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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

2016

Open to Public Inspection

For calendar year 2016 or tax year beginning , 2016, and ending , 20

| | | |
|---|---|---|
| Name of foundation MICHELSON MEDICAL RESEARCH FOUNDATION, INC. | | A Employer identification number 95-4551615 |
| Number and street (or P O box number if mail is not delivered to street address) | Room/suite | B Telephone number (see instructions) (310) 806-9700 |
| 11755 WILSHIRE BLVD., SUITE 1400 | | |
| City or town, state or province, country, and ZIP or foreign postal code LOS ANGELES, CA 90025 | | |
| G Check all that apply | Initial return <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> | C If exemption application is pending, check here <input type="checkbox"/> |
| H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation | | D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test check here and attach computation <input type="checkbox"/> |
| I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 123,494,506. | J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column (d) must be on cash basis) | E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |

| 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) |
|---|-------------|------------------------------------|---------------------------|-------------------------|---|
| 1 Contributions, gifts, grants, etc. received (attach schedule) | | 10,292,725. | | | |
| 2 Check <input type="checkbox"/> if the foundation is not required to attach Sch. B. | | | | | |
| 3 Interest on savings and temporary cash investments. | | 2,110,117. | 2,110,117. | | ATCH 1 |
| 4 Dividends and interest from securities | | 607,350. | 607,350. | | ATCH 2 |
| 5a Gross rents | | | | | |
| b Net rental income or (loss) | | | | | |
| 6a Net gain or (loss) from sale of assets not on line 10 | | 828,985. | | | |
| b Gross sales price for all assets on line 6a | 15,386,995. | | | | |
| 7 Capital gain net income (from Part IV, line 2) | | | 3,460,618. | | |
| 8 Net short-term capital gain | | | | | |
| 9 Income modifications | | | | | |
| 10a Gross sales less returns and allowances | | | | | |
| b Less Cost of goods sold | | | | | |
| c Gross profit or (loss) (attach schedule) | | | | | |
| 11 Other income (attach schedule) ATCH 3 | | 277,556. | 772,760. | | |
| 12 Total. Add lines 1 through 11 | | 14,116,733. | 6,950,845. | | |
| 13 Compensation of officers, directors, trustees, etc. | | 0. | | | |
| 14 Other employee salaries and wages | | | | | |
| 15 Pension plans, employee benefits | | | | | |
| 16a Legal fees (attach schedule) ATCH 4 | | 23,838. | | | 23,838. |
| b Accounting fees (attach schedule) ATCH 5 | | 54,851. | 27,426. | | 27,425. |
| c Other professional fees (attach schedule) [6] | | 122,355. | 122,355. | | |
| 17 Interest | | | | | |
| 18 Taxes (attach schedule) (see instructions) [7] | | 68,892. | 6,353. | | 235. |
| 19 Depreciation (attach schedule) and depletion | | | | | |
| 20 Occupancy | | | | | |
| 21 Travel, conferences, and meetings | | | | | |
| 22 Printing and publications | | | | | |
| 23 Other expenses (attach schedule) ATCH 8 | | 2,389. | 105,284. | | 2,390. |
| 24 Total operating and administrative expenses. Add lines 13 through 23. | | 272,325. | 261,418. | | 53,888. |
| 25 Contributions, gifts, grants paid | | 9,685,200. | | | 9,685,200. |
| 26 Total expenses and disbursements. Add lines 24 and 25 | | 9,957,525. | 261,418. | 0. | 9,739,088. |
| 27 Subtract line 26 from line 12 | | | | | |
| a Excess of revenue over expenses and disbursements | | 4,159,208. | | | |
| b Net investment income (if negative, enter -0-) | | | 6,689,427. | | |
| c Adjusted net income (if negative, enter -0-) | | | | | |

JSA For Paperwork Reduction Act Notice, see instructions.

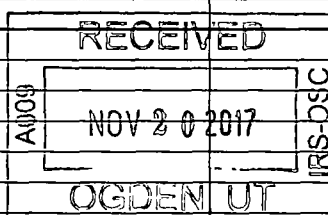
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Form **990-PF** (2016)

