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Return of Private Foundation

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

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

For calendar year 2016 or tax year beginning

, and ending

Name of foundation

LIENONEFUNG FOUNDATION

Number and street (or P O box number if mail is not delivered to street address)

11752 PINE BROOK LANE

A Employer identification number

56-2380964

City or town, state or province, country, and ZIP or foreign postal code

CUPERTINO, CA 95014

B Telephone number

408-255-9129

G Check all that apply: Initial return Initial return of a former public charity
 Final return Amended return
 Address change Name changeC If exemption application is pending, check here ► H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundationD 1. Foreign organizations, check here ► 2. Foreign organizations meeting the 85% test, check here and attach computation ► I Fair market value of all assets at end of year **J Accounting method:** Cash Accrual
(from Part II, col. (c), line 16) Other (specify) **► \$ 1,560,167.** (Part I, column (d) must be on cash basis)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 ► Part I Analysis of Revenue and Expenses
(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
	1 Contributions, gifts, grants, etc., received			N/A	
	2 Check ► <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B				
	3 Interest on savings and temporary cash investments	23.	23.		STATEMENT 1
	4 Dividends and interest from securities	6,642.	6,642.		STATEMENT 2
Revenue	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain or (loss) from sale of assets not on line 10	164,361.		RECEIVED	
	b Gross sales price for all assets on line 6a	2,192,209.			
	7 Capital gain net income (from Part IV, line 2)		164,361.	4029	NOV 20 2017
	8 Net short-term capital gain				IRS-OS
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss)				
	11 Other income	-1,236.	0.		STATEMENT 3
	12 Total Add lines 1 through 11	169,790.	171,026.		
Operating and Administrative Expenses	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 4	2,000.	500.	1,500.
	b Accounting fees	STMT 5	1,440.	1,080.	360.
	c Other professional fees	STMT 6	1,219.	1,219.	0.
	17 Interest				
	18 Taxes	STMT 7	1,190.	85.	0.
	19 Depreciation and depletion		617.	0.	
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other expenses	STMT 8	437.	219.	218.
	24 Total operating and administrative expenses. Add lines 13 through 23		6,903.	3,103.	2,078.
	25 Contributions, gifts, grants paid		250.		250.
	26 Total expenses and disbursements. Add lines 24 and 25		7,153.	3,103.	2,328.
	27 Subtract line 26 from line 12:		162,637.		
	a Excess of revenue over expenses and disbursements				
	b Net investment income (if negative, enter -0-)		167,923.		
	c Adjusted net income (if negative, enter -0-)			N/A	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only	Beginning of year	End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing	72,723.	688,383.	688,383.
	2	Savings and temporary cash investments	378,352.		
	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	6,858.	58,520.	58,520.
	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	696,963.	694,442.
	c	Investments - corporate bonds			
	11	Investments - land, buildings, and equipment basis ►			
		Less accumulated depreciation ►			
	12	Investments - mortgage loans			
	13	Investments - other	STMT 11	120,839.	116,693.
	14	Land, buildings, and equipment basis ►	25,379.		116,693.
		Less accumulated depreciation ►	23,250.	2,746.	2,129.
	15	Other assets (describe ►)			
	16	Total assets (to be completed by all filers - see the instructions. Also, see page 1, item I)		1,278,481.	1,560,167.
Liabilities	17	Accounts payable and accrued expenses		-50.	
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable			
	22	Other liabilities (describe ►)			
	23	Total liabilities (add lines 17 through 22)		-50.	0.
Net Assets or Fund Balances	Foundations that follow SFAS 117, check here ► <input type="checkbox"/>				
	and complete lines 24 through 26 and lines 30 and 31.				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Foundations that do not follow SFAS 117, check here ► <input checked="" type="checkbox"/>				
	and complete lines 27 through 31.				
	27	Capital stock, trust principal, or current funds		1,465,708.	1,465,708.
	28	Paid-in or capital surplus, or land, bldg , and equipment fund		0.	0.
	29	Retained earnings, accumulated income, endowment, or other funds		-187,177.	94,459.
	30	Total net assets or fund balances		1,278,531.	1,560,167.
	31	Total liabilities and net assets/fund balances		1,278,481.	1,560,167.

