



Form **990-PF**

**Return of Private Foundation**

OMB No 1545-0052

**2016**

Department of the Treasury  
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.

Information about Form 990-PF and its separate instructions is at [www.irs.gov/form990pf](http://www.irs.gov/form990pf).

Open to Public Inspection

For calendar year 2016 or tax year beginning

, and ending

Name of foundation: **THE DANIEL VELORIC FOUNDATION**

Number and street (or P O box number if mail is not delivered to street address): **10 PRESIDENTIAL BLVD, STE 105**

City or town, state or province, country, and ZIP or foreign postal code: **BALA CYNWYD, PA 19004-0790**

G Check all that apply:  Initial return  Initial return of a former public charity  Amended return  Final 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, col (c), line 16): **\$ 48,957,273.** (Part I, column (d) must be on cash basis)

J Accounting method:  Cash  Accrual  Other (specify)

A Employer identification number: **23-7850850**

B Telephone number: **610-664-2200**

C If exemption application is pending, check here

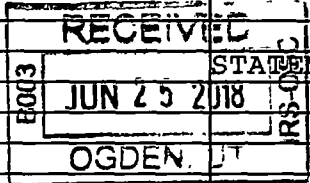
D 1. Foreign organizations, check here   
2. Foreign organizations meeting the 85% test, check here and attach computation

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

300

Part I Analysis of Revenue and Expenses		(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		4,033,314.		N/A	
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities		363,580.	141,324.		STATEMENT 2
5a Gross rents					
b Net rental income or (loss)					
6a Net gain or (loss) from sale of assets not on line 10		807,138.			STATEMENT 1
b Gross sales price for all assets on line 6a		267,100,280.			
7 Capital gain net income (from Part IV, line 2)			4,694,777.		
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					
12 Total. Add lines 1 through 11		5,204,032.	4,836,101.		
13 Compensation of officers, directors, trustees, etc		0.	0.		0.
14 Other employee salaries and wages					
15 Pension plans, employee benefits					
16a Legal fees STMT 3		47,056.	9,946.		21,488.
b Accounting fees STMT 4		6,711.	2,611.		0.
c Other professional fees STMT 5		1,554,830.	558,156.		229,436.
17 Interest		101,318.	0.		0.
18 Taxes STMT 6		<5,231.>	703.		0.
19 Depreciation and depletion					
20 Occupancy					
21 Travel, conferences, and meetings					
22 Printing and publications					
23 Other expenses STMT 7		61,797.	29,332.		17,953.
24 Total operating and administrative expenses. Add lines 13 through 23		1,766,481.	600,748.		268,877.
25 Contributions, gifts, grants paid		66,635.			66,635.
26 Total expenses and disbursements. Add lines 24 and 25		1,833,116.	600,748.		335,512.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		3,370,916.			
b Net investment income (if negative, enter -0-)			4,235,353.		
c Adjusted net income (if negative, enter -0-)				N/A	



SCANNED AUG 02 2018

027 7

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			
	2 Savings and temporary cash investments	162,448.	86,587.	86,587.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶	242,912.		
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock STMT 10	30,443,560.	44,742,735.	44,742,735.
	c Investments - corporate bonds			
	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 ▶ STATEMENT 11)	4,100,716.	4,127,951.	4,127,951.	
16 Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)	34,949,636.	48,957,273.	48,957,273.	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶ STATEMENT 12)	26,286,286.	39,588,769.	
23 Total liabilities (add lines 17 through 22)	26,286,286.	39,588,769.		
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	24 Unrestricted	8,663,350.	9,368,504.	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>			
	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	8,663,350.	9,368,504.		
31 Total liabilities and net assets/fund balances	34,949,636.	48,957,273.		

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	8,663,350.
2 Enter amount from Part I, line 27a	2	3,370,916.
3 Other increases not included in line 2 (itemize) ▶ SEE STATEMENT 8	3	3,740,527.
4 Add lines 1, 2, and 3	4	15,774,793.
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 9	5	6,406,289.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	9,368,504.