SCANNED NOV 29 2017

Received in NOV 28 2017
Batching Ogden

EPA

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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 | | 42,132,174. | 46,762,531. | 46,762,531. |
| | 2 | Savings and temporary cash investments | | | | |
| | 3 | Accounts receivable ▶ | | | | |
| | | Less allowance for doubtful accounts ▶ | | | | |
| | 4 | Pledges receivable ▶ | | | | |
| | | Less allowance for doubtful accounts ▶ | | | | |
| | 5 | Grants receivable | | | | |
| | 6 | Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions) | | | | |
| | 7 | Other notes and loans receivable (attach schedule) ▶ | | | | |
| | | Less allowance for doubtful accounts ▶ | | | | |
| | 8 | Inventories for sale or use | | | | |
| | 9 | Prepaid expenses and deferred charges ATCH 9 | 150,349. | 88,045. | 88,045. | |
| | 10a | Investments - U S and state government obligations (attach schedule) . | | | | |
| | b | Investments - corporate stock (attach schedule) ATCH 10 | 7,681,501. | 18,130,468. | 18,130,468. | |
| | c | Investments - corporate bonds (attach schedule) ATCH 11 | 7,836,119. | 7,656,590. | 7,656,590. | |
| | Liabilities | 11 | Investments - land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶ | | | |
| 12 | | Investments - mortgage loans | | | | |
| 13 | | Investments - other (attach schedule) ATCH 12 | 56,976,286. | 49,248,682. | 49,248,682. | |
| 14 | | Land, buildings, and equipment basis ▶ Less accumulated depreciation (attach schedule) ▶ | | | | |
| 15 | | Other assets (describe ▶ ATCH 13) | 830,090. | 1,608,190. | 1,608,190. | |
| 16 | | Total assets (to be completed by all filers - see the instructions Also, see page 1, item I) | 115,606,519. | 123,494,506. | 123,494,506. | |
| 17 | | Accounts payable and accrued expenses | | | | |
| 18 | | Grants payable | | | | |
| 19 | | Deferred revenue | | | | |
| 20 | | Loans from officers, directors, trustees, and other disqualified persons . . | | | | |
| Net Assets or Fund Balances | 21 | Mortgages and other notes payable (attach schedule) | | | | |
| | 22 | Other liabilities (describe ▶ ATCH 14) | 337,935. | 204,390. | | |
| | 23 | Total liabilities (add lines 17 through 22) | 337,935. | 204,390. | | |
| | | Foundations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31. | | | | |
| | 24 | Unrestricted | 115,268,584. | 123,290,116. | | |
| | 25 | Temporarily restricted | | | | |
| | 26 | Permanently restricted | | | | |
| | Foundations that do not follow SFAS 117, check here and complete lines 27 through 31. <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 (see instructions) | 115,268,584. | 123,290,116. | | | |
| 31 | Total liabilities and net assets/fund balances (see instructions) | 115,606,519. | 123,494,506. | | | |

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 | 115,268,584. |
| 2 | Enter amount from Part I, line 27a | 2 | 4,159,208. |
| 3 | Other increases not included in line 2 (itemize) ▶ ATCH 15 | 3 | 3,862,324. |
| 4 | Add lines 1, 2, and 3 | 4 | 123,290,116. |
| 5 | Decreases not included in line 2 (itemize) ▶ | 5 | |
| 6 | Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 | 6 | 123,290,116. |

Form 990-PF (2016)

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.) |
|---|--|---|---|--------------------------------------|----------------------------------|
| 1 a SEE PART IV SCHEDULE | | | | | |
| 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) 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 | | | | | |
| 2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 } | | | 2 | 3,460,618. | |
| 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 | 0. | |

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.

| (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 | 9,157,588. | 111,143,626. | 0.082394 |
| 2014 | 13,943,765. | 112,582,187. | 0.123854 |
| 2013 | 7,513,125. | 113,856,470. | 0.065988 |
| 2012 | 5,415,354. | 107,482,679. | 0.050384 |
| 2011 | 4,616,978. | 108,611,644. | 0.042509 |
| 2 Total of line 1, column (d) | | | 2 0.365129 |
| 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 0.073026 |
| 4 Enter the net value of noncharitable-use assets for 2016 from Part X, line 5 | | | 4 110,135,294. |
| 5 Multiply line 4 by line 3. | | | 5 8,042,740. |
| 6 Enter 1% of net investment income (1% of Part I, line 27b). | | | 6 66,894. |
| 7 Add lines 5 and 6. | | | 7 8,109,634. |
| 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 9,739,088. |

| | | | |
|----|--|----|----------|
| 1 | 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) | | |
| 2 | Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b | 1 | 66,894. |
| 3 | All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b) | | |
| 4 | Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | 2 | |
| 5 | Add lines 1 and 2 | 3 | 66,894. |
| 6 | Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-) | 4 | 0. |
| 7 | Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0- | 5 | 66,894. |
| 8 | Credits/Payments | | |
| 9 | a 2016 estimated tax payments and 2015 overpayment credited to 2016. | 6a | 263,282. |
| 10 | b Exempt foreign organizations - tax withheld at source | 6b | |
| 11 | c Tax paid with application for extension of time to file (Form 8868). | 6c | |
| 12 | d Backup withholding erroneously withheld | 6d | |
| 13 | Total credits and payments Add lines 6a through 6d | 7 | 263,282. |
| 14 | Enter any penalty for underpayment of estimated tax Check here <input type="checkbox"/> if Form 2220 is attached | 8 | |
| 15 | Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed | 9 | |
| 16 | Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid | 10 | 196,388. |
| 17 | Enter the amount of line 10 to be Credited to 2017 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/> | 11 | 196,388. |

| | Yes | No |
|--|-----|----|
| 1a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign? | | X |
| b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for the definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i> | | X |
| c Did the foundation file Form 1120-POL for this year? | | X |
| d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation ► \$ _____ (2) On foundation managers ► \$ _____ | | |
| e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ► \$ _____ | | |
| 2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities</i> | | 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? <i>If "Yes," attach a conformed copy of the changes</i> | | X |
| 4a Did the foundation have unrelated business gross income of \$1,000 or more during the year? | | X |
| b If "Yes," has it filed a tax return on Form 990-T for this year? | | |
| 5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T</i> | | X |
| 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument? | X | |
| 7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col (c), and Part XV</i> | X | |
| 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 <i>General Instruction G</i> ? <i>If "No," attach explanation</i> | 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 2016 or the taxable year beginning in 2016 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i> | | X |
| 10 Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i> | | X |

