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Form **990-PF**

Department of the Treasury
Internal Revenue Service

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

► **Do not enter social security numbers on this form as it may be made public.**
► Information about Form 990-PF and its separate instructions is at *www.irs.gov/form990pf.*

OMB No 1545-0052

2015

Open to Public Inspection

For calendar year 2015, or tax year beginning , 2015, and ending ,

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

A Employer identification number 77-0891712

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

C If exemption application is pending, check here ► ☐

D 1 Foreign organizations, check here ► ☐

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

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

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

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

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

I Fair market value of all assets at end of year *(from Part II, column (c), line 16)* ► $ 1,199,394.

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))*

			(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
REVENUE	1	Contributions, gifts, grants, etc, received (attach schedule)	130,000.			
	2	Ck ► ☒ if the foundation is not required to attach Sch B				
	3	Interest on savings and temporary cash investments	21,842.	21,842.	21,842.	
	4	Dividends and interest from securities	1,018.	1,018.	1,018.	
	5 a	Gross rents				
	b	Net rental income or (loss)				
	6 a	Net gain or (loss) from sale of assets not on line 10	-550.			
	b	Gross sales price for all assets on line 6a 228,806.				
	7	Capital gain net income (from Part IV, line 2)		0.		
	8	Net short-term capital gain			0.	
	9	Income modifications				
	10 a	Gross sales less returns and allowances				
	b	Less Cost of goods sold				
	c	Gross profit or (loss) (attach schedule)				
	11	Other income (attach schedule)				
	12	**Total.** Add lines 1 through 11	152,310.	22,860.	22,860.	
OPERATING AND ADMINISTRATIVE EXPENSES	13	Compensation of officers, directors, trustees, etc	0.			
	14	Other employee salaries and wages				
	15	Pension plans, employee benefits				
	16 a	Legal fees (attach schedule)				
	b	Accounting fees (attach sch)				
	c	Other prof fees (attach sch)				
	17	Interest				
	18	Taxes (attach schedule)(see instrs)				
	19	Depreciation (attach schedule) and depletion				
	20	Occupancy				
	21	Travel, conferences, and meetings				
	22	Printing and publications				
	23	Other expenses (attach schedule) See Statement 1	9,638.	9,515.		
	24	**Total operating and administrative expenses.** Add lines 13 through 23	9,638.	9,515.		
	25	Contributions, gifts, grants paid Part XV	54,000.			54,000.
	26	**Total expenses and disbursements** Add lines 24 and 25	63,638.	9,515.	0.	54,000.
	27	Subtract line 26 from line 12.				
	a	**Excess of revenue over expenses and disbursements**	88,672.			
	b	**Net investment income** (if negative, enter -0-)		13,345.		
	c	**Adjusted net income** (if negative, enter -0-)			22,860.	

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Part II Balance Sheets

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

			Beginning of year	End of year	
			(a) Book Value	**(b)** Book Value	**(c)** Fair Market Value
ASSETS	1	Cash – non-interest-bearing		21,303.	21,303.
	2	Savings and temporary cash investments	220,618.	229,621.	229,621.
	3	Accounts receivable ►			
		Less allowance for doubtful accounts ►			
	4	Pledges receivable ►			
		Less allowance for doubtful accounts ►			
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7	Other notes and loans receivable (attach sch) ►			
		Less: allowance for doubtful accounts ►			
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10a	Investments – U S and state government obligations (attach schedule) Statement 2	456,957.	354,287.	347,905.
	b	Investments – corporate stock (attach schedule)			
	c	Investments – corporate bonds (attach schedule) Statement 3	382,995.	246,512.	239,371.
	11	Investments – land, buildings, and equipment basis ►			
		Less: accumulated depreciation (attach schedule) ►			
	12	Investments – mortgage loans			
	13	Investments – other (attach schedule) Statement 4	138,357.	390,242.	360,455.
	14	Land, buildings, and equipment basis ►			
		Less: accumulated depreciation (attach schedule) ►			
	15	Other assets (describe ► See Statement 5)	802.	739.	739.
	16	**Total assets** (to be completed by all filers – see the instructions Also, see page 1, item I)	1,199,729.	1,242,704.	1,199,394.
LIABILITIES	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, & other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ►)	45,695.		
	23	**Total liabilities** (add lines 17 through 22)	45,695.	0.	
NET ASSETS OR FUND BALANCES		**Foundations that follow SFAS 117, check here ► ☒ and complete lines 24 through 26 and lines 30 and 31.**			
	24	Unrestricted	1,154,034.	1,242,704.	
	25	Temporarily restricted			
	26	Permanently restricted			
		Foundations that do not follow SFAS 117, check here ► ☐ and complete lines 27 through 31.			
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg., and equipment fund			
	29	Retained earnings, accumulated income, endowment, or other funds			
	30	**Total net assets or fund balances** (see instructions)	1,154,034.	1,242,704.	
	31	**Total liabilities and net assets/fund balances** (see instructions)	1,199,729.	1,242,704.	

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	1,154,034.
2	Enter amount from Part I, line 27a	2	88,672.
3	Other increases not included in line 2 (itemize) ►	3	
4	Add lines 1, 2, and 3	4	1,242,706.
5	Decreases not included in line 2 (itemize) ► See Statement 6	5	2.
6	Total net assets or fund balances at end of year (line 4 minus line 5) – Part II, column (b), line 30	6	1,242,704.

