMENT FEES	77,505.	77,505.	0.	0.
TO FORM 990-PF, PG 1, LN 16C	77,505.	77,505.	0.	0.

FORM 990-PF	TAXES			STATEMENT 6
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
TAXES & LICENSES	51,182.	0.	0.	309.
FOREIGN TAXES PAID	4,693.	4,693.	0.	0.
TO FORM 990-PF, PG 1, LN 18	55,875.	4,693.	0.	309.

FOOTNOTES

STATEMENT 7

THE FOUNDATION HAS ATTACHED EXPENDITURE RESPONSIBILITY REPORTS FOR ALL GRANTS REQUIRING THIS. IN ADDITION TO THE ATTACHED REPORTS, PLEASE NOTE THE FOLLOWING:

THE ADDRESS OF THE GRANTEE IS 144 S. BEVERLY DR. #600
BEVERLY HILLS, CA 90212

TO THE BEST OF THE GRANTORS KNOWLEDGE, THE GRANTEE HAS NOT DIVERTED ANY FUNDS FROM THE PURPOSE OF THE GRANT.

THE GRANTOR FOUNDATION REVIEWS THE CASH DISBURSEMENT DOCUMENTATION ANNUALLY, TO VERIFY THE GRANTEE REPORTS.

FORM 990-PF

CORPORATE STOCK

STATEMENT 8

DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
CORPORATE STOCK	39,758,791.	50,179,272.
TOTAL TO FORM 990-PF, PART II, LINE 10B	39,758,791.	50,179,272.

FORM 990-PF

EXPENDITURE RESPONSIBILITY STATEMENT
PART VII-B, LINE 5C

STATEMENT 9

GRANTEE'S NAME

SEE EXPENDITURE RESPONSIBILITY DETAIL

GRANTEE'S ADDRESSGRANT AMOUNTDATE OF GRANTAMOUNT EXPENDEDPURPOSE OF GRANT



PAUL MARCIANO FOUNDATION
Account Number: Q 25764-00-4

Capital Gain and Loss Schedule

Short-Term Covered

* Code: W indicates Wash Sale
L indicates a Nondeductible Loss other than a Wash Sale
** Ordinary Income: D indicates Ordinary Income gain or loss
F indicates Foreign Exchange gain or loss on Capital Transactions

Description	CUSIP	Code*	Date Acquired Date Sold	Units	Proceeds	Cost or Other Basis	Adjustments to gain or loss	Gain or Loss Ordinary Income**
AUTONATION INC	05329W102		04/27/2015 11/02/2015	10,000.000	633,297.15	636,606.20		-3,309.05
CABOT OIL & GAS CORP	127097103		01/29/2015 11/02/2015	10,000.000	221,955.28	267,050.00		-45,094.72
DOLLAR GENERAL CORP	256677105		04/27/2015 11/02/2015	4,000.000	271,962.99	304,487.50		-32,524.51
KINDER MORGAN INC	49456B101		Various 07/10/2015	40,000.000	1,522,888.70	1,586,412.00		-63,523.30
MATTHEWS ASIA GROWTH FD-INV	577130867		12/12/2014 03/16/2015	982.395	21,691.28	20,689.24		1,002.04
WISDOMTREE TRUST	97717W562		09/09/2014 01/23/2015	7,500.000	597,822.43	605,771.50		-7,949.07
WISDOMTREE TRUST	97717W562		09/09/2014 01/26/2015	7,500.000	600,476.97	605,771.50		-5,294.53
WISDOMTREE MIDCAP EARNINGS	97717W570		09/09/2014 01/23/2015	10,000.000	912,937.81	919,500.00		-6,562.19
WISDOMTREE MIDCAP EARNINGS	97717W570		09/09/2014 01/26/2015	10,000.000	915,080.76	919,500.00		-4,419.24
Total Short-Term Covered					5,698,113.37	5,865,787.94		-167,674.57