**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 STATEMENT				
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 267,100,280.		262,405,503.	4,694,777.	
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			4,694,777.	
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	4,694,777.	
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))
2015	5,247,705.	16,087,925.	.326189
2014	837,409.	16,145,910.	.051865
2013	1,596,711.	10,600,966.	.150619
2012	1,135,949.	4,079,649.	.278443
2011	996,593.	3,710,648.	.268577

2 Total of line 1, column (d)	2	1.075693
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	.215139
4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5	4	9,838,929.
5 Multiply line 4 by line 3	5	2,116,737.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	42,354.
7 Add lines 5 and 6	7	2,159,091.
8 Enter qualifying distributions from Part XII, line 4 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.	8	335,512.

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

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1. Date of ruling or determination letter _____ (attach copy of letter if necessary-see instructions)		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	84,707.
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	84,707.
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	4	0.
5	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0-	5	84,707.
6	Credits/Payments:		
a	2016 estimated tax payments and 2015 overpayment credited to 2016	6a	41,000.
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	50,000.
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments. Add lines 6a through 6d	7	91,000.
8	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8	2,090.
9	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b>	9	
10	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b>	10	4,203.
11	Enter the amount of line 10 to be: <b>Credited to 2017 estimated tax</b> <input type="checkbox"/> <b>4,203.</b> <b>Refunded</b> <input checked="" type="checkbox"/>	11	0.

**Part VII-A Statements Regarding Activities**

	Yes	No
1a		X
1b		X
1c		X
d		
e		
2		X
3		X
4a	X	
4b	X	
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10	X	

STMT 13

**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	
SEE STATEMENT 14		
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ▶ N/A	X	
14 The books are in care of ▶ MANUEL NUNEZ Telephone no. ▶ 610-664-2200 Located at ▶ 10 PRESIDENTIAL BLVD STE 105, BALA CYNWYD, PA ZIP+4 ▶ 19004-0790		
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year ▶ 15 N/A		
16 At any time during calendar year 2016, 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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here ▶ <input type="checkbox"/>	1b	X
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 2016?	1c	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 2016, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2016? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years ▶ _____, _____, _____		
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions) N/A	2b	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ _____, _____, _____		
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b If "Yes," did it have excess business holdings in 2016 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 2016) N/A	3b	
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a	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 2016?	4b	X

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

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

(1) Carry on propoganda, 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)?  Yes  No  
 Organizations relying on a current notice regarding disaster assistance check here  N/A

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

**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
DANIEL VELORIC 10 PRESIDENTIAL BLVD, SUITE 105 BALA CYNWYD, PA 19004	PRESIDENT , SECRETARY , TREASU 20.00	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

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

**3** Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
VELORIC ASSET MANAGEMENT, LLC	SEE ATTACHED STATEMENT	1084548.

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

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	
3 All other program-related investments. See instructions.	

Total. Add lines 1 through 3 ▶ 0.

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

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a	Average monthly fair market value of securities	1a	18,853,690.
b	Average of monthly cash balances	1b	3,290,579.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	22,144,269.
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	12,155,509.
3	Subtract line 2 from line 1d	3	9,988,760.
4	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	149,831.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	9,838,929.
6	Minimum investment return. Enter 5% of line 5	6	491,946.

**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	491,946.
2a	Tax on investment income for 2016 from Part VI, line 5	2a	84,707.	
b	Income tax for 2016. (This does not include the tax from Part VI.)	2b		
c	Add lines 2a and 2b	2c	84,707.	
3	Distributable amount before adjustments. Subtract line 2c from line 1	3	407,239.	
4	Recoveries of amounts treated as qualifying distributions	4	0.	
5	Add lines 3 and 4	5	407,239.	
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	407,239.	

**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	335,512.
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	335,512.
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	0.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	335,512.

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 2015	(c) 2015	(d) 2016
1 Distributable amount for 2016 from Part XI, line 7				407,239.
2 Undistributed income, if any, as of the end of 2016				
a Enter amount for 2015 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012	63,363.			
c From 2013	67,534.			
d From 2014				
e From 2015	4,443,309.			
f Total of lines 3a through e	4,574,206.			
4 Qualifying distributions for 2016 from Part XII, line 4. ▶ \$ 335,512.				
a Applied to 2015, but not more than line 2a			0.	
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 2016 distributable amount				335,512.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))	71,727.			71,727.
6 Enter the net total of each column as indicated below:	4,502,479.			
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5				
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 2015. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2016. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2017				0.
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 2011 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a	4,502,479.			
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013	59,170.			
c Excess from 2014				
d Excess from 2015	4,443,309.			
e Excess from 2016				

**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 2016, 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				(e) Total
	(a) 2016	(b) 2015	(c) 2014	(d) 2013	
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).)