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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). | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 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) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address ► <u>WWW.MICHELSONMEDICAL.ORG</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14 The books are in care of ► <u>KARLIN ASSET MANAGEMENT</u> Telephone no ► <u>310-806-9700</u> Located at ► <u>11755 WILSHIRE BLVD., SUITE 1400 LOS ANGELES, CA</u> ZIP+4 ► <u>90025</u> | | |
| 15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year | <input type="checkbox"/> | <input type="checkbox"/> |
| 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 ► | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

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 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 | | |
| 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"/> | <input type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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) | <input type="checkbox"/> | <input type="checkbox"/> |
| 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) | <input type="checkbox"/> | <input type="checkbox"/> |
| 4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 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? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Form 990-PF (2016)

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)? ☐ **5b** ☒ X
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? ☒ Yes ☐ No **ATCH 16**
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 **6b** ☒ X
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 **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 (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 |
|----------------------|---|---|---|---------------------------------------|
| ATCH 17 | | 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.**

Form 990-PF (2016)

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 |
|--|---------------------|------------------|
| ATCH 18 | | 175,638. |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| 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 NONE | |
| 2 | |
| All other program-related investments See instructions | |
| 3 NONE | |
| Total. Add lines 1 through 3 | |

Form **990-PF** (2016)

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 | 53,029,858. |
| b | Average of monthly cash balances | 1b | 38,821,396. |
| c | Fair market value of all other assets (see instructions). | 1c | 19,961,227. |
| d | Total (add lines 1a, b, and c) | 1d | 111,812,481. |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation) | 1e | |
| 2 | Acquisition indebtedness applicable to line 1 assets | 2 | |
| 3 | Subtract line 2 from line 1d | 3 | 111,812,481. |
| 4 | Cash deemed held for charitable activities Enter 1 1/2 % of line 3 (for greater amount, see instructions). | 4 | 1,677,187. |
| 5 | Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4 | 5 | 110,135,294. |
| 6 | Minimum investment return. Enter 5% of line 5 | 6 | 5,506,765. |

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 | 5,506,765. |
| 2a | Tax on investment income for 2016 from Part VI, line 5 | 2a | 66,894. |
| b | Income tax for 2016 (This does not include the tax from Part VI) | 2b | 9,975. |
| c | Add lines 2a and 2b | 2c | 76,869. |
| 3 | Distributable amount before adjustments Subtract line 2c from line 1 | 3 | 5,429,896. |
| 4 | Recoveries of amounts treated as qualifying distributions | 4 | |
| 5 | Add lines 3 and 4 | 5 | 5,429,896. |
| 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 | 5,429,896. |

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 | 9,739,088. |
| b | Program-related investments - total from Part IX-B | 1b | |
| 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 | 9,739,088. |
| 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 | 66,894. |
| 6 | Adjusted qualifying distributions. Subtract line 5 from line 4 | 6 | 9,672,194. |

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 | | | | 5,429,896. |
| 2 Undistributed income, if any, as of the end of 2016 | | | | |
| a Enter amount for 2015 only. | | | | |
| b Total for prior years 20 <u>14</u> , 20 <u>13</u> , 20 <u>12</u> | | | | |
| 3 Excess distributions carryover, if any, to 2016 | | | | |
| a From 2011 | | | | |
| b From 2012 | | | | |
| c From 2013 | | | | |
| d From 2014 5,889,846. | | | | |
| e From 2015 3,937,191. | | | | |
| f Total of lines 3a through e | 9,827,037. | | | |
| 4 Qualifying distributions for 2016 from Part XII, line 4 ▶ \$ <u>9,739,088.</u> | | | | |
| a Applied to 2015, but not more than line 2a | | | | |
| b Applied to undistributed income of prior years (Election required - see instructions). | | | | |
| c Treated as distributions out of corpus (Election required - see instructions) | | | | |
| d Applied to 2016 distributable amount. | | | | 5,429,896. |
| e Remaining amount distributed out of corpus. | 4,309,192. | | | |
| 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: | 14,136,229. | | | |
| a Corpus Add lines 3f, 4c, and 4e Subtract line 5 | | | | |
| 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 | | | | |
| d Subtract line 6c from line 6b Taxable amount - see instructions. | | | | |
| e Undistributed income for 2015 Subtract line 4a from line 2a Taxable amount - see instructions | | | | |
| f Undistributed income for 2016 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2017. | | | | |
| 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) | | | | |
| 8 Excess distributions carryover from 2011 not applied on line 5 or line 7 (see instructions) | | | | |
| 9 Excess distributions carryover to 2017. Subtract lines 7 and 8 from line 6a | 14,136,229. | | | |
| 10 Analysis of line 9 | | | | |
| a Excess from 2012 | | | | |
| b Excess from 2013 | | | | |
| c Excess from 2014 5,889,846. | | | | |
| d Excess from 2015 3,937,191. | | | | |
| e Excess from 2016 4,309,192. | | | | |

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

NOT APPLICABLE

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)

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

Tax year

Prior 3 years

(e) Total

(a) 2016

(b) 2015

(c) 2014

(d) 2013

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))

GARY KARLIN MICHELSON, M.D.

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

NOT APPLICABLE

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 | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount |
|--------------------------------------|---|--------------------------------|----------------------------------|------------|
| Name and address (home or business) | | | | |
| a Paid during the year | | | | |
| ATCH 19 | | | | |
| Total | | | ▶ 3a | 9,685,200. |
| b Approved for future payment | | | | |
| Total | | | ▶ 3b | |

Enter gross amounts unless otherwise indicated

(See worksheet in line 13 instructions to verify calculations)

| 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) |
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This image shows a blank sheet of white paper with horizontal blue or grey ruling lines. A single vertical line runs down the left side, creating a narrow margin. The paper appears to be from a notebook or a standard sheet of stationery. There are no markings, text, or drawings on the page.