STMT A

J.P. Morgan

J.P. Morgan

PAUL MARCIANO FOUNDATION
Account Number: Q 25764-00-4

Capital Gain and Loss Schedule

Long-Term Covered

* Code: W indicates Wash Sale
L indicates a Nondeductible Loss other than a Wash Sale
** Ordinary Income: D indicates Ordinary Income gain or loss
F indicates Foreign Exchange gain or loss on Capital transactions

Description	CUSIP	Code*	Date Acquired Date Sold	Units	Proceeds	Cost or Other Basis	Adjustments to gain or loss	Gain or Loss Ordinary Income**
DIRECTV	25490A309		09/09/2013 07/27/2015	20,000.000	570,000.00	.00		570,000.00
DISCOVERY COMMUNICATIONS-A	25470F104		11/18/2013 11/02/2015	10,000.000	300,565.54	434,692.07		-134,126.53
DISCOVERY COMMUNICATIONS-C	25470F302		11/18/2013 11/02/2015	10,000.000	279,612.28	423,365.70		-143,753.42
JARDEN CORP	471109108		09/15/2014 11/24/2015	22,500.000	1,039,690.82	914,100.00		125,590.82✓
KRAFT FOODS GROUP INC	50076Q106		11/14/2013 07/06/2015	10,000.000	165,000.00	.00		165,000.00
LENOVO GROUP LTD-ADR	526250105		Various 11/23/2015	6,000.000	128,888.62	125,894.64		2,993.98✓
LENOVO GROUP LTD-ADR	526250105		09/11/2013 11/24/2015	14,000.000	311,974.24	293,460.86		18,513.38✓
LORILLARD INC	544147101		10/30/2013 06/12/2015	10,000.000	714,884.35	511,536.23		203,348.12
MATTHEWS ASIA GROWTH FD-INV	577130867		Various 01/23/2015	53,952.690	1,158,903.78	1,017,671.80		141,231.98✓
PROCTER & GAMBLE CO/THE	742718109		09/07/2011 11/23/2015	8,000.000	605,055.84	503,852.72		101,203.12✓

Total Long-Term Covered

5,274,575.47

4,224,574.02

1,050,001.45

STMT A

J.P.Morgan

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Capital Gain and Loss Schedule

PAUL MARCIANO FOUNDATION
Account Number: Q 25764-00-4

Long-Term Noncovered

* Code: W indicates Wash Sale
L indicates a Nondeductible Loss other than a Wash Sale
** Ordinary Income: D indicates Ordinary Income gain or loss
F indicates Foreign Exchange gain or loss on Capital Transactions

Description	CUSIP	Code*	Date Acquired Date Sold	Units	Proceeds	Cost or Other Basis	Adjustments to gain or loss	Gain or Loss Ordinary Income**
GOOGLE INC CLASS C	38259P706		00/00/0000 05/07/2015		152.84	.00		152.84
PEMBINA PIPELINE CORP	706327103		01/07/2010 11/23/2015	8,500.000	199,185.97	125,311.88		73,874.09 ✓
Total Long-Term Noncovered					199,338.81	125,311.88		74,026.93

STMT A

J.P. Morgan

ANNUAL REPORT

THIS ANNUAL REPORT is provided by the Maurice and Paul Marciano Art Foundation, a Nevada nonprofit corporation ("**Grantee**"), to the Paul Marciano Foundation, a Nevada nonprofit corporation ("**Grantor**"), (collectively referred to as the "**Parties**"), pursuant to the terms of the Grant Agreements (defined below), effective as of September 30, 2016 (the "**Effective Date**").

WITNESSETH

WHEREAS, Grantee is an organization recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the "**Code**"), whose charitable purposes include supporting young artists in Los Angeles County, supporting contemporary artists worldwide, providing spaces where artists can create and display their art and providing a forum for artists to express themselves;

WHEREAS, Grantor has made grants to Grantee pursuant to the following Grant Agreements (each a "**Grant Agreement**" and, collectively the "**Grant Agreements**");

(a) the Grant Agreement dated June 22, 2015 in the amount of \$500,000 ("**Grant 1**"), attached hereto as **Exhibit A**.

