



For calendar year 2017, or tax year beginning 01-01-2017, and ending 12-31-2017

Name of foundation THE E IKE ESHAGHIAN FOUNDATION INC C/O GABOR & ASSOCIATES		A Employer identification number 02-0711081	
Number and street (or P O box number if mail is not delivered to street address) 1878 VICTORY BLVD		Room/suite	B Telephone number (see instructions) (718) 390-0555
City or town, state or province, country, and ZIP or foreign postal code STATEN ISLAND, NY 10314		C If exemption application is pending, check here <input type="checkbox"/>	
G Check all that apply <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Address change <input type="checkbox"/> Initial return of a former public charity <input type="checkbox"/> Amended return <input type="checkbox"/> Name change		D 1. Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <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		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>	
I Fair market value of all assets at end of year (from Part II, col (c), line 16) \$ 6,216,695		F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) (Part I, column (d) must be on cash basis )			

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions) )		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)				
	2 Check <input checked="" type="checkbox"/> If the foundation is <b>not</b> required to attach Sch B . . . . .				
	3 Interest on savings and temporary cash investments . . . . .	21,702	10,821		
	4 Dividends and interest from securities . . . . .	90,626	89,969		
	5a Gross rents . . . . .				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10 	253,076			
	b Gross sales price for all assets on line 6a _____ 10,934,646				
	7 Capital gain net income (from Part IV, line 2) . . . . .		1		
	8 Net short-term capital gain . . . . .				
	9 Income modifications . . . . .				
	10a Gross sales less returns and allowances _____				
Operating and Administrative Expenses	b Less Cost of goods sold . . . . .				
	c Gross profit or (loss) (attach schedule) . . . . .				
	11 Other income (attach schedule) . . . . .				
	12 Total. Add lines 1 through 11 . . . . .	365,404	100,791		
	13 Compensation of officers, directors, trustees, etc				
	14 Other employee salaries and wages . . . . .				
	15 Pension plans, employee benefits . . . . .				
	16a Legal fees (attach schedule) . . . . .				
	b Accounting fees (attach schedule) . . . . .				
	c Other professional fees (attach schedule) . . . . . 	23,963	23,963		
	17 Interest . . . . .				
	18 Taxes (attach schedule) (see instructions) . . . . .				
	19 Depreciation (attach schedule) and depletion . . . . .				
	20 Occupancy . . . . .				
	21 Travel, conferences, and meetings . . . . .				
	22 Printing and publications . . . . .				
	23 Other expenses (attach schedule) . . . . .				
	24 Total operating and administrative expenses. Add lines 13 through 23 . . . . .	23,963	23,963		0
	25 Contributions, gifts, grants paid . . . . .	97,000			97,000
	26 Total expenses and disbursements. Add lines 24 and 25	120,963	23,963		97,000
	27 Subtract line 26 from line 12				
	a Excess of revenue over expenses and disbursements	244,441			
	b Net investment income (if negative, enter -0-)		76,828		
c Adjusted net income(if negative, enter -0-)					

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 (a) Book Value	End of year (b) Book Value (c) Fair Market Value		
Assets	1	Cash—non-interest-bearing . . . . .			
	2	Savings and temporary cash investments . . . . .	729,383	561,084	561,084
	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 . . . . .			
	10a	Investments—U S and state government obligations (attach schedule)	1,094,967	12,287	12,287
	b	Investments—corporate stock (attach schedule) . . . . .	4,147,904	5,087,991	5,087,991
	c	Investments—corporate bonds (attach schedule) . . . . .			
	11	Investments—land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
	12	Investments—mortgage loans . . . . .			
	13	Investments—other (attach schedule) . . . . .		555,333	555,333
	14	Land, buildings, and equipment basis ▶ _____ Less accumulated depreciation (attach schedule) ▶ _____			
15	Other assets (describe ▶ _____)				
16	<b>Total assets</b> (to be completed by all filers—see the instructions Also, see page 1, item I)	5,972,254	6,216,695	6,216,695	
Liabilities	17	Accounts payable and accrued expenses . . . . .			
	18	Grants payable. . . . .			
	19	Deferred revenue . . . . .			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule). . . . .			
	22	Other liabilities (describe ▶ _____)			
	23	<b>Total liabilities</b> (add lines 17 through 22) . . . . .		0	
Net Assets or Fund Balances	<b>Foundations that follow SFAS 117, check here</b> ▶ <input type="checkbox"/> <b>and complete lines 24 through 26 and lines 30 and 31.</b>				
	24	Unrestricted . . . . .			
	25	Temporarily restricted . . . . .			
	26	Permanently restricted . . . . .			
	<b>Foundations that do not follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/> <b>and complete lines 27 through 31.</b>				
	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	5,972,254	6,216,695	
	30	<b>Total net assets or fund balances</b> (see instructions) . . . . .	5,972,254	6,216,695	
31	<b>Total liabilities and net assets/fund balances</b> (see instructions) .	5,972,254	6,216,695		