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	1,278,531.
2	Enter amount from Part I, line 27a	2	162,637.
3	Other increases not included in line 2 (itemize) ►	SEE STATEMENT 9	119,222.
4	Add lines 1, 2, and 3	4	1,560,390.
5	Decreases not included in line 2 (itemize) ► DEPRECIATED ASSETS VALUE ADJ	5	223.
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	1,560,167.

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 CHARLES SCHWAB # 9089-1895		P	01/01/16	12/31/16
b CHARLES SCHWAB # 9089-1895		P	01/01/14	12/31/16
c CHARLES SCHWAB # 5074-2677		P	01/01/16	12/31/16
d CHARLES SCHWAB # 5074-2677		P	01/01/14	12/31/16
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 115,752.		118,520.		-2,768.
b 271,924.		224,918.		47,006.
c 1,392,108.		1,309,879.		82,229.
d 412,425.		374,531.		37,894.
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				-2,768.
b				47,006.
c				82,229.
d				37,894.
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	164,361.
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.

 Yes No

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

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	2,149.	1,285,570.	.001672
2014	1,269.	493,943.	.002569
2013	2,048.	436,996.	.004687
2012	3,875.	420,617.	.009213
2011	30,722.	246,791.	.124486

2 Total of line 1, column (d)

2 .142627

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 .028525

4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5

4 1,316,291.

5 Multiply line 4 by line 3

5 37,547.

6 Enter 1% of net investment income (1% of Part I, line 27b)

6 1,679.

7 Add lines 5 and 6

7 39,226.

8 Enter qualifying distributions from Part XII, line 4

8 2,328.

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

Part VI | Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)1a Exempt operating foundations described in section 4940(d)(2), check here ► and enter "N/A" on line 1.

Date of ruling or determination letter: _____ (attach copy of letter if necessary-see instructions)

b Domestic foundations that meet the section 4940(e) requirements in Part V, check here ► and enter 1% of Part I, line 27b

c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b).

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2016 estimated tax payments and 2015 overpayment credited to 2016

b Exempt foreign organizations - tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

6a

6b

6c

6d

7 Total credits and payments. Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax. Check here if Form 2220 is attached

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be: Credited to 2017 estimated tax ►

Refunded ►

7 0.

8 101.

9 3,459.

10

11

Part VII-A | Statements Regarding Activities

1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?

Yes

No

1a X

b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for the definition)?

1b X

1c 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?

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?

2 X

*If "Yes," attach a detailed description of the activities*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

4a Did the foundation have unrelated business gross income of \$1,000 or more during the year?

N/A

4a X

b If "Yes," has it filed a tax return on Form 990-T for this year?

5 X

5 Was there a liquidation, termination, dissolution, or substantial contraction during the year?

6 X

If "Yes," attach the statement required by General Instruction T.

6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either:

7 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*

8a Enter the states to which the foundation reports or with which it is registered (see instructions) ►

CA

*b If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," attach explanation*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 2016 or the taxable year beginning in 2016 (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*

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Part VII-A Statements Regarding Activities (continued)

	Yes	No
11 At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	X
12 Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12	X
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► N/A	13	X
14 The books are in care of ► JANG-FUNG CHEN Located at ► 11752 PINE BROOK LANE, CUPERTINO, CA	Telephone no. ► 408-255-9129 ZIP+4 ► 95014	
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 ►	16	Yes No X

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.		
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 checked="" type="checkbox"/>	Yes <input type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/>	Yes <input checked="" type="checkbox"/> No
1b If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	►	1b X
1c 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	
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.	N/A	
► _____, _____, _____, _____		
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 propaganda, or otherwise attempt to influence legislation (section 4945(e))?
 Yes No
 (2) Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly,
 any voter registration drive?
 Yes No
 (3) Provide a grant to an individual for travel, study, or other similar purposes?
 Yes No
 (4) Provide a grant to an organization other than a charitable, etc., organization described in section
 4945(d)(4)(A)? (see instructions)
 Yes No
 (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for
 the prevention of cruelty to children or animals?
 Yes No

b If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations
 section 53.4945 or in a current notice regarding disaster assistance (see instructions)?