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

- | 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? | | Yes | No |
|---|--------------|-----|----|
| a Transfers from the reporting foundation to a noncharitable exempt organization of | | | |
| (1) Cash | 1a(1) | | X |
| (2) Other assets | 1a(2) | | X |
| b Other transactions | | | |
| (1) Sales of assets to a noncharitable exempt organization | 1b(1) | | X |
| (2) Purchases of assets from a noncharitable exempt organization | 1b(2) | | X |
| (3) Rental of facilities, equipment, or other assets | 1b(3) | | X |
| (4) Reimbursement arrangements | 1b(4) | | X |
| (5) Loans or loan guarantees | 1b(5) | | X |
| (6) Performance of services or membership or fundraising solicitations | 1b(6) | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | 1c | | X |
| d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received. | | | |


[illegible]

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


| (a) Name of organization | (b) Type of organization | (c) Description of relationship |
|--------------------------|--------------------------|---------------------------------|
| FOUND ANIMALS | S501 (C) (4) | SAME FOUNDER |
| LEGISLATIVE FUND INC | | |
| | | |
| | | |
| | | |

**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.


Signature of officer or trustee

✕ 11/14/17.
Date


 Title CEO

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

**Paid
Preparer
Use Only**

Print/Type preparer's name

ROBIN M PAULE

Preparer's signature

Preparer's signature *Norm Paul*

Date _____

11/12/2017

| |
|---|
| Check <input type="checkbox"/> if self-employed |
|---|

| |
|------|
| PTIN |
|------|

P00358939

Firm's name ► HOLTHOUSE CARLIN & VAN TRIGT LLP

Firm's EIN ▶ 95-4345526

Firm's address ► 3011 TOWNSGATE ROAD, SUITE 400

Phone no 805-374-8555

WESTLAKE VILLAGE, CA

91361

Form **990-PF** (2016)

FORM 990-PF - PART IV**CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

| Kind of Property | | Description | | | | P or D | Date acquired | Date sold |
|--|---------------------------------------|---|--------------------------|--------------------------------|------------------------------------|--------------|----------------------|------------|
| Gross sale price less expenses of sale | Depreciation allowed/ allowable | Cost or other basis | FMV as of 12/31/69 | Adj basis as of 12/31/69 | Excess of FMV over adj basis | | Gain or (loss) | |
| | | TOTAL CAPITAL GAIN DISTRIBUTIONS | | | | | 55,329. | |
| 732,175. | | PUBLICLY TRADED SECURITIES PROPERTY TYPE: SECURITIES 772,296. | | | | P | VARIOUS | VARIOUS |
| | | | | | | | -40,121. | |
| 99,189. | | 2,500 SHS ISHARES U.S. PREFERRED STOCK E PROPERTY TYPE: SECURITIES 99,760. | | | | P | VARIOUS | 09/09/2016 |
| | | | | | | | -571. | |
| 120,937. | | 5,725 SHS JP MORGAN CHASE ALERIAN ETN: A PROPERTY TYPE: SECURITIES 263,176. | | | | P | 10/14/2014 | 02/11/2016 |
| | | | | | | | -142,239. | |
| 2,102,552. | | 30,000 SHS ANADARKO PETROLEUM CORP PROPERTY TYPE: SECURITIES 1,381,776. | | | | D | VARIOUS | VARIOUS |
| | | | | | | | 720,776. | |
| 2,998,598. | | 175,323 SHS COLUMBIA PIPELINE PARTNERS L PROPERTY TYPE: SECURITIES 2,381,782. | | | | D | VARIOUS | VARIOUS |
| | | | | | | | 616,816. | |
| 5,429,096. | | 150,000 SHS SYNCHRONY FINANCIAL PROPERTY TYPE: SECURITIES 3,966,687. | | | | D | VARIOUS | VARIOUS |
| | | | | | | | 1,462,409. | |
| 3,123,373. | | 3,629.918 SHS QFR VICTORIA FUND PROPERTY TYPE: SECURITIES 3,000,000. | | | | P | VARIOUS | 03/31/2016 |
| | | | | | | | 123,373. | |
| 193,462. | | GMO QUALITY FUND PROPERTY TYPE: SECURITIES | | | | P | VARIOUS | VARIOUS |
| | | | | | | | 193,462. | |
| 950. | | BLUEKNIGHT ENERGY PARTNERS, LP (SECURITY PROPERTY TYPE: SECURITIES | | | | P | VARIOUS | VARIOUS |
| | | | | | | | 950. | |
| 118. | | COUNTRYWIDE FINANCIAL CORP (SECURITY LIT PROPERTY TYPE: SECURITIES | | | | P | VARIOUS | 06/03/2016 |
| | | | | | | | 118. | |
| 407. | | PFIZER, INC. (SECURITY LITIGATION) PROPERTY TYPE: SECURITIES | | | | P | VARIOUS | VARIOUS |
| | | | | | | | 407. | |
| | | CHARLES SCHWAB REDEMPTIONS | | | | P | VARIOUS | VARIOUS |