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	5,972,254
2	Enter amount from Part I, line 27a . . . . .	2	244,441
3	Other increases not included in line 2 (itemize) ▶ _____	3	
4	Add lines 1, 2, and 3 . . . . .	4	6,216,695
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	6,216,695

**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 )
<b>1a</b>			

(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)
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
<b>a</b>			
<b>b</b>			
<b>c</b>			
<b>d</b>			
<b>e</b>			

<b>2</b> Capital gain net income or (net capital loss) <span style="float: right;">{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }</span>	<b>2</b>	<b>1</b>
<b>3</b> 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 <span style="float: right;">{ }</span>	<b>3</b>	

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income )

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☒ No

If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

**1** Enter the appropriate amount in each column for each year, see 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))
2016	6,171		
2015	4,407		
2014	42,763		
2013	13,195	1,105,611	0 011935
2012	14,775	89,755	0 164615
<b>2 Total</b> of line 1, column (d)			<b>2</b> 0 176550
<b>3</b> 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			<b>3</b> 0 088275
<b>4</b> Enter the net value of noncharitable-use assets for 2017 from Part X, line 5			<b>4</b> 6,090,471
<b>5</b> Multiply line 4 by line 3			<b>5</b> 537,636
<b>6</b> Enter 1% of net investment income (1% of Part I, line 27b)			<b>6</b> 768
<b>7</b> Add lines 5 and 6			<b>7</b> 538,404
<b>8</b> Enter qualifying distributions from Part XII, line 4			<b>8</b> 97,000

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

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

<b>1a</b>	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling or determination letter _____ (attach copy of letter if necessary—see instructions)		
<b>b</b>	Domestic foundations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b . . . . .	<b>1</b>	1,537
<b>c</b>	All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
<b>2</b>	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>2</b>	
<b>3</b>	Add lines 1 and 2. . . . .	<b>3</b>	1,537
<b>4</b>	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)	<b>4</b>	
<b>5</b>	<b>Tax based on investment income.</b> Subtract line 4 from line 3. If zero or less, enter -0- . . . . .	<b>5</b>	1,537
<b>6</b>	Credits/Payments		
<b>a</b>	2017 estimated tax payments and 2016 overpayment credited to 2017	<b>6a</b>	
<b>b</b>	Exempt foreign organizations—tax withheld at source . . . . .	<b>6b</b>	
<b>c</b>	Tax paid with application for extension of time to file (Form 8868) . . . . .	<b>6c</b>	
<b>d</b>	Backup withholding erroneously withheld . . . . .	<b>6d</b>	
<b>7</b>	Total credits and payments. Add lines 6a through 6d. . . . .	<b>7</b>	
<b>8</b>	Enter any <b>penalty</b> for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	<b>8</b>	24
<b>9</b>	<b>Tax due.</b> If the total of lines 5 and 8 is more than line 7, enter <b>amount owed</b> . . . . .	<b>9</b>	1,561
<b>10</b>	<b>Overpayment.</b> If line 7 is more than the total of lines 5 and 8, enter the <b>amount overpaid</b> . . . . .	<b>10</b>	
<b>11</b>	Enter the amount of line 10 to be <b>Credited to 2018 estimated tax</b> <input type="checkbox"/> <b>Refunded</b> <input type="checkbox"/>	<b>11</b>	

**Part VII-A Statements Regarding Activities**

	Yes	No
<b>1a</b> 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? . . . . .	<b>1a</b>	No
<b>b</b> Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see Instructions for 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>	<b>1b</b>	No
<b>c</b> Did the foundation file <b>Form 1120-POL</b> for this year? . . . . .	<b>1c</b>	
<b>d</b> Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the foundation <input type="checkbox"/> \$ _____ (2) On foundation managers <input type="checkbox"/> \$ _____		
<b>e</b> Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers <input type="checkbox"/> \$ _____		
<b>2</b> 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>	<b>2</b>	No
<b>3</b> 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> . . . . .	<b>3</b>	No
<b>4a</b> Did the foundation have unrelated business gross income of \$1,000 or more during the year? . . . . .	<b>4a</b>	No
<b>b</b> If "Yes," has it filed a tax return on <b>Form 990-T</b> for this year? . . . . .	<b>4b</b>	
<b>5</b> Was there a liquidation, termination, dissolution, or substantial contraction during the year? . . . . . <i>If "Yes," attach the statement required by General Instruction T</i>	<b>5</b>	No
<b>6</b> 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? . . . . .	<b>6</b>	Yes
<b>7</b> 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> . . . . .	<b>7</b>	Yes
<b>8a</b> Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> NY _____		
<b>b</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? <i>If "No," attach explanation</i> .	<b>8b</b>	Yes
<b>9</b> 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 2017 or the taxable year beginning in 2017 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i> . . . . .	<b>9</b>	No
<b>10</b> Did any persons become substantial contributors during the tax year? <i>If "Yes," attach a schedule listing their names and addresses</i> . . . . .	<b>10</b>	No