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)	**(b)** How acquired P — Purchase D — Donation	**(c)** Date acquired (mo , day, yr)	**(d)** Date sold (mo , day, yr)
1a	See Statement 7			
b				
c				
d				
e				

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

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

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

2	Capital gain net income or (net capital loss) — If gain, also enter in Part I, line 7; If (loss), enter -0- in Part I, line 7	2	-550.
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	-751.

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	45,937.	998,689.	0.045997
2013	48,724.	959,087.	0.050802
2012	47,787.	997,157.	0.047923
2011	38,785.	946,451.	0.040979
2010	34,448.	737,063.	0.046737

2	**Total** of line 1, column (d)	2	0.232438
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	0.046488
4	Enter the net value of noncharitable-use assets for 2015 from Part X, line 5	4	1,148,385.
5	Multiply line 4 by line 3	5	53,386.
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	133.
7	Add lines 5 and 6	7	53,519.
8	Enter qualifying distributions from Part XII, line 4	8	54,000.

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

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

1 a	Exempt operating foundations described in section 4940(d)(2), check here ► ☐ and enter 'N/A' on line 1. Date of ruling or determination letter: ________ **(attach copy of letter if necessary – see instrs)**				
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► ☒ and enter 1% of Part I, line 27b			1	133.
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	133.
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	133.
6	Credits/Payments				
a	2015 estimated tax pmts and 2014 overpayment credited to 2015	**6a**	739.		
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	739.
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached			8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ►			9	0.
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ►			10	606.
11	Enter the amount of line 10 to be. **Credited to 2016 estimated tax** ►	606.	**Refunded** ►	11	0.

Part VII-A Statements Regarding Activities

			Yes	No
1 a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1 a		X
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)?	1 b		X
	*If the answer is 'Yes' to **1a** or **1b**, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities*			
c	Did the foundation file **Form 1120-POL** for this year?	1 c		X
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ► $ 0. **(2)** On foundation managers ► $ 0.			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► $ 0.			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If 'Yes,' attach a detailed description of the activities*	2		X
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If 'Yes,' attach a conformed copy of the changes*	3		X
4 a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4 a		X
b	If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	4 b	N/A	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If 'Yes,' attach the statement required by General Instruction T*	5		X
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If 'Yes,' complete Part II, col. (c), and Part XV*	7	X	
8 a	Enter the states to which the foundation reports or with which it is registered (see instructions) ► CA			
b	If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by *General Instruction G? If 'No,' attach explanation*	8 b	X	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2015 or the taxable year beginning in 2015 (see instructions for Part XIV)? *If 'Yes,' complete Part XIV*	9		X
10	Did any persons become substantial contributors during the tax year? *If 'Yes,' attach a schedule listing their names and addresses*	10		X

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

			Yes	No
11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	X	

Website address ► N/A

14 The books are in care of ► MICHAEL J. KELLY, JR. CPA, CFP Telephone no ► 408-241-3300

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

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

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

			Yes	No
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?	16		X
	See the instructions for exceptions and filing requirements for FinCEN Form 114 If 'Yes,' enter the name of the foreign country ►			

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

			Yes	No
	File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.			
1 a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☒ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☒ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☐ Yes ☒ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☒ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☒ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☒ No			
b	If any answer is 'Yes' to 1a(1)-(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1 b	N/A	
	Organizations relying on a current notice regarding disaster assistance check here ► ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2015?	1 c		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2015, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2015? ☐ Yes ☒ 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)	2 b	N/A	
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here. ► 20__ , 20__ , 20__ , 20__ .			
3 a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☐ Yes ☒ No			
b	If 'Yes,' did it have excess business holdings in 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)*	3 b	N/A	
4 a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a		X
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2015?	4 b		X

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

5 a 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)? **5 b** N/A

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

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

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

6 a 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? **6 b** X (No)

If 'Yes' to 6b, file Form 8870

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

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

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

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
IRENE A. PESTANA 360 KIELY BOULEVARD, SUITE 240 SAN JOSE, CA 95129	President 0	0.	0.	0.
MICHAEL J. KELLY, JR., CPA,CFP 360 KIELY BOULEVARD, SUITE 240 SAN JOSE, CA 95129	Vice Preside 0	0.	0.	0.
LINDA PESTANA 1505 GOLDEN HILLS ROAD COLORADO SPRINGS, CO 80919	Vice Preside 0	0.	0.	0.
CAROLYN GUIDO 2760 GARDENDALE DRIVE SAN JOSE, CA 95125	Vice Preside 0	0.	0.	0.

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

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

Total number of other employees paid over $50,000 ► 0

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

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
None		
Total number of others receiving over $50,000 for professional services ►		0

Part IX-A Summary of Direct Charitable Activities

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

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See instructions. 3	
Total. Add lines 1 through 3 ►	0.

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

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc, purposes a Average monthly fair market value of securities		1 a	692,703.
b Average of monthly cash balances		1 b	473,170.
c Fair market value of all other assets (see instructions)		1 c	
d **Total** (add lines 1a, b, and c)		1 d	1,165,873.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e 0.		
2 Acquisition indebtedness applicable to line 1 assets		2	0.
3 Subtract line 2 from line 1d		3	1,165,873.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)		4	17,488.
5 **Net value of noncharitable-use assets.** Subtract line 4 from line 3. Enter here and on Part V, line 4		5	1,148,385.
6 **Minimum investment return.** Enter 5% of line 5		6	57,419.