FORM 990-PF - PART IV**CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

| Kind of Property | | Description | | | | P or D | Date acquired | Date sold |
|--|---------------------------------------|--|--------------------------|--------------------------------|------------------------------------|--------------|----------------------|-----------|
| Gross sale price less expenses of sale | Depreciation allowed/ allowable | Cost or other basis | FMV as of 12/31/69 | Adj basis as of 12/31/69 | Excess of FMV over adj basis | | Gain or (loss) | |
| 23,853. | | PROPERTY TYPE: SECURITIES | | | | | 23,853. | |
| 506,956. | | TRAILS OF ASHFORD, LLC PROPERTY TYPE: SECURITIES 60,900. | | | | P | VARIOUS 446,056. | VARIOUS |
| TOTAL GAIN (LOSS) | | | | | | | <u>3,460,618.</u> | |

Schedule B(Form 990, 990-EZ,
or 990-PF)
Department of the Treasury
Internal Revenue Service**Schedule of Contributors**

OMB No 1545-0047

2016▶ **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.**Name of the organization**

MICHELSON MEDICAL RESEARCH FOUNDATION, INC.

Employer identification number

95-4551615

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 foundationCheck 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).

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 MICHELSON MEDICAL RESEARCH FOUNDATION, INC.

Employer identification number

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 | KARLIN HOLDINGS, L.P. 11755 WILSHIRE BLVD., SUITE 1400 LOS ANGELES, CA 90025 | \$ 10,292,725. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II for noncash contributions) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions) |
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| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions) |

Name of organization MICHELSON MEDICAL RESEARCH FOUNDATION, INC.

Employer identification number

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 information once. See instructions.) ► \$ _____

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 |
|---|---------------------|--|-------------------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| (e) Transfer of gift | | | |
| Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee | |
| | | | |
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| | | | |
| (e) Transfer of gift | | | |
| Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee | |
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| (e) Transfer of gift | | | |
| Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee | |
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| (e) Transfer of gift | | | |
| Transferee's name, address, and ZIP + 4 | | Relationship of transferor to transferee | |
| | | | |
| | | | |

ATTACHMENT 1FORM 990PF, PART I - INTEREST ON TEMPORARY CASH INVESTMENTS

| <u>DESCRIPTION</u> | <u>REVENUE AND EXPENSES PER BOOKS</u> | <u>NET INVESTMENT INCOME</u> |
|-----------------------------|---|--------------------------------------|
| INTEREST INCOME | 433,376. | 433,376. |
| MMRF INVESTMENT I, LLC | 1,682,981. | 1,682,981. |
| LESS: ACCRUED INTEREST PAID | -6,240. | -6,240. |
| TOTAL | <u>2,110,117.</u> | <u>2,110,117.</u> |

ATTACHMENT 2FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

| <u>DESCRIPTION</u> | <u>REVENUE AND EXPENSES PER BOOKS</u> | <u>NET INVESTMENT INCOME</u> |
|--------------------|---|--------------------------------------|
| DIVIDEND INCOME | 607,350. | 607,350. |
| TOTAL | <u>607,350.</u> | <u>607,350.</u> |

ATTACHMENT 3FORM 990PF, PART I - OTHER INCOME

| DESCRIPTION | REVENUE AND EXPENSES PER BOOKS | NET INVESTMENT INCOME |
|--|---|-----------------------------|
| OTHER INVESTMENT INCOME | 170,342. | 170,342. |
| OID AMORTIZATION | 107,214. | 107,214. |
| OTHER INCOME - FORTRESS TRANSPORTATION | | 14,878. |
| OTHER INCOME - BLUEKNIGHT ENERGY PARTNER | | -61. |
| INTEREST INCOME - SCI, LP | | 169,165. |
| INTEREST INCOME - SCII, LP | | 3,928. |
| INTEREST INCOME - FORTRESS TRANSPORTATIO | | 11,701. |
| DIVIDEND INCOME - SCI, LP | | 295,593. |
| TOTALS | <u>277,556.</u> | <u>772,760.</u> |

ATTACHMENT 4

FORM 990PF, PART I - LEGAL FEES

| <u>DESCRIPTION</u> | <u>REVENUE AND EXPENSES PER BOOKS</u> | <u>NET INVESTMENT INCOME</u> | <u>ADJUSTED NET INCOME</u> | <u>CHARITABLE PURPOSES</u> |
|--------------------|---|--------------------------------------|------------------------------------|--------------------------------|
| LEGAL FEES | 23,838. | | | 23,838. |
| TOTALS | <u>23,838.</u> | | | <u>23,838.</u> |

ATTACHMENT 5FORM 990PF, PART I - ACCOUNTING FEES

| <u>DESCRIPTION</u> | <u>REVENUE AND EXPENSES PER BOOKS</u> | <u>NET INVESTMENT INCOME</u> | <u>ADJUSTED NET INCOME</u> | <u>CHARITABLE PURPOSES</u> |
|--------------------|---|--------------------------------------|------------------------------------|--------------------------------|
| ACCOUNTING FEES | 54,851. | 27,426. | | 27,425. |
| TOTALS | <u>54,851.</u> | <u>27,426.</u> | | <u>27,425.</u> |

ATTACHMENT 6FORM 990PF, PART I - OTHER PROFESSIONAL FEES

| <u>DESCRIPTION</u> | <u>REVENUE AND EXPENSES PER BOOKS</u> | <u>NET INVESTMENT INCOME</u> |
|---------------------------|---|--------------------------------------|
| ADVISORY FEES | 71,423. | 71,423. |
| REAL ESTATE ADVISORY FEES | 50,932. | 50,932. |
| TOTALS | <u>122,355.</u> | <u>122,355.</u> |