N/A

5b



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)

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on
 a personal benefit contract? Yes No

6b

X

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

If "Yes" to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?

 Yes No

b If "Yes," did the foundation receive any proceeds or have any net income attributable to the transaction?

N/A

7b

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
JUNG-FUNG CHEN 11752 PINE BROOK LANE CUPERTINO, CA 95014	CEO 2.00	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
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**

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.	
4	
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	860,524.
b Average of monthly cash balances	1b	358,501.
c Fair market value of all other assets	1c	117,311.
d Total (add lines 1a, b, and c)	1d	1,336,336.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	1,336,336.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	20,045.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,316,291.
6 Minimum investment return. Enter 5% of line 5	6	65,815.

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	65,815.
2a Tax on investment income for 2016 from Part VI, line 5	2a	3,358.
b Income tax for 2016. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	3,358.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	62,457.
4 Recoveries of amounts treated as qualifying distributions	4	0.
5 Add lines 3 and 4	5	62,457.
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	62,457.

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	2,328.
b Program-related investments - total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	2,328.
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	2,328.

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				62,457.
2 Undistributed income, if any, as of the end of 2016			64,278.	
a Enter amount for 2015 only				
b Total for prior years: 2014, _____		58,237.		
3 Excess distributions carryover, if any, to 2016:				
a From 2011				
b From 2012				
c From 2013				
d From 2014				
e From 2015				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2016 from Part XII, line 4: ► \$ 2,328.			64,278.	
a Applied to 2015, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see instructions)		58,237.		
c Treated as distributions out of corpus (Election required - see instructions)	182,644.			
d Applied to 2016 distributable amount	17,356.		62,457.	
e Remaining amount distributed out of corpus	0.		0.	
5 Excess distributions carryover applied to 2016 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:	200,000.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5		0.		
b Prior years' undistributed income. Subtract line 4b from line 2b				
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)	182,644.			
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	17,356.			
10 Analysis of line 9:				
a Excess from 2012				
b Excess from 2013				
c Excess from 2014				
d Excess from 2015				
e Excess from 2016	17,356.			

Part XV | Supplementary Information (continued)

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

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year				
UC BERKELEY 101 DURANT HALL BERKELEY, CA 94720	N/A	501C	UNRESTRICTED	250.
Total			► 3a	250.
b Approved for future payment				
UC SAN FRANCISCO FOUNDATION 220 MONTGOMERY STREET SAN FRANCISCO, CA 94104	N/A	501C	UNRESTRICTED	200,000.
Total			► 3b	200,000.

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Enter gross amounts unless otherwise indicated.		Unrelated business income		Excluded by section 512, 513, or 514	(e) Related or exempt function income	
		(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:						
a						
b						
c						
d						
e						
f						
g Fees and contracts from government agencies						
2 Membership dues and assessments						
3 Interest on savings and temporary cash investments					14	23.
4 Dividends and interest from securities					14	6,642.
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						-1,236.
8 Gain or (loss) from sales of assets other than inventory					18	164,361.
9 Net income or (loss) from special events						
10 Gross profit or (loss) from sales of inventory						
11 Other revenue:						
a						
b						
c						
d						
e						
12 Subtotal. Add columns (b), (d), and (e)			0.		171,026.	-1,236.
13 Total. Add line 12, columns (b), (d), and (e)					13	169,790.