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

<b>11</b>	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).	<b>11</b>		<b>No</b>
<b>12</b>	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)	<b>12</b>		<b>No</b>
<b>13</b>	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <b>N/A</b>	<b>13</b>	<b>Yes</b>	
<b>14</b>	The books are in care of <b>GABOR ASSOCIATES CPA</b> Telephone no <b>(718) 390-0555</b>			

Located at **1878 VICTORY BLVD STATEN ISLAND NY** ZIP+4 **10314**

<b>15</b>	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of <b>Form 1041</b> —Check here . . . . . <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year . . . . . <b>15</b>			
<b>16</b>	At any time during calendar year 2017, 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 instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR). If "Yes," enter the name of the foreign country <b>▶</b>	<b>16</b>	<b>Yes</b>	<b>No</b>

**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.**

<b>1a</b>	During the year did the foundation (either directly or indirectly)		<b>Yes</b>	<b>No</b>
	(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? ( <b>Exception.</b> 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>b</b>	If any answer is "Yes" to 1a(1)–(6), did <b>any</b> 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)? <input type="checkbox"/> Organizations relying on a current notice regarding disaster assistance check here. <input type="checkbox"/>	<b>1b</b>		
<b>c</b>	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 2017? <input type="checkbox"/>	<b>1c</b>		
<b>2</b>	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))			
<b>a</b>	At the end of tax year 2017, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2017? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <b>▶ 20____, 20____, 20____, 20____</b>			
<b>b</b>	Are there any years listed in 2a for which the foundation is <b>not</b> 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 <b>all</b> years listed, answer "No" and attach statement—see instructions). <input type="checkbox"/>	<b>2b</b>		
<b>c</b>	If the provisions of section 4942(a)(2) are being applied to <b>any</b> of the years listed in 2a, list the years here <b>▶ 20____, 20____, 20____, 20____</b>			
<b>3a</b>	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>b</b>	If "Yes," did it have excess business holdings in 2017 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 2017). <input type="checkbox"/>	<b>3b</b>		
<b>4a</b>	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	<b>4a</b>		<b>No</b>
<b>b</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 2017?	<b>4b</b>		<b>No</b>

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

<b>5a</b>	During the year did the foundation pay or incur any amount to				
	<b>(1)</b> Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<b>(2)</b> Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<b>(3)</b> Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<b>(4)</b> Provide a grant to an organization other than a charitable, etc., organization described in section 4945(d)(4)(A)? (see instructions).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	<b>(5)</b> Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>b</b>	If any answer is "Yes" to 5a(1)–(5), did <b>any</b> 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)?		<b>5b</b>		
	Organizations relying on a current notice regarding disaster assistance check here.	<input type="checkbox"/>			
<b>c</b>	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?	<input type="checkbox"/> Yes <input type="checkbox"/> No			
	<i>If "Yes," attach the statement required by Regulations section 53.4945–5(d)</i>				
<b>6a</b>	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>b</b>	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		<b>6b</b>	<b>No</b>	
	<i>If "Yes" to 6b, file Form 8870</i>				
<b>7a</b>	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
<b>b</b>	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?		<b>7b</b>		

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors****1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).**

(a) Name and address	Title, and average hours per week (b) devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	Expense account, (e) other allowances
TANAZ ESHAGHIAN 1878 VICTORY BLVD STATEN ISLAND, NY 10314	DIRECTOR 5 00	0	0	0
MAHROKH ESHAGHIAN 1878 VICTORY BLVD STATEN ISLAND, NY 10314	DIRECTOR 5 00	0	0	0
HOURA YAVARI 1878 VICTORY BLVD STATEN ISLAND, NY 10314	DIRECTOR 5 00	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	Title, and average hours per week (b) devoted to position	(c) Compensation	Contributions to employee benefit plans and deferred compensation (d)	Expense account, (e) other allowances
NONE				

**Total** number of other employees paid over \$50,000. . . . . ▶**3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