**DANIEL VELORIC**  
 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)

<b>3 Grants and Contributions Paid During the Year or Approved for Future Payment</b>				
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)				
<b>a Paid during the year</b>				
SEE ATTACHED SCHEDULE	NONE		CHARITABLE PROGRAMS FOR UNRESTRICTED GENERAL PURPOSES	66,635.
<b>Total</b>			<b>▶ 3a</b>	66,635.
<b>b Approved for future payment</b>				
NONE				
<b>Total</b>			<b>▶ 3b</b>	0.





THE DANIEL VELORIC 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 IB U1640774 - SEE ATTACHED	P	VARIOUS	12/31/16
b IB U1797768 - SEE ATTACHED	P	VARIOUS	12/31/16
c IB U1838738 - SEE ATTACHED	P	VARIOUS	12/31/16
d IB U1640806 - SEE ATTACHED	P	VARIOUS	12/31/16
e IB U1801563 - SEE ATTACHED	P	VARIOUS	12/31/16
f IB U1912846 - SEE ATTACHED	P	VARIOUS	12/31/16
g CAPITAL GAINS (LOSSES) REPORTED ON FORM 990-T	P	VARIOUS	12/31/16
h BOOK-TAX DIFFERENCE ON BASIS OF DONATED SECURITIES	P	VARIOUS	12/31/16
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 149,531,954.		144,742,416.	4,789,538.
b 16,210,918.		16,255,649.	<44,731.>
c 5,711,589.		6,119,343.	<407,754.>
d 79,803,100.		79,423,800.	379,300.
e 13,088,605.		13,227,590.	<138,985.>
f 2,592,490.		2,636,705.	<44,215.>
g 161,624.			161,624.
h			0.
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

(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			4,789,538.
b			<44,731.>
c			<407,754.>
d			379,300.
e			<138,985.>
f			<44,215.>
g			161,624.
h			0.
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	4,694,777.
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

**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.  
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and  
its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

OMB No 1545-0047

**2016**

Name of the organization

THE DANIEL VELORIC FOUNDATION

Employer identification number

23-7850850

Organization type (check one)

Filers of:

Section:

Form 990 or 990-EZ

501(c)( ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

- For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

**Special Rules**

- For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year. ▶ \$ \_\_\_\_\_

**Caution:** An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990, 990-EZ, or 990-PF), but it must answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2016)

Name of organization <b>THE DANIEL VELORIC FOUNDATION</b>	Employer identification number <b>23-7850850</b>
--	---

**Part I Contributors** (See instructions). Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	VELORIC HOLDINGS <hr/> 10 PRESIDENTIAL BLVD SUITE 105 <hr/> BALA CYNWYD, PA 19004	\$ 4,033,314.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions)
_____	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
_____	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
_____	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
_____	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
_____	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)
_____	<hr/> <hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions)

Name of organization <b>THE DANIEL VELORIC FOUNDATION</b>	Employer identification number <b>23-7850850</b>
--	---

**Part II Noncash Property** (See instructions) Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions)	(d) Date received
1	<u>MARKETABLE SECURITIES</u> _____ _____ _____	\$ <u>4,033,314.</u>	<u>03/22/16</u>
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____
_____	_____ _____ _____	\$ _____	_____

Name of organization <b>THE DANIEL VELORIC FOUNDATION</b>	Employer identification number <b>23-7850850</b>
--	---

**Part III** Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year (Enter this info once) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