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	57,419.
2a Tax on investment income for 2015 from Part VI, line 5	2a 133.		
b Income tax for 2015 (This does not include the tax from Part VI.)	2b		
c Add lines 2a and 2b		2c	133.
3 Distributable amount before adjustments Subtract line 2c from line 1		3	57,286.
4 Recoveries of amounts treated as qualifying distributions		4	
5 Add lines 3 and 4		5	57,286.
6 Deduction from distributable amount (see instructions)		6	
7 **Distributable amount** as adjusted. Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	57,286.

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	1 a	54,000.
b Program-related investments – total from Part IX-B	1 b	
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)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 **Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	54,000.
5 Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	133.
6 **Adjusted qualifying distributions.** Subtract line 5 from line 4	6	53,867.

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				57,286.
2 Undistributed income, if any, as of the end of 2015:				
a Enter amount for 2014 only			49,264.	
b Total for prior years: 20 ___, 20 ___, 20 ___		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 ► $ 54,000.				
a Applied to 2014, but not more than line 2a			49,264.	
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				4,736.
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 2015. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2016				52,550.
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) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2015, enter the date of the ruling ►

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

	Tax year	Prior 3 years			
	(a) 2015	**(b)** 2014	**(c)** 2013	**(d)** 2012	**(e) Total**
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon: **a** 'Assets' alternative test — enter **(1)** Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b 'Endowment' alternative test — enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c 'Support' alternative test — enter: **(1)** Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

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

1 Information Regarding Foundation Managers:

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

None

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

None

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

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

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

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

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
See Statement 8				
Total			► **3a**	54,000.
b *Approved for future payment*				
Total			► **3b**	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		**(e)** Related or exempt function income (See instructions)
	(a) Business code	**(b)** Amount	**(c)** Exclusion code	**(d)** Amount	
1 Program service revenue:					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	21,842.	
4 Dividends and interest from securities			14	1,018.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory					-550.
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)				22,860.	-550.
13 **Total.** Add line 12, columns (b), (d), and (e)				**13**	22,310.

(See worksheet in line 13 instructions to verify calculations)

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

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

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

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

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

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

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

b If 'Yes,' complete the following schedule.

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

Sign Here

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

Irene Pestana 11-11-16 ▶ President

Signature of officer or trustee Date Title

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

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☒ if self-employed	PTIN
MICHAEL J. KELLY, JR. CPA	Michael J Kelly Jr MICHAEL J. KELLY, JR. CPA	11/17/16		P00697735

Firm's name ▶ Kelly & Associates Firm's EIN ▶ 77-0159132

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

MICHAEL J. KELLY, JR. IS AN OFFICER AND DIRECTOR OF ERNEST E. PESTANA CHARITABLE FOUNDATION, INC. MICHAEL IS ALSO A CERTIFIED FINANCIAL PLANNER AND INVESTMENT ADVISOR ASSOCIATE THROUGH CENTAURUS FINANCIAL, INC. DURING THE CALENDAR YEAR, MICHAEL RECEIVED $6,719 OF INVESTMENT ADVISORY FEES FROM THE FOUNDATION FOR SERVICES RENDERED IN CONNECTION WITH PORTFOLIO MANAGEMENT.

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

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
ATTORNEY GEN REGISTRY OF CHAR TRUST FEE	$ 50.			
FEDERAL TAX	63.			
FOREIGN TAXES	9.	$ 9.		
INVESTMENT MANAGEMENT FEES	9,506.	9,506.		
STATE FILING FEE	10.			
Total	$ 9,638.	$ 9,515.	$ 0.	$ 0.

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

U.S. Government Obligations	Valuation Method	Book Value	Fair Market Value
TD AMERITRADE- SEE ATTACHED STATEMENT	Cost	$ 354,287.	$ 347,905.
	Total	$ 354,287.	$ 347,905.

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

Corporate Bonds	Valuation Method	Book Value	Fair Market Value
TD AMERITRADE- SEE ATTACHED STATEMENT	Cost	$ 246,512.	$ 239,371.
	Total	$ 246,512.	$ 239,371.

Statement 4
Form 990-PF, Part II, Line 13
Investments - Other

Other Investments	Valuation Method	Book Value	Fair Market Value
TD AMERITRADE- SEE ATTACHED STATEMENT	Cost	$ 390,242.	$ 360,455.
	Total	$ 390,242.	$ 360,455.

Statement 5
Form 990-PF, Part II, Line 15
Other Assets

	Book Value	Fair Market Value
PREPAID FEDERAL TAXES	$ 739.	$ 739.
Total	$ 739.	$ 739.

Statement 6
Form 990-PF, Part III, Line 5
Other Decreases

Prior Period Adjustments	$ 2.
Total	$ 2.