**Total** number of others receiving over \$50,000 for professional services. . . . . ▶**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
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	

**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
<b>1</b> N/A	
<b>2</b>	
All other program-related investments. See instructions.	
<b>3</b>	

**Total.** Add lines 1 through 3. . . . . ▶

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

<b>1</b>	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
<b>a</b>	Average monthly fair market value of securities.	<b>1a</b>	5,537,985
<b>b</b>	Average of monthly cash balances.	<b>1b</b>	645,234
<b>c</b>	Fair market value of all other assets (see instructions).	<b>1c</b>	0
<b>d</b>	<b>Total</b> (add lines 1a, b, and c).	<b>1d</b>	6,183,219
<b>e</b>	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation).	<b>1e</b>	
<b>2</b>	Acquisition indebtedness applicable to line 1 assets.	<b>2</b>	
<b>3</b>	Subtract line 2 from line 1d.	<b>3</b>	6,183,219
<b>4</b>	Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions).	<b>4</b>	92,748
<b>5</b>	<b>Net value of noncharitable-use assets.</b> Subtract line 4 from line 3. Enter here and on Part V, line 4.	<b>5</b>	6,090,471
<b>6</b>	<b>Minimum investment return.</b> Enter 5% of line 5.	<b>6</b>	304,524

**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.)

<b>1</b>	Minimum investment return from Part X, line 6.	<b>1</b>	304,524
<b>2a</b>	Tax on investment income for 2017 from Part VI, line 5.	<b>2a</b>	1,537
<b>b</b>	Income tax for 2017 (This does not include the tax from Part VI).	<b>2b</b>	
<b>c</b>	Add lines 2a and 2b.	<b>2c</b>	1,537
<b>3</b>	Distributable amount before adjustments. Subtract line 2c from line 1.	<b>3</b>	302,987
<b>4</b>	Recoveries of amounts treated as qualifying distributions.	<b>4</b>	
<b>5</b>	Add lines 3 and 4.	<b>5</b>	302,987
<b>6</b>	Deduction from distributable amount (see instructions).	<b>6</b>	
<b>7</b>	<b>Distributable amount</b> as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1.	<b>7</b>	302,987

**Part XII Qualifying Distributions** (see instructions)

<b>1</b>	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
<b>a</b>	Expenses, contributions, gifts, etc.—total from Part I, column (d), line 26.	<b>1a</b>	97,000
<b>b</b>	Program-related investments—total from Part IX-B.	<b>1b</b>	
<b>2</b>	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes.	<b>2</b>	
<b>3</b>	Amounts set aside for specific charitable projects that satisfy the		
<b>a</b>	Suitability test (prior IRS approval required).	<b>3a</b>	
<b>b</b>	Cash distribution test (attach the required schedule).	<b>3b</b>	
<b>4</b>	<b>Qualifying distributions.</b> Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4.	<b>4</b>	97,000
<b>5</b>	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).	<b>5</b>	
<b>6</b>	<b>Adjusted qualifying distributions.</b> Subtract line 5 from line 4.	<b>6</b>	97,000

**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 2016	(c) 2016	(d) 2017
<b>1</b> Distributable amount for 2017 from Part XI, line 7				302,987
<b>2</b> Undistributed income, if any, as of the end of 2017				
<b>a</b> Enter amount for 2016 only. . . . .				
<b>b</b> Total for prior years 20____, 20____, 20____				
<b>3</b> Excess distributions carryover, if any, to 2017				
<b>a</b> From 2012. . . . . 10,402				
<b>b</b> From 2013. . . . .				
<b>c</b> From 2014. . . . . 42,860				
<b>d</b> From 2015. . . . . 4,500				
<b>e</b> From 2016. . . . . 7,000				
<b>f</b> <b>Total</b> of lines 3a through e. . . . .	64,762			
<b>4</b> Qualifying distributions for 2017 from Part XII, line 4 ▶ \$ 97,000				
<b>a</b> Applied to 2016, but not more than line 2a				
<b>b</b> Applied to undistributed income of prior years (Election required—see instructions). . . . .				
<b>c</b> Treated as distributions out of corpus (Election required—see instructions). . . . .				
<b>d</b> Applied to 2017 distributable amount. . . . .				97,000
<b>e</b> Remaining amount distributed out of corpus				
<b>5</b> Excess distributions carryover applied to 2017 (If an amount appears in column (d), the same amount must be shown in column (a) )	64,762			64,762
<b>6</b> <b>Enter the net total of each column as indicated below:</b>				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5				
<b>b</b> Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
<b>c</b> 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. . . . .				
<b>d</b> Subtract line 6c from line 6b Taxable amount—see instructions . . . . .				
<b>e</b> Undistributed income for 2016 Subtract line 4a from line 2a Taxable amount—see instructions . . . . .				
<b>f</b> Undistributed income for 2017 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2018 . . . . .				141,225
<b>7</b> 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). . . . .				
<b>8</b> Excess distributions carryover from 2012 not applied on line 5 or line 7 (see instructions). . . . .				
<b>9</b> <b>Excess distributions carryover to 2018.</b> Subtract lines 7 and 8 from line 6a . . . . .				
<b>10</b> Analysis of line 9				
<b>a</b> Excess from 2013. . . . .				
<b>b</b> Excess from 2014. . . . .				
<b>c</b> Excess from 2015. . . . .				
<b>d</b> Excess from 2016. . . . .				
<b>e</b> Excess from 2017. . . . .				