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

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
IB U1640774 - SEE ATTACHED	149,531,954.	144,742,416.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
IB U1797768 - SEE ATTACHED	16,210,918.	16,255,649.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED DEPREC.	(F) DATE ACQUIRED GAIN OR LOSS	DATE SOLD
IB U1838738 - SEE ATTACHED	5,711,589.	6,119,343.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED	(F) DATE ACQUIRED	DATE SOLD
IB U1640806 - SEE ATTACHED	79,803,100.	79,423,800.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED	(F) DATE ACQUIRED	DATE SOLD
IB U1801563 - SEE ATTACHED	13,088,605.	13,227,590.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED	(F) DATE ACQUIRED	DATE SOLD
IB U1912846 - SEE ATTACHED	2,592,490.	2,636,705.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) VALUE AT TIME OF ACQ.	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED	(F) DATE ACQUIRED	DATE SOLD
CAPITAL GAINS (LOSSES) REPORTED ON FORM 990-T	161,624.	161,624.	0.	PURCHASED	VARIOUS	12/31/16

(A) DESCRIPTION OF PROPERTY	MANNER ACQUIRED	DATE ACQUIRED	DATE SOLD
BOOK-TAX DIFFERENCE ON BASIS OF DONATED SECURITIES	PURCHASED	VARIOUS	12/31/16
(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) DEPREC.
0.	3,726,015.	0.	0.
			(F) GAIN OR LOSS
			<3,726,015.>
CAPITAL GAINS DIVIDENDS FROM PART IV			0.
TOTAL TO FORM 990-PF, PART I, LINE 6A			807,138.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
DIVIDEND INCOME	141,323.	0.	141,323.	141,323.	
INTEREST INCOME	1.	0.	1.	1.	
UNRELATED BUSINESS DIVIDEND INCOME	222,256.	0.	222,256.	0.	
TO PART I, LINE 4	363,580.	0.	363,580.	141,324.	

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 - PROGRAM RELATED	21,488.	0.		21,488.
LEGAL FEES - ADMIN	25,568.	9,946.		0.
TO FM 990-PF, PG 1, LN 16A	47,056.	9,946.		21,488.

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 FEES	6,711.	2,611.		0.
TO FORM 990-PF, PG 1, LN 16B	6,711.	2,611.		0.

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 ADVISORY FEES	775,886.	301,820.		0.
MANAGEMENT FEES	188,662.	73,397.		109,436.
INVESTMENT FEES	456,034.	177,397.		0.
PROF ADMIN FEES	134,248.	5,542.		120,000.
TO FORM 990-PF, PG 1, LN 16C	1,554,830.	558,156.		229,436.

FORM 990-PF TAXES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
FOREIGN TAXES W/H	1,492.	703.		0.
FEDERAL TAX EXPENSE	<6,723.>	0.		0.
TO FORM 990-PF, PG 1, LN 18	<5,231.>	703.		0.

FORM 990-PF	OTHER EXPENSES			STATEMENT 7
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
MISCELLANEOUS	3,077.	0.		3,077.
LIFE INSURANCE PREMIUMS	16,216.	1,704.		0.
RENT	38,455.	24,996.		13,459.
UTILITIES	2,511.	1,632.		879.
TRAVEL	1,538.	1,000.		538.
<b>TOTAL TO FORM 990-PF, PG 1, LN 23</b>	<b>61,797.</b>	<b>29,332.</b>		<b>17,953.</b>

FORM 990-PF	OTHER INCREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 8
DESCRIPTION		AMOUNT
CHANGE IN CASH SURRENDER VALUE OF LIFE INSURANCE		14,512.
BASIS ADJUSTMENT FOR DONATED SECURITIES		3,726,015.
<b>TOTAL TO FORM 990-PF, PART III, LINE 3</b>		<b>3,740,527.</b>

FORM 990-PF	OTHER DECREASES IN NET ASSETS OR FUND BALANCES	STATEMENT 9
DESCRIPTION		AMOUNT
DECREASE IN MARKET VALUE ADJUSTMENT		6,405,975.
BOOK/TAX DIFFERENCES		314.
<b>TOTAL TO FORM 990-PF, PART III, LINE 5</b>		<b>6,406,289.</b>

FORM 990-PF	CORPORATE STOCK	STATEMENT 10
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
ATTACHMENT A	44,742,735.	44,742,735.
<b>TOTAL TO FORM 990-PF, PART II, LINE 10B</b>	<b>44,742,735.</b>	<b>44,742,735.</b>