Statement 7
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(a) Description	(b) How Acquired	(c) Date Acquired	(d) Date Sold
1	TD AMERITRADE CAPITAL GAIN DISTRIBUTIONS	Purchased	Various	Various
2	131.931 FIDELITY FDS GLOBAL BALANCE	Purchased	Various	5/08/2015
3	119.877 FORESIDE FD SVCS LLC POLARIS GLOBAL VALU	Purchased	Various	5/08/2015
4	58.286 OAKMARK FDS EQUITY & INCOME FD	Purchased	Various	5/08/2015
5	101.977 OAKMARK FDS OAKMARK INTL SMALL CAP	Purchased	Various	5/08/2015
6	132.529 HATTERAS FUNDS ALPHA HEDGED STR	Purchased	11/04/2014	5/08/2015
7	51.000 MARKET VECTORS GOLD MINERS ETF	Purchased	11/04/2014	5/08/2015
8	104.176 TURNER INSTL FDS TURNER EMERGING GROWTH	Purchased	Various	5/08/2015
9	80,000.000 US TREASURY NOTE	Purchased	5/20/2014	4/30/2015
10	138.115 VANGUARD INTERNATIONAL GROWTH FUND	Purchased	Various	5/08/2015
11	40,000.000 BERKSHIRE HATHAWAY FIN SENIOR NOTE	Purchased	12/09/2011	1/15/2015
12	40,000.000 DU PONT E I DE NEMOURS & CO SENIOR NOTE	Purchased	12/09/2011	1/15/2015
13	10,000.000 FREDDIE MAC MEDIUM TERM NOTE	Purchased	5/07/2013	9/10/2015
14	40,000.000 JP MORGAN CHASE & CO SENIOR NOTE	Purchased	12/09/2011	1/20/2015

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i)-(j)	(l) Gain (Loss)
1	201.		0.	201.				$ 201.
2	3,116.		3,249.	-133.				-133.
3	2,744.		2,535.	209.				209.
4	1,908.		1,979.	-71.				-71.
5	1,734.		1,625.	109.				109.
6	1,547.		1,516.	31.				31.
7	1,015.		897.	118.				118.
8	3,233.		4,456.	-1,223.				-1,223.
9	80,000.		80,000.	0.				0.
10	3,308.		3,099.	209.				209.

Statement 7 (continued)
Form 990-PF, Part IV, Line 1
Capital Gains and Losses for Tax on Investment Income

Item	(e) Gross Sales	(f) Deprec. Allowed	(g) Cost Basis	(h) Gain (Loss)	(i) FMV 12/31/69	(j) Adj. Bas. 12/31/69	(k) Excess (i)-(j)	(l) Gain (Loss)
11	40,000.		40,000.	0.				$ 0.
12	40,000.		40,000.	0.				0.
13	10,000.		10,000.	0.				0.
14	40,000.		40,000.	0.				0.
							Total	$ -550.

Statement 8
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
AMERICAN HEART ASSOCIATION 1400 N. DUTTON AVENUE, SUITE 20 SANTA ROSA CA 95401	NONE	501(C)(3)	CONTRIBUTION TO THE AMERICAN HEART ASSOCIATION FOR THE PREVENTION OF HEART DISEASE.	$ 3,000.
ST. JUDE CHILDREN'S RES. HOSP 501 ST. JUDE PLACE MEMPHIS TN 38105	NONE	501(C)(3)	THIS IS A CHILDREN'S HOSPITAL THAT PROVIDES MEDICAL CARE TO CHILDREN IN NEED.	10,000.
MAYO CLINIC FOUNDATION 13400 EAST SHEA BOULEVARD SCOTTSDALE AZ 85259	NONE	501(C)(3)	THE PURPOSE OF THE GRANT WAS TO PROVIDE THE MAYO CLINIC WITH FUNDS TO BE UTILIZED IN THEIR CAMPAIGN AGAINST ALZHEIMER DISEASE AND MELANOMA RESEARCH EFFORTS.	2,000.
AMERICAN CANCER SOCIETY PO BOX 22718 OKLAHOMA CITY OK 73123	NONE	501(C)(3)	CONTRIBUTION TO THE AMERICAN CANCER SOCIETY TO HELP AIDE IN THE TREATMENT OF CANCER PATIENTS.	5,000.

Statement 8 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
ALZHEIMER'S DISEASE RESEARCH 22512 GATEWAY CENTER DRIVE CLARKSBURG MD 20871	NONE	501(C)(3)	CONTRIBUTION TO ALZHEIMER'S DISEASE RESEARCH TO AIDE IN THE TREATMENT OF ALZHEIMER'S DISEASE.	$ 5,000.
SHEPERD'S GATE 1600 PORTOLA AVENUE LIVERMORE CA 94551	NONE	501(C)(3)	CONTRIBUTION TO SHEPERD'S GATE TO HELP PROVIDE BASIC NEEDS FOR WOMEN AND CHILDREN.	5,000.
HUMANE SOCIETY SILICON VALLEY 901 AMES AVENUE MILPITAS CA 95035	NONE	501(C)(3)	CONTRIBUTION TO THE HUMANE SOCIETY TO PROVIDE FOR THE CARE OF FOSTER ANIMALS.	3,000.
ARCHBISHOP MITTY HIGH SCHOOL 5000 MITTY AVENUE SAN JOSE CA 95129	NONE	501(C)(3)	CONTRIBUTION TO ARCHBISHOP MITTY HIGH SCHOOL FOR SUPPORT FOR YOUTH FOUNDATIONS.	2,000.
NIKE ANIMAL RESCUE FOUNDATION P.O. BOX 26587 SAN JOSE CA 95159	NONE	501(C)(3)	CONTRIBUTION TO THE NIKE ANIMAL RESCUE FOUNDATION TO PROVIDE FOR THE CARE OF FOSTER ANIMALS.	5,000.
BELLARMINE COLLEGE PREPATORY 960 WEST HEDDING STREET SAN JOSE CA 95126	NONE	501(C)(3)	CONTRIBUTION TO BELLARMINE COLLEGE PREPARATORY FOR SUPPORT FOR YOUTH FOUNDATIONS.	2,000.
MEMORIAL SLOAN KETTERING CANCER CENTER 633 THIRD AVENUE, 28TH FLOOR NEW YORK NY 10017	NONE	501(C)(3)	CONTRIBUTION TO AIDE IN THE TREATMENT OF CANCER PATIENTS.	1,000.