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

<b>1a</b> If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2017, enter the date of the ruling. . . . . ▶					
<b>b</b> Check box to indicate whether the organization is a private operating foundation described in section <input type="checkbox"/> 4942(j)(3) or <input type="checkbox"/> 4942(j)(5)					
<b>2a</b> 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) 2017	(b) 2016	(c) 2015	(d) 2014	
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test—enter					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i)					
<b>b</b> "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed. . .					
<b>c</b> "Support" alternative test—enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii). . . .					
<b>(3)</b> Largest amount of support from an exempt organization					
<b>(4)</b> Gross investment income					

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

<b>1 Information Regarding Foundation Managers:</b>	
<b>a</b> 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) )	
<b>b</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	
<b>2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:</b>	
Check here <input checked="" type="checkbox"/> 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	
<b>a</b> The name, address, and telephone number or email address of the person to whom applications should be addressed	
<b>b</b> The form in which applications should be submitted and information and materials they should include	
<b>c</b> Any submission deadlines	
<b>d</b> 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)				
<b>a</b> <i>Paid during the year</i> See Additional Data Table				
<b>Total</b> . . . . .			<b>3a</b>	97,000
<b>b</b> <i>Approved for future payment</i>				
<b>Total</b> . . . . .			<b>3b</b>	

## Enter gross amounts unless otherwise indicated

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

Form **990-PF** (2017)

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

<b>1</b> 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?		<b>Yes</b>	<b>No</b>
<b>a</b> Transfers from the reporting foundation to a noncharitable exempt organization of			
<b>(1)</b> Cash. . . . .	<b>1a(1)</b>		<b>No</b>
<b>(2)</b> Other assets. . . . .	<b>1a(2)</b>		<b>No</b>
<b>b</b> Other transactions			
<b>(1)</b> Sales of assets to a noncharitable exempt organization. . . . .	<b>1b(1)</b>		<b>No</b>
<b>(2)</b> Purchases of assets from a noncharitable exempt organization. . . . .	<b>1b(2)</b>		<b>No</b>
<b>(3)</b> Rental of facilities, equipment, or other assets. . . . .	<b>1b(3)</b>		<b>No</b>
<b>(4)</b> Reimbursement arrangements. . . . .	<b>1b(4)</b>		<b>No</b>
<b>(5)</b> Loans or loan guarantees. . . . .	<b>1b(5)</b>		<b>No</b>
<b>(6)</b> Performance of services or membership or fundraising solicitations. . . . .	<b>1b(6)</b>		<b>No</b>
<b>c</b> Sharing of facilities, equipment, mailing lists, other assets, or paid employees. . . . .	<b>1c</b>		<b>No</b>
<b>d</b> If the answer to any of the above is "Yes," complete the following schedule. Column <b>(b)</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 <b>(d)</b> the value of the goods, other assets, or services received.			

(a) Line No	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

**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

<b>Sign Here</b>	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	2018-11-14 Date	***** Title

May the IRS discuss this return with the preparer shown below (see instr )? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
--

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	ILYSSA G GABOR		2018-11-14		092-80-3238
	Firm's name <b>►</b> GABOR & ASSOCIATES				Firm's EIN <b>►</b> 46-1471409
	Firm's address <b>►</b> 1878 VICTORY BLVD STATEN ISLAND, NY 10314				Phone no (718) 390-0555

Form 990PF Part XV Line 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)				
<b>a</b> <i>Paid during the year</i>				
GREENWICH HOUSE 27 BARROW STREET NEW YORK, NY 10014			EDUCATIONAL	3,500
ASSN OF UNIV OF TORONTO 58 WEST 84TH ST NEW YORK, NY 10024			EDUCATIONAL	2,000
LALELA5 HANOVER SQUARE NEW YORK, NY 10004			EDUCATIONAL	1,500
<b>Total . . . . . ▶</b> <b>3a</b>				97,000