(b) the Grant Agreement dated March 24, 2016 in the amount of \$95,000 ("**Grant 2**"), attached hereto as **Exhibit B**.

WHEREAS, each Grant Agreement requires that Grantee provide an annual report to the President of Grantor on or before September 30th of each year;

WHEREAS, Grantee desires to provide Grantor with this Annual Report to (a) show the use of each Grant based on Grantee's records and detail all expenditures made from each Grant, and (b) discuss the progress made in accomplishing the purpose for which each Grant was made;

NOW, THEREFORE, Grantee hereby provides the following information to satisfy the obligation to supply an Annual Report to the president of Grantor:

1. Grant 1

(a) Use of Funds: Grant 1 has been used solely to purchase artwork. The list of expenditures of Grant 1 is attached hereto as **Exhibit C**.

(b) Progress: All of the funds of Grant 1 have been exhausted and were used to accomplish the purpose for which Grant 1 was made.

2. Grant 2

(a) Use of Funds: Grant 2 has been used solely to purchase artwork. The list of expenditures of Grant 2 is attached hereto as **Exhibit D**.

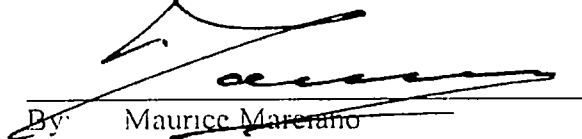
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(b) Progress: All of the funds of Grant 2 have been exhausted and were used to accomplish the purpose for which Grant 2 was made

* * *

IN WITNESS WHEREOF, the undersigned has executed this Annual Report as of the Effective Date.

MAURICE AND PAUL MARCIANO ART
FOUNDATION


By: Maurice Marciano
Title: President

ACKNOWLEDGED:

PAUL MARCIANO FOUNDATION


By: Paul Marciano
Title: President

DM, US 76440599-1 074129 0025

Grant Agreement

THIS GRANT AGREEMENT is made effective as of June 22, 2015 (the "Effective Date") by and between the Paul Marciano Foundation, a Nevada nonprofit corporation ("Grantor"), and the Maurice and Paul Marciano Art Foundation, a Nevada nonprofit corporation ("Grantee") (collectively referred to as the "Parties").

WITNESSETH

WHEREAS, Grantor wishes to support the creation of a contemporary art museum in Los Angeles County, California;

WHEREAS, Grantee is an organization recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the "Code"), whose charitable purposes include supporting young artists in Los Angeles County, supporting contemporary artists worldwide, providing spaces where artists can create and display their art and providing a forum for artists to express themselves;

WHEREAS, Grantor desires to fund Grantee to support Grantee's creation of a contemporary art museum in Los Angeles County, California;

NOW, THEREFORE, the Parties mutually agree as follows:

Section 1. Grantor shall pay Grantee FIVE HUNDRED THOUSAND DOLLARS (\$500,000) (the "Grant").

Section 2. Grantee must use the full amount of the Grant solely for the purchase of works of art that will be displayed in the new contemporary art museum to be established by Grantee in Los Angeles County, California (the "Restricted Purpose"). Grantee may not use any portion of the grant funds, including any interest earned thereon, for any other purpose without the prior written approval of the Grantor. Grantee agrees not to use any portion of the Grant or any income derived therefrom: (a) to participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office (within the meaning of Section 501(c)(3) of the Code) including, but not limited to, voter registration drives; (b) to undertake any activity for any purpose other than charitable, scientific, educational or other purposes specified in Section 170(c)(2)(B) of the Code; or (c) to carry on propaganda or to otherwise attempt to influence legislation. In addition, no part of the Grant may be paid, granted or distributed to any other organization or person, other than to pay reasonable compensation for services rendered to Grantee.