ATTACHMENT 7FORM 990PF, PART I - TAXES

| <u>DESCRIPTION</u> | <u>REVENUE AND EXPENSES PER BOOKS</u> | <u>NET INVESTMENT INCOME</u> | <u>CHARITABLE PURPOSES</u> |
|------------------------|---|--------------------------------------|--------------------------------|
| UNITED STATES TREASURY | 62,304. | | |
| CA FILING FEES | 10. | | 10. |
| CA REGISTRY | 225. | | 225. |
| FOREIGN TAX | 6,353. | 6,353. | |
| TOTALS | <u>68,892.</u> | <u>6,353.</u> | <u>235.</u> |

ATTACHMENT 8FORM 990PF, PART I - OTHER EXPENSES

| DESCRIPTION | REVENUE AND EXPENSES PER BOOKS | NET INVESTMENT INCOME | CHARITABLE PURPOSES |
|--------------------------------|---|-----------------------------|------------------------|
| INSURANCE EXPENSE | | | |
| PORTFOLIO DEDUCTIONS - SCI, LP | | 89,682. | |
| PORTFOLIO DED - SCI II-C, LP | | 10,252. | |
| PORTFOLIO DED - FORTRESS TRANS | | 5,350. | |
| CHARITABLE DED - BLUEKNIGHT EN | | | 1. |
| TOTALS | <u>2,389.</u> | <u>105,284.</u> | <u>2,390.</u> |

ATTACHMENT 9

FORM 990PF, PART II - PREPAID EXPENSES AND DEFERRED CHARGES

| <u>DESCRIPTION</u> | <u>ENDING BOOK VALUE</u> | <u>ENDING FMV</u> |
|--------------------|------------------------------|-----------------------|
| PREPAID EXCISE TAX | 88,045. | 88,045. |
| TOTALS | <u>88,045.</u> | <u>88,045.</u> |

FORM 990PF, PART II - CORPORATE STOCKATTACHMENT 10

| <u>DESCRIPTION</u> | <u>ENDING BOOK VALUE</u> | <u>ENDING FMV</u> |
|--------------------------------|------------------------------|-----------------------|
| 429,991.096 SHS HARDING LOEVNE | 4,106,415. | 4,106,415. |
| CALAMOS STRATEGIC TOTL R | | |
| 15,500 SHS PIMCO DYNMC CRDT | 313,410. | 313,410. |
| 149,046 SHS NEUBERGER BERMAN | 1,399,542. | 1,399,542. |
| 105,000 SHS VANECK VECTORS RUS | 2,228,100. | 2,228,100. |
| 115,872 SHS NEUBERGER BERMAN | 1,088,038. | 1,088,038. |
| 8,700 SHS KAYNE ANDERSON MLP | 170,346. | 170,346. |
| 5,000 SHS A G N C INVESTMEN | 126,200. | 126,200. |
| 4,800 SHS APOLLO COML REAL | 118,944. | 118,944. |
| 5,800 SHS BLACKROCK MULTI SECT | 95,584. | 95,584. |
| 7,091 SHS BROOKFIELD REAL ASSE | 158,200. | 158,200. |
| 4,000 SHS CYS INVESTMENT 7.75% | 95,000. | 95,000. |
| 163,500 SHS ALTISOURCE RESIDEN | 1,805,040. | 1,805,040. |
| 79,831 SHS FORTRESS TRANSPORT | 1,061,752. | 1,061,752. |
| 131,825 SHS ARES CAPITAL CORP | 2,173,794. | 2,173,794. |
| 199,307 SHS ASHFORD HOSPITALIT | 1,546,622. | 1,546,622. |
| 119,700 SHS ARES COMMERCIAL RE | 1,643,481. | 1,643,481. |
| TOTALS | <u>18,130,468.</u> | <u>18,130,468.</u> |

ATTACHMENT 11

FORM 990PF, PART II - CORPORATE BONDS

| <u>DESCRIPTION</u> | <u>ENDING BOOK VALUE</u> | <u>ENDING FMV</u> |
|-------------------------------|------------------------------|-----------------------|
| CHARLES SCHWAB-ATTACHMENT 11A | 7,656,590. | 7,656,590. |
| TOTALS | <u>7,656,590.</u> | <u>7,656,590.</u> |