Form 990PF Part XV Line 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)				
<b>a</b> <i>Paid during the year</i>				
HIAS1300 SPRING STREET SILVER SPRING, MD 20910			HELP & PROTECT REFUGEES	80,000
GUGGENHEIM MUSEUM 1071 FIFTH AVENUE NEW YORK, NY 10128			MUSEUM	10,000
<b>Total . . . . . ▶</b> <b>3a</b>				97,000

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

## TY 2017 Gain/Loss from Sale of Other Assets Schedule

**Name:** THE E IKE ESHAGHIAN FOUNDATION INC

C/O GABOR & ASSOCIATES

**EIN:** 02-0711081

Name	Date Acquired	How Acquired	Date Sold	Purchaser Name	Gross Sales Price	Basis	Basis Method	Sales Expenses	Total (net)	Accumulated Depreciation
THRU MORGAN STANLEY XXX7190	2016-01	PURCHASE	2017-12		971,282	921,154			50,128	
THRU MORGAN STANLEY XXX7190	2017-01	PURCHASE	2017-12		3,080,700	2,943,500			137,200	
THRU MORGAN STANLEY XXX9361	2017-01	PURCHASE	2017-12		5,659,910	5,558,260			101,650	
THRU MORGAN STANLEY XXX1190	2017-01	PURCHASE	2017-12		1,222,753	1,258,656			-35,903	



**TY 2017 Investments Corporate Stock Schedule**

**Name:** THE E IKE ESHAGHIAN FOUNDATION INC  
C/O GABOR & ASSOCIATES

**EIN:** 02-0711081

<b>Name of Stock</b>	<b>End of Year Book Value</b>	<b>End of Year Fair Market Value</b>
MERRILL LYNCH		
MERRILL LYNCH - MUTUAL FUND		
MORGAN STANLEY	345,366	345,366
MORGAN STANLEY ETFS & CEFS	585,708	585,708
CORPORATE FIXED INCOME	264,345	264,345
MS - MUTUAL FUNDS	555,333	555,333
MORGAN STANLEY-161129-190	1,457,529	1,457,529
MORGAN STANLEY ETFS & CEFS	53,186	53,186
MORGAN STANLEY-161962-190	250,250	250,250
MORGAN STANLEY ETFS/CEFS-161131-190	1,576,274	1,576,274

**TY 2017 Investments Government Obligations Schedule**

**Name:** THE E IKE ESHAGHIAN FOUNDATION INC  
C/O GABOR & ASSOCIATES

**EIN:** 02-0711081

**US Government Securities - End  
of Year Book Value:**

12,287

**US Government Securities - End  
of Year Fair Market Value:**

12,287

**State & Local Government  
Securities - End of Year Book  
Value:**

**State & Local Government  
Securities - End of Year Fair  
Market Value:**

## TY 2017 Investments - Other Schedule

**Name:** THE E IKE ESHAGHIAN FOUNDATION INC  
C/O GABOR & ASSOCIATES

**EIN:** 02-0711081

### Investments Other Schedule 2

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
MUTUAL FUNDS	FMV	555,333	555,333

**TY 2017 Other Professional Fees Schedule**

**Name:** THE E IKE ESHAGHIAN FOUNDATION INC  
C/O GABOR & ASSOCIATES

**EIN:** 02-0711081

<b>Category</b>	<b>Amount</b>	<b>Net Investment Income</b>	<b>Adjusted Net Income</b>	<b>Disbursements for Charitable Purposes</b>
MORGAN X7190 - ADVISORY FEES	10,890	10,890		
MORGAN X1190 - ADVISORY FEES	6,482	6,482		
MORGAN X9190 - ADVISORY FEES	6,591	6,591		

## **Reason For Late Filing and Request That Penalties Not Be Assessed**

This is a statement explaining why this Form 990-PF was filed after the due date and is a request that the IRS not assess penalties against the Foundation for the late filing which was due to a reasonable cause as explained herein.

### **Facts and Circumstances**

E Ike Eshaghian Foundation Inc. (The Foundation) is a private foundation that has donated millions of dollars to qualified charities involved in medical research, education, and public welfare. The Foundation does not solicit public funds.

The Foundation has contracted professional tax services from Gabor & Associates, Certified Public Accountants since 2011. During that entire time, The Foundation's Form 990-PF has been filed on time. Gabor & Associates prepares returns for hundreds of business entities and has an excellent record of filing returns on time. Based on their seven year relationship, the Foundation developed a high level of trust in Gabor & Associates regarding the preparation and timely filing of their Form 990-PF.