Section 3. Grantee agrees that the Grant funds will be used in accordance with the budget submitted by Grantee as part of its grant request and attached to this Agreement as Exhibit A. Grantee agrees that in the event any part of the Grant is not used for the Restricted Purpose, Grantee will immediately repay to Grantor that unused part of the Grant.

Section 4. Grantee agrees to maintain Grant funds in a separate account dedicated to the Restricted Purpose. Grantee agrees to maintain records of receipts and expenditures charged

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against the Grant that are adequate to identify the use of the funds in compliance with the Restricted Purpose. Grantee agrees to make its books and records available to Grantor at reasonable times upon Grantor's request.

Section 5. Grantee shall supply Grantor with reports showing the use of the Grant based on Grantee's records and organizations performing substantial work for Grantee, if any, detailing all expenditures made from the Grant. Annual reports will be made by September 30th of each year with the first annual report due September 30, 2014. These annual reports also will include a discussion of the progress made in accomplishing the Restricted Purpose. Such reports shall be provided to the Grantor's President. Grantee shall provide a final report upon completing the Grant.

Section 6. Grantee will maintain its records of expenditures from the Grant, as well as copies of the reports submitted by it to Grantor with respect to such Grant, for at least three (3) years after completion of the use of the Grant, and shall by contract require organizations performing substantial work for Grantee, if any, to do the same. Grantee shall make its books and records available to Grantor at reasonable times beginning on the date of receipt of the Grant funds and ending three (3) years after completion of the use of the Grant, and shall by contract require organizations performing substantial work for Grantee, if any, to do the same.

Section 7. Grantee assures Grantor that the Grant will not cause Grantee to lose its status as a private operating foundation as described in Section 4942(j)(3) of the Code, that its determination letter from the Internal Revenue Service that it is a private operating foundation is still valid, and that Grantee has not undergone a material change in its character, purposes, activities, method of operations, or sources of support that would be inconsistent with Grantee's status as a private operating foundation.

Section 8. Grantee is a newly-formed private operating foundation, and as such, has not yet filed, nor has it been required to file, an annual information return using IRS Form 990-PF. Grantee agrees to provide to Grantor its financial statements for the current year and a copy of its 2012 Form 990-PF within a reasonable time after it is filed.

Section 9. Grantee will provide the Grantor with any other information the Grantor requests, in its sole discretion, to confirm the charitable use of the Grant and to assess the impact of the Grant on Grantee's private operating foundation status.

Section 10. This Agreement, and the rights and obligations of the Parties, will be construed, interpreted and enforced in accordance with, and governed by, the laws of the State of California.

Section 11. Under no circumstances will Grantor be liable to Grantee for any special, incidental, or consequential damages, whether based on breach of contract, tort (including negligence), product liability, or otherwise, whether or not it has been advised of the possibility of such damages.

Section 12. Any notice required or permitted to be given pursuant to this Agreement will be in writing and will be either hand delivered or sent by confirmed facsimile, overnight delivery service, or certified mail, return receipt requested to the Parties at their respective

addresses set forth below. If hand delivered or sent by facsimile, notice shall be deemed received when actually delivered. If sent by overnight delivery service, notice shall be deemed received by the next business day, or if sent by certified mail, three days after mailing. Notices shall be addressed as follows:

TO GRANTOR:

Paul Marciano Foundation
144 S Beverly Drive, Suite 600
Beverly Hills, CA 90212
Attn: Paul Marciano

TO GRANTEE:

Maurice and Paul Marciano Art
Foundation
144 S Beverly Drive, Suite 600
Beverly Hills, CA 90212
Attn: Maurice Marciano

Section 13. Each signatory to this Agreement represents and warrants that he or she possesses all necessary capacity and authority to act for, sign and bind the Party on whose behalf he or she is signing this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

Paul Marciano Foundation

By: _____



Name: Paul Marciano

Title: President

Maurice and Paul Marciano Art Foundation

By: _____



Name: Maurice Marciano

Title: President

Grant Agreement

THIS GRANT AGREEMENT is made effective as of **March 24th, 2016** (the "**Effective Date**") by and between the Paul Marciano Foundation, a Nevada nonprofit corporation ("**Grantor**"), and the Maurice and Paul Marciano Art Foundation, a Nevada nonprofit corporation ("**Grantee**") (collectively referred to as the "**Parties**").