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

Relationship of Activities to the Accomplishment of Exempt Purposes

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	(A) REVENUE PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME
INVESTMENT INTEREST	23.	23.	
TOTAL TO PART I, LINE 3	23.	23.	

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
CHARLES SCHWAB # 5074-2677	4,854.	0.	4,854.	4,854.	
CHARLES SCHWAB # 9089-1895	1,788.	0.	1,788.	1,788.	
TO PART I, LINE 4	6,642.	0.	6,642.	6,642.	

FORM 990-PF OTHER INCOME STATEMENT 3

DESCRIPTION	(A) REVENUE PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME
PARTNERSHIP - INVESTMENT	-1,236.	0.	
TOTAL TO FORM 990-PF, PART I, LINE 11	-1,236.	0.	

FORM 990-PF

LEGAL FEES

STATEMENT 4

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
	LEGAL FEES	2,000.	500.	
TO FM 990-PF, PG 1, LN 16A	2,000.	500.		1,500.

FORM 990-PF

ACCOUNTING FEES

STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
	ACCOUNTING FEES	1,440.	1,080.	
TO FORM 990-PF, PG 1, LN 16B	1,440.	1,080.		360.

FORM 990-PF

OTHER PROFESSIONAL FEES

STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
	CHARLES SCHWAB - FEES & CHARGES	1,219.	1,219.	
TO FORM 990-PF, PG 1, LN 16C	1,219.	1,219.		0.

FORM 990-PF

TAXES

STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
	FTB ANNUAL FEES	10.	10.	
ATTORNEY GENERAL FILING FEE	75.	75.		0.
IRS - FEDERAL EXCISE TAX	1,105.	0.		0.
TO FORM 990-PF, PG 1, LN 18	1,190.	85.		0.

FORM 990-PF

OTHER EXPENSES

STATEMENT

8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
COMPUTER MAINTENANCE	198.	99.		99.
INTERNET CHARGES	239.	120.		119.
TO FORM 990-PF, PG 1, LN 23	437.	219.		218.

FORM 990-PF

OTHER INCREASES IN NET ASSETS OR FUND BALANCES

STATEMENT

9

DESCRIPTION

AMOUNT

RECEIVABLES PAID OCT 2017.	58,520.
UNREALIZED GAIN	60,702.
TOTAL TO FORM 990-PF, PART III, LINE 3	119,222.

FORM 990-PF

CORPORATE STOCK

STATEMENT

10

DESCRIPTION

BOOK VALUE

FAIR MARKET
VALUE

CHARLES SCHWAB

694,442.

694,442.

TOTAL TO FORM 990-PF, PART II, LINE 10B

694,442.

694,442.

FORM 990-PF

OTHER INVESTMENTS

STATEMENT

11

DESCRIPTION

VALUATION
METHOD

BOOK VALUE

FAIR MARKET
VALUE

INVESTMENT IN PARTNERSHIP

COST

116,693.

116,693.

TOTAL TO FORM 990-PF, PART II, LINE 13

116,693.

116,693.

LIENONEFUNG FOUNDATION
EIN: 56-2380964

ELECTION UNDER REGULATIONS §53.4942(a)-3(d)(2) TO TREAT EXCESS QUALIFYING DISTRIBUTIONS AS DISTRIBUTIONS FOR PRIOR YEARS

During 2017, the Officers of the Lienonefung Foundation (Taxpayer) identified concerning transactions. Accordingly, after a period of research and consultation with advisors, the Taxpayer made full and prompt correction of past Self-Dealing and Under-Distribution amounts. These transactions occurred due to a reasonable cause. No IRS penalties have been assessed, nor have notices been received on these matters, which the taxpayer voluntarily brings to the attention of the Service on Forms 990-PF and 4720.

For all prior years, the taxpayer acted in a prudent manner by relying on the advice of a professional CPA regarding (1) whether certain expenses were allowable, and (2) whether the operations of the Foundation were properly classified as "Operating" activities. The CPA was later charged with tax evasion due to similar transactions in his own foundation, and subsequently lost his license.