FORM 990PF, PART II - OTHER INVESTMENTSATTACHMENT 12

| <u>DESCRIPTION</u> | <u>ENDING BOOK VALUE</u> | <u>ENDING FMV</u> |
|--------------------------------|------------------------------|-----------------------|
| 18.241 SHS GREENLIGHT CAPITAL | 2,870,145. | 2,870,145. |
| 9,239.021 SHS KENSICO OFFSHORE | 3,017,634. | 3,017,634. |
| 1,309.531 SHS PALO ALTO HEALTH | 5,790,972. | 5,790,972. |
| 3,228.21 SHS PARK WEST INVESTO | 8,398,447. | 8,398,447. |
| QFR VICTORIA | | |
| STRUCTURAL CAPITAL INVESTORS | 2,960,984. | 2,960,984. |
| 8,000 SHS ISHARES U S PFD ETF | 297,680. | 297,680. |
| INVESTMENT LOAN - MARSHALL | 1,800,000. | 1,800,000. |
| INVESTMENT LOAN - ION | 2,613,581. | 2,613,581. |
| STRUCTURAL CAPITAL INVESTOR II | 293,134. | 293,134. |
| INVESTMENT LOAN - RIVERWALK | | |
| INVESTMENT LOAN - AVERY DENNIS | | |
| INVESTMENT LOAN - DECATUR | 2,680,126. | 2,680,126. |
| APOLLO COML REAL EST | | |
| JP MORGAN CHASE ALERIAN | | |
| PENNYMAC MORTGAGE IN | | |
| TWO HARBORS INVESTMENT | | |
| AMERN CAP AGY CRP | | |
| 530,097.581 SHS GMO QUALITY FU | 10,861,699. | 10,861,699. |
| INVESTMENT LOAN - SCOTTDAL CA | 7,000,000. | 7,000,000. |
| STRUCTURAL CAPITAL MGT GP | 500,000. | 500,000. |
| INVESTMENT LOAN - BURGER KING | | |
| 7,400 SHS DOMINION RES IN 5.25 | 164,280. | 164,280. |
| TOTALS | <u>49,248,682.</u> | <u>49,248,682.</u> |

FORM 990PF, PART II - OTHER ASSETSATTACHMENT 13

| <u>DESCRIPTION</u> | <u>ENDING BOOK VALUE</u> | <u>ENDING FMV</u> |
|-------------------------------|------------------------------|-----------------------|
| INTEREST RECEIVABLE | 1,007,024. | 1,007,024. |
| DIVIDEND RECEIVABLE | 39,250. | 39,250. |
| DUE FROM TRIMONT ADVANCE DRAW | 119,397. | 119,397. |
| DUE FROM COHEN | | |
| OTHER RECEIVABLES | 29,342. | 29,342. |
| ACCRUED INCOME | 83,743. | 83,743. |
| DUE FROM CALMWATER | 17,097. | 17,097. |
| REDEMPTION RECEIVABLE | 312,337. | 312,337. |
| TOTALS | <u>1,608,190.</u> | <u>1,608,190.</u> |

ATTACHMENT 14FORM 990PF, PART II - OTHER LIABILITIES

| <u>DESCRIPTION</u> | <u>ENDING BOOK VALUE</u> |
|-------------------------------|------------------------------|
| DEFERRED FEDERAL EXCISE TAXES | 195,884. |
| DEFERRED REVENUE | 8,506. |
| DUE TO CALMWATER | |
| OTHER LIABILITIES | |
| TOTALS | <u>204,390.</u> |

ATTACHMENT 15FORM 990PF, PART III - OTHER INCREASES IN NET WORTH OR FUND BALANCES

| <u>DESCRIPTION</u> | <u>AMOUNT</u> |
|--------------------------------|-------------------|
| UNREALIZED GAIN ON INVESTMENTS | 3,862,324. |
| TOTAL | <u>3,862,324.</u> |

ATTACHMENT 16FORM 990PF, PART VII-B, LINE 5C-EXPENDITURE RESPONSIBILITY STATEMENT

GRANTEE'S NAME: THE MICHELSON FOUND ANIMALS FOUNDATION
GRANTEE'S ADDRESS: P.O. BOX 66370
CITY, STATE & ZIP: LOS ANGELES, CA 90066
GRANT DATE: VAR
GRANT AMOUNT: 9,000,000.
GRANT PURPOSE: BENEFIT OF ANIMALS THROUGH MULTIPLE ANIMAL WELFARE
PROGRAMS, INCLUDING THE...SEE ATTACHMENT 16.1
AMOUNT EXPENDED: 9,000,000.
ANY DIVERSION? NO
DATES OF REPORTS: 09/29/2017
VERIFICATION DATE: 09/29/2017
RESULTS OF VERIFICATION:
VERIFICATION CONFIRMED THAT \$9,000,000 WAS SPENT TOWARD THE GRANT
PURPOSE WITH NO DIVERSION.

FORM 990PF, PART VIII - LIST OF OFFICERS, DIRECTORS, AND TRUSTEESATTACHMENT 17

| <u>NAME AND ADDRESS</u> | <u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION</u> | <u>COMPENSATION</u> | <u>CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS</u> | <u>EXPENSE ACCT AND OTHER ALLOWANCES</u> |
|--|---|---------------------|--|--|
| GARY KARLIN MICHELSON, M.D. 11755 WILSHIRE BLVD., SUITE 1400 LOS ANGELES, CA 90025 | DIRECTOR, PRESIDENT | 0. | 0. | 0. |
| DAVID COHEN 11755 WILSHIRE BLVD., SUITE 1400 LOS ANGELES, CA 90025 | SECRETARY/CFO | 0. | 0. | 0. |
| GRAND TOTALS | | <u>0.</u> | <u>0.</u> | <u>0.</u> |