WITNESSETH

WHEREAS, Grantor wishes to support the creation of a contemporary art museum in Los Angeles County, California;

WHEREAS, Grantee is an organization recognized as tax-exempt under Section 501(c)(3) of the Internal Revenue Code (the "**Code**"), whose charitable purposes include supporting young artists in Los Angeles County, supporting contemporary artists worldwide, providing spaces where artists can create and display their art and providing a forum for artists to express themselves;

WHEREAS, Grantor desires to fund Grantee to support Grantee's creation of a contemporary art museum in Los Angeles County, California;

NOW, THEREFORE, the Parties mutually agree as follows:

Section 1. Grantor shall pay Grantee **NINETY FIVE THOUSAND DOLLARS** (the "**Grant**").

Section 2. Grantee must use the full amount of the Grant solely for the purchase of works of art that will be displayed in the new contemporary art museum to be established by Grantee in Los Angeles County, California or loaned out by Grantee for display in other, similar museums (the "**Restricted Purpose**"). Grantee may not use any portion of the grant funds, including any interest earned thereon, for any other purpose without the prior written approval of the Grantor. Grantee agrees not to use any portion of the Grant or any income derived therefrom: (a) to participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of or in opposition to any candidate for public office (within the meaning of Section 501(c)(3) of the Code) including, but not limited to, voter registration drives; (b) to undertake any activity for any purpose other than charitable, scientific, educational or other purposes specified in Section 170(c)(2)(B) of the Code; or (c) to carry on propaganda or to otherwise attempt to influence legislation. In addition, no part of the Grant may be paid, granted or distributed to any other organization or person, other than to pay reasonable compensation for services rendered to Grantee.

Section 3. Grantee agrees that the Grant funds will be used in accordance with the budget submitted by Grantee as part of its grant request and attached to this Agreement as **Exhibit A**. Grantee agrees that in the event any part of the Grant is not used for the Restricted Purpose, Grantee will immediately repay to Grantor that unused part of the Grant.

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Section 4. Grantee agrees to maintain Grant funds in a separate account dedicated to the Restricted Purpose. Grantee agrees to maintain records of receipts and expenditures charged against the Grant that are adequate to identify the use of the funds in compliance with the Restricted Purpose. Grantee agrees to make its books and records available to Grantor at reasonable times upon Grantor's request.

Section 5. Grantee shall supply Grantor with reports showing the use of the Grant based on Grantee's records and organizations performing substantial work for Grantee, if any, detailing all expenditures made from the Grant. Annual reports will be made by September 30th of each year with the first annual report due September 30, 2014. These annual reports also will include a discussion of the progress made in accomplishing the Restricted Purpose. Such reports shall be provided to the Grantor's President. Grantee shall provide a final report upon completing the Grant.

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Section 7. Grantee assures Grantor that the Grant will not cause Grantee to lose its status as a private operating foundation as described in Section 4942(j)(3) of the Code, that its determination letter from the Internal Revenue Service that it is a private operating foundation is still valid, and that Grantee has not undergone a material change in its character, purposes, activities, method of operations, or sources of support that would be inconsistent with Grantee's status as a private operating foundation.

Section 8. Grantee is a newly-formed private operating foundation, and as such, has not yet filed, nor has it been required to file, an annual information return using IRS Form 990-PF. Grantee agrees to provide to Grantor its financial statements for the current year and a copy of its 2012 Form 990-PF within a reasonable time after it is filed.

Section 9. Grantee will provide the Grantor with any other information the Grantor requests, in its sole discretion, to confirm the charitable use of the Grant and to assess the impact of the Grant on Grantee's private operating foundation status.

Section 10. This Agreement, and the rights and obligations of the Parties, will be construed, interpreted and enforced in accordance with, and governed by, the laws of the State of California.