Statement 8 (continued)
Form 990-PF, Part XV, Line 3a
Recipient Paid During the Year

Name and Address	Donee Relationship	Foundation Status	Purpose of Grant	Amount
JUNIOR LEAGUE OF COLORADO SPRINGS 2914 BEACON STREET COLORADO SPRINGS CO 80907	NONE	501(C)(3)	CONTRIBUTION TO AIDE IN THE YOUTH.	$ 1,000.
NEWBORN HOPE PO BOX 2515 COLORADO SPRINGS CO 80901	NONE	501(C)(3)	CONTRIBUTION TO AIDE IN THE SUPPORT OF NEWBORNS BORN PREMATURELY.	5,000.
WOUNDED WARRIOR PO BOX 758517 TOPEKA KS 66675	NONE	501(C)(3)	CONTRIBUTION TO HELP VETERANS.	3,000.
19 FOR LIFE PO BOX 18832 SAN JOSE CA 95158	NONE	501(C)(3)	CONTRIBUTION TO SUPPORT VARIOUS CHARTIABLE CAUSES SUCH AS LUCILE PACKARD CHILDRENS HOSPITAL AND SCHOLARSHIPS TO STUDENT ATHLETES.	2,000.
			Total	$ 54,000.

centaurus
financial inc

YOUR INDEPENDENT ADVISOR

CENTAURUS FINANCIAL INC
2300 E KATELLA AVE
SUITE 200
ANAHEIM CA 92806-

For questions regarding the services provided by your Independent Advisor call
(714) 456-1790

Questions? - Contact us.
(800) 431-3500

TD Amentrade Clearing, Inc , Member SIPC

MONTHLY STATEMENT

Reporting Period **December 1 - 31, 2015**

Account 918-022097
ERNEST E PESTANA CHARITABLE FOUNDATION, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORP ATTN: IRENE A PESTANA CORPORATION

ACCOUNT SUMMARY

Total Account Value: $947,810.45

CHANGE IN ACCOUNT VALUE

	This Month 12/1/15 - 12/31/15	Year to Date 1/1/15 - 12/31/15
BEGINNING VALUE	**$950,604.27**	**$946,125.94**
Dividends and Interest	**1,373.64**	23,025 41
Market Appreciation/(Depreciation)	**(4,167.46)**	(11,834 51)
Other Income or Expense	-	(9,506 39)
ENDING VALUE	**$947,810.45**	**$947,810.45**
CHANGE IN VALUE	**$(2,793.82)**	$1,684 51

Market Appreciation/ Depreciation *The change in value of investments due to the market assessment of their worth, which is separate from value added by corporate actions (such as the issuance of dividend or interest payments) and your own additions or withdrawals*

Other Income or Expense *Miscellaneous expenses including management fees, as well as TD Ameritrade fees (such as for wire transfer or returned checks) and/or miscellaneous income credited to the account such as a margin interest adjustment, royalties, etc*

SUMMARY OF HOLDINGS (does not represent an asset allocation)

	Market Value as of 12/31/15	Percent of Account
Cash and Cash Alternatives	$307,363.03	32 43%
Exchange Traded Funds (ETFs)	22,969 03	2 42
Fixed Income	587,355.79	61 97
Mutual Funds	30,122 60	3 18
TOTAL VALUE	**$947,810.45**	**100.0%**

Fixed Income *includes Corporate, Municipal, Agency, Treasury, CMOs, CDs, Structured Products, etc*

HOLDINGS DETAIL

CASH AND CASH ALTERNATIVES

Investment Description	Quantity	Price	Market Value
FDIC INSURED DEPOSIT ACCOUNT IDA12 NOT COVERED BY SIPC	-	$ -	$307,363.03
TOTAL CASH & CASH ALTERNATIVES			**$307,363.03**

EXCHANGE TRADED FUNDS (ETFs)

Investment Description	Symbol/ CUSIP	Quantity	Closing Price	Market Value
SELECT SECTOR SPDR TRUST HEALTH CARE SELECT INDEX	XLV	63	$72 03	$4,537 89
SELECT SECTOR SPDR TRUST CONSUMER STAPLES INDEX	XLP	83	50 49	4,190 67
SELECT SECTOR SPDR TRUST CONSUMER DIS SELECT INDEX	XLY	22	78.1608	1,719 54
SELECT SECTOR SPDR TRUST ENERGY SELECT INDEX	XLE	39	60 32	2,352 48
SELECT SECTOR SPDR TRUST FINANCIAL SELECT SECTOR FUND	XLF	152	23 83	3,622 16
SELECT SECTOR SPDR TRUST INDUSTRIAL SELECT INDEX	XLI	33	53 01	1,749 33
SELECT SECTOR SPDR TRUST TECHNOLOGY SELECT INDEX	XLK	112	42 83	4,796 96
TOTAL EXCHANGE TRADED FUNDS (ETFs)				**$22,969.03**
	TOTAL EXCHANGE TRADED FUNDS- LONG POSITION			**22,969.03**