990PF, PART VIII- COMPENSATION OF THE FIVE HIGHEST PAID PROFESSIONALSATTACHMENT 18

| <u>NAME AND ADDRESS</u> | <u>TYPE OF SERVICE</u> | <u>COMPENSATION</u> |
|--|------------------------|---------------------|
| HOLTHOUSE CARLIN & VAN TRIGT 3011 TOWNSGATE RD, SUITE 400 WESTLAKE VILLAGE, CA 91361 | ACCOUNTING | 54,851. |
| TRIMONT REAL ESTATE ADVISORS 3030 OLD RANCH PARKWAY, SUITE 350 SEAL BEACH, CA 90740 | LOAN SERVICES | 50,932. |
| CHARLES SCHWAB & CO., INC. 211 MAIN STREET SAN FRANCISCO, CA 94105 | INVESTMENT MGMT | 69,855. |
| | TOTAL COMPENSATION | <u>175,638.</u> |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 19

| RECIPIENT NAME AND ADDRESS | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT | | PURPOSE OF GRANT OR CONTRIBUTION | AMOUNT |
|--|--|--|--|-----------|
| | | | | |
| THE MICHELSON FOUND ANIMALS FOUNDATION, INC P O BOX 66370 LOS ANGELES, CA 90066 | SAME SUBSTANTIAL CONTRIBUTOR PF | | BENEFIT OF ANIMALS THROUGH MULTIPLE ANIMAL WELFARE PROGRAMS, INCLUDING THE MICHELSON PRIZE AND GRANTS IN REPRODUCTIVE BIOLOGY, THE MICROCHIPPING PROGRAM, ADOPTION PROGRAMS, SPAY/NEUTER PROGRAMS AND OTHERS TOWARD THE MICHELSON FOUND ANIMALS FOUNDATION, INC 'S PURPOSE OF REDUCING EUTHANASIA RATES IN LOS ANGELES AREA ANIMAL SHELTERS | 9,000,000 |
| UNIVERSITY OF PENNSYLVANIA 3451 WALNUT STREET PHILADELPHIA, PA 19104 | NONE PC | | TO SUPPORT THE PENN WHARTON STATUP CHALLENGE | 75,000 |
| PHYSICIANS COMMITTEE FOR RESPONSIBLE MED 5100 WISCONSIN AVENUE, NW #400 WASHINGTON, DC 20016 | NONE PC | | GENERAL SUPPORT | 250,000 |
| FARM SANCTUARY 3100 AIKENS ROAD, P O. BOX 150 WATKINS GLEN, NY 14891 | NONE PC | | GENERAL SUPPORT. | 25,000 |
| HUMANE FARMING ASSOCIATION 36 WOODLAND AVENUE SAN RAFAEL, CA 94901 | NONE PC | | GENERAL SUPPORT | 25,000 |
| STOP ANIMAL EXPLOITATION NOW! 1081-B STATE ROUTE 28, SUITE 280 MILFORD, OH 45150 | NONE PC | | GENERAL SUPPORT | 5,000 |

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEARATTACHMENT 19 (CONT'D)

| RECIPIENT NAME AND ADDRESS | RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT | PURPOSE OF GRANT OR CONTRIBUTION | AMOUNT |
|--|--|--|------------------|
| OUTREACH INTERNATIONAL P.O BOX 210 INDEPENDENCE, MO 64051 | NONE PC | GENERAL SUPPORT | 5,000 |
| EXCEPTIONAL CHILDREN'S FOUNDATION 8740 WEST WASHINGTON BLVD CULVER CITY, CA 90232 | NONE PC | GENERAL SUPPORT | 200 |
| ALBET B SABIN VACCINE INSTITUTE, INC 2000 PENNSYLVANIA AVENUE NW, NO 7100 WASHINGTON, DC 20006 | NONE PC | TO SUPPORT THE HUMAN HOOKWORM VACCINE DISCOVERY PROGRAM | 250,000 |
| AFRICAN WILDLIFE FOUNDATION, INC. 1400 16TH STREET NW, NO 120 WASHINGTON, DC 20036 | NONE PC | GENERAL SUPPORT | 25,000 |
| CENTER FOR BIOLOGICAL DIVERSITY INC P O BOX 710 TUSCON, AZ 85702 | NONE PC | GENERAL SUPPORT | 25,000 |
| TOTAL CONTRIBUTIONS PAID | | | <u>9,685,200</u> |

FEDERAL FOOTNOTESFORM 990-PF, PART VII-A, LINE 11 - CONTROLLED ENTITY STATEMENT
=====

CONTROLLED ENTITY'S NAME: IAM SLP LTD
CONTROLLED ENTITY'S ADDRESS: 11755 WILSHIRE BLVD, STE 1400
CITY, STATE & ZIP: LOS ANGELES, CA 90025
EIN: N/A
EXCESS BUSINESS HOLDING? NO

FORM 990-PF, PART VII-A, LINE 11 - CONTROLLED ENTITY STATEMENT
=====

CONTROLLED ENTITY'S NAME: STRUCTURAL CAPITAL INVESTORS I-C, LP
CONTROLLED ENTITY'S ADDRESS: PO BOX 309, UGLAND HOUSE
CITY, STATE & ZIP: GRAND CAYMAN KY1-1104 CAYMAN ISLANDS
EIN: 98-1175015
EXCESS BUSINESS HOLDING? NO
DESCRIPTION OF TRANSFER: CASH CONTRIBUTION
AMOUNT OF TRANSFER: \$475,000

FORM 990-PF, PART VII-A, LINE 11 - CONTROLLED ENTITY STATEMENT
=====

CONTROLLED ENTITY'S NAME: STRUCTURAL CAPITAL INVESTORS I-C, LP
CONTROLLED ENTITY'S ADDRESS: PO BOX 309, UGLAND HOUSE
CITY, STATE & ZIP: GRAND CAYMAN KY1-1104 CAYMAN ISLANDS
EIN: 98-1175015
EXCESS BUSINESS HOLDING? NO
DESCRIPTION OF TRANSFER: CASH DISTRIBUTION
AMOUNT OF TRANSFER: \$775,775