Section 11. Under no circumstances will Grantor be liable to Grantee for any special, incidental, or consequential damages, whether based on breach of contract, tort (including negligence), product liability, or otherwise, whether or not it has been advised of the possibility of such damages.

Section 12. Any notice required or permitted to be given pursuant to this Agreement will be in writing and will be either hand delivered or sent by confirmed facsimile, overnight delivery service, or certified mail, return receipt requested to the Parties at their respective addresses set forth below. If hand delivered or sent by facsimile, notice shall be deemed received when actually delivered. If sent by overnight delivery service, notice shall be deemed received by the next business day, or if sent by certified mail, three days after mailing. Notices shall be addressed as follows:

TO GRANTOR:

Paul Marciano Foundation
144 S Beverly Drive, Suite 600
Beverly Hills, CA 90212
Attn: Paul Marciano

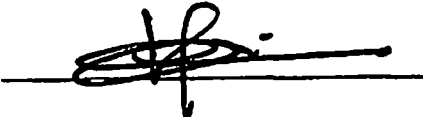
TO GRANTEE:

Maurice and Paul Marciano Art
Foundation
144 S Beverly Drive, Suite 600
Beverly Hills, CA 90212
Attn: Maurice Marciano

Section 13. Each signatory to this Agreement represents and warrants that he or she possesses all necessary capacity and authority to act for, sign and bind the Party on whose behalf he or she is signing this Agreement.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

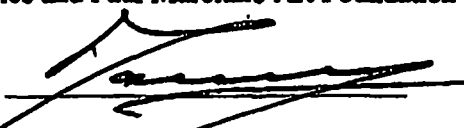
Paul Marciano Foundation

By: 

Name: Paul Marciano

Title: President

Maurice and Paul Marciano Art Foundation

By: 

Name: Maurice Marciano

Title: President

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EXHIBIT A

BUDGET

<u>Expense Description:</u>	<u>Expense Amount:</u>
Purchase of artwork and related expenses	\$95,000
<u>TOTAL</u>	<u>\$95,000</u>

2016 Annual Report - Exhibit C

GRANTS:	
06/22/2015 Paul Marciano Foundation	500,000 00
TOTAL GRANTS	500,000.00

EXPENDITURES:	
06/22/2015 EC ART ADVISORY LLC	Purchase artwork (350,122 10)
09/24/2015 ACLA, LLC	Art related expense (675 00)
11/12/2015 PAULA COOPER, INC	Works of Art (142,500 00)
12/21/2015 DIETL INTERNATIONAL SERVICES	Art related expense (2,605 00)
01/21/2016 MTEC	Art related expense (125 28)
01/21/2016 MTEC	Art related expense (43 95)
01/19/2016 MARCIANO ART COLLECTION	Art related expense (714 00)
02/16/2016 DIETL INTERNATIONAL SERVICES	Art related expense (650 00)
02/25/2016 ACLA, LLC	Art related expense (32 50)
02/08/2016 PAULA COOPER, INC	Art related expense (75 03)
03/01/2016 ACLA, LLC	Art related expense (126 92)
04/04/2016 ALMINE RECH GALLERY	Works of Art (2,330 22)
TOTAL EXPENDITURES	(500,000.00)

Total Grants	500,000 00
Total Expenditures	(500,000 00)
Net	-

2016 Annual Report - Exhibit D

GRANTS:

03/24/2016 Paul Marciano Foundation

	95,000 00
TOTALGRANTS	95,000.00

EXPENDITURES:

04/04/2016 ALMINE RECH GALLERY

Works of Art (92,669 78)

04/05/2016 ACLA, LLC

Art related expense (876 25)

04/06/2016 ACLA, LLC

Art related expense (692 50)

05/04/2016 DIETL INTERNATIONAL SERVICES

Art related expense (761 47)

TOTAL EXPENDITURES	(95,000.00)
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Total Grants	95,000.00
Total Expenditures	(95,000.00)
Net	-