The taxpayer retained a new accountant, DZH Phillips LLP, to calculate the required repayments and distributions. Those payments and distributions have been made prior to filing this return. The details of the reimbursement to the Lienonefung Foundation and additional charitable distributions are noted below. Going forward, the taxpayer will file as a grant-making foundation.

There was no intent to commit fraud, and the taxpayer has fully corrected the matters prior to filing this return. Additionally, abatement of any penalty or additional tax is not prejudicial to the government. For these reasons, we respectfully request waiver of any additional taxes, penalties and interest due to a Reasonable Cause as provided in Reg §301.6651-1.

REFERENCE: FORM 990-PF, PART VII-B, Line 1c and FORM 4720, ITEM B AND SCHEDULE A

During the tax years 2012 through 2015, the prior tax preparer erroneously reported expenses in the amount of \$48,295.00 which should have been disallowed. \$10,225 similar expenditures were made during 2016, when the Taxpayer continued to rely on the advice of the same CPA and prior to learning of the error. Upon realizing the miscategorization of allowable expenses, the officers made substantial effort to find a new tax advisor and immediately repaid the organization in full prior to filing this return.

The current preparer, DZH Phillips LLP, reviewed the records and identified expenses in the amount of \$58,520 requiring reimbursement by the officers. The expense detail is in the attached Adjusting Journal Entries report. The officers repaid the foundation in full prior to October 31, 2017.

REFERENCE: FORM 990-PF, PART XIII

Pursuant to Reg. §53.4942(a)-3(d)(2) and IRC §4942(h)(2), the above named foundation hereby elects to apply current year excess distributions to the prior years' undistributed income amounts. Accordingly, we respectfully request waiver of all initial and additional tax, penalties and interest for under-distribution for the years ending December 31, 2012 - December 31, 2016.

Upon discovery of the prior years' misclassification as an Operating Foundation, the Officers requested the current tax preparer calculate the correct allocation of expenses and the accumulated amount of under-distribution for all years of the Foundation's existence. The cumulative underdistribution was determined as \$184,972. On October 30, 2017, the LienOneFung Foundation made a qualified distribution of \$200,000 to the *University of California San Francisco Foundation*, a public charity.

Requested Application of Payments

We respectfully request payments made in 2017 be treated as distributions from corpus applied toward the following years in the order listed:

<input type="radio"/> 12/31/2015	Current year qualifying distribution:	\$ 2,328.00
<input type="radio"/> 12/31/2015	From Corpus	\$ 61,950.00
<input type="radio"/> Election -12/31/2012*		\$ 15,108.00
<input type="radio"/> Election - 12/31/2013*		\$ 20,581.00
<input type="radio"/> Election - 12/31/2014*		\$ 22,548.00
<input type="radio"/> 12/31/2016	From Corpus	\$ 62,457.00

*The taxpayer hereby elects to apply \$58,237 of the current year distributable amount to the tax years prior to 12/31/2015 under the provisions of Reg §53.4942(a)-3(d)(2). Additionally, we respectfully request payments made in 2017 be treated as distributions from corpus for the years of 2015 & 2016.

The taxpayer has behaved in a prudent manner, made corrections upon learning of the error, and has adjusted Foundation policies to minimize the possibility of recurrence. For these reasons, we respectfully request waiver of all initial taxes, penalties and interest.

Officer's Declaration

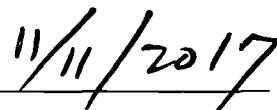
Under penalty of perjury, I have examined this letter and attachments and affirm this to be an accurate and complete account of the facts and circumstances.

Signed



Jang-Fung Chen, CEO

Date



REFERENCE: FORM 990-PF, PART XIII

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Officer's Declaration

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Signed _____

Date _____

Jang-Fung Chen, CEO