HOLDINGS DETAIL *(continued)*

FIXED INCOME

Investment Descnption	Symbol/ CUSIP	Quantity	Closing Pnce	Market Value
CATERPILLAR INC SENIOR NOTE M/W 3 9% 05/27/2021	149123BV2	35	$106 168	$37,158.80
CISCO SYSTEMS INC SENIOR NOTE M/W 5 5% 02/22/2016	17275RAC6	40	100 638	40,255 20
DEERE & CO SENIOR NOTE CALLABLE 2 6% 06/08/2022	244199BE4	25	98 601	24,650.25
EBAY INC SENIOR NOTE M/W 1 35% 07/15/2017	278642AG8	46	99 209	45,636 14
FREDDIE MAC MEDIUM TERM NOTE 2% 08/25/2016	3137EACW7	45	100 805	45,362 25
INTEL CORP SENIOR NOTE M/W 1.95% 10/01/2016	458140AH3	40	100 624	40,249 60
ORACLE CORP OZARK HLDG SENIOR NOTE M/W 5 25% 01/15/2016	68402LAC8	30	100 147	30,044 10
US TREASURY NOTE 4 5% 02/15/2016	912828EW6	45	100 472	45,212 40
US TREASURY NOTE 4 25% 11/15/2017	912828HH6	45	105 863	47,638 35
US TREASURY NOTE 3 75% 11/15/2018	912828JR2	30	106 988	32,096 40
US TREASURY NOTE 3 125% 05/15/2019	912828KQ2	33	105 496	34,813 68
US TREASURY NOTE 3 625% 02/15/2020	912828MP2	50	107.859	53,929 50
US TREASURY NOTE 2 625% 11/15/2020	912828PC8	30	103 898	31,169 40
US TREASURY NOTE 2% 02/15/2022	912828SF8	33	100 18	33,059 40
US TREASURY NOTE 2 5% 08/15/2023	912828VS6	24	102 598	24,623 52

HOLDINGS DETAIL *(continued)*

FIXED INCOME

Investment Description	Symbol/ CUSIP	Quantity	Closing Price	Market Value
WELLS FARGO & CO SENIOR NOTE 5.625% 12/11/2017	949746NX5	20	107 284	21,456.80
TOTAL FIXED INCOME				**$587,355.79**

MUTUAL FUNDS

Investment Description	Symbol/ CUSIP	Quantity	Closing Price	Market Value
MATTHEWS FDS ASIAN GRTH & INC FD	MACSX	143 155	$16 03	$2,294 77
PROFESSIONALLY MGD PTFL AKRE FOCUS RETAIL CL	AKREX	137 936	23 12	3,189 08
VANGUARD DIVIDEND GROWTH INVESTOR	VDIGX	142.603	22 43	3,198 59
VANGUARD FTSE ALL-WLD EX-US IDX FD INV	VFWIX	164 06	17 14	2,811 99
VANGUARD TOTAL STOCK MARKET INDEX FUND	VTSMX	307 734	50 78	15,626.73

HOLDINGS DETAIL *(continued)*

MUTUAL FUNDS

Investment Description	Symbol/ CUSIP	Quantity	Closing Price	Market Value
VANGUARD SMALL-CAP INDEX FUND	NAESX	56.599	53 03	3,001 44
TOTAL MUTUAL FUNDS				**$30,122.60**

TOTAL HOLDINGS	**$947,810.45**
TOTAL ACCOUNT VALUE	**$947,810.45**

TRANSACTIONS DETAIL

Transaction Date	Settlement Date	Activity Type	Description	Symbol/ CUSIP	Quantity	Price	Transaction Amount
12/08	12/08	Dividends and Interest	DEERE & CO SENIOR NOTE CALLABLE 2 6% 06/08/2022 PAYABLE 12/08/2015 TAXABLE INT CREDITED 325 00	244199BE4	-	$ -	$325 00
12/11	12/11	Dividends and Interest	WELLS FARGO & CO SENIOR NOTE 5 625% 12/11/2017 PAYABLE 12/11/2015 TAXABLE INT CREDITED 562 50	949746NX5	-	-	562 50
12/11	12/11	Dividends and Interest	MATTHEWS FDS ASIAN GRTH & INC FD PAYABLE 12/10/2015 LONG TERM CAP GAINS 100 56	MACSX	-	-	100 56