FORM 990-PF OTHER ASSETS STATEMENT 11

DESCRIPTION	BEGINNING OF YR BOOK VALUE	END OF YEAR BOOK VALUE	FAIR MARKET VALUE
CASH SURRENDER VALUE OF LIFE INSURANCE	402,439.	416,951.	416,951.
COMMUNITY CARE & DEVELOPMENT CORP PROGRAM LOAN	3,500,000.	3,500,000.	3,500,000.
PREPAID TAX	173,277.	186,000.	186,000.
PRI LOAN TO VANCE INDUSTRIES	25,000.	25,000.	25,000.
<b>TOTAL TO FORM 990-PF, PART II, LINE 15</b>	<b>4,100,716.</b>	<b>4,127,951.</b>	<b>4,127,951.</b>

FORM 990-PF OTHER LIABILITIES STATEMENT 12

DESCRIPTION	BOY AMOUNT	EOY AMOUNT
INTEREST-FREE LOAN FROM VELORIC HOLDINGS	4,000,000.	0.
CONTRIBUTION PAYABLE-SETASIDE	4,981,218.	4,950,428.
LOAN PAYABLE SECURED BY SECURITIES - INTERACTIVE BROKER #0806	3,365,886.	0.
ACCRUED EXPENSES	0.	10,000.
INVESTMENT ACQUISITION DEBT - INTERACTIVE BROKER	13,939,182.	34,510,697.
JP MORGAN OPTIONS LIABILITY	0.	117,644.
<b>TOTAL TO FORM 990-PF, PART II, LINE 22</b>	<b>26,286,286.</b>	<b>39,588,769.</b>

FORM 990-PF

LIST OF SUBSTANTIAL CONTRIBUTORS  
PART VII-A, LINE 10

STATEMENT 13

NAME OF CONTRIBUTOR

ADDRESS

VELORIC HOLDINGS

10 PRESIDENTIAL BLVD SUITE 105  
BALA CYNWYD, PA 19004

FORM 990-PF

EXPLANATION CONCERNING PART VII-A, LINE 12

STATEMENT 14

EXPLANATION

DURING THE YEAR, THE FOUNDATION MADE A CONTRIBUTION TO A DONOR ADVISED  
FUND OVER WHICH DANIEL VELORIC HOLDS ADVISORY AUTHORITY

GENERAL EXPLANATION

STATEMENT 15

FORM/LINE IDENTIFIER AND DESCRIPTION/RETURN REFERENCE

FORM 990-PF, PART VII, ITEM 8 - FEES PAID TO CONTRACTORS

EXPLANATION:

FEES PAID TO VELORIC ASSET MANAGEMENT, LLC CONSIST OF THE FOLLOWING:

INVESTMENT ADVISORY FEES	775,886
ADMINISTRATIVE SERVICES FEES	308,662

TOTAL	1,084,548
-------	-----------

GENERAL EXPLANATION

STATEMENT 16

FORM/LINE IDENTIFIER AND DESCRIPTION/RETURN REFERENCE

FORM 990-PF, PART I, LINE 16C - OTHER PROFESSIONAL FEES

EXPLANATION:

COMPENSATION PAID FOR INVESTMENT ADVISORY AND ADMINSTRATIVE SERVICES. DANIEL VELORIC IS PRESIDENT OF VELORIC ASSET MANAGEMENT, LLC. SEE PART III, LINE 3.

GENERAL EXPLANATION

STATEMENT 17

FORM/LINE IDENTIFIER AND DESCRIPTION/RETURN REFERENCE

FORM 990-PF, PART X, XI AND XIII - EXPLANATION FOR AMENDED RETURN

EXPLANATION:

THE REUTRN IS BEING AMENDED TO INCLUDE IN PART X, LINE 2 ACQUISITION INDEBTEDNESS APPLICABLE TO ASSETS REPORTED ON LINE 1, WHICH WAS NOT REPORTED ON THE ORIGINALLY FILED RETURN. AS A RESULT, THE MINIMUM INVESTMENT RETURN ON LINE 6 IS REDUCED AND THE DISTRIBUTABLE AMOUNT IN PART XI LINE 7 IS ALSO REDUCED. THIS RESULTS IN AN INCREASE IN THE EXCESS DISTRIBUTIONS IN PART XIII.