Tax return preparer Mr. Sunil Bhojani of Gabor & Associates admits that the Foundation's 2017 Form 990-PF was filed after the due date of May 15, 2018. This was the result of an unintentional oversight, as explained below.

Each year since Gabor & Associates was engaged to prepare the Foundation's Form 990-PF, it has been necessary to request an extension of time to file the return in order to gather all the information and documentation necessary to file a complete return. Mr. Bhojani did prepare Form 8868 to obtain a six month extension of time to file. The extension request was prepared to be filed electronically and was in the electronic queue to transmit to the IRS. Unfortunately, due to an administrative error, the extension was not electronically transmitted.

However, both Mr. Bhojani and the Foundation believed that the extension had been transmitted to the IRS. All parties concerned were operating under the reasonable belief that the Form 8868 was electronically transmitted to the IRS and that a valid extension was in place through November 15, 2018.

The Foundation had no reason to believe the extension request had not been timely filed with the IRS. It was usual and customary for Gabor & Associates to prepare an extension each year and the Foundation believed, in good faith, that they had done so for the 2017 return.

Mr. Bhojani of Gabor & Associates uses professional tax software to monitor due dates and manage electronic form submissions to the IRS. However, he recognizes that even the best system is not perfect, and accepts that he simply made an error in overlooking the electronic submission of the Form 8868 extension request.

### **Discovery and Correction of the Error**

In October 2018 the Foundation received notice from the IRS that a return had not been filed for 2017. The Foundation sent the notice to Mr. Bhojani, who then discovered that the extension was still sitting in the electronic queue, having never been properly transmitted to the IRS. He immediately took steps to get the return prepared as quickly as possible and has filed the return in November 2018, before what would have been the extended due date.

### **Applicable Law and Reasons for Abatement**

Penalties for late filing of Form 990 are imposed under IRC section 6652(c)(1)(A)(i).

However, paragraph 5 of subsection (c) under section 6652 provides that “No penalty shall be imposed under this subsection with respect to any failure if it is shown that such failure is due to reasonable cause.”

Treasury Regulation 301.6724-1 states that the penalty for a failure relating to a reporting requirement is waived if the failure is due to reasonable cause. Reasonable cause may be demonstrated if the failure arose from events beyond the filer’s control (impediment to

filing) or if the filer establishes that there are significant mitigating factors with respect to the failure and that the filer acted in a responsible manner by exercising reasonable care.

Reasonable care is that standard of care that a reasonably prudent person would use under the circumstances in the course of its business in determining its filing obligations and in handling account information such as account numbers and balances. The standard of reasonable care also demands that the filer undertake significant steps to avoid or mitigate the failure, such as requesting an extension of the filing deadline.

We believe we can demonstrate that there are significant mitigating factors, and that the Foundation acted in a responsible manner by exercising reasonable care.

### **Significant Mitigating Factors**

**We believe that the following are significant mitigating factors as prescribed in Treasury Regulation section 301.6724-1, and support the existence of reasonable cause for the late filing.**

- The Foundation has a long history of timely filing. This was the first time since at least 2009 that the Foundation has filed Form 990 late. This represents an eight year history of timely filing.
- The Foundation has no paid financial managers and is managed and directed entirely by volunteers.
- The Foundation had no reason to believe that the extension request had not been electronically filed on time, based on the previous seven years of experience with Gabor & Associates, CPAs.
- Mr. Bhojani knew that the return could not be completed by the original due date, and in attempt to mitigate the situation, prepared Form 8868 to request an extension of the due date. He honestly believed that he had electronically transmitted the 2017 extension request. The Foundation also reasonably believed the extension request had

been transmitted. Had they known the extension request was not transmitted, immediate efforts would have been made to file the return earlier. A taxpayer cannot correct an error until it has been discovered. As soon as the error was discovered, The Foundation made immediate efforts to correct it.

- The Foundation is now current on all of its filings with the IRS.

**We believe that the following factors as prescribed in Treasury Regulation section 301.6724-1, indicate that the Foundation and Gabor & Associates acted in a responsible manner by exercising reasonable care:**

- The Foundation had an established relationship with a qualified CPA firm to handle the filing of their tax return. This relationship resulted in an eight year record of timely filing.
- The extension was prepared on time and was in the electronic queue to be filed before the original due date of the return.
- Gabor and Associates has a due date tracking system and an e-file procedure similar to that used by other CPA firms and which produces an excellent history of filing returns on time for all its clients. Gabor & Associates had no reason to not electronically transmit the extension request they had timely prepared. Their excellent reputation and filing record indicates that they take reasonable care and act responsibly in taking care of their clients' filing obligations.
- As soon as it was discovered that the 2017 return had not been filed, the Foundation and Mr. Bhojani immediately made efforts to file the return as soon as possible. In fact, the return was filed within 45 days of receiving notice from the IRS.