TRANSACTIONS DETAIL *(continued)*

Transaction Date	Settlement Date	Activity Type	Description	Symbol/ CUSIP	Quantity	Price	Transaction Amount
12/11	12/11	Buy	MATTHEWS FDS ASIAN GRTH & INC FD REINVESTED AT 15 97 PER SHARE	MACSX	6 297	15 97	(100 56)
12/11	12/11	Dividends and Interest	MATTHEWS FDS ASIAN GRTH & INC FD PAYABLE· 12/10/2015 ORDINARY DIVIDENDS 27 75	MACSX	-	-	27 75
12/11	12/11	Buy	MATTHEWS FDS ASIAN GRTH & INC FD REINVESTED AT 15 97 PER SHARE	MACSX	1 738	15 97	(27 75)
12/11	12/11	Dividends and Interest	MATTHEWS FDS ASIAN GRTH & INC FD PAYABLE 12/10/2015 SHORT TERM CAP GAINS 2.58	MACSX	-	-	2 58
12/11	12/11	Buy	MATTHEWS FDS ASIAN GRTH & INC FD REINVESTED AT 15.97 PER SHARE	MACSX	0 162	15 97	(2 58)
12/17	12/17	Dividends and Interest	VANGUARD DIVIDEND GROWTH INVESTOR PAYABLE 12/17/2015 ORDINARY DIVIDENDS 29 73	VDIGX	-	-	29 73
12/17	12/17	Buy	VANGUARD DIVIDEND GROWTH INVESTOR REINVESTED AT 22 77 PER SHARE	VDIGX	1.306	22 77	(29 73)
12/17	12/17	Dividends and Interest	VANGUARD DIVIDEND GROWTH INVESTOR PAYABLE 12/17/2015 SHORT TERM CAP GAINS 8 44	VDIGX	-	-	8 44
12/17	12/17	Buy	VANGUARD DIVIDEND GROWTH INVESTOR REINVESTED AT 22 77 PER SHARE	VDIGX	0 371	22 77	(8 44)

TRANSACTIONS DETAIL *(continued)*

Transaction Date	Settlement Date	Activity Type	Description	Symbol/ CUSIP	Quantity	Price	Transaction Amount
12/17	12/17	Dividends and Interest	VANGUARD DIVIDEND GROWTH INVESTOR PAYABLE 12/17/2015 LONG TERM CAP GAINS 59 88	VDIGX	-	-	59 88
12/17	12/17	Buy	VANGUARD DIVIDEND GROWTH INVESTOR REINVESTED AT 22.77 PER SHARE	VDIGX	2 63	22 77	(59 88)
12/21	12/21	Dividends and Interest	VANGUARD FTSE ALL-WLD EX-US IDX FD INV PAYABLE 12/21/2015 ORDINARY DIVIDENDS 20 84	VFWIX	-	-	20 84
12/21	12/21	Buy	VANGUARD FTSE ALL-WLD EX-US IDX FD INV REINVESTED AT 16 89 PER SHARE	VFWIX	1 234	16 89	(20 84)
12/21	12/21	Dividends and Interest	VANGUARD TOTAL STOCK MARKET INDEX FUND PAYABLE 12/21/2015 ORDINARY DIVIDENDS 82 03	VTSMX	-	-	82 03
12/21	12/21	Buy	VANGUARD TOTAL STOCK MARKET INDEX FUND REINVESTED AT 49 81 PER SHARE	VTSMX	1.647	49 81	(82 03)
12/23	12/23	Dividends and Interest	VANGUARD SMALL-CAP INDEX FUND PAYABLE 12/23/2015 ORDINARY DIVIDENDS 16.16	NAESX	-	-	16 16
12/23	12/23	Buy	VANGUARD SMALL-CAP INDEX FUND REINVESTED AT 52.87 PER SHARE	NAESX	0 306	52 87	(16 16)
12/29	12/29	Dividends and Interest	SELECT SECTOR SPDR TRUST HEALTH CARE SELECT INDEX PAYABLE 12/29/2015 ORDINARY DIVIDENDS 19 08	XLV	-	-	19 08

TRANSACTIONS DETAIL *(continued)*

Transaction Date	Settlement Date	Activity Type	Description	Symbol/ CUSIP	Quantity	Price	Transaction Amount
12/29	12/29	Dividends and Interest	SELECT SECTOR SPDR TRUST INDUSTRIAL SELECT INDEX PAYABLE 12/29/2015 ORDINARY DIVIDENDS 10.52	XLI	-	-	10.52
12/29	12/29	Dividends and Interest	SELECT SECTOR SPDR TRUST CONSUMER STAPLES INDEX PAYABLE 12/29/2015 ORDINARY DIVIDENDS 30.70	XLP	-	-	30 70
12/29	12/29	Dividends and Interest	SELECT SECTOR SPDR TRUST ENERGY SELECT INDEX PAYABLE 12/29/2015 ORDINARY DIVIDENDS 21 15	XLE	-	-	21 15
12/29	12/29	Dividends and Interest	SELECT SECTOR SPDR TRUST FINANCIAL SELECT SECTOR FUND PAYABLE 12/29/2015 ORDINARY DIVIDENDS 22 78	XLF	-	-	22 78
12/29	12/29	Dividends and Interest	SELECT SECTOR SPDR TRUST TECHNOLOGY SELECT INDEX PAYABLE 12/29/2015 ORDINARY DIVIDENDS 24 18	XLK	-	-	24 18
12/29	12/29	Dividends and Interest	SELECT SECTOR SPDR TRUST CONSUMER DIS SELECT INDEX PAYABLE 12/29/2015 ORDINARY DIVIDENDS 7.15	XLY	-	-	7 15
12/31	12/31	Dividends and Interest	FDIC INSURED DEPOSIT ACCOUNT IDA12 NOT COVERED BY SIPC ON 2 61 SHARES INTEREST. INSURED DEPOSIT ACCOUNT PAYABLE 12/31/2015 INSURED DEPOSIT ACCOUNT INTEREST 2 61	MMDA12	2 61	-	2 61

INSURED DEPOSIT ACCOUNT TD AMERITRADE INTEREST CREDIT/EXPENSE

Begin Date	Balance	Number of Days	Interest Rate	Interest Accrued	MTD Accrued	MTD Paid
12/01	$306,337 36	7	0 0100	$0 59	$0.59	$ -
12/08	306,662 36	3	0 0100	0 25	0 84	-
12/11	307,224 86	18	0 0100	1.51	2 35	-
12/29	307,360 42	3	0 0100	0.26	2 61	2 61
TOTAL INTEREST INCOME						**$2.61**

INSURED DEPOSIT ACCOUNT ACTIVITY

Transaction Date	Settlement Date	Transaction	Description	Amount	Balance
Opening Balance					**$306,337.36**
12/08	12/08	Received	FDIC INSURED DEPOSIT ACCOUNT IDA12 NOT COVERED BY SIPC PURCHASE FDIC INSURED DEPOSIT ACCOUNT	$325 00	306,662 36
12/11	12/11	Received	FDIC INSURED DEPOSIT ACCOUNT IDA12 NOT COVERED BY SIPC PURCHASE FDIC INSURED DEPOSIT ACCOUNT	562 50	307,224 86
12/29	12/29	Received	FDIC INSURED DEPOSIT ACCOUNT IDA12 NOT COVERED BY SIPC PURCHASE FDIC INSURED DEPOSIT ACCOUNT	135 56	307,360 42
12/31	12/31	Received	INTEREST INSURED DEPOSIT ACCOUNT	0 51	307,360.93

INSURED DEPOSIT ACCOUNT ACTIVITY *(continued)*

Transaction Date	Settlement Date	Transaction	Description	Amount	Balance
12/31	12/31	Received	INTEREST: INSURED DEPOSIT ACCOUNT	2 10	307,363.03
Closing Balance					**$307,363.03**
TD Bank NA				**$247,500.00**	
TD Bank USA NA				**$59,863.03**	

***FDIC Insured Deposit Account (IDA)** balances reflected in your brokerage account are FDIC-insured up to applicable limits and held by TD Bank, N A , or TD Bank USA, N A , or both The IDA balances are not covered by the Securities Investor Protection Corporation (SIPC) protection applicable to your brokerage account*

IMPORTANT INFORMATION

ANNUAL MARGIN DISCLOSURE

Securities purchased on margin are the firm's collateral for the loan to you If the securities in your account decline in value, so does the value of the collateral supporting your loan As a result, the firm can take action, such as issuing a margin call and/or selling securities or other assets in any of your accounts held with TD Ameritrade, in order to maintain the required equity in the account

It is important that you fully understand the risks involved in trading securities on margin. These risks include the following: You can lose more funds than you deposit in the margin account. The firm can force the sale of securities or other assets in your account(s). The firm can sell your securities or other assets without contacting you. You are not entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call. The firm can increase its "house" maintenance requirements at any time and is not required to provide you advance written notice. You are not entitled to an extension of time on a margin call.

STATEMENT OF FINANCIAL CONDITION

The most recent statement of financial condition for TD Ameritrade Clearing, Inc may be obtained at no cost, via the Internet at http://www tdameritrade com/financialstatement html on or before December 29, 2015, or by contacting TD Ameritrade Clearing, Inc at 1-800-237-8692 As of September 30, 2015, TD Ameritrade Clearing, Inc had net capital and a net capital requirement of $1 58 billion and $310 million, respectively A copy of the report and comments is currently available for customers' inspection at the principal office of the Securities and Exchange Commission in Washington DC and the Denver, CO office of the Commission

IMPORTANT INFORMATION

ANTI-MONEY LAUNDERING REQUIREMENTS

The USA PATRIOT Act is designed to detect, deter, and punish terrorists and/or terrorist groups in the United States and abroad The Act requires U S financial institutions and brokerage firms to implement comprehensive anti-money laundering programs

What is money laundering?
Money laundering is the process of disguising illegally obtained funds so that they appear to come from legitimate sources or activities Money laundering occurs in connection with a wide variety of crimes, including (but not limited to) illegal arms sales, drug trafficking, fraud, terrorism, embezzlement, and political corruption

How big is the problem and why is it important?
According to the U S Department of State, one recent estimate puts the amount of worldwide money laundering activity at roughly $1 trillion per year The use of the U S financial system by criminals to facilitate terrorism or other crimes could taint our financial markets

What is TD Ameritrade required to do?
As required by the USA PATRIOT Act, our anti-money laundering program designates a special Compliance Officer to ensure compliance with applicable laws, maintains policies and procedures to detect and report suspicious transactions, performs employee training, and conducts independent audits Federal law also requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account As part of this requirement, we may ask you to provide various identification documents or other information Until you provide the information or documents required, we may not be able to open an account or process transactions for you.

We thank you for your patience and look forward to your support in our efforts to deny terrorist groups access to America's financial system

****** THANK YOU FOR CHOOSING TD AMERITRADE INSTITUTIONAL - END OF STATEMENT ******