#### **Absence of Willful Neglect**



In addition to reasonable cause, the absence of “willful neglect” is mentioned in several places in the Code and in the Internal Revenue Manual as a factor to consider in determining if abatement of penalties is appropriate.

Willful neglect may be understood as meaning a “conscious, intentional failure or reckless indifference.” According to the US Supreme Court in *Church of the Holy Trinity v. U.S.* 143 U.S. 457: “*In common parlance, ‘willful’ is used in the sense of ‘intentional’ as distinguished from ‘accidental’ or ‘involuntary.’ Whatever one does intentionally, he does willfully.*” According to the U.S. Court of Appeals, 8<sup>th</sup> Circuit, *US v Jack C. Rifkin*, “willfulness” is “*an intentional violation of a known legal duty.*”

Forgetting that a tax return is due might well be considered “reckless indifference,” and might therefore be willful neglect. In this case, no one forgot that a return was due. Willfully failing to transmit a return that was known to be due could certainly be willful neglect in the absence of mitigating factors. However, it is clear that neither the Foundation nor Mr. Bhojani deliberately failed to transmit the extension request to the IRS. We believe that the reasonable belief held by the management of the Foundation that the extension request was filed on time negates any assertion that the delinquency was based on “reckless indifference” or “willful neglect.” It was nothing more than an unintentional error which is entirely overshadowed by the long history of timely filed extensions and returns. We believe that the long history of compliance with the Form 990-PF filing requirement is strong evidence against any assertion of willful neglect.

Based on the facts and circumstances presented herein, it is clear that there was no intentional violation of a known legal duty; therefore willful neglect could not have been a factor contributing to the delinquencies.

### **Preventing Future Instances of Late Filing**

The Foundation understands that the ultimate responsibility for filing its returns lies with The Foundation’s Board of Directors and Managers, and that the filing responsibility cannot be transferred to Gabor & Associates, or to any other agent. In that regard the

Foundation and Mr. Bhojani are taking what they believe will be foolproof steps to avoid any future delinquencies.

While there are already procedures in place within Gabor & Associates to minimize the chance of filing a return or extension late, we believe that there are additional measures that can be taken to avoid a future delinquency. Specifically, Mr. Bhojani is working with the Foundation to involve the Foundation's management and board in the process of monitoring the due dates of the Form 990-PF. Designated members of the Foundation's board will expect to receive proof of timely mailing or electronic filing of any extension requests that are necessary, and for any returns filed. This proof of filing will be expected before the original or extended due date of the return.

### **Request That Penalties Not Be Assessed**

Based on the foregoing facts and circumstances, we are appealing to the sense of fairness and purpose as set forth in IRS Policy Statement 20-1 regarding penalty and interest assessments.

IRS Policy Statement 20-1, as presented in the Internal Revenue Manual section 1.2.20.1.1, paragraph 1 states that "Penalties are used to enhance voluntary compliance."

There can be no question that the 2017 Form 990-PF was prepared and filed voluntarily as soon as it was discovered that a filing error had been made, and that the intent was and always has been to file on time.

Paragraph 4 of IRS Policy Statement 20-1 goes on to say "Abusive transactions, frivolous returns, and other abusive taxpayer conduct undermine the fairness and integrity of the federal tax system and undercut voluntary compliance." In the situation at hand, there have been no abusive transactions, no frivolous returns, and no abusive taxpayer conduct.

The filing of a late Form 990-PF by a normally on-time and fully compliant taxpayer or his agent does not in any way endanger or undercut voluntary compliance. Thus, punishing an

error resulting from an isolated occurrence of an unintentional oversight does not appear to be in line with IRS Policy Statement 20-1

Based on the evidence we have presented regarding the existence of significant mitigating factors with respect to the failures, and that the Foundation acted responsibly and without willful neglect with respect to its filing obligations, and that Mr. Bhojani and the Foundation have put additional measures in place that they are sure will prevent future delinquencies, we respectfully request that under the reasonable cause provisions of IRC section 6652, the IRS not assess penalties against the Foundation. Thank you for considering our request

*Under penalties of perjury, I declare that the facts presented here are, to the best of my knowledge and belief, true, correct, and complete.*

*Sincerely,*

A handwritten signature in black ink, appearing to read 'Ilyssa Gabor', with a long, sweeping horizontal line extending to the right.

*Ilyssa Gabor, Esq.*